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# ***SCANCOM INTERNATIONAL A/S***

Amager Strandvej, st 60, DK-2300 Copenhagen

**Annual Report for  
1 September 2022 - 31 August 2023**

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CVR No. 18 47 98 93

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 18/1 2024

Jesper Lund  
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 SCANCOM INTERNATIONAL A/S for the financial year 1 September 2022 - 31 August 2023.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 August 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022/23.

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

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

Copenhagen, 18 January 2024

## Executive Board

Stig Maasbøl  
CEO

## Board of Directors

Erik Preben Holm  
Chairman

Jesper Lund

Ole Lund Andersen

Peter Dornonville de la Cour  
Andsager

# Independent Auditor's report

To the shareholder of SCANCOM INTERNATIONAL A/S

## Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 August 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 September 2022 - 31 August 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of SCANCOM INTERNATIONAL A/S for the financial year 1 September 2022 - 31 August 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

# Independent Auditor's report

## 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

# Independent Auditor's report

Aarhus C, 18 January 2024

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
*CVR No 33 77 12 31*

Henrik Kragh  
State Authorised Public Accountant  
mne26783

Keld A. M. Nielsen  
State Authorised Public Accountant  
mne40037

## Company information

<b>The Company</b>	SCANCOM INTERNATIONAL A/S Amager Strandvej, st 60 DK-2300 Copenhagen  CVR No: 18 47 98 93 Financial period: 1 September 2022 - 31 August 2023 Municipality of reg. office: Copenhagen
<b>Board of Directors</b>	Erik Preben Holm, chairman Jesper Lund Ole Lund Andersen Peter Dornonville de la Cour Andsager
<b>Executive Board</b>	Stig Maasbøl
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C
<b>Bankers</b>	Nordea Bank Danmark A/S Skt. Clemens Torv 2-6 8000 Aarhus C

# Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
<b>SCANCOM INTERNATIONAL A/S</b>	<b>Copenhagen DK</b>	
ScanCom Vietnam Ltd.	Ho Chi Minh City, VN	100%
PT ScanCom Indonesia	Semarang, IN	100%
ScanCom Hong Kong	Hong Kong	100%
ScanCom Deutschland GmbH	Oberhausen, DE	100%
ScanCom do Brasil Ltda.	Telemaco Borba, BR	100%
ScanCom UK Ltd.	Essex, UK	100%
Raimotech A/S	Copenhagen, DK	100%
ScanCom North America, Inc.	California, US	100%
ScanCom International A/S Sucursal EN Espana	Mallorca, SP	100%



# Financial Highlights

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

	<b>Group</b>				
	2022/23	2021/22	2020/21	2019/20	2018/19
	Mil. DKK	Mil. DKK	Mil. DKK	Mil. DKK	Mil. DKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	974	1,225	1,291	1,301	1,243
Gross profit/loss	186	238	289	278	349
Profit/loss before financial income and expenses	-22	-40	9	4	40
Net profit/loss	-54	5	-1	-7	21
<b>Balance sheet</b>					
Balance sheet total	915	1,174	916	939	916
Investment in property, plant and equipment	25	56	56	119	83
Equity	760	833	794	142	183
Number of employees	2,690	3,662	4,516	4,831	4,281
<b>Ratios</b>					
Gross margin	19.1%	19.4%	22.4%	21.4%	28.1%
Profit margin	-2.3%	-3.3%	0.7%	0.3%	3.2%
Solvency ratio	83.1%	71.0%	86.7%	15.1%	20.0%
Return on equity	-6.8%	0.6%	-0.2%	-4.3%	12.2%

# Management's review

## Key activities

The principal activity of ScanCom is to design, sell and manufacture garden furniture. The products are manufactured in the Far East and marketed throughout most of the world. As part of the effort to guarantee certified FSC wood for the furniture production, ScanCom has sawmill activities in Brazil.

## Development in the year

The income statement of the Group for 2022/23 shows a loss of TDKK -53,559, and on 31 August 2023 the balance sheet of the Group shows positive equity of TDKK 759,942.

Further for the season from 1 September 2022 to 31 August 2023 ScanCom realized a revenue of TDKK 974,067, generating an EBIT of TDKK -21,781 and a result before tax of TDKK -68,201.

As expected, the revenue level ended lower year-on-year with a negative growth of -21% driven by a general slow-down in the market for outdoor furniture.

The profit/loss before financial income and expenses (EBIT) is in negative territory and below our expectations for the year. The underperformance is primarily driven by the lower revenue level.

A relatively lower activity level combined with an intensified focus on our working capital elements, resulted in a positive Free Cash Flow of TDKK 108,211. This result is better than expected and an achievement which the management is highly satisfied with.

## Product lines

ScanCom is a versatile supplier and manufacturer of garden furniture made of wood, aluminum, steel mesh, wrought iron, woven materials, plastics and combinations thereof. The garden furniture is continuously upgraded to secure competitive advantages in terms of design and manufacturing. In addition to garden furniture, ScanCom sells timber to external customers.

## Strategies and plans

ScanCom was established in 1995. From the outset, products were manufactured according to ScanCom's drawings and directions by contract producers in Vietnam. Over the years, ScanCom has established a significant production of its own. Continued expansion and development of own production remains a key strategy. In the coming year ScanCom will continue to focus on consolidation and investments in core product lines. Our market coverage is global and directed towards large retail chains and DIY centers.

# Management's review

## Corporate Social Responsibility

Statement of Corporate Social Responsibility (ARL §99a and 99d) is covered by CSR statement for the Group and can be viewed in the Management Review in the Annual Report 2022/23 for LLG A/S, CVR no. 86001519, which can be obtained from [www.cvr.dk](http://www.cvr.dk).

ScanCom has a strong belief in the importance of prudent use of nature's resources in addition to a firm commitment towards Social Responsibility. These are values that we continuously develop in close cooperation with our business partners.

As a result, ScanCom is one of the largest producers of garden furniture made from FSC-certified eucalyptus wood. Accordingly, ScanCom complies with the European FLEGT standard dealing with the origin control on wood imported into the EU as well as the similar US Lacey Act. ScanCom's way of doing business dictates that manufacturing of our products including eucalyptus components as well in the future will be made by 100% FSC Hard Wood. FSC is considered as the most ambitious certificate in the world when it comes to responsible forestry.

Other focus areas include the use of recycled materials, such as recycled plastic from the ocean, recycled plastic from land, dust from wood, scrap from aluminum and petan extruded materials. In terms of chemicals, the quality team is working with standards that as a minimum comply with the EU chemical regulations (REACH). ScanCom focus on sustainability starting from the design phase and throughout the entire value chain. As an example we target to design the products in a way where compact packaging enables less space used in our containers and thereby relatively less energy spent on shipping the inventory. Innovative packaging designs will continue to be in our focus lowering the emission level.

At ScanCom, we value our employees, and believe motivation and devotion to duties are keywords for ensuring quality in our products and high customer service. Corporate Social Responsibility (CSR) is a key factor in ScanCom's way of doing business and we have a dedicated team that continuously monitors and takes action in relation to health and safety.

ScanCom confirms its support to the United Nations Global Compact and is in process of issuing its Sustainability Report 2022/2023 (COP report) describing how ScanCom is working within the areas of human rights, labor standards, the environment and anti-corruption. The latest report is available on [www.unglobalcompact.org](http://www.unglobalcompact.org).

## Statutory statement on the underrepresented gender in management

The Board of Directors consists of four male board members. The Board of Directors aim for male and female board members to be represented equally by year 2024.

ScanCom International A/S has less than 50 employees. Therefore, no target and no further reporting on gender composition at management levels is included in this report.

ScanCom International A/S strives to be an attractive workplace with equal opportunity for all employees. We will continue our work to further support the development towards equal gender representation at management levels throughout the organization. To achieve that ambition, we will work actively with the Group Gender Equality Policy and Human Resource programs, while ensuring that recruitment is based on qualifications and competences.

## Statutory statement on data ethics

Information on data ethics (ARL §99d), please view the statement by the Group which can be viewed in the Management Review in the Annual Report 2022/23 for LLG A/S, CVR no. 86001519, which can be obtained from [www.cvr.dk](http://www.cvr.dk).

## Vietnam

ScanCom's own production in Vietnam is concentrated in Song Than Industrial Park located 20 km northeast of central Ho Chi Minh City and in the Mekong-delta. ScanCom's administrative office and showroom are located in Song Than Industrial Park.

# Management's review

## Indonesia

In Indonesia, the manufacturing business PT ScanCom Indonesia is situated in Semarang on Central Java, manufacturing teak furniture for customers.

## Brazil

To ensure sufficient access to certified wood both short and long term, ScanCom set up business in Brazil in 2002.

## USA

In order to increase sales in North America, ScanCom established ScanCom North America Inc. and the company was operational as of July 2012.

## Spain

In October 2015 ScanCom opened its European Design & Commercial Center in Mallorca. ScanCom has a showroom and also designers located at the branch. However, activities will be closed down in the coming financial year, where the European activities will be more focused around our new established Nordic Home & Creative space in Copenhagen.

## Denmark

Legal headquarters of ScanCom (Nordic Home & Creative space).

## Contract production

From the outset, ScanCom has been working closely with a number of contract manufacturers in Vietnam, Indonesia and Brazil. The use of contract manufacturers forms an important part of ScanCom's production activities.

## Sales and markets

The primary target group is large retail chains and DIY centers requiring large volumes, high quality, modern designs and a high level of reliability of delivery at reasonable prices, supported by efficient distribution. Our products are sold in virtually all European markets, North and South America, Australia and South Africa. In its efforts to be the preferred partner to its customers, ScanCom offers a broad product range, and retail chains can meet their entire demand for quality garden furniture in one place. For revenue development reference is made to ScanCom's financial highlights on page 7.

## Design, development and research

From its beginning in 1995 ScanCom was established as a company with very close connection to the large retail chains. Accordingly, a major feature of ScanCom's identity is an ongoing willingness to find innovative designs supporting improved quality, market evolution and price point expectation of the mass market.

## Quality

The right level of quality is essential for our customers and important for efficient production. Finding the balance between speed to market for new products and securing product quality remains a challenge. To improve our quality, we continuously work with new analyzing and fault finding methods. In addition we have expanded our finishing and packaging control of our in-house testing facilities and implemented a strong managerial LEAN approach.

# Management's review

## Outlook

ScanCom targets to protect its margins, however it's with a high level of uncertainty. Season 2023/24 will be influenced by the macroeconomic uncertainties impacting the market for outdoor furniture.

ScanCom expects to realize revenue and EBIT in line with 2022/23 level.

## Risks

The management does not consider ScanCom to be particularly exposed to risks beyond the risks normally applicable to the industry and the general pandemic and Ukrainian war situation in the world.

## Subsequent events

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

## Income statement 1 September 2022 - 31 August 2023

	Note	Group		Parent company	
		2022/23	2021/22	2022/23	2021/22
		TDKK	TDKK	TDKK	TDKK
Revenue	1	974,067	1,225,288	813,359	1,018,182
Work on own account recognised in assets		89,548	157,133	0	0
Other operating income		5,441	0	0	0
Expenses for raw materials and consumables		-802,144	-1,063,988	-763,479	-982,947
Other external expenses		-80,713	-80,626	-23,787	-21,066
<b>Gross profit</b>		<b>186,199</b>	<b>237,807</b>	<b>26,093</b>	<b>14,169</b>
Staff expenses	2	-176,181	-244,700	-26,256	-20,171
<b>Earnings Before Interest Taxes Depreciation and Amortization</b>		<b>10,018</b>	<b>-6,893</b>	<b>-163</b>	<b>-6,002</b>
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-31,765	-32,614	-94	-16
Other operating expenses		-34	0	-34	0
<b>Profit/loss before financial income and expenses</b>		<b>-21,781</b>	<b>-39,507</b>	<b>-291</b>	<b>-6,018</b>
Income from investments in subsidiaries		0	0	-15,396	-31,495
Financial income	3	3,105	60,328	6,285	57,433
Financial expenses	4	-49,525	-3,297	-54,900	-4,399
<b>Profit/loss before tax</b>		<b>-68,201</b>	<b>17,524</b>	<b>-64,302</b>	<b>15,521</b>
Tax on profit/loss for the year	5	14,642	-12,505	10,743	-10,502
<b>Net profit/loss for the year</b>	6	<b>-53,559</b>	<b>5,019</b>	<b>-53,559</b>	<b>5,019</b>

## Balance sheet 31 August 2023

### Assets

	Note	Group		Parent company	
		2022/23 TDKK	2021/22 TDKK	2022/23 TDKK	2021/22 TDKK
Acquired licenses		1,670	2,720	221	0
Acquired other similar rights		63,424	70,556	0	0
Goodwill		3,578	4,249	0	0
<b>Intangible assets</b>	<b>7</b>	<b>68,672</b>	<b>77,525</b>	<b>221</b>	<b>0</b>
Land and buildings		8,319	25,322	0	0
Other fixtures and fittings, tools and equipment		59,103	72,970	802	124
Leasehold improvements		118,539	137,986	0	0
Property, plant and equipment in progress		14,640	2,495	0	0
<b>Property, plant and equipment</b>	<b>8</b>	<b>200,601</b>	<b>238,773</b>	<b>802</b>	<b>124</b>
Investments in subsidiaries	9	0	0	264,801	298,337
Deposits	10	11,074	11,182	906	0
<b>Fixed asset investments</b>		<b>11,074</b>	<b>11,182</b>	<b>265,707</b>	<b>298,337</b>
<b>Fixed assets</b>		<b>280,347</b>	<b>327,480</b>	<b>266,730</b>	<b>298,461</b>
Raw materials and consumables		152,925	190,992	0	0
Work in progress		79,738	129,222	0	0
Finished goods and goods for resale		150,963	249,916	1,756	1,289
<b>Inventories</b>		<b>383,626</b>	<b>570,130</b>	<b>1,756</b>	<b>1,289</b>

# Balance sheet 31 August 2023

## Assets

	Note	Group		Parent company	
		2022/23	2021/22	2022/23	2021/22
		TDKK	TDKK	TDKK	TDKK
Trade receivables		114,529	147,304	91,353	107,772
Receivables from group enterprises		0	0	554,704	715,002
Other receivables		27,689	40,074	267	19,713
Deferred tax asset	11	20,117	17,061	1,581	1,116
Corporation tax receivable from group enterprises		10,564	0	10,564	0
Prepayments	12	57,400	46,255	31,953	0
<b>Receivables</b>		<b>230,299</b>	<b>250,694</b>	<b>690,422</b>	<b>843,603</b>
<b>Cash at bank and in hand</b>		<b>20,971</b>	<b>25,540</b>	<b>12</b>	<b>49</b>
<b>Current assets</b>		<b>634,896</b>	<b>846,364</b>	<b>692,190</b>	<b>844,941</b>
<b>Assets</b>		<b>915,243</b>	<b>1,173,844</b>	<b>958,920</b>	<b>1,143,402</b>



# Balance sheet 31 August 2023

## Liabilities and equity

	Note	Group		Parent company	
		2022/23	2021/22	2022/23	2021/22
		TDKK	TDKK	TDKK	TDKK
Share capital	13	9,901	9,901	9,901	9,901
Reserve for exchange rate conversion		20,358	40,228	0	0
Retained earnings		729,683	783,242	750,041	823,470
<b>Equity</b>		<b>759,942</b>	<b>833,371</b>	<b>759,942</b>	<b>833,371</b>
Provisions relating to investments in group enterprises		0	0	6,664	0
Other provisions	14	12,522	34,971	8,291	10,747
<b>Provisions</b>		<b>12,522</b>	<b>34,971</b>	<b>14,955</b>	<b>10,747</b>
Mortgage loans		0	3,045	0	0
<b>Long-term debt</b>	15	<b>0</b>	<b>3,045</b>	<b>0</b>	<b>0</b>
Mortgage loans	15	0	422	0	0
Trade payables		41,186	70,426	8,579	28,641
Payables to group enterprises		77,129	186,442	140,654	247,495
Corporation tax		670	2,207	0	0
Payables to group enterprises relating to corporation tax		0	11,068	0	11,068
Other payables		23,794	31,892	12,676	12,080
Deferred income	16	0	0	22,114	0
<b>Short-term debt</b>		<b>142,779</b>	<b>302,457</b>	<b>184,023</b>	<b>299,284</b>
<b>Debt</b>		<b>142,779</b>	<b>305,502</b>	<b>184,023</b>	<b>299,284</b>
<b>Liabilities and equity</b>		<b>915,243</b>	<b>1,173,844</b>	<b>958,920</b>	<b>1,143,402</b>
Contingent assets, liabilities and other financial obligations	19				
Related parties	20				
Fee to auditors appointed at the general meeting	21				
Subsequent events	22				
Accounting Policies	23				

## Statement of changes in equity

### Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 September	9,901	40,228	783,242	833,371
Exchange adjustments	0	-19,870	0	-19,870
Net profit/loss for the year	0	0	-53,559	-53,559
<b>Equity at 31 August</b>	<b>9,901</b>	<b>20,358</b>	<b>729,683</b>	<b>759,942</b>

### Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 September	9,901	823,470	833,371
Exchange adjustments	0	-19,870	-19,870
Net profit/loss for the year	0	-53,559	-53,559
<b>Equity at 31 August</b>	<b>9,901</b>	<b>750,041</b>	<b>759,942</b>

## Cash flow statement 1 September 2022 - 31 August 2023

	Note	Group	
		2022/23	2021/22
		TDKK	TDKK
Result of the year		-53,559	5,019
Adjustments	17	67,181	-12,463
Change in working capital	18	160,732	-208,320
<b>Cash flow from operations before financial items</b>		<b>174,354</b>	<b>-215,764</b>
Financial income		3,105	60,328
Financial expenses		-49,525	-3,297
<b>Cash flows from ordinary activities</b>		<b>127,934</b>	<b>-158,733</b>
Corporation tax paid		-11,583	-4,542
<b>Cash flows from operating activities</b>		<b>116,351</b>	<b>-163,275</b>
Purchase of intangible assets		0	-32,094
Purchase of property, plant and equipment		-24,894	-34,001
Fixed asset investments made etc		-2,591	0
Sale of property, plant and equipment		17,526	19,150
Sale of fixed asset investments made etc		1,819	7,226
<b>Cash flows from investing activities</b>		<b>-8,140</b>	<b>-39,719</b>
Repayment of mortgage loans		-3,467	-498
Raising of payables to group enterprises		9,915	0
<b>Cash flows from financing activities</b>		<b>6,448</b>	<b>-498</b>
<b>Change in cash and cash equivalents</b>		<b>114,659</b>	<b>-203,492</b>
Cash and cash equivalents at 1 September		-160,902	42,590
<b>Cash and cash equivalents at 31 August</b>		<b>-46,243</b>	<b>-160,902</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		20,971	25,540
Overdraft facility		-67,214	-186,442
<b>Cash and cash equivalents at 31 August</b>		<b>-46,243</b>	<b>-160,902</b>

# Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
<b>1. Revenue</b>				
<b>Revenue by division</b>				
Garden	937,720	1,110,641	784,651	914,434
Timber	35,052	112,388	28,708	103,748
Administrative	1,295	2,259	0	0
	<b>974,067</b>	<b>1,225,288</b>	<b>813,359</b>	<b>1,018,182</b>

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

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
<b>2. Staff Expenses</b>				
Wages and salaries	138,109	196,572	22,637	16,821
Pensions	5,487	4,898	282	368
Other social security expenses	20,221	25,784	0	0
Other staff expenses	12,364	17,446	3,337	2,982
	<b>176,181</b>	<b>244,700</b>	<b>26,256</b>	<b>20,171</b>
<b>Including remuneration to the Executive Board and Board of Directors</b>	<b>7,181</b>	<b>5,065</b>	<b>7,181</b>	<b>5,065</b>
<b>Average number of employees</b>	<b>2,690</b>	<b>3,662</b>	<b>17</b>	<b>18</b>

## Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
<b>3. Financial income</b>				
Interest received from group enterprises	0	0	3,246	2,150
Other financial income	3,105	1,099	3,039	849
Exchange adjustments	0	59,229	0	54,434
	<b>3,105</b>	<b>60,328</b>	<b>6,285</b>	<b>57,433</b>

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
<b>4. Financial expenses</b>				
Interest paid to group enterprises	0	0	1,590	1,457
Other financial expenses	5,391	3,297	5,391	2,942
Exchange adjustments	44,134	0	47,919	0
	<b>49,525</b>	<b>3,297</b>	<b>54,900</b>	<b>4,399</b>

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
<b>5. Income tax expense</b>				
Current tax for the year	-9,576	19,347	-10,253	11,044
Deferred tax for the year	-3,787	-6,842	-465	-542
Adjustment of tax concerning previous years	-1,279	0	-25	0
	<b>-14,642</b>	<b>12,505</b>	<b>-10,743</b>	<b>10,502</b>

## Notes to the Financial Statements

	<u>Parent company</u>	
	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
<b>6. Profit allocation</b>		
Retained earnings	-53,559	5,019
	<u>-53,559</u>	<u>5,019</u>

## 7. Intangible fixed assets

### Group

	Acquired licenses	Acquired other similar rights	Goodwill
	TDKK	TDKK	TDKK
Cost at 1 September	17,928	73,116	13,374
Exchange adjustment	-1,313	-5,671	2
Disposals for the year	-1,801	0	0
Transfers for the year	292	0	0
Cost at 31 August	<u>15,106</u>	<u>67,445</u>	<u>13,376</u>
Impairment losses and amortisation at 1 September	15,208	2,560	9,125
Exchange adjustment	-1,123	-195	4
Amortisation for the year	1,152	1,656	669
Impairment and amortisation of sold assets for the year	-1,801	0	0
Impairment losses and amortisation at 31 August	<u>13,436</u>	<u>4,021</u>	<u>9,798</u>
<b>Carrying amount at 31 August</b>	<u><b>1,670</b></u>	<u><b>63,424</b></u>	<u><b>3,578</b></u>

# Notes to the Financial Statements

## Parent company

	Acquired licenses
	TDKK
Cost at 1 September	0
Transfers for the year	292
Cost at 31 August	<u>292</u>
Impairment losses and amortisation at 1 September	0
Amortisation for the year	71
Impairment losses and amortisation at 31 August	<u>71</u>
<b>Carrying amount at 31 August</b>	<b><u>221</u></b>

## 8. Property, plant and equipment

### Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 September	39,815	288,369	215,999	2,495
Exchange adjustment	-325	-21,315	-16,369	-393
Additions for the year	0	2,901	237	21,756
Disposals for the year	-29,007	-9,085	-3,265	-48
Transfers for the year	0	7,542	1,336	-9,170
Cost at 31 August	<u>10,483</u>	<u>268,412</u>	<u>197,938</u>	<u>14,640</u>
Impairment losses and depreciation at 1 September	14,493	215,399	78,013	0
Exchange adjustment	-59	-16,168	-5,249	0
Depreciation for the year	175	18,326	9,787	0
Reversal of impairment and depreciation of sold assets	-12,445	-8,248	-3,152	0
Impairment losses and depreciation at 31 August	<u>2,164</u>	<u>209,309</u>	<u>79,399</u>	<u>0</u>
<b>Carrying amount at 31 August</b>	<b><u>8,319</u></b>	<b><u>59,103</u></b>	<b><u>118,539</u></b>	<b><u>14,640</u></b>

# Notes to the Financial Statements

## Parent company

	Other fixtures and fittings, tools and equipment
	<u>TDKK</u>
Cost at 1 September	559
Additions for the year	1,027
Disposals for the year	-470
Transfers for the year	-292
Cost at 31 August	<u>824</u>
Impairment losses and depreciation at 1 September	435
Depreciation for the year	23
Reversal of impairment and depreciation of sold assets	-436
Impairment losses and depreciation at 31 August	<u>22</u>
<b>Carrying amount at 31 August</b>	<u><b>802</b></u>



## Notes to the Financial Statements

	<u>Parent company</u>	
	2022/23	2021/22
	TDKK	TDKK
<b>9. Investments in subsidiaries</b>		
Cost at 1 September	320,876	320,132
Additions for the year	6,857	744
Disposals for the year	-12,000	0
Cost at 31 August	<u>315,733</u>	<u>320,876</u>
Value adjustments at 1 September	-22,539	-25,782
Disposals for the year	5,620	0
Exchange adjustment	-19,870	38,209
Net profit/loss for the year	-33,257	-9,534
Other equity movements, net	0	-3,470
Amortisation of goodwill	-669	-667
Change in intercompany profit on inventories	13,119	-18,453
Other adjustments	0	-2,842
Value adjustments at 31 August	<u>-57,596</u>	<u>-22,539</u>
Equity investments with negative net asset value transferred to provisions	<u>6,664</u>	<u>0</u>
<b>Carrying amount at 31 August</b>	<b><u>264,801</u></b>	<b><u>298,337</u></b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
PT ScanCom Indonesia	Semarang, IN	99%
ScanCom Hong Kong Limited	Hong Kong	100%
ScanCom Deutschland GmbH	Oberhausen, DE	100%
ScanCom do Brasil Ltda.	Telemaco Borba, BR	100%
ScanCom UK Ltd.	Essex, UK	100%
Raimotech A/S	Copenhagen, DK	100%
ScanCom North America, Inc.	California, US	100%
ScanCom International A/S Sucursal EN Espana	Mallorca, SP	100%

# Notes to the Financial Statements

## 10. Other fixed asset investments

### Group

	Deposits TDKK
Cost at 1 September	11,182
Exchange adjustment	-880
Additions for the year	2,591
Disposals for the year	-1,819
Cost at 31 August	<u>11,074</u>
<b>Carrying amount at 31 August</b>	<b><u>11,074</u></b>

### Parent company

	Deposits TDKK
Cost at 1 September	0
Additions for the year	906
Cost at 31 August	<u>906</u>
<b>Carrying amount at 31 August</b>	<b><u>906</u></b>

Group		Parent company	
2022/23	2021/22	2022/23	2021/22
TDKK	TDKK	TDKK	TDKK

## 11. Deferred tax asset

Deferred tax asset at 1 September	17,061	14,124	1,116	3,529
Amounts recognised in the income statement for the year	3,787	6,842	465	542
Amounts recognised in equity for the year	-731	-3,905	0	-2,955
<b>Deferred tax asset at 31 August</b>	<b><u>20,117</u></b>	<b><u>17,061</u></b>	<b><u>1,581</u></b>	<b><u>1,116</u></b>

Deferred tax asset relates to temporary differences between the carrying amount and the tax base of inventory, receivables and fixed assets.

# Notes to the Financial Statements

## 12. Prepayments

Prepayments in the parent company and the group are prepayments to suppliers and prepaid operating expenses.

## 13. Share capital

	<u>Number</u>	<u>Nominal value</u> TDKK
Share capital	9,901	<u>9,901</u>
		<u>9,901</u>

## 14. Other provisions

The Company provides warranties on some of its products and is therefore obliged to repair or replace goods which are not satisfactory and provisions related to cancellations. Based on previous experience in respect of the level of repairs and returns, warranty provisions of TDKK 12,111 (2021/22: TDKK 22,966 ) have been recognised for expected warranty claims. Provisions related to the cancellation of orders are TDKK 0 (2021/22: TDKK 12,005).

	<u>Group</u>		<u>Parent company</u>	
	<u>2022/23</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK	TDKK	TDKK
Other provisions	12,522	34,971	8,291	10,747
	<u>12,522</u>	<u>34,971</u>	<u>8,291</u>	<u>10,747</u>

The provisions are expected to mature as follows:

Provisions falling due after 5 years	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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# Notes to the Financial Statements

## 15. 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:

	<b>Group</b>		<b>Parent company</b>	
	<b>2022/23</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>
<b>Mortgage loans</b>				
After 5 years	0	1,635	0	0
Between 1 and 5 years	0	1,410	0	0
Long-term part	0	3,045	0	0
Within 1 year	0	422	0	0
	<b>0</b>	<b>3,467</b>	<b>0</b>	<b>0</b>

## 16. Deferred income

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

	<b>Group</b>	
	<b>2022/23</b>	<b>2021/22</b>
	<b>TDKK</b>	<b>TDKK</b>
Financial income	-3,105	-60,328
Financial expenses	49,525	3,297
Depreciation, amortisation and impairment losses, including losses and gains on sales	31,799	32,614
Tax on profit/loss for the year	-14,642	12,505
Exchange adjustments	3,604	-551
	<b>67,181</b>	<b>-12,463</b>

## 17. Cash flow statement - Adjustments

## Notes to the Financial Statements

	<b>Group</b>	
	2022/23	2021/22
	TDKK	TDKK
<b>18. Cash flow statement - Change in working capital</b>		
Change in inventories	186,504	-169,346
Change in receivables	34,015	-66,517
Change in other provisions	-22,449	20,255
Change in trade payables, etc	-37,338	7,288
	<b>160,732</b>	<b>-208,320</b>

<b>Group</b>		<b>Parent company</b>	
2022/23	2021/22	2022/23	2021/22
TDKK	TDKK	TDKK	TDKK

## 19. Contingent assets, liabilities and other financial obligations

### Charges and security

The following assets have been placed as security with mortgage credit institutes:

Land and buildings with a carrying amount of	0	23,500	0	0
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The following assets have been placed as security with business mortgage of TDKK 50,000:

Receivables arising from the sale of goods and services with a carrying amount of	91,353	107,772	91,353	107,772
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### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	21,917	20,035	1,880	0
Between 1 and 5 years	41,833	41,582	7,519	0
After 5 years	17	0	4,008	0
	<b>63,767</b>	<b>61,617</b>	<b>13,407</b>	<b>0</b>

### Guarantee obligations

LLG A/S has entered a cash pool agreement for Lars Larsen Group. As of 31 August 2023, TDKK 0 have been drawn. As a participant in the cash pool arrangement, Scancom International A/S has provided the credit institutions with a guarantee of payment as security for LLG A/S' obligations pursuant to the cash pool agreement.

# Notes to the Financial Statements

## Other contingent liabilities

The Danish group 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 LLG A/S, which is the management company of the joint taxation purposes. Moreover, the Danish 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.

## 20. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
<b>Controlling interest</b>	
LLG A/S, Aarhus	Parent company

### 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.

### Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
LLG A/S	Aarhus

<u>Group</u>	
<u>2022/23</u>	<u>2021/22</u>
TDKK	TDKK

## 21. Fee to auditors appointed at the general meeting

### Auditors appointed at the general meeting - PricewaterhouseCoopers

Audit fee	460	444
Tax advisory services	28	31
Non-audit services	62	60
	<u>550</u>	<u>535</u>

### Other auditors

Audit fee	651	680
Tax advisory services	233	233
Non-audit services	104	213
	<u>988</u>	<u>1,126</u>

# Notes to the Financial Statements

## 22. Subsequent events

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

# Notes to the Financial Statements

## 23. Accounting policies

The Annual Report of SCANCOM INTERNATIONAL A/S for 2022/23 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. Reclassifications have been made in the comparative figures, which has not impacted the profit/loss for the year or the equity.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2022/23 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.

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.

### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, SCANCOM INTERNATIONAL A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

### Translation policies

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

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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



# Notes to the Financial Statements

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

## Segment information on revenue

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

## Income statement

### Net sales

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

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

### Expenses for raw materials and consumables

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

### Other external expenses

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

### Staff expenses

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

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise 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 Group, including gains and losses on the sale of property, plant and equipment.

### 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.

# Notes to the Financial Statements

## Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

## Tax on profit/loss for the year

Tax for the year consists of current tax for the year and 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.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with LLG A/S. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

## Balance sheet

### Intangible fixed assets

#### *Goodwill*

Goodwill is amortised on a straight-line basis over the estimated useful life of 20 years, determined on the basis of Management's experience with the individual business areas.

#### *Other intangible fixed assets*

Acquired other similar rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Rights are amortised over the period of the agreements, which is 40 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.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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	25-50 years
Other fixtures and fittings, tools and equipment	4-10 years
Leasehold improvements	Rental years period

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

# Notes to the Financial Statements

## Impairment of fixed assets

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

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

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

## 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 “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 deposits.

## Inventories

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

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

The cost of goods for resale, 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.

## Prepayments

Prepayments comprise prepaid operating expenses and prepayments to suppliers.

# Notes to the Financial Statements

## Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group 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 of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

## Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

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

Deferred tax assets and liabilities are offset within the same legal tax entity.

## Current tax receivables and liabilities

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

## Financial 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.

## Cash Flow Statement

The cash flow statement shows the Group'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 Group's cash and cash equivalents at the beginning and end of the year.

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

## 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.

# Notes to the Financial Statements

## Cash flows from investing activities

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

## Cash flows from financing activities

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

## Cash and cash equivalents

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

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

## Financial Highlights

### Explanation of financial ratios

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