
Delegate A/S

Hummeltoftevej - 49-51, DK-2830 Virum

Annual Report for 2022

CVR No. 29 77 28 43

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 21/7 2023

Jakob Schou
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 Financial Statements of Delegate 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.

Virum, 21 July 2023

Executive Board

Mads Højborg

Thomas Quistgaard

Peter Østergaard

Board of Directors

Jean Yves Charlier
Chairman

Helle Sasser Jørgensen

Peter Østergaard

Marc Grasso

Independent Auditor's report

To the shareholder of Delegate 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 Delegate 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, 21 July 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen

State Authorised Public Accountant

mne16675

Mads Blichfeldt Fjord

State Authorised Public Accountant

mne46065

Company information

The Company	Delegate A/S Hummeltoftevej - 49-51 DK-2830 Virum CVR No: 29 77 28 43 Financial period: 1 January - 31 December Incorporated: 1 August 2006 Financial year: 16th financial year Municipality of reg. office: Lyngby-Taarbæk Kommune
Board of Directors	Jean Yves Charlier, chairman Helle Sasser Jørgensen Peter Østergaard Marc Grasso
Executive Board	Mads Højborg Thomas Quistgaard Peter Østergaard
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	2019/20	2018/19	2017/18
	TDKK	TDKK	TDKK 15 months	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	161,960	126,141	129,117	72,149	65,297
Profit/loss before financial income and expenses	24,388	17,821	18,797	7,489	10,950
Profit/loss of financial income and expenses	102	-205	-329	-83	-17
Net profit/loss	19,093	13,820	14,354	5,686	8,444
Balance sheet					
Balance sheet total	60,073	48,670	54,499	34,484	26,995
Investment in property, plant and equipment	1,642	2,538	2,760	593	456
Equity	27,380	18,288	10,468	10,900	11,666
Number of employees	170	131	99	80	68
Ratios					
Return on assets	40.6%	36.6%	34.5%	21.7%	40.6%
Solvency ratio	45.6%	37.6%	19.2%	31.6%	43.2%
Return on equity	83.6%	96.1%	134.4%	50.4%	79.7%

In 2020 the Company changed the financial year from 01.10 - 30.09 to 01.01 - 31.12. The first financial year after the change is the period 01.10.19 - 31.12.20. The comparison figures are not adjusted.

Management's review

Key activities

Delegate is a company delivering IT solutions based on Microsoft's platform in areas such as Big Data, IoT, Machine Learning, and Customer Experience Management to several companies and organizations. We help to develop and deploy tailored IT solutions to move customers' organizations forward. Delegate has customers mainly in the Danish market, but also in other countries and has in 2022 started up more customer activities and started up a company in the Netherlands.

At Delegate we have high focus on our employee satisfaction in everything we do, and we combine high professionalism with high employees' satisfaction and well-being.

Development in the year

The income statement of the Company for 2022 shows a profit of DKK 19,092,517, and at 31 December 2022 the balance sheet of the Company shows positive equity of DKK 27,380,036.

From a management perspective, Delegate continued to perform well in 2022 and saw a steep increase in the number of people in the team as well. The results exceed the expectation.

- Delegate delivered for 2022 according to 7,8 % ahead of EBITDA expectations.
- A steep increase in the number of Delegates – from 175 to 212 in 2022
- Employee satisfaction at an all-time high
- Change of CEO end of FY22
- Very strong customer relations with some of the largest enterprises in Denmark. The customers bend over different areas, and therefore we don't see a risk going forward as Delegate does not depend on only one industry or few customers.
- Very promising partnerships with some of the other companies in the Broad Horizon group and with focus on cross selling.

Outlook

The management has high focus on creating the future Delegate. Therefore the expectations for FY23 EBITDA (before financial income and expenses) to be between 24-30 M DKK.

For 2023, we expect to continue the growth journey in the context of Broad Horizon with both organic and inorganic growth.

Research and development

Throughout the year Delegate has not incurred considerable research and development costs, as the main product is customer specific.

Intellectual capital resources

Employees and talent are essential for Delegate to ensure strategy and execution. To ensure focus on talent at Delegate, we use OfficeVibe to measure employee satisfaction. In 2023 based on 2022 Delegate also won the prize in "Great Place to Work" as "Denmark's best IT workplace" and "and best workplace for young employees". This is the second year in a row to win the prize as "Denmark's best IT workplace"

Subsequent events

There has been no change in accounting principles. The Group contribution has been adjusted.

No events occurred subsequent to the balance sheet date, which would have material impact on the financial position of the Company.

Income statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Gross profit		161,960,230	126,141,174
Staff expenses	1	-135,843,242	-107,022,084
Depreciation and impairment losses of property, plant and equipment		-1,729,379	-1,297,841
Profit/loss before financial income and expenses		24,387,609	17,821,249
Income from investments in subsidiaries		291,685	0
Financial income		54,502	0
Financial expenses		-244,151	-204,966
Profit/loss before tax		24,489,645	17,616,283
Tax on profit/loss for the year	2	-5,397,128	-3,796,346
Net profit/loss for the year	3	19,092,517	13,819,937

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		2,023,146	2,041,925
Leasehold improvements		1,802,151	1,870,286
Property, plant and equipment	4	3,825,297	3,912,211
Investments in subsidiaries	5	291,685	0
Deposits	6	894,294	827,648
Fixed asset investments		1,185,979	827,648
Fixed assets		5,011,276	4,739,859
Trade receivables		47,050,531	41,194,721
Receivables from group enterprises		6,244,143	809,678
Other receivables		131,583	0
Deferred tax asset	7	107,576	138,394
Prepayments	8	1,383,637	1,514,674
Receivables		54,917,470	43,657,467
Cash at bank and in hand		144,720	272,416
Current assets		55,062,190	43,929,883
Assets		60,073,466	48,669,742

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		500,000	500,000
Reserve for net revaluation under the equity method		291,678	0
Retained earnings		1,588,358	7,787,520
Proposed dividend for the year		25,000,000	10,000,000
Equity		27,380,036	18,287,520
Other payables		5,230,936	5,385,357
Long-term debt	9	5,230,936	5,385,357
Credit institutions		165,463	0
Prepayments received from customers		2,624,571	1,822,146
Trade payables		3,264,656	2,942,797
Payables to group enterprises	9	1,031,030	2,217,688
Corporation tax		5,366,310	3,859,306
Other payables	9	15,010,464	14,154,928
Short-term debt		27,462,494	24,996,865
Debt		32,693,430	30,382,222
Liabilities and equity		60,073,466	48,669,742
Contingent assets, liabilities and other financial obligations	10		
Accounting Policies	11		

Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	500,000	0	7,787,519	10,000,000	18,287,519
Ordinary dividend paid	0	0	0	-10,000,000	-10,000,000
Net profit/loss for the year	0	291,678	-6,199,161	25,000,000	19,092,517
Equity at 31 December	500,000	291,678	1,588,358	25,000,000	27,380,036

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1. Staff Expenses		
Wages and salaries	121,783,084	96,994,206
Pensions	6,800,496	5,203,913
Other social security expenses	1,385,146	967,151
Other staff expenses	5,874,516	3,856,814
	<u>135,843,242</u>	<u>107,022,084</u>

Including remuneration to the Executive Board and Board of Directors

Average number of employees	<u>170</u>	<u>131</u>
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	<u>2022</u>	<u>2021</u>
	DKK	DKK
2. Income tax expense		
Current tax for the year	5,366,310	3,859,306
Deferred tax for the year	30,818	-62,960
	<u>5,397,128</u>	<u>3,796,346</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
3. Profit allocation		
Proposed dividend for the year	25,000,000	10,000,000
Reserve for net revaluation under the equity method	291,678	0
Retained earnings	-6,199,161	3,819,937
	<u>19,092,517</u>	<u>13,819,937</u>

Notes to the Financial Statements

4. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	3,774,422	2,540,435
Additions for the year	1,154,948	487,517
Cost at 31 December	<u>4,929,370</u>	<u>3,027,952</u>
Impairment losses and depreciation at 1 January	1,732,497	670,149
Depreciation for the year	1,173,727	555,652
Impairment losses and depreciation at 31 December	<u>2,906,224</u>	<u>1,225,801</u>
Carrying amount at 31 December	<u>2,023,146</u>	<u>1,802,151</u>
	2022	2021
	DKK	DKK

5. Investments in subsidiaries

Additions for the year	7	0
Cost at 31 December	<u>7</u>	<u>0</u>
Net profit/loss for the year	291,678	0
Value adjustments at 31 December	<u>291,678</u>	<u>0</u>
Carrying amount at 31 December	<u>291,685</u>	<u>0</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Delegate Netherlands B.V.	Holland	100%

Notes to the Financial Statements

6. Other fixed asset investments

	Deposits DKK
Cost at 1 January	827,648
Additions for the year	66,646
Cost at 31 December	<u>894,294</u>
Carrying amount at 31 December	<u>894,294</u>

	2022 DKK	2021 DKK
Deferred tax asset at 1 January	138,394	75,434
Amounts recognised in the income statement for the year	-30,818	62,960
Amounts recognised in equity for the year	0	75,434
Deferred tax asset at 31 December	<u>107,576</u>	<u>138,394</u>

8. Prepayments

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

9. 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:

	2022 DKK	2021 DKK
Other payables		
After 5 years	5,230,936	5,385,357
Long-term part	5,230,936	5,385,357
Within 1 year	0	0
Other short-term payables	15,010,464	14,154,928
	<u>20,241,400</u>	<u>19,540,285</u>

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
10. Contingent assets, liabilities and other financial obligations		
Charges and security		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	5,659,912	4,289,590
Between 1 and 5 years	8,632,723	10,298,848
	<u>14,292,635</u>	<u>14,588,438</u>
Guarantee obligations		
Payment guarantee provided to Danica Ejendomsselskab ApS	1,042,910	1,042,910

Other contingent liabilities

The group's Danish companies are jointly and severally liable for tax on the group's jointly taxed income etc. The Danish group's companies are also jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax. Any subsequent corrections to corporation tax and withholding tax may result in the company's liability amounting to a larger amount.

Notes to the Financial Statements

11. Accounting policies

The Annual Report of Delegate 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.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2022 of Broad Horizon B.V., the Company has not prepared consolidated financial statements.

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 Broad Horizon B.V., 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.

Translation policies

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.

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.

Notes to the Financial Statements

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Income statement

Net sales

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.

Cost of goods sold

Cost of sales comprise subcontractors, task-specific travel costs, purchases for resale, etc.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution 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, cost of goods sold 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.

Income from investments in subsidiaries

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

Financial income and expenses

Financial income and expenses 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.

Notes to the Financial Statements

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 . 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

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 raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	3 - 5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of 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 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

Notes to the Financial Statements

Other fixed asset investments

Other fixed asset investments consist of deposits.

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.

Equity

Dividend

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

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

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Notes to the Financial Statements

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