
Unilabs A/S

Nygårdsvej 32, DK-2100 København Ø

Annual Report for 2022

CVR No. 29 45 82 19

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 26/6 2023

Peder Søren Andersen
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Financial Highlights	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance sheet 31 December	8
Statement of changes in equity	10
Notes to the Financial Statements	11

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Unilabs 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 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 Financial Statements be adopted at the Annual General Meeting.

Copenhagen, 26 June 2023

Executive Board

Peder Søren Andersen
Director

Board of Directors

Christian Peter Rebhan
Chairman

Peder Søren Andersen

Shalinee Basak

Pernille Bundgaard
Employee representative

Linda Poulsen
Employee representative

Independent Auditor's report

To the shareholder of Unilabs 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 for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Unilabs A/S for the financial year 1 January - 31 December 2022, 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 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.

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 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, 26 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Gösta Gauffin

State Authorised Public Accountant

mne45821

Company information

The Company	Unilabs A/S Nygårdsvej 32 DK-2100 København Ø CVR No: 29 45 82 19 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Christian Peter Rebhan, chairman Peder Søren Andersen Shalinee Basak Pernille Bundgaard, employee representative Linda Poulsen, employee representative
Executive Board	Peder Søren Andersen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Financial Highlights

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

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	67,790	57,405	49,910	53,589	52,694
Profit/loss of ordinary primary operations	21,696	18,566	10,227	12,368	12,206
Profit/loss of financial income and expenses	2,049	2,110	1,734	3,209	3,373
Net profit/loss	18,190	16,124	9,294	12,124	12,098
Balance sheet					
Balance sheet total	177,781	149,694	134,021	115,278	104,018
Investment in property, plant and equipment	796	998	4,427	2,494	1,748
Equity	140,079	121,889	105,765	96,473	84,349
Number of employees	50	46	48	55	59
Ratios					
Return on assets	12.2%	12.4%	7.6%	10.7%	11.7%
Solvency ratio	78.8%	81.4%	78.9%	83.7%	81.1%
Return on equity	13.9%	14.2%	9.2%	13.4%	15.5%

In connection with reclassifications to the income statement, the comparative figures for 2018, 2019 and 2020 have not been restated. See the description under accounting policies.

Management's review

Key activities

The mission of the Company is to develop and carry out clinical biochemistry assays for the health sector as well as for the pharma, biotech and device industries, nationally as well internationally.

Development in the year

The income statement of the Company for 2022 shows a profit of TDKK 18,190, and at 31 December 2022 the balance sheet of the Company shows positive equity of TDKK 140,079.

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

In 2022 the company's turnover and gross margin increased by respectively 13.1% and 4.8%. The low evolution of gross profit is due to considerable internal reorganization expenses and a large increase in external expenses.

The business is divided into 2 main segments: the Danish healthcare market and the drug development/pharma market.

Sales to the Danish healthcare market has shown a downward trend in recent years due to continuous in sourcing by the public sector. This trend was reinforced by many extra funds that the sector was provided through the Covid-19 pandemic. The profit is lower than expected.

In line with strategy, drug development projects increased by 15.8% compared to last year. This part of the revenue now accounts for 93% of the company's total turnover.

Targets and expectations for the year ahead

In line with recent years, the drug development/Pharma projects are expected to drive the positive development of the business for 2023. The focus will be on establishing a coherent pharma business within Unilabs, where a preliminary analysis indicates several potential growth opportunities.

The company expects revenue and profit for the coming year to be at the same level as 2022.

Intellectual capital resources

The Company's knowledge of clinical biochemistry and regulated biomarker development is vested in the Company's employees. Unilabs has a large number of employees across its many international laboratories supporting with their knowledge the pharma projects. The international approach ensures a robust capacity to deliver and reduces any exposure to local changes in a given laboratory. It is therefore satisfactory to be able to ascertain that Unilabs A/S' workforce is stable and with the professional expertise necessary to deliver at a high competence and quality level.

Subsequent events

There have not been any subsequent events affecting 2023.

Income statement 1 January - 31 December

	Note	2022 TDKK	2021 TDKK
Gross profit		67,790	57,405
Staff expenses	1	-43,354	-36,818
Earnings Before Interest Taxes Depreciation and Amortization		24,436	20,587
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-2,740	-2,021
Profit/loss before financial income and expenses		21,696	18,566
Financial income	3	3,219	2,694
Financial expenses	4	-1,170	-584
Profit/loss before tax		23,745	20,676
Tax on profit/loss for the year	5	-5,555	-4,552
Net profit/loss for the year	6	18,190	16,124

Balance sheet 31 December

Assets

	Note	2022 TDKK	2021 TDKK
Completed development projects		328	1,589
Intangible assets	7	328	1,589
Plant and machinery		3,082	3,657
Other fixtures and fittings, tools and equipment		5	33
Leasehold improvements		110	190
Property, plant and equipment	8	3,197	3,880
Receivables from group enterprises	9	60,979	60,978
Other receivables	9	2,165	2,140
Fixed asset investments		63,144	63,118
Fixed assets		66,669	68,587
Raw materials and consumables		4,306	4,639
Inventories		4,306	4,639
Trade receivables		21,941	12,361
Receivables from group enterprises		78,827	61,053
Other receivables		1,217	1,437
Deferred tax asset	10	899	533
Prepayments	11	3,922	1,084
Receivables		106,806	76,468
Current assets		111,112	81,107
Assets		177,781	149,694

Balance sheet 31 December

Liabilities and equity

	Note	2022 TDKK	2021 TDKK
Share capital		2,000	2,000
Reserve for development costs		256	1,239
Retained earnings		137,823	118,650
Equity		140,079	121,889
Other provisions	12	1,930	1,820
Provisions		1,930	1,820
Prepayments received from customers		6,048	0
Trade payables		11,650	11,422
Payables to group enterprises		2,246	1,217
Corporation tax		4,670	3,218
Other payables		11,158	10,128
Short-term debt		35,772	25,985
Debt		35,772	25,985
Liabilities and equity		177,781	149,694
Contingent assets, liabilities and other financial obligations	13		
Related parties	14		
Subsequent events	15		
Accounting Policies	16		

Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	2,000	1,239	118,650	121,889
Depreciation, amortisation and impairment for the year	0	-983	983	0
Net profit/loss for the year	0	0	18,190	18,190
Equity at 31 December	2,000	256	137,823	140,079

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
1. Staff Expenses		
Wages and salaries	40,449	33,816
Pensions	2,552	2,732
Other social security expenses	353	270
	<u>43,354</u>	<u>36,818</u>

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

Average number of employees	<u>50</u>	<u>46</u>
-----------------------------	-----------	-----------

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	1,261	772
Depreciation of property, plant and equipment	1,479	1,236
Gain and loss on disposal	0	13
	<u>2,740</u>	<u>2,021</u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
3. Financial income		
Interest received from group enterprises	1,981	2,445
Exchange gains	1,238	249
	<u>3,219</u>	<u>2,694</u>

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
4. Financial expenses		
Interest paid to group enterprises	0	2
Other financial expenses	147	29
Exchange loss	1,023	553
	<u>1,170</u>	<u>584</u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
5. Income tax expense		
Current tax for the year	5,921	4,433
Deferred tax for the year	-366	-212
Adjustment of tax concerning previous years	0	331
	<u>5,555</u>	<u>4,552</u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
6. Profit allocation		
Retained earnings	18,190	16,124
	<u>18,190</u>	<u>16,124</u>

Notes to the Financial Statements

7. Intangible fixed assets

	Completed development projects
	TDKK
Cost at 1 January	9,339
Cost at 31 December	9,339
Impairment losses and amortisation at 1 January	7,750
Amortisation for the year	1,261
Impairment losses and amortisation at 31 December	9,011
Carrying amount at 31 December	328

8. Property, plant and equipment

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK	TDKK
Cost at 1 January	11,202	2,130	190
Additions for the year	686	0	110
Disposals for the year	-1,304	-8	0
Cost at 31 December	10,584	2,122	300
Impairment losses and depreciation at 1 January	7,545	2,097	0
Depreciation for the year	1,261	28	190
Impairment and depreciation of sold assets for the year	-1,304	-8	0
Impairment losses and depreciation at 31 December	7,502	2,117	190
Carrying amount at 31 December	3,082	5	110

Notes to the Financial Statements

9. Other fixed asset investments

	Receivables from group enterprises	Other receivables
	TDKK	TDKK
Cost at 1 January	60,978	2,140
Additions for the year	1	25
Cost at 31 December	60,979	2,165
Carrying amount at 31 December	60,979	2,165
	2022	2021
	TDKK	TDKK

10. Deferred tax asset

Deferred tax asset at 1 January	533	321
Amounts recognised in the income statement for the year	366	212
Deferred tax asset at 31 December	899	533

11. Prepayments

Prepayments are made up of prepaid costs relating to services, rent, insurance premiums, subscriptions and interest.

12. Other provisions

	2022	2021
	TDKK	TDKK
Balance at 1. January 2022	1,820	1,440
Provision in year	110	380
	1,930	1,820

The provisions are expected to mature as follows:

Within 1 year	0	0
Between 1 and 5 years	1,930	1,820
After 5 years	0	0
	1,930	1,820

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK

13. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	3,453	3,080
Between 1 and 5 years	334	108
	<u>3,787</u>	<u>3,188</u>

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 A.P. MØLLER HOLDING 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.

14. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Unilabs, Laboratoire d'Analyses Medicales SA, Schweiz	Parent Company

Other related parties

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>
A.P. Møller Holding A/S	Copenhagen Denmark

The Group Annual Report of A.P. Møller Holding A/S may be obtained at the following address: Esplanaden 50, 1263 København K.

15. Subsequent events

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

Notes to the Financial Statements

16. Accounting policies

The Annual Report of Unilabs 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.

Except for reclassifications in the income statement and balance sheet that have no monetary effect on profit or equity, the accounting policies applied remain unchanged compared to last year.

The Financial Statements for 2022 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of A.P. Møller Holding A/S, the Company has not prepared a cash flow statement.

Recognition and measurement

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

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

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

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

Leases

All 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

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

Notes to the Financial Statements

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.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service 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 service.

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

Expenses for raw materials and consumables

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

Other external expenses

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

Gross profit

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

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 includes refunding group costs as well as profit on freight to costumers.

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 Danish group companies. 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

Development projects

Costs of software-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.

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 year.

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 are not recognised in cost during construction and reconstruction periods.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	5 - 10 years
---------------------	--------------

Other fixtures and fittings, tools and equipment	1 - 3 years
--	-------------

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.

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

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 expenses concerning rent, insurance premiums, subscriptions and interest.

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.

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.

Notes to the Financial Statements

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.

Financial Highlights

Explanation of financial ratios

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