
Zoetis Denmark ApS

Gammelgårdsvej 87C, DK-3520 Farum

Annual Report for 1 December 2022 - 30 November 2023

CVR No. 10 01 92 65

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 31/5 2024

Ben Backmann
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 Zoetis Denmark ApS for the financial year 1 December 2022 - 30 November 2023.

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 30 November 2023 of the Company and of the results of the Company operations for 2022/23.

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.

Farum, 31 May 2024

Executive Board

Fernando Hernandez
CEO

Board of Directors

Ben Backmann
Chairman

Fernando Hernandez

Martin Heller

Independent Auditor's report

To the shareholder of Zoetis Denmark ApS

Opinion

We have audited the Financial Statements of Zoetis Denmark ApS for the financial year 1 December 2022 - 30 November 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are 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 of the Company at 30 November 2023 and of the results of the Company's operations for the financial year 1 December 2022 - 30 November 2023 in accordance with the Danish Financial Statements Act.

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.

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.

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.

Independent Auditor's report

- 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.

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.

København, 31 May 2024

KPMG

Statsautoriseret Revisionspartnerselskab

CVR No 25 57 81 98

Kenn Wolff Hansen

State Authorised Public Account

mne30154

Company information

The Company

Zoetis Denmark ApS
Gammelgårdsvej 87C
DK-3520 Farum

Telephone: + 45 70207303

CVR No: 10 01 92 65

Financial period: 1 December 2022 - 30 November 2023

Municipality of reg. office: Furesø

Board of Directors

Ben Backmann, chairman
Fernando Hernandez
Martin Heller

Executive Board

Fernando Hernandez

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København

Financial Highlights

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

	2022/23	2021/22	2020/21	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	44,932	36,045	66,920	64,913	48,864
Profit/loss of ordinary primary operations	-1,113	-24,264	-19,616	-36,212	-19,332
Profit/loss of financial income and expenses	-994	-454	-580	72	244
Net profit/loss	478	-22,449	-20,196	-36,140	-19,088
Balance sheet					
Balance sheet total	122,007	78,481	80,905	121,907	158,781
Investment in property, plant and equipment	8,387	10,822	8,659	8,547	18,055
Equity	104,788	14,310	36,758	56,954	93,095
Number of employees	52	60	71	82	88
Ratios					
Return on assets	-0.9%	-30.9%	-24.2%	-29.7%	-12.2%
Solvency ratio	85.9%	18.2%	45.4%	46.7%	58.6%
Return on equity	0.8%	-87.9%	-43.1%	-48.2%	-31.7%

Management's review

Key activities

Zoetis Denmark ApS (ZOD) designs, develops, produces and sells diagnostic products to the veterinarian field consisting of analyzers with Lab-on-a-chip based onetime use cartridges.

Development in the year

The income statement of the Company for 2022/23 shows a profit of DKK 477,968, and at 30 November 2023 the balance sheet of the Company shows positive equity of DKK 104,787,698. Furthermore there has been a cash capital increase of DKK 90,000,000.

ZOD is part of the Zoetis group. Functions, such as certain development initiatives are requested and compensated by the Zoetis Group. ZOD has a production site for microfluidic based products, which are sold by the group, distributors and as white label products. The group has invested in the company during the year as reflected in the facilities, R&D and production capability.

Operating risks

The Company is a hub for development and production of analyzers with Lab-on-a-chip based onetime use cartridges for veterinarian use. It is important for the company to be at the cutting edge of the development within microfluidic development and engineering and having the ability to attract and keep employees with qualifications and experience facilitating this objective.

Liquidity risks

Because the Company is owned by Zoetis Inc, the company is not dependent on external financing or credit risk, because these are managed by a dedicated treasury group in Zoetis.

Targets and expectations for the year ahead

The Company expects to continue its investments in production capability and product development for the Zoetis group. The continued efforts will be financed through earnings as well as through financing by the Zoetis Group to the extend required.

Intellectual capital resources

The ability of the company to attract and retain highly educated employees is essential to its continuous success, including biologists, engineers with expertise in hardware and software development and production. To ensure continuous competitive products, the company is investing in modern production facilities and research environments.

Unusual events

The financial position at 30 November 2023 of the Company and the results of the activities and cash flows of the Company for the financial year for 2022/23 have not been affected by any unusual events.

Subsequent events

No significant events have occurred after 30 November 2023.

Income statement 1 December 2022 - 30 November 2023

	Note	2022/23 DKK	2021/22 DKK
Gross profit		44,931,815	36,044,987
Staff expenses	1	-39,176,076	-44,525,203
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-6,868,847	-15,735,712
Other operating expenses		0	-48,425
Profit/loss before financial income and expenses		-1,113,108	-24,264,353
Financial income	3	3,471	19,813
Financial expenses	4	-997,176	-474,211
Profit/loss before tax		-2,106,813	-24,718,751
Tax on profit/loss for the year	5	2,584,781	2,269,993
Net profit/loss for the year	6	477,968	-22,448,758

Balance sheet 30 November 2023

Assets

	Note	2022/23	2021/22
		DKK	DKK
Completed development projects		0	0
Acquired patents		0	0
Intangible assets	7	0	0
Plant and machinery		27,234,049	18,510,843
Other fixtures and fittings, tools and equipment		1,357,337	1,520,611
Leasehold improvements		8,941,790	10,529,941
Property, plant and equipment in progress		1,665,608	7,119,720
Property, plant and equipment	8	39,198,784	37,681,115
Deposits	9	1,376,820	1,248,437
Fixed asset investments		1,376,820	1,248,437
Fixed assets		40,575,604	38,929,552
Finished goods and goods for resale		4,517,263	5,105,749
Inventories		4,517,263	5,105,749
Trade receivables		1,387,955	12,004
Receivables from group enterprises		59,413,737	24,267,748
Other receivables		3,084,769	1,287,978
Corporation tax receivable from group enterprises		3,002,371	2,269,993
Receivables		66,888,832	27,837,723
Cash at bank and in hand		10,025,558	6,608,006
Current assets		81,431,653	39,551,478
Assets		122,007,257	78,481,030

Balance sheet 30 November 2023

Liabilities and equity

	Note	2022/23	2021/22
		DKK	DKK
Share capital	10	66,238,267	66,238,266
Retained earnings		38,549,431	-51,928,536
Equity		<u>104,787,698</u>	<u>14,309,730</u>
Trade payables		6,626,689	2,897,897
Payables to group enterprises		691,404	51,770,935
Other payables		9,901,466	9,502,468
Short-term debt		<u>17,219,559</u>	<u>64,171,300</u>
Debt		<u>17,219,559</u>	<u>64,171,300</u>
Liabilities and equity		<u>122,007,257</u>	<u>78,481,030</u>
Contingent assets, liabilities and other financial obligations	11		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 December	66,238,266	-51,928,536	14,309,730
Cash capital increase	1	89,999,999	90,000,000
Net profit/loss for the year	0	477,968	477,968
Equity at 30 November	66,238,267	38,549,431	104,787,698

Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
1. Staff Expenses		
Wages and salaries	35,629,695	38,928,249
Pensions	3,104,648	5,045,999
Other social security expenses	441,733	550,955
	<u>39,176,076</u>	<u>44,525,203</u>

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

Average number of employees	<u>52</u>	<u>60</u>
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	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK

2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

Amortisation of intangible assets	0	9,361,229
Depreciation of property, plant and equipment	6,868,847	6,374,483
	<u>6,868,847</u>	<u>15,735,712</u>

Which is specified as follows:

Completed development projects	0	9,361,229
Leasehold improvements	1,991,837	1,964,803
Plant and machinery	4,539,625	3,424,405
Other fixtures and fittings, tools and equipment	337,385	985,275
	<u>6,868,847</u>	<u>15,735,712</u>

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK

3. Financial income

Other financial income	3,471	0
Exchange gains	0	19,813
	<u>3,471</u>	<u>19,813</u>

Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
4. Financial expenses		
Interests	239	85,405
Interests, intercompany	739,265	287,270
Exchange loss	257,672	101,536
	<u>997,176</u>	<u>474,211</u>

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
5. Income tax expense		
Current tax for the year	-2,584,781	-2,269,993
	<u>-2,584,781</u>	<u>-2,269,993</u>

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
6. Profit allocation		
Retained earnings	477,968	-22,448,758
	<u>477,968</u>	<u>-22,448,758</u>

	<u>Completed development projects</u>	<u>Acquired patents</u>
	DKK	DKK
7. Intangible fixed assets		
Cost at 1 December	82,019,776	2,248,615
Cost at 30 November	<u>82,019,776</u>	<u>2,248,615</u>
Impairment losses and amortisation at 1 December	82,019,776	2,248,615
Impairment losses and amortisation at 30 November	<u>82,019,776</u>	<u>2,248,615</u>
Carrying amount at 30 November	<u>0</u>	<u>0</u>

Notes to the Financial Statements

8. Property, plant and equipment

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	DKK	DKK	DKK	DKK
Cost at 1 December	52,402,499	7,297,413	21,901,718	7,119,720
Additions for the year	7,808,719	174,099	403,687	0
Transfers for the year	5,454,111	0	0	-5,454,112
Cost at 30 November	65,665,329	7,471,512	22,305,405	1,665,608
Impairment losses and depreciation at 1 December	33,891,655	5,776,790	11,371,778	0
Depreciation for the year	4,539,625	337,385	1,991,837	0
Impairment losses and depreciation at 30 November	38,431,280	6,114,175	13,363,615	0
Carrying amount at 30 November	27,234,049	1,357,337	8,941,790	1,665,608

9. Other fixed asset investments

	Deposits
	DKK
Cost at 1 December	1,248,437
Additions for the year	128,383
Cost at 30 November	1,376,820
Carrying amount at 30 November	1,376,820

10. Share capital

The share capital consists of 66,238,267 shares of a nominal value of DKK 1. No shares carry any special rights.

2022/23	2021/22
DKK	DKK

11. Contingent assets, liabilities and other financial obligations

Contingent assets

The tax value of the Company's unutilised tax losses and deferred tax on other items, calculated with a tax rate of 22%, is approximately MDKK 25.9.

Notes to the Financial Statements

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	2,862,087	2,605,635
Between 1 and 5 years	247,889	2,749,051
	<u>3,109,976</u>	<u>5,354,686</u>

Other contingent liabilities

The Company has entered into a development contract with a third party. The contract holds certain development commitments for the Company.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Danish entities of Zoetis Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

12. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Zoetis Overseas Holding B.V., Netherlands	Parent

Transactions

During the year, the Company had the following transactions and year-end balances with related parties:

Sales to related parties DKK 9,553,079 (DKK 9,923,365 in FY2021/22)

Development cost recharged to group companies DKK 72,152,040 (DKK 67,329,454 in FY2021/22)

Cost recharged to related parties DKK 7,496,592 (DKK 6,942,618 in FY2021/22)

Intercompany Interest DKK 739,265 (DKK 287,270 in FY 2021/22)

Receivables from related parties DKK 59,413,736 (DKK 24,267,748 in FY2021/22)

Payables to related parties DKK 691,404 (DKK 51,770,935 in FY 2021/22)

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Ultimate Parent Company

<u>Name</u>	<u>Place of registered office</u>
Zoetis Inc	USA

The Group Annual Report of Zoetis Inc. may be obtained at the following address:

10 Sylvan Way, Parsippany, New Jersey 07054, USA

Notes to the Financial Statements

13. Accounting policies

The Annual Report of Zoetis Denmark ApS for 2022/23 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 2022/23 are presented in DKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Zoetis Inc., the Company has not prepared a cash flow statement.

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

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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 and distribution 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, cost of sales and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll related expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and 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, and gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

The Company acts as the administration company of the joint taxation purposes.

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.

The Company acts as the administration company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax and tax on royalty and interest payments. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development projects

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 10 years.

Development costs comprise cost including wages and salaries and amortisation that directly can be attributed to the company's development activities and fulfil the recognition requirements. Capitalised development costs are measured at the lower of cost less accumulated amortisation and recoverable amount.

Capitalised development costs are amortised on a straight-line basis after completion of the development work over the estimated useful life.

The amortisation period is 5-10 years.

Development costs not fulfilling the requirement for recognition in the balance sheet are charged to expenses in the year when they are paid.

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:

Plant and machinery	4-10 years
Other fixtures and fittings, tools and equipment	4-10 years
Leasehold improvements	10 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 intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Other fixed asset investments

Fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

Notes to the Financial Statements

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. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

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.

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.

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.

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 crystallise 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 liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other financial liabilities are measured at net realisable value.

Financial Highlights

Explanation of financial ratios

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