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# ***BEUMER Group A/S***

P. O. Pedersens Vej 10, DK-8200 Aarhus N

## **Annual Report for 1 January - 31 December 2021**

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CVR No 12 65 56 81

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
18/5 2022

Anders Borresen Moos  
Chairman of the General  
Meeting



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# Management's Statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of BEUMER Group 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 financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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.

Aarhus, 18 May 2022

## Executive Board

Klaus Toftgaard Spens  
CEO

Peter Sendal From

Stephan Jan Pieter Heessels

Ronald Everard Willems

Finn Henry Laugesen

Anders Borresen Moos

## Supervisory Board

Dr. Christoph Beumer  
Chairman

Rudolf Hausladen

Klaus Schäfer

Norbert Hufnagel

Henrik Hagemann

Per Christensen

# Independent Auditor's Report

To the Shareholder of BEUMER Group 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 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.

We have audited the Financial Statements of BEUMER Group A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity 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 misstate-

# Independent Auditor's Report

ment, 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.
- 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

# Independent Auditor's Report

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.

Aarhus, 18 May 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Claus Lindholm Jacobsen  
State Authorised Public Accountant  
mne23328

Thyge Belter  
State Authorised Public Accountant  
mne30222

## Company Information

### **The Company**

BEUMER Group A/S  
P. O. Pedersens Vej 10  
DK-8200 Aarhus N

CVR No: 12 65 56 81

Financial period: 1 January - 31 December

Municipality of reg. office: Aarhus, Denmark

### **Supervisory Board**

Dr. Christoph Beumer, Chairman  
Rudolf Hausladen  
Klaus Schäfer  
Norbert Hufnagel  
Henrik Hagemann  
Per Christensen

### **Executive Board**

Klaus Toftgaard Spens  
Peter Sendal From  
Stephan Jan Pieter Heessels  
Ronald Everard Willems  
Finn Henry Laugesen  
Anders Borresen Moos

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Nobelparken  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C

# Financial Highlights

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

	2021 kDKK	2020 kDKK	2019 kDKK	2018 kDKK	2017 kDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	2.135.535	2.054.444	1.810.369	1.883.977	1.453.470
Gross profit/loss	451.842	463.564	365.688	332.962	275.281
Operating profit/loss	180.711	199.507	115.833	104.268	80.991
Net financials	1.789	-5.473	87	30.802	336.560
Net profit/loss for the year	141.935	153.072	88.963	109.678	408.071
<b>Balance sheet</b>					
Balance sheet total	1.612.210	1.671.472	1.385.918	1.676.048	1.542.825
Equity	584.634	551.765	412.608	839.369	743.877
Investment in property, plant and equipment	22.001	12.585	43.640	25.781	12.385
Number of employees	828	789	738	697	652
<b>Ratios</b>					
Profit margin	8,5%	9,7%	6,4%	5,5%	5,6%
Return on assets	11,2%	11,9%	8,4%	6,2%	5,2%
Solvency ratio	36,3%	33,0%	29,8%	50,1%	48,2%
Return on equity	25,0%	31,7%	14,2%	13,9%	73,6%

As of 1 January 2018 the Company merged with Crisplant Holding ApS. The financial highlights for the year 2017 have not been adjusted and as such these figures only relate to BEUMER Group A/S before the merger.



# Management's Review

## Statement 2021: Main points

BEUMER Group A/S remains an international leader in the delivery of intralogistics systems for parcel sortation and distribution as well as baggage handling systems. Our primary activities remain to develop, produce, project sell and implement high-quality automated material handling systems. We not only provide our customers with system solutions, the subsequent service of their systems also plays an important role in the continued and often long-term partnership with customers.

## Financial development

In 2021, BEUMER Group A/S delivered strong financial results despite supply chain constraints. Besides constraints on the supply chain, the pandemic had no significant influence on the short-term revenue and earnings.

The income statement for 1 January to 31 December 2021 shows:

- A profit of DKK 141.9 million
- An equity on 31 December 2021, which amounts to DKK 584.6 million.
- An operating profit amounting to DKK 180.7 million.
- A financial performance showing a very satisfactory profit of DKK 141.9 million. This includes profits/losses from investments in group enterprises and associates.

## Key risks and uncertainty relating to recognition and measurement

The large scale and international nature of most of our projects continue to be subject to risks. These are, however, not considered unusual within our line of business. The ongoing pandemic as well as the increased pressure on supply chains have been special focus areas in our continued aim to take special operating risks and financial risks into account. This situation may last throughout 2022 due to ongoing, pandemic-driven bottlenecks combined with the Ukraine crisis and subsequent sanctions.

The uncertainty is assessed based on the circumstances known until the present moment and is expected to be reflected in the profit/loss for the year.

## Targets and expectations for 2022

In the report from last year, we expressed a degree of uncertainty as to which extent the ongoing pandemic would impact the result for the financial year 2021. With no significant financial impact caused by the pandemic, the uncertainty, however, has now changed to focusing on the key risks and uncertainties as mentioned above. All this taken into consideration, we expect a revenue in the range of DKK 1.9 - 2.2 billion with a positive profit level.

# Management's Review

## Continued strategic focus on research and development

In the financial year 2021, BEUMER Group A/S has incurred development costs close to DKK 98.3 million, which is included in total in the item "Development expenditure". This does not meet the criteria of capitalising development costs, and hence no development costs have been capitalised in 2021.

BEUMER Group also support educational institutions and future candidates through dedicated trainee programs in collaboration with educational institutions such as the School of Marine and Technical Engineering.

## Foreign branches

BEUMER Group A/S has foreign branches in several countries and ongoing projects in many parts of the world. We abide to the rules governing permanent establishments and continuously monitor our projects in terms of deciding if they qualify for applying to the rules, in which case BEUMER Group will be registered with a permanent establishment.

## Statement of corporate social responsibility and environmental management

BEUMER Group is a project-oriented company. For more information on our business model, we refer to the description on page 1.

### Health, safety and social responsibility

BEUMER Group's global quality, health, safety and environment policy stems from our company values that commit us not only to maintain a sustainable business but also to continuously improve of our products, processes and organisation to ensure our long-term success.

In continuation of BEUMER Group A/S' long list of certifications which has been in place since 2009, we have now obtained the ISO 45001 certification, which specifies requirements for an occupational health and safety (OH&S) management system. We plan to maintain and continually improve our OH&S management system and retain the ISO 45001 certification while we also remain committed to our Working Environment Organisation and Joint Consultation Committee to involve employee representatives in OH&S matters.

As a constantly busy company, we recognise the risk of employee stress. In June 2021, a new well-being and stress management policy was released in BEUMER Group A/S. The purpose is not only to improve the well-being and prevent stress, but also to have clear guidelines on how to handle stress with the objective to create and maintain a culture in which we can openly address our well-being and stress symptoms to break down taboos and secure a healthy dialog on this topic.

## Management's Review

In December 2021, a whistleblower policy was released through which BEUMER Group A/S gives freedom to and allows our employees to report concerns and reasonable suspicions about unlawful or immoral activity as criminal offences. The whistleblower procedure follows the EU Whistleblower Directive and is governed by external experts from PwC Denmark.

In 2021, to protect employees and other stakeholders from the ongoing pandemic, BEUMER Group A/S' Executive Management maintained their internal Covid-task force efforts to comply with recommended safety measures from the Danish authorities. With many employees working from home, a 'Working from home'-survey was conducted to understand how employees experienced the situation and to understand how managers experience having employees working from home. The result will also be used as lessons learned for future ways of working and to improve readiness for similar situations that may occur in the future.

BEUMER Group A/S has a Working Environment Organisation with 11 different working environment groups formed by appointed managers and elected working environment representatives. Consulted by the impartial company, Ennova, an Employee Engagement Survey (EES) is conducted every two years among all employees (next full survey will be in 2022). The survey also covers a workplace assessment measuring physical and psychological work environment, sick leave due to working environment as well as offensive behaviour. In 2021 a pulse survey was conducted as a light version of the EES. The response rate was 89% and the result revealed high and increasing employee motivation and loyalty but focus areas for improvement were also identified.

Safety inspections are conducted on BEUMER Group's locations and project installation sites. Focus is on improving work methods, ergonomics, internal transport, use of hazardous substances, emergency preparedness, waste handling and safety of machinery. On installation sites, OHS training programs includes BEUMER Group suppliers. We perform internal OHS audits and certification body, Bureau Veritas, performs yearly OHS audits at BEUMER Group A/S.

In 2021, BEUMER Group A/S had 3 working accidents causing absence (1 accident above our own set benchmark). In total, working accidents caused 17 lost workdays (5 days more than our own set benchmark). Severity of accidents is categorised as "minor, reversible, irreversible and catastrophic". The 2021 working accidents were minor or reversible only, which met our benchmark. For lessons learned our Working Environment Organisation is involved in the handling of OHS incidents.

### Human rights

As an organisation we recognise the right to form and to join trade unions for the protection of the interests of the employees and support the United Nations' Universal Declaration of Human Rights. Our company policy includes the elimination of discrimination with respect to employment and occupation. Trade unions are involved in salary negotiations, working hours and conditions for employees.

There have been no deviations regarding Labour Standards during 2021. That includes our suppliers, who are evaluated and audited. No breach has been noticed.

## Management's Review

BEUMER will continue to work to ensure human rights for staff and contracted people involved in our projects. The risk of breaches is considered very low as we make use of European Health & Safety standards at all our sites, and we have documented records for health and safety processes - including training. Furthermore, we continuously conduct audits at all sites.

### Environment and climate

BEUMER Group A/S aims to protect the environment and comply with all applicable environmental laws and regulations. We continually reduce our environmental impacts through an entire product life-cycle from design to end-of-life treatment of our systems. Our environmental aspects have been determined based on criteria such as an environmental score system, the UN Sustainable Development Goals 9 (Industry, Innovation and Infrastructure) and Goal 12 (Responsible consumption and production). For these environmental performance focus points, we have targets and action plans. We train and educate our employees to secure the focus and we monitor, follow up and report both internally and externally. Applicable legal and other requirements as well as trends that will have an impact on BEUMER Group A/S' will spur an update of procedures to ensure compliance.

BEUMER Group A/S performs internal environmental audits and certification body, Bureau Veritas, performs environmental audits at BEUMER Group A/S yearly. At this moment there are no outstanding environmental issues with authorities or other stakeholders.

To improve the environment and climate, we have determined 5 significant environmental focus areas of our activities, products, and services that we can control and influence:

1. CO<sub>2</sub> emission from transport of goods to installation sites: Our aim is to minimise express shipments and optimise container utilization and as a result, goods transported as air and courier express shipments in 2021 went as low as 1.98%, which met our target of max. 3%. Our average container utilisation went to 99%, almost meeting our target of min. 100%.
2. Environmental impacts of suppliers: The environmental requirements for our suppliers are specified and state that BEUMER Group A/S values and prefers suppliers who can demonstrate they are ISO 14001 certified - or acting according to ISO 14001, have defined significant environmental aspects and have sustainable programs for energy- and CO<sub>2</sub> reduction, material utilisation, waste- and chemical management.
3. Power consumption in installed systems: In our R&D we continue to focus on implementing environmentally acceptable technologies. As a result, the new generation of the CrisBag® system for airport baggage handling is modified to achieve an even higher level of energy efficiency. We also continue to analyse real-time data from systems in operation. This type of data analytics sets a benchmark that leads to continuous improvement of key figures to the benefit of our customers. In 2022, BEUMER Group A/S will continue to investigate opportunities for mapping energy consumption at customer sites with the aim to identify further possibilities for energy savings.

## Management's Review

Our customers' feedback confirms that sustainable solutions are of high interest. As an example, our customer, San Francisco Airport, had set ambitious sustainability targets when installing BEUMER Group's CrisBag baggage handling system. The new system fully supports the airport's commitment to meeting the standards for Leadership in Energy and Environmental Design (LEED) certification and the airport's Harvey Milk Terminal 1 has recently become the first airport terminal in the world to achieve a LEED v4 Platinum Certification and has openly credited our system as one of the contributing highlights for the certification.

4. CO<sub>2</sub> emission from BEUMER Group A/S, Denmark: In 2021, in compliance with the EU Energy Efficiency Directive, a team of external energy consultants conducted an Energy Audit and although not mandatory, BEUMER Group A/S has implemented – and plan to continue implementing - several suggestions. Implemented improvements comprise, fluorescent lamps replaced with LED, new efficient data center, new and more energy efficient forklift trucks and stackers.

With our increase in operational activities, the total electricity consumption at BEUMER Group A/S locations has been increasing since 2019, however the consumption key figure (kWh/employee/month) in 2021 was lower compared to 2017.

2017: 226 kWh/employee/month (Average headcounts: 619 employees)

2019: 206 kWh/employee/month (Average headcounts: 727 employees)

2021: 213 kWh/employee/month (Average headcounts: 818 employees)

The pandemic reduced our travel activities and the consequent CO<sub>2</sub> footprint significantly. An efficient IT-setup has ensured business continuity by making use of online facilities for meetings, training sessions etc. Organised carpooling between our Danish offices and our German headquarters in Beckum – a round-trip of almost 1300 km - has also been established to optimise transport and contribute with less environmental impact. Travel activities will remain a very important part of our business, however the lessons learned from the pandemic will influence how often we travel to meet in person in the future.

5. Recycling of waste: We sort and handle more than 20 different fractions of waste and work continuously to lower the volume. In 2021, 72% of our waste was recycled and the remaining 28% was recovered for district heating. Organic waste from our canteen kitchen is used for biogas production.

As an ISO 9001 and ISO 14001 holder, it is BEUMER Group's A/S' risk assessment that the impact on climate and environment is within reasonable limits and we proactively implement environment and sustainability as part of our daily business conduct.

# Management's Review

## Responsible supply chain management

BEUMER Group A/S has a quality policy to meet our own and our customers' requirements in accordance with statutory and regulatory laws. By quality we mean to supply a solution that creates value to our customers, to implement our project at the agreed time and with proper economy, quality and functionality. To us, true sustainability means finding the right balance between ecological demands, economic success and social responsibility. Since 1999, our Quality Management System has been certified according to ISO 9001.

BEUMER Group A/S primarily cooperates with suppliers in Europe and with BEUMER Group's own production sites in Germany and China, all in compliance with ISO 9001, ISO 45001 and ISO 14001. Suppliers are evaluated on a regular basis and critical suppliers are subject to quality, health, safety and environmental performance audits. All suppliers are subject to approval and are asked to sign our purchasing conditions, which include a commitment to comply with the 10 Principles of UN Global Compact. We continuously follow up on main suppliers and perform audits at supplier sites. We have occupational health and safety requirements for suppliers working on our sites or premises to ensure a high level of safety. In 2021, 21 non-conformities were raised with focus on quality, health, safety, and environment.

## Anti-corruption

BEUMER Group A/S conducts business in many countries, including countries perceived as corrupt. As yet, including 2021, there has not been a formal anti-corruption process, however, all projects are financially controlled and project managed which entails an informal process for monitoring possible corruption. In addition, all project execution includes a project audit process as part of Project Management Office (PMA).

To our knowledge there were no cases concerning corruption in 2021, nor do we expect this will happen. However, to ensure continued transparency in business, BEUMER Group A/S has decided to have a formal policy and plans to implement a set of business conduct guidelines designed to offer guidance for all BEUMER employees. The guidelines will comprise contact with business partners, avoidance of conflicts of interest, handling company equipment among other basic rules of conduct.

The guidelines are scheduled to be implemented during Q1, 2022, as a mandatory training and certification for all BEUMER Group A/S staff.

## Diversity in management

At BEUMER Group A/S, board and management appointments are made on merit, with the best qualified person getting the job. We believe this will strengthen the dynamics and development of a company and emphasise our position as a modern and visionary company.

## Management's Review

BEUMER Group A/S embraces diversity and strives to recruit candidates with high leadership qualifications. The current distribution of gender is not in line with what can be expected from a company of our size, and subsequently we focus on strengthening our efforts to balance the gender equality. The goal is to increase gender equality on the board and in management. We always aim to have at least one woman among candidates for middle and senior management positions, and we have increased our efforts to spot, recruit and develop female candidates into managers based on adequate professional and personal qualifications and values. The following targets have been determined to have women in management and on the board:

### Middle and senior management

- Base 2021: 14%
- Target 2022: 15%
- Target 2025: 20%

### Board

- Base 2021: 0%
- Target 2022: 0%
- Target 2025: 20%

No women were elected to the board in 2021. On the middle and senior management level, the 2021 target (13%) was achieved with 14% women represented in the middle and senior management.

### Data Ethics Policy

In 2021, BEUMER Group A/S introduced a Data Ethics Policy which describes how BEUMER sees data ethics. The purpose of this policy is to account for BEUMER general data collection and use to ensure transparency.

Data in general, including big data, and the collection and handling of the same form an integral part of all BEUMER business segments. Aside from handling personal data, which are secured by means of compliance with the EU regulation for personal data ("GDPR"), BEUMER also respects the use and required protection of other data forming part of BEUMER's business segments and the purpose of this policy is to describe how BEUMER acts in this regard.

The types of data collected and used by BEUMER may be both personally identifiable and non-personally identifiable. Data collection and processing is done automatically in BEUMER's own closed-circuit systems. No data collected, whether by BEUMER or by an external supplier on behalf of BEUMER will be neither sold nor disclosed to any third parties. The overall responsibility for decisions, implementation and use of new technology and the use of non-personally identifiable and personally identifiable data is anchored in BEUMER executive management, who is continuously involved and who informs and conducts evaluations. data is used based on the Data Ethics Council Expert Group's recommendations from November 2018 and BEUMER Group A/S' present Data Ethics Policy. The Data Ethics Policy has been approved by BEUMER executive directors.

## **Management's Review**

With an ongoing and continued dedication to cyber security management, BEUMER Group A/S will commence a process in 2022 towards achieving the ISO 27001 certification. We regard this initiative as an obvious aim to innovate and improve our internal processes to constantly refine the technical quality of our security system for sensitive information. The ISO 27001 certification is recognised worldwide as an international standard on how to manage information security.



## Income Statement 1 January - 31 December

	Note	2021 kDKK	2020 kDKK
<b>Revenue</b>	1	<b>2.135.535</b>	<b>2.054.444</b>
Production costs	2	-1.683.693	-1.590.880
<b>Gross profit/loss</b>		<b>451.842</b>	<b>463.564</b>
Distribution expenses		-90.887	-90.815
Development expenditure		-98.331	-95.375
Administrative expenses		-81.913	-77.867
<b>Operating profit/loss</b>		<b>180.711</b>	<b>199.507</b>
Income from investments in subsidiaries	3	-2.545	1.181
Financial income	4	11.592	5.683
Financial expenses	5	-7.258	-12.337
<b>Profit/loss before tax</b>		<b>182.500</b>	<b>194.034</b>
Tax on profit/loss for the year	6	-40.565	-40.962
<b>Net profit/loss for the year</b>		<b>141.935</b>	<b>153.072</b>

## Distribution of profit

### Proposed distribution of profit

Proposed dividend for the year	95.000	95.000
Reserve for net revaluation under the equity method	-2.545	1.330
Retained earnings	49.480	56.742
	<b>141.935</b>	<b>153.072</b>

# Balance Sheet 31 December

## Assets

	Note	2021 kDKK	2020 kDKK
Completed development projects		0	2.802
<b>Intangible assets</b>	<b>7</b>	<b>0</b>	<b>2.802</b>
Land and buildings		19.475	10.309
Plant and machinery		4.585	7.891
Other fixtures and fittings, tools and equipment		17.230	16.741
Leasehold improvements		32.130	37.167
Property, plant and equipment in progress		2.595	5.176
<b>Property, plant and equipment</b>	<b>8</b>	<b>76.015</b>	<b>77.284</b>
Investments in subsidiaries	9	10.666	12.180
Receivables from group enterprises	10	0	5.283
Other receivables	10	184	170
<b>Fixed asset investments</b>		<b>10.850</b>	<b>17.633</b>
<b>Fixed assets</b>		<b>86.865</b>	<b>97.719</b>
<b>Inventories</b>	<b>11</b>	<b>192.375</b>	<b>112.413</b>
Trade receivables		152.321	229.776
Contract work in progress	12	182.533	295.485
Receivables from group enterprises		427.114	461.325
Other receivables		43.424	43.085
Deferred tax asset	13	9.390	2.834
Corporation tax		33.471	8.727
Prepayments	14	12.189	16.638
<b>Receivables</b>		<b>860.442</b>	<b>1.057.870</b>
<b>Cash at bank and in hand</b>		<b>472.528</b>	<b>403.470</b>
<b>Currents assets</b>		<b>1.525.345</b>	<b>1.573.753</b>
<b>Assets</b>		<b>1.612.210</b>	<b>1.671.472</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2021 kDKK	2020 kDKK
Share capital	15	50.700	50.700
Reserve for net revaluation under the equity method		10.437	11.951
Reserve for development costs		0	1.251
Reserve for hedging transactions		-21.980	-6.883
Retained earnings		450.477	399.746
Proposed dividend for the year		95.000	95.000
<b>Equity</b>		<b>584.634</b>	<b>551.765</b>
Other provisions	17	46.979	50.041
<b>Provisions</b>		<b>46.979</b>	<b>50.041</b>
Other payables		0	51.717
<b>Long-term debt</b>	18	<b>0</b>	<b>51.717</b>
Trade payables		307.856	326.857
Contract work in progress, liabilities	12	479.872	545.963
Payables to group enterprises		47.954	9.726
Corporation tax		265	1.160
Other payables	18,19	140.089	129.582
Deferred income	20	4.561	4.661
<b>Short-term debt</b>		<b>980.597</b>	<b>1.017.949</b>
<b>Debt</b>		<b>980.597</b>	<b>1.069.666</b>
<b>Liabilities and equity</b>		<b>1.612.210</b>	<b>1.671.472</b>
Distribution of profit	16		
Contingent assets, liabilities and other financial obligations	21		
Related parties	22		
Fee to auditors appointed at the general meeting	23		
Subsequent events	24		
Accounting Policies	25		

## Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Reserve for hedging transactions	Retained earnings	Proposed dividend for the year	Total
	kDKK	kDKK	kDKK	kDKK	kDKK	kDKK	kDKK
Equity at 1 January	50.700	11.951	1.251	-6.883	399.746	95.000	551.765
Ordinary dividend paid	0	0	0	0	0	-95.000	-95.000
Exchange adjustments relating to foreign entities	0	1.031	0	0	0	0	1.031
Fair value adjustment of hedging instruments, end of year	0	0	0	-19.355	0	0	-19.355
Tax on adjustment of hedging instruments for the year	0	0	0	4.258	0	0	4.258
Depreciation, amortisation and impairment for the year	0	0	-1.251	0	1.251	0	0
Net profit/loss for the year	0	-2.545	0	0	49.480	95.000	141.935
<b>Equity at 31 December</b>	<b>50.700</b>	<b>10.437</b>	<b>0</b>	<b>-21.980</b>	<b>450.477</b>	<b>95.000</b>	<b>584.634</b>

# Notes to the Financial Statements

## 1 Revenue

The distribution of revenue by activity and geographical market is not disclosed as the market only has a few suppliers, and the disclosures are therefore found to be substantially detrimental to the Company.

	2021 kDKK	2020 kDKK
<b>2 Staff</b>		
Wages and Salaries	542.719	514.045
Pensions	41.669	38.207
Other social security expenses	11.940	8.849
	<b>596.328</b>	<b>561.101</b>
Including remuneration to the Executive and Supervisory Boards of:		
Executive Board	17.178	18.893
Supervisory Board	90	90
	<b>17.268</b>	<b>18.983</b>
<b>Average number of employees</b>	<b>828</b>	<b>789</b>

The incentive program for the Executive Board includes bonuses based on the financial result for the year and other KPIs established by the Company.

## 3 Income from investments in subsidiaries

Share of profits of subsidiaries	0	1.330
Share of losses of subsidiaries	-2.545	-149
	<b>-2.545</b>	<b>1.181</b>

# Notes to the Financial Statements

	2021 kDKK	2020 kDKK
<b>4 Financial income</b>		
Interest received from group enterprises	4.529	5.006
Other financial income	17	41
Revaluation of reversal impairment losses	4.759	0
Exchange gains	2.287	636
	<b>11.592</b>	<b>5.683</b>
<b>5 Financial expenses</b>		
Impairment losses on financial assets	0	2.083
Interest paid to group enterprises	2.008	0
Other financial expenses	4.616	3.066
Exchange adjustments, expenses	634	7.188
	<b>7.258</b>	<b>12.337</b>
<b>6 Tax on profit/loss for the year</b>		
Current tax for the year	44.551	40.178
Deferred tax for the year	-6.556	6.681
Adjustment of tax concerning previous years	-1.688	234
	<b>36.307</b>	<b>47.093</b>
which breaks down as follows:		
Tax on profit/loss for the year	40.565	40.962
Tax on changes in equity	-4.258	6.131
	<b>36.307</b>	<b>47.093</b>

# Notes to the Financial Statements

## 7 Intangible assets

	Completed development projects kDKK
Cost at 1 January	103.872
Additions for the year	446
Cost at 31 December	104.318
Impairment losses and amortisation at 1 January	101.070
Amortisation for the year	3.248
Impairment losses and amortisation at 31 December	104.318
<b>Carrying amount at 31 December</b>	<b>0</b>

Development projects relate to the development of new and improved versions of the Company's existing products for sorting of luggage and parcels as well as new products for existing markets.

# Notes to the Financial Statements

## 8 Property, plant and equipment

	Land and buildings kDKK	Plant and machinery kDKK	Other fixtures and fittings, tools and equipment kDKK	Leasehold improvements kDKK	Property, plant and equipment in progress kDKK
Cost at 1 January	15.239	44.662	37.278	48.481	5.176
Additions for the year	9.703	334	8.612	763	2.143
Disposals for the year	0	0	0	0	-4.724
Cost at 31 December	24.942	44.996	45.890	49.244	2.595
Impairment losses and depreciation at 1 January	4.930	36.771	20.537	11.314	0
Depreciation for the year	537	3.640	8.123	5.800	0
Impairment losses and depreciation at 31 December	5.467	40.411	28.660	17.114	0
<b>Carrying amount at 31 December</b>	<b>19.475</b>	<b>4.585</b>	<b>17.230</b>	<b>32.130</b>	<b>2.595</b>



# Notes to the Financial Statements

## 9 Investments in subsidiaries

	2021 kDKK	2020 kDKK
Cost at 1 January	229	2.351
Disposals for the year	0	-2.122
Cost at 31 December	229	229
Value adjustments at 1 January	11.951	13.465
Disposals for the year	0	-1.755
Exchange adjustment	1.031	-1.089
Net profit/loss for the year	-2.545	1.330
Value adjustments at 31 December	10.437	11.951
<b>Carrying amount at 31 December</b>	<b>10.666</b>	<b>12.180</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Crisplant Airport Systems L.L.C.	Abu Dhabi	100%

## 10 Other fixed asset investments

	Receivables from group enterprises kDKK	Other receivables kDKK
Cost at 1 January	10.045	170
Exchange adjustment	-7	14
Additions for the year	12.270	0
Disposals for the year	-22.308	0
Cost at 31 December	0	184
Impairment losses at 1 January	-4.762	0
Exchange adjustment	3	0
Reversal for the year of previous years' impairment losses	4.759	0
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>184</b>

# Notes to the Financial Statements

	2021 kDKK	2020 kDKK
<b>11 Inventories</b>		
Raw materials and consumables	42.003	26.426
Work in progress	81.332	39.894
Finished goods and goods for resale	69.040	46.093
	<b>192.375</b>	<b>112.413</b>

## 12 Contract work in progress

Selling price of work in progress	3.327.413	1.927.329
Payments received on account	-3.624.752	-2.177.807
	<b>-297.339</b>	<b>-250.478</b>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	182.533	295.485
Prepayments received recognised in debt	-479.872	-545.963
	<b>-297.339</b>	<b>-250.478</b>

## 13 Deferred tax asset

Deferred tax asset at 1 January	2.834	9.515
Amounts recognised in the income statement for the year	2.298	-550
Amounts recognised in equity for the year	4.258	-6.131
<b>Deferred tax asset at 31 December</b>	<b>9.390</b>	<b>2.834</b>

The Company expects the recognised tax asset to be utilised within a few years based on the budgets for the coming years.

## 14 Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and prepayments to suppliers.

# Notes to the Financial Statements

## 15 Equity

The share capital consists of 50,700 shares of a nominal value of kDKK 1. No shares carry any special rights.

## 16 Distribution of profit

	2021 kDKK	2020 kDKK
Proposed dividend for the year	95.000	95.000
Reserve for net revaluation under the equity method	-2.545	1.330
Retained earnings	49.480	56.742
	<b>141.935</b>	<b>153.072</b>

## 17 Other provisions

Warranties	46.661	47.104
Other provisions	318	2.937
	<b>46.979</b>	<b>50.041</b>
The provisions are expected to mature as follows:		
Within 1 year	25.568	29.403
Between 1 and 5 years	21.411	20.638
	<b>46.979</b>	<b>50.041</b>

The Company provides warranties on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions have been recognised for expected warranty claims.

# Notes to the Financial Statements

## 18 Long-term debt

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:

	2021 kDKK	2020 kDKK
<b>Other payables</b>		
Between 1 and 5 years	0	51.717
Long-term part	0	51.717
Other short-term payables	140.089	129.582
	<b>140.089</b>	<b>181.299</b>

## 19 Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

Liabilities	35.102	8.188
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Forward exchange contracts have been concluded to hedge future sale of goods and purchases of goods in AED, AUD, CAD, CNY, GBP, HKD, KWD, MXN, NOK, SGD, USD and ZAR. At the balance sheet date, the fair value of the forward exchange contracts amounts to DKK -35.102k. Sale of goods has been hedged for a period up to 33 months for an amount of AUD 21,304k, CAD 1,430k, CNY 1,589k, GBP 537k, HKD 28,878k, KWD 9,827k, MXN 117,855k, SGD 8,861k, USD 20,093k and ZAR 13,298k.

Purchase of goods in EUR has been hedged for an amount of AED 2,655k, CNY 9,261, NOK 2,068 and SGD 306k.

## 20 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

# Notes to the Financial Statements

	2021 kDKK	2020 kDKK
<b>21 Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Commitments under rental agreements or leases until expiry	28.583	33.063
Commitments under rental agreements or leases with group enterprises until expiry	15.686	20.489
<b>Guarantee obligations</b>		
The Company has provided five group guarantees to customers belonging to BEUMER Group UK Limited, one group guarantee to a customer belonging to OOO BEUMER, two group guarantees to customers belonging to BEUMER Group Canada Corporation, one group guarantee to a customer belonging to BEUMER Maschinenfabrik GmbH & Co, one group guarantee to a customer belonging to BEUMER Doha WLL (BDO), as well as one parent guarantee to a customer belonging to Crisplant Airport Systems L.L.C. The project values relating to these guarantees are	3.196.717	3.228.699
The Company's banks have provided bank guarantees to the Company's and the group enterprises' customers of a total amount of	648.600	674.472

# Notes to the Financial Statements

## 22 Related parties

	<u>Basis</u>
<b>Controlling interest</b>	
BEUMER Group GmbH & Co. KG, reg. no. HR A 7260	Ultimate parent

### Transactions

Referring to section 98 C, litra 7 of the Danish Financial Statements Act, no information describing transactions with related parties is provided.

### Consolidated Financial Statements

The Company is included in the Group Annual Report of

<u>Name</u>	<u>Place of registered office</u>
BEUMER Group GmbH & Co. KG	Older Str. 40, 59269 Beckum, Germany, reg. no. HR A 7620

The Group Annual Report of BEUMER Group GmbH & Co. KG may be obtained at the following address:

BEUMER Group GmbH & Co. KG  
Older Str. 40  
59269 Beckum  
Germany

# Notes to the Financial Statements

	2021 kDKK	2020 kDKK
<b>23 Fee to auditors appointed at the general meeting</b>		
<b>PricewaterhouseCoopers</b>		
Audit fee	425	425
Other assurance engagements	43	0
Tax advisory services	221	603
Other services	291	207
	<b>980</b>	<b>1.235</b>

## 24 Subsequent events

At the end of February 2022 the geopolitical tensions between Russia and Ukraine escalated to an invasion of Ukraine. BEUMER Group has limited activities relating to these countries and therefore not directly affected by the conflict. It is currently uncertain whether any possible increase in raw material prices or disruptions to BEUMER Group's supply chain may affect current and future contracts. However, BEUMER Group has not yet been significantly affected. For accounting purposes the event is a non-adjusting subsequent event.

# Notes to the Financial Statements

## 25 Accounting Policies

The Annual Report of BEUMER Group 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 kDKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of BEUMER Group GmbH & Co. KG, the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement.

### Recognition and measurement

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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

### Translation policies

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



# Notes to the Financial Statements

## 25 Accounting Policies (continued)

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.

### **Derivative financial instruments**

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

### **Hedge accounting**

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

### **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.

# Notes to the Financial Statements

## 25 Accounting Policies (continued)

### 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.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

In accordance with section 96(1) of the Danish Financial Statements Acts, disclosures on revenue broken down by business segments are not provided as the Company's Executive Board and Supervisory Board assess that such disclosures would be very detrimental to the Company.

#### Production costs

Production costs comprises costs incurred to achieve revenue for the year. Cost comprises raw materials and consumables, wages and salaries, rent and leases, share of HR and IT costs, share of building costs as well as depreciation of production plant.

#### Distribution expenses

Distribution expenses comprise costs incurred for distribution of goods/plant sold, including costs for sales and distribution staff, advertising costs as well as depreciation and amortisation.

#### Development expenditure

Development expenditure comprise costs that do not meet the criteria for capitalisation as well as amortisation and impairment losses of development costs capitalised.

#### Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office premises, office expenses, depreciation, etc. Furthermore, provision for bad debt is recognised.

# Notes to the Financial Statements

## 25 Accounting Policies (continued)

### Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

### 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

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

### Intangible assets

#### *Development projects, patents and licences*

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company’s development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item “Reserve for development costs”. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis and by deferred tax.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 4-5

# Notes to the Financial Statements

## 25 Accounting Policies (continued)

years.

### 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. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

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:

Buildings	50 years
Plant and machinery	2-10 years
Other fixtures and fittings, tools and equipment	2-10 years
Leasehold improvements	2-10 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.

### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to

# Notes to the Financial Statements

## 25 Accounting Policies (continued)

“Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

### Other fixed asset investments

Other fixed asset investments consist of receivables from group enterprises.

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

The cost of 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 with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

### 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.

### 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 stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as

# Notes to the Financial Statements

## 25 Accounting Policies (continued)

incurred.

### **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and prepayments to suppliers.

### **Equity**

#### ***Dividend***

Dividend distribution proposed by Management for the year is disclosed as a separate equity 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 warranty obligations in respect of repair work within the warranty period. Provisions are measured and recognised based on experience with guarantee work.

### **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 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. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

# Notes to the Financial Statements

## 25 Accounting Policies (continued)

### Financial debts

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

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

## Notes to the Financial Statements

### 25 Accounting Policies (continued)

#### Financial Highlights

##### Explanation of financial ratios

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