
GEA PROCESS ENGINEERING A/S

Gladsaxevej 305, DK-2860 Søborg

Annual Report for 1 January - 31 December 2021

CVR No 10 05 07 15

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
2 /6 2022

Charlotte Thorsen
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 GEA PROCESS ENGINEERING A/S for the financial year 1 January - 31 December 2021.

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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Søborg, 23 May 2022

Executive Board

Ulrik Lund Jakobsen
CEO

Dennis Hartvig Olsen
Executive Officer

Michael Friis
Executive Officer

Board of Directors

Ilija Aprcovic
Chairman

Matthias Decker

Ulla Michelsen

Henrik Rothausen
Staff Representative

Jan Kjærsgaard Hansen
Staff Representative

Independent Auditor's Report

To the Shareholder of GEA PROCESS ENGINEERING A/S

Opinion

We have audited the financial statements of GEA Process Engineering A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity, and notes, including 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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, that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic

Independent Auditor's Report

decisions of financial statement users made 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 company 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.

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 Fi-

Independent Auditor's Report

nancial 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 Financials 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.

Copenhagen, 23 May 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR No 25 57 81 98

Kenn Wolff Hansen
State Authorized Public Accountant
mne30154

Stine Inger Pedersen
State Authorized Public Accountant
mne47771

Company Information

The Company

GEA PROCESS ENGINEERING A/S

Gladsaxevej 305

DK-2860 Søborg

Telephone: + 45 39545454

CVR No: 10 05 07 15

Financial period: 1 January - 31 December

Municipality of reg. office: Gladsaxe

Board of Directors

Ilija Aprcovic, Chairman

Matthias Decker

Ulla Michelsen

Henrik Rothausen

Jan Kjærsgaard Hansen

Executive Board

Ulrik Lund Jakobsen

Dennis Hartvig Olsen

Michael Friis

Auditors

KPMG

Statsautoriseret Revisionspartnerselskab

Dampfærgevej 28

DK-2100 København Ø

Bankers

Danske Bank

Holmens Kanal 2

1090 København K

Financial Highlights

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

	2021 Mio. DKK	2020 Mio. DKK	2019 Mio. DKK	2018 Mio. DKK	2017 Mio. DKK
Key figures					
Profit/loss					
Revenue	2.038	1.965	2.101	2.281	2.105
Profit/loss before financial income and expenses	373	137	102	326	270
Net financials	54	16	-42	-10	73
Net profit/loss for the year	328	89	21	237	256
Balance sheet					
Balance sheet total	2.389	2.875	2.593	2.644	2.771
Equity	973	1.054	964	1.019	826
Investment in property, plant and equipment	5	4	7	13	25
Number of employees	753	754	772	717	686
Ratios					
Profit margin	18,3%	7,0%	4,9%	14,3%	12,8%
Return on assets	15,6%	4,8%	3,9%	12,3%	9,7%
Solvency ratio	40,7%	36,7%	37,2%	38,5%	29,8%
Return on equity	32,4%	8,8%	2,1%	25,7%	33,3%

Management's Review

Key activities

As in previous years the core activity of the company has been engineering and supply of industrial processing plants.

Development in the year

The operating profit for the year is DKK 373 million compared to an operating profit of DKK 137 million in 2020. A strong performance in the execution of projects continues to drive improvement of the operating profit.

Management considers the result of the year satisfactory and above expectations for the year. During 2021 the company has succeeded in maintaining a strong market position.

Special risks

Operating risks

The company's principal operational risk is related to the ability of being strongly positioned in the important markets. Furthermore it is important for the company to be at the cutting edge of the development within process engineering, including having the possibility to attract and keep employees with qualifications and experience facilitating this objective.

Financial risks

Because of the financial position of the company and its financial resources, the company is only exposed to changes in the interest level to a limited extent. The company is, however, exposed to currency risks related to the current operation. The company primarily covers its currency risks by forward contracts. The development in cash flow from operation activities has been positive in the financial period and the expectations for the cash flow from operating activities in the near future are also positive.

Credit risks

The credit risks of the company are primarily related to accounts receivable in the balance sheet. The company has no major risks regarding single engagements. The company's policy when accepting credit risks means that all larger customers and partners are subject to current credit rating.

Knowledge resources

The ability of the company to attract and retain highly educated employees is essential to its continuous growth, including engineers with expertise in process development and automation. To ensure continuous competitive products the company is investing in the most modern process tools and research environments. This demands high skills, and substantial resources are thus also invested to develop the competences of the employees.

Management's Review

Targets and expectations for the year ahead

The expectations for 2022 are positive. Although management foresees continued intense competition.

Research and development

The company is continuously engaged in adaptation and improvement of its plants and processes as well as in new developments. The costs of research and development are recognized in the profit and loss statement, unless development cost meets the requirements for recognition in the balance sheet. The research and development costs in the profit and loss amounted to DKK 68,0 million in 2021 (DKK 59,9 million in 2020). Capitalized development projects amounted to DKK 27,3 million in 2021.

Statement of corporate social responsibility

The core activity of the company is engineering and supply of industrial processing plants. The company is a 100% owned subsidiary of GEA Group Holding GmbH, Germany, which is 100% owned by GEA Group Aktiengesellschaft, Germany. The ultimate parent of the company includes business model, in addition to policy, actions, results and risks to each of the mandatory areas under 99a of the Danish Financial Statements Act. Therefore, we refer to the Group's annual report 2021, which can be found here:

<https://www.gea.com/en/investor-relations/releases-reports/annual-reports/index.jsp>

The below presents an overview of the implemented local CSR initiatives within the company and how we live up to the Group's expectations and commitments. Risks and how are they managed are reported on Group level.

Climate and environment

The company affects the environment via processing equipment and plants for industrial use delivered to customers. Thus, minimizing the environmental impact of the company is best achieved through its customers by delivering optimized solutions.

During 2021 GEA formulated a new strategy on corporate level with 6 main focus points, two of these are Sustainability and New Food – the strategy has been named Mission 26. In Mission 26 GEA makes a Net Zero by 2040 commitment which of course reflects on the GEA Process Engineering A/S entity. This, by the way, is 10 years ahead of the target set by the European Union. Further sustainability targets include that all solutions will be offered with zero freshwater usage by 2030 and 50% of total energy demand is covered by certified energy management systems by 2026.

Regarding the two focus areas – Sustainability and New Food - both serve to reduce impact on the climate and environment. The latter indirectly through less climate and environmental impact early in the food production chain, e.g. at farms. However, the GEA Process Engineering A/S contributes to the trend with new solutions that enables downstream processing of New Foods. On sustainability, the focus is on reducing energy and water consumption at our customers' production sites. To implement the strategy the company has already increased the number of employees working on sustainability and sustainability is the innovation area with the highest planned new investments.

Management's Review

In addition to the above, a number of smaller initiatives can be mentioned. These include technology developments to reduce the consumption of compressed air which is very energy intensive to produce as well as initiatives at the Soeborg Test Centre to significantly reduce water utilization.

Employees

Covid-19

Through a broad set of measures across the organization we have maintained full operational integrity whilst safeguarding the well-being of our colleagues at their workplace.

The Corona Crisis Management Team that was formed in 2020 with stakeholders from all legal entities continued its work on developing guidelines and handling risks in relation to Covid-19 as well as communicating to employees about GEAs handling of the situation. Throughout the whole year transparency in our internal communication activities and our employees' safety have been key.

Wellbeing

The well-being of our employees is of utmost importance to us to be effective and an attractive place to work. Throughout 2021 we experienced a very low sick leave rate, but we also saw new employees having a difficult time finding their way into the company and get onboarded in a positive and engaging way. Therefore, we launched a new online onboarding site for new employees to get acquainted with GEA – despite not being able to meet physically and in a way, we would have preferred to.

In spite of the sick leave rate being low, we continuously focus on the wellbeing of our colleagues, and in 2021 we did it by adding a new initiative: the Howdy app. Our employees were given the opportunity to answer questions about their physical and mental health via an app, which have given us insight into both employee and organizational wellbeing, and most importantly: takes proactive action when needed.

Human Resources are working closely with the Occupational Health and Safety organization to continuously monitor the wellbeing, and to develop new initiatives to support the agenda.

Return to work

Based on the experience during the Corona Pandemic, and a wish to create a good and safe framework for our employees working from home, we published a policy of working from home in December 2021.

We still want to nurture a culture of collaboration, innovation, and social interaction, which we believe happen the best when people meet physically, and thus we see the policy as a supplement to attendance in person.

Our experience so far is also, that our employees to a large extent prefer to be at the office, but as said – we wanted to create a hybrid workplace that enables a mix of working from home and physical attendance to respect the needs and wishes of our employees for flexibility in the best possible way.

Management's Review

Employee Engagement

Colleagues quickly adapted to “Corona reality” once again in 2021, and we are very grateful towards our employees for their dedication.

Every year we take the temperature on the employee engagement, and in 2021 our employee survey was conducted in October-November with a very high response rate of 90 % .

We are especially proud of our employees' feedback on our ability to empower them, and of the spirit of cooperation and teamwork that they experience within their unit. In terms of improvements, we focus mostly on extending this ability to cooperate to include more units in the company – in the interest of the company as a whole and to increase organizational effectiveness.

High Potential and Talent Pools and Focus on Development

GEA Process Engineering A/S' continued success is dependent on being able to retain experienced employees and managers and to recruit new, talented employees and managers to our company. Accordingly, we place importance on providing an attractive workplace with good opportunities for personal development.

In 2021 we launched a global talent and high potential development program for us to retain great talent in the organization and secure solid succession planning. This is done by building a pool of trained workers who are ready to fill key roles when leaders and other key employees step down. The program will be implemented further in 2022, and we expect to see an increased number of key positions being filled with internal candidates in the future.

Suppliers and human rights

The company has assessed that the biggest exposure regarding human rights is within the supplier area. This area is separately treated in the GEA Compliance Handbook.

Local and international regulations on conditions of employment, working hours and health and safety conditions are observed in order to comply with the high standard stated in the internal GEA Compliance Handbook. The Compliance Handbook specifically states that discrimination of employees by virtue of sex, sexual orientation, origin, color of skin, or other personal features are strictly forbidden.

Our purchase organization is responsible for vendor management and procures workshop components, third party equipment and services for customer projects and after sales business. Workshop components are manufactured based on our drawings and specifications in external workshops in and outside Denmark. Third party services are purchased in accordance with framework supplier agreements or on a case-by-case basis depending on the characteristics of the supplier or product market.

The purchasing staff are all well-trained in 'good purchasing practice' and the legal aspects of purchasing. Every purchaser has taken an on-line test in anti-corruption and export control organized by GEA Group Compliance Management.

The procedures on external workshop audits include evaluation of working conditions, maintenance of

Management's Review

production facilities, cleaning, training of workshop staff and safety measures at the workshop. This has positively contributed to no registered breaches on our internal procedures or any severe noncompliance of our suppliers in 2021.

We expect to maintain our focus in this area in the future.

Equal opportunities

Looking at the total management group below Executive Management the gender composition is 13,6% women and 86,4 % men, which signals a significant increase towards GEA's goal of awareness towards the gender gap within management. We also have a long-term perspective to secure the availability of a group of qualified female employees who, at a later stage can take a management role. We have a strong focus on recruiting candidates from both genders when we have open positions. We are continuously making awareness in the management group of this gender issue.

At the end of the year 2021 the gender composition of the company showed 26,9% women and 73,1% men. Our goal of having a gender composition in 2019 of 25% women and 75% men, was reached in 2020.

The Board of Directors of GEA Process Engineering A/S has three members selected by the Annual General Meeting, one of which is female and two of which are men. In accordance with the requirements under § 99 b of the Danish Financial Statements Act, GEA Process Engineering A/S therefore considers the board to be gender balanced and has not set any further targets with regards to the gender balance of the Board of Directors.

Policy for data ethics

The company has adopted the GEA Group's policies for data protection and corporate social responsibility. Embedded in these policies is a commitment to the safe processing and handling of data and ethical business practices which includes

- The collection, storage and processing of personal data.
- The consideration of data protection policies of vendors and 3rd parties.
- The use of data to achieve sustainability targets.
- The mandatory training of employees in data protection.

The company primarily processes data relating to human resources, customer interactions and supplier contact. The company controls that data is collected for explicit and legitimate purposes and processed lawfully and fairly, as well as in a transparent manner in relation to the data subject.

A further description of the GEA Group's principles and policies is available in the 2021 Sustainability Report which can be found [here](https://www.gea.com/en/company/sustainability/index.jsp).

<https://www.gea.com/en/company/sustainability/index.jsp>

Management's Review

Representative offices

The company has a representative office in:
Dubai, United Arab Emirates,
Riydah, Saudi Arabia.

Consolidated annual report

The company is a 100% owned subsidiary of GEA Group Holding GmbH, Germany, which is 100% owned by GEA Group Aktiengesellschaft, Germany.

The annual reports of the company and its subsidiaries are included in the audited consolidated annual report of GEA Group Aktiengesellschaft, Germany, which is the ultimate parent company of GEA Process Engineering A/S.

The above consolidated annual report can be obtained from GEA Process Engineering A/S, or can be downloaded from GEA Aktiengesellschaft's homepage (investor relations):

<https://www.gea.com/en/investor-relations/releases-reports/annual-reports/index.jsp>

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Revenue	1	2.038.195.655	1.964.853.301
Production cost	2,5	-1.268.961.028	-1.332.967.446
Gross profit/loss		769.234.627	631.885.855
Sales- and distribution costs	3,5	-216.300.615	-273.349.470
Administrative expenses	4,5	-179.700.311	-222.367.231
Operating profit/loss		373.233.701	136.169.154
Other operating income		0	761.415
Profit/loss before financial income and expenses		373.233.701	136.930.569
Income from investments in subsidiaries	6	66.407.436	23.416.365
Financial income	7	230.197	841.128
Financial expenses	8	-12.563.597	-8.666.440
Profit before tax		427.307.737	152.521.622
Tax on profit for the year	9	-99.437.487	-63.072.850
Net profit/loss for the year		327.870.250	89.448.772

Balance Sheet 31 December 2021

Assets

	Note	2021 DKK	2020 DKK
Completed development projects		43.473.596	42.785.809
Acquired intangible assets		20.413.147	20.533.881
Goodwill		8.028.131	12.782.057
Development projects in progress		42.630.106	47.686.699
Intangible assets	11	114.544.980	123.788.446
Plant and machinery		6.644.386	3.444.583
Other fixtures and fittings, tools and equipment		1.016.156	1.258.605
Leasehold improvements		49.171.234	62.105.519
Property, plant and equipment in progress		5.387.542	6.540.717
Property, plant and equipment	12	62.219.318	73.349.424
Investments in subsidiaries	13	1.076.413.574	1.128.807.689
Deposits	14	9.049.873	8.223.064
Investments		1.085.463.447	1.137.030.753
Fixed assets		1.262.227.745	1.334.168.623
Raw materials and consumables		110.708.008	98.222.837
Inventories		110.708.008	98.222.837
Trade receivables		217.147.908	144.456.082
Contract work in progress	15	213.010.229	376.524.695
Receivables from group enterprises		450.061.201	784.551.215
Other receivables		60.334.231	67.833.928
Prepayments	16	41.291.761	38.150.265
Receivables		981.845.330	1.411.516.185
Cash at bank and in hand		34.165.360	30.649.069
Currents assets		1.126.718.698	1.540.388.091
Assets		2.388.946.443	2.874.556.714

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital	17	100.000.000	100.000.000
Reserve for development costs		61.901.776	63.279.290
Retained earnings		810.643.844	890.645.580
Equity		972.545.620	1.053.924.870
Provision for deferred tax	18	246.364.822	249.988.097
Warranty and other provisions	19	47.396.507	53.361.824
Total provisions		293.761.329	303.349.921
Trade payables		278.127.838	249.877.576
Contract work in progress, liabilities	15	506.753.422	588.578.617
Payables to group enterprises		100.548.053	388.050.922
Corporation tax		65.856.101	107.916.981
Other payables		171.354.080	182.857.827
Short-term liabilities other than provisions		1.122.639.494	1.517.281.923
Debt		1.122.639.494	1.517.281.923
Liabilities and equity		2.388.946.443	2.874.556.714
Distribution of profit	10		
Contingent assets, liabilities and other financial obligations	20		
Related parties	21		
Accounting Policies	22		

Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January 2021	100.000.000	63.279.290	890.645.580	1.053.924.870
Extraordinary dividend paid	0	0	-409.249.500	-409.249.500
Development costs for the year	0	20.452.435	-20.452.435	0
Depreciation, amortisation and impairment for the year	0	-21.829.949	21.829.949	0
Net profit/loss for the year	0	0	327.870.250	327.870.250
Equity at 31 December 2021	100.000.000	61.901.776	810.643.844	972.545.620
Equity at 1 January 2020	100.000.000	111.068.131	753.407.967	964.476.098
Development costs for the year	0	28.861.682	-28.861.682	0
Depreciation, amortisation and impairment for the year	0	-76.650.523	76.650.523	0
Net profit/loss for the year	0	0	89.448.772	89.448.772
Equity at 31 December 2020	100.000.000	63.279.290	890.645.580	1.053.924.870

Notes to the Financial Statements

	2021 DKK	2020 DKK
1 Revenue		
Geographical segments		
Revenue, Denmark	68.101.778	100.065.293
Revenue, exports	1.970.093.877	1.864.788.008
	2.038.195.655	1.964.853.301
Business segments		
Denmark		
Project	21.536.619	47.149.000
Component	17.623.815	18.138.143
Service	28.941.344	34.778.150
	68.101.778	100.065.293
Export		
Project	1.702.026.089	1.586.102.093
Component	27.141.313	30.269.615
Service	240.926.475	248.416.300
	1.970.093.877	1.864.788.008
	2.038.195.655	1.964.853.301
2 Production cost		
Cost of goods sold	1.028.758.550	1.126.145.873
Wages and salaries	240.202.478	206.821.573
	1.268.961.028	1.332.967.446
3 Sales- and distribution costs		
Wages and salaries	177.209.221	169.222.988
Depreciation and amortisation	14.237.517	78.497.312
Other expenses	63.621.808	60.170.206
Charged to group companies	-38.767.931	-34.541.036
	216.300.615	273.349.470

Notes to the Financial Statements

	2021 DKK	2020 DKK
4 Administrative expenses		
Wages and salaries	194.556.877	186.262.863
Depreciation and amortisation	36.122.324	51.225.270
Other expenses	63.431.487	27.154.769
Charged to group companies	-114.410.377	-43.037.086
Other expenses	0	761.415
	179.700.311	222.367.231
5 Staff		
Wages and Salaries	557.816.290	511.805.094
Pensions	48.740.141	47.313.078
Other social security expenses	5.412.145	3.189.252
	611.968.576	562.307.424
Including remuneration to the Executive Board and Board of Directors:		
Executive Board	7.258.146	5.378.151
Board of Directors	100.000	100.000
	7.358.146	5.478.151
Average number of employees	753	754
6 Income from investments in subsidiaries		
Reversal of impairment in subsidiaries	0	96.403.341
Impairment of investment in subsidiaries	-113.129.865	-151.226.657
Dividends from subsidiaries	179.537.301	78.239.681
	66.407.436	23.416.365

Notes to the Financial Statements

	2021 DKK	2020 DKK
7 Financial income		
Interest received from group enterprises	230.197	841.128
	230.197	841.128
8 Financial expenses		
Interest paid to group enterprises	3.671.928	4.979.979
Other financial expenses	3.166.962	2.696.373
Exchange adjustments, expenses	5.724.707	990.088
	12.563.597	8.666.440
9 Tax on profit for the year		
Current tax for the year	80.127.753	18.097.209
Deferred tax for the year	-122.324	11.250.450
Adjustment of tax concerning previous years	7.236.733	12.458.621
Adjustment of deferred tax concerning previous years	-3.500.951	-1.759.897
Other taxes	15.696.276	23.026.467
	99.437.487	63.072.850
10 Distribution of profit		
Extraordinary dividend paid	409.249.500	0
Retained earnings	-81.379.250	89.448.772
	327.870.250	89.448.772
Extraordinary dividend after year end	297.456.000	409.249.500

Notes to the Financial Statements

11 Intangible assets

	Completed development projects	Acquired intangible assets	Goodwill	Development projects in progress
	DKK	DKK	DKK	DKK
Cost at 1 January 2021	336.326.755	41.929.084	81.224.562	47.686.699
Additions for the year	0	0	0	27.303.665
Disposals for the year	-55.334.345	0	0	-1.082.595
Transfers for the year	28.674.900	2.602.763	0	-31.277.663
Cost at 31 December 2021	309.667.310	44.531.847	81.224.562	42.630.106
Impairment losses and amortisation at 1 January 2021	293.540.946	21.395.203	68.442.505	0
Impairment and amortisation for the year	27.987.114	2.723.497	4.753.926	0
Reversal of amortisation of disposals for the year	-55.334.346	0	0	0
Impairment losses and amortisation at 31 December 2021	266.193.714	24.118.700	73.196.431	0
Carrying amount at 31 December 2021	43.473.596	20.413.147	8.028.131	42.630.106

Notes to the Financial Statements

12 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 January 2021	79.465.123	9.651.255	120.442.448	6.540.717
Additions for the year	0	146.735	0	4.561.471
Disposals for the year	0	-157.869	-943.007	0
Transfers for the year	5.714.646	0	0	-5.714.646
Cost at 31 December 2021	85.179.769	9.640.121	119.499.441	5.387.542
Impairment losses and depreciation at 1 January 2021	76.020.540	8.392.650	58.336.929	0
Depreciation for the year	2.514.843	389.184	11.991.278	0
Reversal of impairment and depreciation of sold assets	0	-157.869	0	0
Impairment losses and depreciation at 31 December 2021	78.535.383	8.623.965	70.328.207	0
Carrying amount at 31 December 2021	6.644.386	1.016.156	49.171.234	5.387.542

Notes to the Financial Statements

13 Investments in subsidiaries

	2021 DKK	2020 DKK
Cost at 1 January 2021	1.388.184.615	1.210.477.277
Additions for the year	60.735.750	177.707.338
Cost at 31 December 2021	1.448.920.365	1.388.184.615
Value adjustments at 1 January 2021	-259.376.926	-204.553.610
Impairment for the year	-113.129.865	-151.226.657
Reversals of impairment	0	96.403.341
Value adjustments at 31 December 2021	-372.506.791	-259.376.926
Carrying amount at 31 December 2021	1.076.413.574	1.128.807.689

The company has calculated the recoverable amount for the individual subsidiaries and compared these to the carrying amount of these. The recoverable amount derived in connection with the impairment test is calculated on the basis of net cash flow over a period of several years and a growth rate of 2%. The Weighted Average Cost of Capital (WACC) is based on a factor of 8,36%, which is the estimated average within the business areas in which the subsidiaries operate. Further, a local risk factor is added based on individual market and geographical risks in the countries where the subsidiaries operate.

Based on the above assumptions the impairment test indicates impairment of financial fixed assets totaling to DKK 113,1 million. The impairment concerns the companies GEA Process Engineering (India) Limited and GEA Process Engineering (S.E.A.) Pte. Ltd. where the financial outlooks for the subsidiaries have decreased the estimated recoverable amounts.

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
GEA Westfalia Separator A/S	Denmark	100%	35.338.248	6.224.805
GEA Scan Vibro A/S	Denmark	100%	31.077.134	-3.227.677
GEA Process Engineering OY	Finland	100%	16.323.118	4.224.240
GEA Pharma Systems AG	Schweiz	100%	98.927.760	-974.253
GEA Process Engineering Australia Pty. Ltd.	Australia	100%	97.648.682	6.849.517
GEA Engenharia e Processos Industriais Ltda.	Brazil	100%	108.260.567	43.023.294
GEA Process Engineering Ltd.	Japan	100%	17.765.799	2.134.431
GEA Process Engineering (NZ) Limited	New Zealand	100%	200.592.151	14.598.915
GEA Process Engineering (S.E.A.) Pte Ltd.	Singapore	100%	-19.453.884	-60.678.834
GEA Process Engineering (India) Limited	India	100%	252.565.850	-1.442.786
GEA Folyamattervező Kft.	Hungary	100%	0	0

Notes to the Financial Statements

13 Investments in subsidiaries (continued)

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
GEA Process Technology Warsaw Sp.z.o.o	Poland	100%	18.970.512	1.231.000
GEA Pharma Systems N.V.	Belgium	100%	338.167.401	19.879.216
GEA Process Engineering	Chile	100%	14.133.334	-5.317.803
GEA Tuchenhausen Mak. Mük. Tic. Ltd. Sti.	Turkey	100%	3.041.529	3.168.180
GEA Process Engineering de México S.A. de C.V.	Mexico	100%	79.652.352	-59.496
GEA Westfalia Separator K.K.	Japan	100%	43.719.184	15.364.931
GEA Westfalia Separator Argentina S.A.	Argentina	5%	431.317	10.040.008
			<u>1.337.161.048</u>	<u>55.037.688</u>

14 Other investments

	Deposits DKK
Cost at 1 January 2021	8.223.064
Additions for the year	<u>826.809</u>
Cost at 31 December 2021	<u>9.049.873</u>
Carrying amount at 31 December 2021	<u>9.049.873</u>

15 Contract work in progress

	2021 DKK	2020 DKK
Selling price of work in progress	3.969.236.056	3.955.995.246
Payments received on account	<u>-4.262.979.249</u>	<u>-4.168.049.168</u>
	<u>-293.743.193</u>	<u>-212.053.922</u>
Recognised in the balance sheet as follows:		
Contract work in progress for affiliated companies	133.015.844	300.355.738
Contract work in progress for third parties	<u>79.994.385</u>	<u>76.168.957</u>
Total work in progress	<u>213.010.229</u>	<u>376.524.695</u>
Advance payments from affiliated companies	-360.798.160	-413.433.600
Advance payments from third parties	<u>-145.955.262</u>	<u>-175.145.017</u>
Total advance payments	<u>-506.753.422</u>	<u>-588.578.617</u>
Total	<u>-293.743.193</u>	<u>-212.053.922</u>

Notes to the Financial Statements

16 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

17 Equity

The share capital consists of 2 shares of a nominal value of DKK 50,000,000. No shares carry any special rights.

18 Provision for deferred tax

	2021 DKK	2020 DKK
Provision for deferred tax at 1 January	249.988.097	240.497.544
Amounts recognised in the income statement for the year	-122.324	11.250.450
Adjustment of deferred tax (concerning previous years, equity adj. etc.)	-3.500.951	-1.759.897
Provision for deferred tax at 31 December	246.364.822	249.988.097
Intangible assets	23.674.556	24.960.338
Tangible assets	-253.443	329.705
Contract work in progress	228.081.655	229.227.541
Provisions and debt	-5.137.946	-4.529.487
	246.364.822	249.988.097

19 Warranty and other provisions

Warranty and guarantee provisions	31.736.427	37.450.824
Other provisions	15.660.080	15.911.000
	47.396.507	53.361.824

20 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	23.291.106	25.459.556
Between 1 and 5 years	61.393.413	82.230.697
	84.684.519	107.690.253

Notes to the Financial Statements

	2021 DKK	2020 DKK
20 Contingent assets, liabilities and other financial obligations (continued)		
Guarantee obligations		
Warranties and guarantee obligations issued by GEA concerning execution of contractual work etc. for third party.	96.365.100	31.535.963
Bank guarantees have been given to third parties concerning execution of contractual work etc. for third party.	353.299.358	313.795.022

Joint taxation

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the GEA 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.

21 Related parties

	Basis
Controlling interest	
GEA Group Holding GmbH, Germany	100%

Notes to the Financial Statements

21 Related parties (continued)

Transactions

GEA Process Engineering A/S is a 100% owned subsidiary of GEA Group Holding GmbH, which is 100% owned by GEA Group Aktiengesellschaft, Germany.

GEA Process Engineering A/S' closely related parties with material influence include GEA Group Aktiengesellschaft and enterprises, including GEA Group Holding GmbH and its subsidiaries and associates, as well as the subsidiaries listed in note 13.

GEA Process Engineering A/S sells and purchases goods and services to/from subsidiaries and associates. Intercompany trading is highlighted as follows:

kDKK		
Related party transactions	2021	2020
Sales, income	805.893	830.816
Purchase, expense	663.246	782.365
Overhead net income	153.178	77.578
Dividends from subsidiaries, income	179.537	78.240
Interest received, income	230	841
Interest paid, expense	3.672	4.980
Contract work in progress, assets	133.016	300.356
Receivables from group entities	450.061	784.515
Contract work in progress, liabilities	360-798	413.434
Liabilities to group entities	100.548	388.051

Consolidated Financial Statements

Name	Place of registered office
GEA Group Aktiengesellschaft	Germany

The Group Annual Report of GEA Group Aktiengesellschaft may be obtained at the following address:

GEA Group Aktiengesellschaft, Peter Müller Strasse 12, D-40468 Düsseldorf, Germany
Or at: <https://www.gea.com/en/investor-relations/releases-reports/annual-reports/index.jsp>

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of GEA PROCESS ENGINEERING A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Reclassification adjustments to comparative figures

The comparative figures for 2020 have been restated to show a VAT receivable and a corporation tax payable as a current receivable and a current liability respectively. Prior to the reclassification the corporation tax payable had been recognized in current liabilities net of the VAT receivable. The effect of the reclassification on the Company's comparative figures are as follows:

	2020 DKK Previously reported	2020 DKK After reclassification
Other receivables	736.465	67.833.928
Receivables	1.344.418.722	1.411.516.185
Current assets	1.473.290.628	1.540.388.091
Assets	2.807.459.251	2.874.556.714
Corporation tax	40.819.518	107.916.981
Short term liabilities other than provisions	1.450.184.460	1.517.281.923
Debt	1.450.184.460	1.517.281.923
Liabilities and equity	2.807.459.251	2.874.556.714

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of GEA Group Aktiengesellschaft, Germany, the Company has not prepared consolidated financial statements.

Further pursuant to the Danish financial statements act § 96, paragraph 3, the company has not disclosed fee for auditors appointed at the general meeting.

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 GEA Group Aktiengesellschaft, the Company has not prepared a cash flow statement.

Notes to the Financial Statements

22 Accounting Policies (continued)

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, write-down and provisions as well as write-backs as a result of changed accounting estimates of amounts that earlier have been included in the profit and loss statement are included.

Assets are included in the balance sheet when it is likely as a result of a prior event that future financial advantages will accrue to the company and when the value of the asset can be measured in a reliable way.

Liabilities are included in the balance sheet when the company has a legal or actual obligation as a result of a prior event and if it is likely that future financial advantages will no longer be of benefit to the company, and the value can be measured in a reliable way.

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

Gains, losses and risks that result before the annual report is submitted and which confirm or deny conditions present at the balance sheet date must be considered in connection with recognition and measurement.

Business combinations

When acquiring new entities, the purchase method is applied under which identifiable assets and liabilities are measured at fair value at the date of acquisition.

Positive differences (goodwill) between cost and the fair value of identifiable assets and liabilities acquired, including restructuring provisions, are recognised as intangible assets and amortised systematically in the income statement based on an individual assessment of the useful life. Goodwill and negative goodwill from acquired entities may be adjusted until 12 months after the acquisition date.

The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities controlled by the Parent Company. The uniting of interests is considered to have been completed at the date of the acquisition without restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity is recognised in equity.

Gains or losses on the divestment of subsidiaries and associates are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including non-amortised goodwill and projected costs of divestment or winding-up

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are re-

Notes to the Financial Statements

22 Accounting Policies (continued)

cognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Translation policies

Transactions in foreign currencies are recorded at initial recognition at the exchange rate on the transaction date. Exchange rate differences appearing between the exchange rate on the transaction day and the exchange rate on the date of the payment are recognised as a financial gain/loss in the profit and loss statement.

Receivables and debt in foreign currencies are recorded in Danish Kroner according to the exchange rate on the balance sheet date or the exchange rate in forward contracts, if the outstanding is secured. Exchange rate differences appearing between the exchange rate on the balance sheet date and the exchange rate on the date of the original recognition of the receivable or the debt are recognised as a financial gain/loss in the profit and loss statement.

Revenue

Information on business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Company's risk accounting policies, risk and internal financial management.

Notes to the Financial Statements

22 Accounting Policies (continued)

Income Statement

Revenue

Income from the sale of goods for resale and finished goods, is recognised in the income statement when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and is expected to be received.

Revenue is measured ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Construction contracts are recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (the percentage of completion method). When the income from a construction contract cannot be estimated reliably, revenue is recognised only corresponding to the costs incurred to the extent that it is probable that they will be recovered.

Production costs

Production cost comprise costs, including salaries, incurred in generating the revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases.

Sales- and distribution costs

Costs incurred in distributing goods sold during the year and in conducting sales campaigns, etc., during the year are recognized as distribution costs. Also, costs relating to sales staff, advertising, exhibitions and depreciation are recognized as distribution costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for company management and administration, including expenses for administrative staff, management, office premises and office expenses, and depreciation.

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 intangible assets and property, plant and equipment.

Notes to the Financial Statements

22 Accounting Policies (continued)

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses include interest income and expenses as well as realised and unrealised exchange gains and losses related to transactions in foreign currency together with dividends distributed from subsidiaries, and impairment write-downs on subsidiaries and reversal hereof.

Tax on profit for the year

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

The Company is jointly taxed with Danish group companies. The Company is administrative company for the joint taxation and consequently settles all payments of corporation tax to the Danish Tax authorities. The tax effect of the joint taxation with other Danish group enterprises is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at maximum 20 years.

Development costs comprise costs, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement when incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Notes to the Financial Statements

22 Accounting Policies (continued)

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life, which is 3-5 years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the licence period.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income/other operating costs.

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. Assets of own production comprise direct and indirect expenses for labour and materials.

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	3-15 years
Other fixtures and fittings, tools and equipment	3-8 years
Leasehold improvements	10-30 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price minus selling costs and carrying amount at the time of sale. Profits or losses are included in the income statement under other operating income/other operating costs.

Tangible fixed assets are written down to the recoverable amount, if this is lower than the book value.

Notes to the Financial Statements

22 Accounting Policies (continued)

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Previously recognised write-downs are reversed when the bans for the write-down no longer exists. Reversed write-downs are recognised in the income statement as financial income.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment as well as equity investments in group entities 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, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

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 investments

Other investments consist of deposits.

Inventories

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

The cost of goods for resale, raw materials and consumables consist of purchase price plus landing cost.

Goods of own production are measured at the lower of direct material and wages with addition of indirect production cost or net realisable value.

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The percent of completion is determined as the ratio between direct allocated costs, including materials, wages etc. with the addition of indirect production costs related to the contract work and latest estimated total cost.

Contract work in progress and invoicing on account in foreign currency have been translated at the rates of exchange in effect on the date of contract.

In cases where invoicing on account exceeds the recognised sales value of a contract, the exceeding amount has been included in current liabilities as part of advance payment from customers.

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial years. Prepayments are measured at cost.

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividend, distributed or cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributeable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the development costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Dividend

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

Provisions

Other provisions, which contain expected costs for warranty provisions, losses on contract work in progress, restructuring etc. are recognized if the obligation is present at the date of the balance sheet.

Warranty obligations contain the commitments to repair works within the warranty period. Based upon experience, a provision for warranty expenses has been established to cover such obligations.

When there is a probability that the total costs will exceed the total income of contract work in progress for third parties, a provision of the total loss expected is established under cost of manufactured goods.

Notes to the Financial Statements

22 Accounting Policies (continued)

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 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 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.

Current tax payable and receivable is recognised in the balance sheet as amounts owed by or to affiliates.

Liabilities other than provisions

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

Notes to the Financial Statements

22 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets at year end}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$