



Triumph International Textil A/S

Staktoften 22D, 1. th Trørød, DK-2950 Vedbæk

Annual Report for 2024

CVR No. 20 31 39 19

The Annual Report was presented and adopted at the
Annual General Meeting of the company on
20/06/2025

Ulf Göran Emanuel Edemyr
Chairman of the general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Triumph International Textil A/S for the financial year 1 January - 31 December 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations and cash flows for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Vedbæk, 20 June 2025

Executive Board

Ulf Göran Emanuel Edemyr
CEO

Board of Directors

Christian Wolke
Chairman

Michael Nyvang Nielsen

Ulf Göran Emanuel Edemyr

Independent Auditor's report

To the shareholders of Triumph International Textil A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Triumph International Textil A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Independent Auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 20 June 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Flemming Eghoff
State Authorised Public Accountant
mne30221

Gösta Gauffin
State Authorised Public Accountant
mne45821

Company information

The Company

Triumph International Textil A/S
Staktoften 22D, 1. th Trørød
DK-2950 Vedbæk
Telephone: 49 12 14 20
Website: www.triumph.com
CVR No: 20 31 39 19
Financial period: 1 January - 31 December
Municipality of reg. office: Rudersdal

Board of Directors

Christian Wolke, chairman
Michael Nyvang Nielsen
Ulf Göran Emanuel Edemyr

Executive Board

Ulf Göran Emanuel Edemyr

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

(TDKK)	2024	2023	2022	2021	2020
Key figures					
Profit/loss					
Gross profit	38,690	39,739	42,526	41,407	44,156
Profit/loss of primary operations	2,627	2,922	4,237	1,459	44
Profit/loss of financial income and expenses	-80	-1,441	-716	-355	-864
Net profit/loss for the year	2,497	971	3,621	1,125	-905
Balance sheet					
Balance sheet total	48,854	53,401	66,081	68,428	89,110
Investment in property, plant and equipment	512	703	2,426	-416	-783
Equity	27,390	27,693	30,722	28,102	26,976
Cash flows					
Cash flows from:					
- operating activities	5,599	7,815	5,682	12,464	47,897
- investing activities	-284	-767	-1,568	1,616	-797
- financing activities	-6,858	-12,290	-6,308	-21,115	-31,000
Change in cash and cash equivalents for the year	-1,543	-5,242	-2,194	-7,035	16,100
Number of employees	65	69	75	81	88
Ratios					
Return on assets	5.4%	5.5%	6.4%	2.1%	0.0%
Solvency ratio	56.1%	51.9%	46.5%	41.1%	30.3%
Return on equity	9.1%	3.3%	12.3%	4.1%	-3.0%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's review

Key activities

The company's main activities are the sale and distribution of textile goods in Denmark, mainly lingerie and swimwear.

Development in the year

The income statement of the Company for 2024 shows a profit of DKK 2,496,672, and at 31 December 2024 the balance sheet of the Company shows a positive equity of DKK 27,389,746.

During 2024 Triumph continually focused on gaining and increasing sales through marketing and releasing new products. Initiatives to be more cost effective have been taken to align the company to the current market situation. The main reason for this is the declining purchase power for the general consumer, however.

The management expectations and outlook for 2024 are in line with the achieved result.

Objectives and expectations for the coming year

During 2025 the Company will focus on marketing, with increasing focus on the younger target group, influencer campaigns and fitting events, including a new Men's product line, so both sloggi and Triumph will be repositioned in the Market. We continue to innovate comfort products that enable a positive physical and mental sense of wellbeing. Triumph is looking for new customers where we can grow.

Our long-focused work on simplifying processes internally has continued, and the goal is to obtain a faster and flexible business model that quickly can adapt to the changes in the market.

Triumph continuously has focused on sustainability and is working on different environmental initiatives. A growing part of our collection is now certified by GOTS, GRS and OEKO-TEX. We expect all our products to be fully certified within two years.

We do not see any significant changes in our customer base in 2025. The company expects a positive result in 2025 on par with 2024.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 December 2024 of the Company and the results of the activities and cash flows of the Company for the financial year for 2024 have not been affected by any unusual events.

Income statement 1 January - 31 December

(DKK)	Note	2024	2023
Gross profit		38,690,203	39,739,023
Staff expenses	1	-34,808,246	-35,561,297
Depreciation and impairment losses of property, plant and equipment	2	-1,172,983	-1,239,045
Other operating expenses		-82,314	-17,132
Profit/loss before financial income and expenses		2,626,660	2,921,549
Financial income		116,246	10,465
Financial expenses	3	-196,234	-1,451,347
Profit/loss before tax		2,546,672	1,480,667
Tax on profit/loss for the year	4	-50,000	-510,000
Net profit/loss for the year		2,496,672	970,667

Balance sheet 31 December

Assets

(DKK)	Note	2024	2023
Other fixtures and fittings, tools and equipment		2,068,030	2,718,811
Leasehold improvements		400,947	493,838
Property, plant and equipment	5	2,468,977	3,212,649
Other receivables	6	467,335	694,859
Fixed asset investments		467,335	694,859
Fixed assets		2,936,312	3,907,508
Finished goods and goods for resale		29,021,362	28,679,626
Inventories		29,021,362	28,679,626
Trade receivables		6,809,003	8,523,433
Receivables from group enterprises		2,721,226	3,106,814
Other receivables		53,971	594,417
Deferred tax asset	7	1,300,000	1,350,000
Prepayments	8	524,552	207,699
Receivables		11,408,752	13,782,363
Cash at bank and in hand		5,487,793	7,031,069
Current assets		45,917,907	49,493,058
Assets		48,854,219	53,400,566

Balance sheet 31 December

Liabilities and equity

(DKK)	Note	2024	2023
Share capital	9	20,200,000	20,200,000
Retained earnings		4,689,746	4,693,074
Proposed dividend for the year		2,500,000	2,800,000
Equity		27,389,746	27,693,074
Other provisions	10	800,000	1,100,000
Provisions		800,000	1,100,000
Other payables		2,782,561	3,417,006
Long-term debt	11	2,782,561	3,417,006
Trade payables		2,040,310	2,031,758
Payables to group enterprises		5,201,669	8,625,544
Other payables	11	10,639,933	10,533,184
Short-term debt		17,881,912	21,190,486
Debt		20,664,473	24,607,492
Liabilities and equity		48,854,219	53,400,566
Contingent assets, liabilities and other financial obligations	14		
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Statement of changes in equity

(DKK)	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January	20,200,000	4,693,074	2,800,000	27,693,074
Ordinary dividend paid	0	0	-2,800,000	-2,800,000
Net profit/loss for the year	0	-3,328	2,500,000	2,496,672
Equity at 31 December	20,200,000	4,689,746	2,500,000	27,389,746

Cash flow statement 1 January - 31 December

(DKK)	Note	2024	2023
Result of the year		2,496,672	970,667
Adjustments	12	1,385,285	3,172,795
Change in working capital	13	1,797,176	5,112,018
Cash flow from operations before financial items		5,679,133	9,255,480
Financial income		116,246	10,465
Financial expenses		-196,234	-1,451,347
Cash flows from operating activities		5,599,145	7,814,598
Purchase of property, plant and equipment		-511,625	-668,684
Fixed asset investments made etc		227,524	-98,361
Cash flows from investing activities		-284,101	-767,045
Repayment of payables to group enterprises		-3,423,875	-7,941,620
Repayment of other long-term debt		-634,445	-348,467
Dividend paid		-2,800,000	-4,000,000
Cash flows from financing activities		-6,858,320	-12,290,087
Change in cash and cash equivalents		-1,543,276	-5,242,534
Cash and cash equivalents at 1 January		7,031,069	12,273,603
Cash and cash equivalents at 31 December		5,487,793	7,031,069
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		5,487,793	7,031,069
Cash and cash equivalents at 31 December		5,487,793	7,031,069

Notes to the Financial Statements

1. Staff expenses

(DKK)	2024	2023
Wages and salaries	31,882,318	32,824,540
Pensions	2,669,440	2,473,279
Other social security expenses	256,488	263,478
	34,808,246	35,561,297
Average number of employees	65	69

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act. The Board of Directors does not receive remuneration.

2. Depreciation and impairment losses of property, plant and equipment

(DKK)	2024	2023
Depreciation of property, plant and equipment	1,172,983	1,239,045
	1,172,983	1,239,045

3. Financial expenses

(DKK)	2024	2023
Interest to group enterprises	26,550	1,376,196
Other financial expenses	99,469	15,852
Exchange loss	70,215	59,299
	196,234	1,451,347

4. Income tax expense

(DKK)	2024	2023
Deferred tax for the year	50,000	510,000
	50,000	510,000

Notes to the Financial Statements

5. Property, plant and equipment

(DKK)	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January	7,167,999	899,360
Additions for the year	486,091	25,535
Disposals for the year	-488,137	-120,000
Cost at 31 December	7,165,953	804,895
Impairment losses and depreciation at 1 January	4,449,188	405,522
Depreciation for the year	1,054,558	118,426
Reversal of impairment and depreciation of sold assets	-405,823	-120,000
Impairment losses and depreciation at 31 December	5,097,923	403,948
Carrying amount at 31 December	2,068,030	400,947
Amortised over	3-20 years	3-12 years

6. Other fixed asset investments

(DKK)	Other receivables
Cost at 1 January	694,859
Disposals for the year	-227,524
Cost at 31 December	467,335
Carrying amount at 31 December	467,335

7. Deferred tax asset

(DKK)	2024	2023
Deferred tax asset at 1 January	1,350,000	1,860,000
Amounts recognised in the income statement for the year	-50,000	-510,000
Deferred tax asset at 31 December	1,300,000	1,350,000

8. Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

9. Share capital

The share capital consists of 4 shares of a nominal value of DKK 250, 20 shares of nominal value DKK 500, 29 shares of nominal value DKK 1,000, 16 shares of nominal value DKK 10,000, 136 shares of nominal value DKK 50,000, 22 shares of nominal value DKK 100,000 and 11 shares of nominal value DKK 1,000,000. No shares carry any special rights.

10. Other provisions

(DKK)	2024	2023
Provisions for re-establishment costs	800,000	1,100,000
	800,000	1,100,000

The provisions are expected to mature as follows:

After 5 years	800,000	1,100,000
	800,000	1,100,000

11. Long-term debt

(DKK)	2024	2023
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Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Other payables

After 5 years	2,617,375	3,417,006
Between 1 and 5 years	165,186	0
Long-term part	2,782,561	3,417,006
Other short-term payables	10,639,933	10,533,184
	13,422,494	13,950,190

Notes to the Financial Statements

12. Cash flow statement - Adjustments

(DKK)	2024	2023
Financial income	-116,246	-10,465
Financial expenses	196,234	1,451,347
Depreciation, amortisation and impairment losses, including losses and gains on sales	1,255,297	1,221,913
Tax on profit/loss for the year	50,000	510,000
	1,385,285	3,172,795

13. Cash flow statement - Change in working capital

(DKK)	2024	2023
Change in inventories	-341,736	-418,125
Change in receivables	2,323,611	6,891,240
Change in other provisions	-300,000	660,000
Change in trade payables, etc	115,301	-2,021,097
	1,797,176	5,112,018

14. Contingent assets, liabilities and other financial obligations

(DKK)	2024	2023
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	7,886,244	8,045,556
Between 1 and 5 years	2,253,971	2,676,077
	10,140,215	10,721,633

Guarantee obligations

The Company has provided a payment guarantee regarding lease which amounts to DKK 1,130,000 as of 31st of December 2024

Notes to the Financial Statements

15. Related parties and disclosure of consolidated financial statements

Transactions

Triumph International Textil A/S discloses all transactions with related parties during the year. In 2024, the following transactions have occurred:

Sales of services to parent company of DKK 1,830,767
Sales of services to sister companies of DKK 7,601,640

Purchases of services from parent company DKK 6,616,006
Purchases of services from sister companies DKK 2,773,265
Purchases of goods from parent company DKK 60,537,792

Receivables from parent company of DKK 161,354
Receivables from sister companies DKK 856,985

Payables to parent company of DKK 4,558,968
Payables to sister companies of DKK 805,709

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest group:

Name	Place of registered office
Triumph Holding AG	Bad Zurzach, Switzerland

The Company's Ultimate Parent Company is Triumph Holding AG, Promenadestrasse 24, Bad Zurzach, 5330, Switzerland. The Ultimate Parent Company does not publish consolidated financial statements, as Triumph Holding AG is privately owned.

16. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

17. Accounting policies

The Annual Report of Triumph International Textil A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of the risk has been made before the year end.

Notes to the Financial Statements

17. Accounting policies (continued)

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of realised and unrealised exchange adjustments, as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-20 years
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Notes to the Financial Statements

17. Accounting policies (continued)

Leasehold improvements 3-12 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Other fixed asset investments

Other fixed asset investments consist of other receivables and deposits.

Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include re-establishment costs for the company's leases. The provisions are measured and recognized on the basis of experience with re-establishment costs for leases.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

17. Accounting policies (continued)

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to be triggered as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$