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# ***Royal Canin Danmark A/S***

Kay Fiskers Plads 10, DK-2300 København S

## **Annual Report for 1 January - 31 December 2022**

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CVR No 13 11 84 77

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
7 /6 2023

Tessi Romell  
Chairman of the General  
Meeting



**pwc**

# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company Information	5
Financial Highlights	6
Management's Review	7
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	8
Balance Sheet 31 December	9
Statement of Changes in Equity	11
Cash Flow Statement 1 January - 31 December	12
Notes to the Financial Statements	13

# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Royal Canin Danmark A/S for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations and cash flows for 2022.

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.

Copenhagen, 7 June 2023

## Executive Board

Tessi Romell

## Board of Directors

Antonia Sandra Raluca Manolescu  
Chairman

Isabelle Burckle

Tessi Romell

# Independent Auditor's Report

To the Shareholder of Royal Canin Danmark 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 2022 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Royal Canin Danmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for Opinion

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

## Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

# Independent Auditor's Report

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

## **Management's responsibilities for the Financial Statements**

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

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

## **Auditor's responsibilities for the audit of the Financial Statements**

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

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.

## Independent Auditor's Report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 7 June 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Martin Lunden  
State Authorised Public Accountant  
mne32209

Gösta Gauffin  
State Authorised Public Accountant  
mne45821

## **Company Information**

### **The Company**

Royal Canin Danmark A/S  
Kay Fiskers Plads 10  
DK-2300 København S

CVR No: 13 11 84 77  
Financial period: 1 January - 31 December  
Municipality of reg. office: Copenhagen

### **Board of Directors**

Antonia Sandra Raluca Manolescu , Chairman  
Isabelle Burckle  
Tessi Romell

### **Executive Board**

Tessi Romell

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Financial Highlights

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

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Gross profit/loss	59.049	81.951	79.976	70.978	61.688
Profit/loss before financial income and expenses	-9.330	9.410	7.570	5.801	2.441
Net financials	322	-379	590	640	845
Net profit/loss for the year	-7.071	7.028	6.346	4.928	2.503
<b>Balance sheet</b>					
Balance sheet total	50.911	70.158	63.651	66.233	69.071
Equity	6.157	21.227	14.200	20.854	18.926
<b>Cash flows</b>					
Cash flows from:					
- operating activities	8.767	814	14.203	294	-376
- investing activities	666	-920	0	0	28
- financing activities	-8.000	0	-16.104	0	0
Change in cash and cash equivalents for the year	1.433	-106	-1.901	294	-348
Number of employees	92	90	87	85	78
<b>Ratios</b>					
Return on assets	-18,3%	13,4%	11,9%	8,8%	3,5%
Solvency ratio	12,1%	30,3%	22,3%	31,5%	27,4%
Return on equity	-51,6%	39,7%	36,2%	24,8%	14,2%

The key figures have been prepared in accordance with the Financial Association's recommendations and key figures. Reference is made to definitions in the section on accounting policies.



# Management's Review

## Key activities

The Company imports, sells and distributes pet food in Denmark.

## Development in the year

The income statement of the Company for 2022 shows a loss of TDKK 7.071, and at 31 December 2022 the balance sheet of the Company shows equity of TDKK 6.157.

## The past year and follow-up on development expectations from last year

The Company has realized a loss of DKK 7 million in 2022 compared to an expected profit at the same level as 2021 of DKK 7 million. The earnings in 2022 are below expectations because of a massive increase in production costs and an increase in inflation during the year following the Russian Military invasion of Ukraine. Cost of production was a key challenge in 2022 for Royal Canin and the industry. Furthermore, inflation is affecting consumer behavior and adds complexity to the way the business service customers.

## Targets and expectations for the year ahead

The Danish market continues to be very competitive. With customer price increases implemented in January 2023 combined with a slowdown of the increase in production costs, it is expected the Company will recover the gross margin in 2023. However, volumes of goods sold are expected to decrease in 2023. Depending on the magnitude of volume decrease of goods sold in 2023, we expect a profit before tax between DKK 1.5 million and DKK 7 million in 2023.

## Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

## Subsequent events

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

## Income Statement 1 January - 31 December

	Note	2022 TDKK	2021 TDKK
<b>Gross profit/loss</b>		<b>59.049</b>	<b>81.951</b>
Staff expenses	1	-68.379	-72.481
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	<u>0</u>	<u>-60</u>
<b>Profit/loss before financial income and expenses</b>		<b>-9.330</b>	<b>9.410</b>
Financial income	3	537	166
Financial expenses	4	<u>-215</u>	<u>-545</u>
<b>Profit/loss before tax</b>		<b>-9.008</b>	<b>9.031</b>
Tax on profit/loss for the year	5	<u>1.937</u>	<u>-2.003</u>
<b>Net profit/loss for the year</b>		<b><u>-7.071</u></b>	<b><u>7.028</u></b>

# Balance Sheet 31 December

## Assets

	Note	2022 TDKK	2021 TDKK
Deposits		0	666
<b>Fixed asset investments</b>	6	<b>0</b>	<b>666</b>
<b>Fixed assets</b>		<b>0</b>	<b>666</b>
<b>Inventories</b>		<b>6.448</b>	<b>5.836</b>
Trade receivables		3.930	3.815
Receivables from group enterprises		32.488	54.848
Deferred tax asset	7	311	1.018
Corporation tax receivable from group enterprises		4.643	1.520
Prepayments	8	0	797
<b>Receivables</b>		<b>41.372</b>	<b>61.998</b>
<b>Cash at bank and in hand</b>		<b>3.091</b>	<b>1.658</b>
<b>Currents assets</b>		<b>50.911</b>	<b>69.492</b>
<b>Assets</b>		<b>50.911</b>	<b>70.158</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2022 TDKK	2021 TDKK
Share capital	9	500	500
Retained earnings		5.657	12.727
Proposed dividend for the year		0	8.000
<b>Equity</b>		<b>6.157</b>	<b>21.227</b>
Trade payables		7.458	7.083
Payables to group enterprises		9.492	4.550
Other payables		27.804	37.298
<b>Short-term debt</b>		<b>44.754</b>	<b>48.931</b>
<b>Debt</b>		<b>44.754</b>	<b>48.931</b>
<b>Liabilities and equity</b>		<b>50.911</b>	<b>70.158</b>
Distribution of profit	10		
Contingent assets, liabilities and other financial obligations	13		
Related parties	14		
Accounting Policies	15		

## Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	500	12.728	8.000	21.228
Ordinary dividend paid	0	0	-8.000	-8.000
Net profit/loss for the year	0	-7.071	0	-7.071
<b>Equity at 31 December</b>	<b>500</b>	<b>5.657</b>	<b>0</b>	<b>6.157</b>

## Cash Flow Statement 1 January - 31 December

	Note	2022 TDKK	2021 TDKK
Net profit/loss for the year		-7.071	7.028
Adjustments	11	-2.259	2.442
Change in working capital	12	18.256	-4.398
<b>Cash flows from operating activities before financial income and expenses</b>		<b>8.926</b>	<b>5.072</b>
Financial income		537	166
Financial expenses		-216	-542
<b>Cash flows from ordinary activities</b>		<b>9.247</b>	<b>4.696</b>
Corporation tax paid / repayment		-480	-3.882
<b>Cash flows from operating activities</b>		<b>8.767</b>	<b>814</b>
Fixed asset investments made etc		666	-920
<b>Cash flows from investing activities</b>		<b>666</b>	<b>-920</b>
Dividend paid		-8.000	0
<b>Cash flows from financing activities</b>		<b>-8.000</b>	<b>0</b>
<b>Change in cash and cash equivalents</b>		<b>1.433</b>	<b>-106</b>
Cash and cash equivalents at 1 January		1.658	1.764
<b>Cash and cash equivalents at 31 December</b>		<b>3.091</b>	<b>1.658</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		3.091	1.658
<b>Cash and cash equivalents at 31 December</b>		<b>3.091</b>	<b>1.658</b>

# Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
<b>1 Staff expenses</b>		
Wages and salaries	62.769	66.541
Pensions	4.787	4.998
Other social security expenses	823	942
	<u>68.379</u>	<u>72.481</u>
<b>Average number of employees</b>	<u>92</u>	<u>90</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
<b>2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>		
Depreciation of property, plant and equipment	0	60
	<u>0</u>	<u>60</u>
<b>3 Financial income</b>		
Interest received from group enterprises	186	164
Other financial income	351	2
	<u>537</u>	<u>166</u>
<b>4 Financial expenses</b>		
Interest paid to group enterprises	124	294
Other financial expenses	91	251
	<u>215</u>	<u>545</u>

## Notes to the Financial Statements

	2022 <u>TDKK</u>	2021 <u>TDKK</u>
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	-2.643	2.080
Deferred tax for the year	706	-76
Adjustment of deferred tax concerning previous years	0	-1
	<u><b>-1.937</b></u>	<u><b>2.003</b></u>
 <b>6 Fixed asset investments</b>		
		<u>Deposits</u> TDKK
Cost at 1 January		666
Disposals for the year		-666
Cost at 31 December		<u>0</u>
 <b>Carrying amount at 31 December</b>		<u><b>0</b></u>
 <b>7 Deferred tax asset</b>		
Deferred tax asset at 1 January	1.018	942
Amounts recognised in the income statement for the year	-707	76
<b>Deferred tax asset at 31 December</b>	<u><b>311</b></u>	<u><b>1.018</b></u>

## 8 Prepayments

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

## 9 Equity

The share capital consists of 50 shares of a nominal value of TDKK 10,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.



## Notes to the Financial Statements

	2022 TDKK	2021 TDKK
<b>10 Distribution of profit</b>		
Proposed dividend for the year	0	8.000
Retained earnings	-7.071	-972
	<u>-7.071</u>	<u>7.028</u>
<b>11 Cash flow statement - adjustments</b>		
Financial income	-537	-166
Financial expenses	215	545
Depreciation, amortisation and impairment losses, including losses and gains on sales	0	60
Tax on profit/loss for the year	-1.937	2.003
	<u>-2.259</u>	<u>2.442</u>
<b>12 Cash flow statement - change in working capital</b>		
Change in inventories	-612	-1.242
Change in receivables	23.045	-2.916
Change in trade payables, etc	-4.177	-240
	<u>18.256</u>	<u>-4.398</u>
<b>13 Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	2.457	3.050
Between 1 and 5 years	4.920	6.701
	<u>7.377</u>	<u>9.751</u>

# Notes to the Financial Statements

## 13 Contingent assets, liabilities and other financial obligations (continued)

### Other contingent liabilities

The Danish companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Mars Danmark A/S, which is the management company of the joint taxation purposes. 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.

## 14 Related parties

### Basis

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#### Controlling interest

Mars Incorporated, Elm Street, Maclean, Virginia 22101, USA      Ultimate parent company, USA

#### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

#### Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Royal Canin SAS, BP 4-650, Avenue de la Camargue, F-30470 Aimargues, France

#### Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
Mars Incorporated	McLean, Virginia, USA

The Company's nearest and ultimate Parent Company is Mars Incorporated, 6885 Elm Street, McLean, Virginia 22101, USA. The consolidated financial statement are not published, as Mars Inc. is privately owned.

# Notes to the Financial Statements

## 15 Accounting Policies

The Annual Report of Royal Canin Danmark A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

Changes have been made in regards to classification of comparative and current year figures. The accounting policies applied remain unchanged compared to last year. The reclassification relates to classification between fixed assets and current assets related to receivables from group enterprises. Changes to classification has no effect on the Company's profit or equity in previous or current financial year.

The Financial Statements for 2022 are presented in TDKK.

### Recognition and measurement

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

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

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

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

### Leases

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

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

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

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

### Translation policies

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

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

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

## Income Statement

### Revenue

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

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

### Cost of sales

Cost of sales comprise costs of goods for resale to achieve revenue for the year.

### Other external expenses

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

### Gross profit/loss

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

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

### Staff expenses

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

### Amortisation, depreciation and impairment losses

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

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

### 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.

The Company is jointly taxed with Danish sister Companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Fixed asset investments

Fixed asset investments consist of loans to group enterprises and deposits.

### Inventories

Inventories are measured at the lower of cost under the FIFO method 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.

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

### Receivables

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

### Prepayments

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

### Dividend

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

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

### Financial debts

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

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

### Cash Flow Statement

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

#### Cash flows from operating activities

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

#### Cash flows from investing activities

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

#### Cash flows from financing activities

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

#### Cash and cash equivalents

Cash and cash equivalents comprise

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

### Financial Highlights

#### Explanation of financial ratios

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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$