
Ball Beverage Packaging Fredericia A/S

Vejlbyvej 29, DK-7000 Fredericia

Annual Report for 1 January - 31 December 2020

CVR No 30 91 78 39

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
23/6 2021

Thomas Qvist Haugstrup
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 Ball Beverage Packaging Fredericia A/S for the financial year 1 January - 31 December 2020.

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 2020 of the Company and of the results of the Company operations and cash flows for 2020.

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.

Fredericia, 23 June 2021

Executive Board

Carsten Maribo Andreasen

Board of Directors

Thomas Qvist Haugstrup
Chairman

Philip James Hocken

Carsten Maribo Andreasen

Independent Auditor's Report

To the Shareholder of Ball Beverage Packaging Fredericia 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 2020 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Ball Beverage Packaging Fredericia A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

Independent Auditor's Report

ment, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events

Independent Auditor's Report

in a manner that gives a true and fair view.

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

Trekantområdet, 23 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Lars Almskou Ohmeyer

statsautoriseret revisor

mne24817

Company Information

The Company

Ball Beverage Packaging Fredericia A/S
Vejlbyvej 29
DK-7000 Fredericia

Telephone: + 45 76 20 02 08

CVR No: 30 91 78 39

Financial period: 1 January - 31 December

Financial year: 14th financial year

Municipality of reg. office: Fredericia

Board of Directors

Thomas Qvist Haugstrup, Chairman
Philip James Hocken
Carsten Maribo Andreasen

Executive Board

Carsten Maribo Andreasen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Financial Highlights

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

	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK	2016 TDKK
Key figures					
Profit/loss					
Gross profit/loss	192,090	207,467	196,579	186,358	158,829
Operating profit/loss	39,406	56,894	49,955	48,371	33,305
Profit/loss before financial income and expenses	39,406	56,894	49,955	48,131	33,305
Net financials	-3,799	-3,244	-7,689	-8,806	-9,721
Net profit/loss for the year	27,654	41,843	32,967	30,666	18,444
Balance sheet					
Balance sheet total	638,324	692,174	734,496	740,699	774,444
Equity	178,393	350,739	308,896	275,929	245,263
Cash flows					
Cash flows from:					
- operating activities	121,736	95,576	100,277	91,473	13,550
- investing activities	-8,037	-8,288	-36,397	-17,560	-118,678
including investment in property, plant and equipment	-8,037	-9,791	-36,397	-17,560	-118,678
- financing activities	-115,750	-86,431	-60,052	-70,840	105,158
Number of employees	157	163	159	153	147
Ratios					
Return on assets	6.2%	8.2%	6.8%	6.5%	4.3%
Solvency ratio	27.9%	50.7%	42.1%	37.3%	31.7%
Return on equity	10.5%	12.7%	11.3%	11.8%	7.8%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Key activities

The company's main activity is to manufacture and sell beverage cans.

Development in the year

The income statement of the Company for 2020 shows a profit of DKK 27.7 million and at 31 December 2020 the balance sheet of the Company shows equity of DKK 178.8 million.

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

The Company expected a result before taxes to be in line with the result for 2019. The actual profit amounted to DKK 27.7 million. The profit for the year is impacted by covid-19 and is considered to be satisfactory under these circumstances.

Operating risks

The Company is assessed not to have any particular operating risks.

Market risks

The Company forms part of the Group's overall value chain as a consignment manufacturer by providing its production capacity. The Company's production is planned based on the requirements defined by the Group.

Foreign exchange risks

In our assessment, the Company is not subject to any individual foreign exchange risks.

Interest rate risks

In our assessment, the Company is not subject to any individual foreign interest rate risks.

Credit risks

In our assessment, the Company is not subject to any individual foreign credit risks.

Management's Review

Strategy and objectives

Strategy

The Company is one among many manufacturing companies which together support the Group's vision of being the leading global can maker.

The Company's overall goal is to ensure optimal utilization of the factory as well as to ensure a low rate of scrapping and the highest quality for the end customers.

Targets and expectations for the year ahead

The result for 2021 is expected to be increased compared to 2020.

Basis of earnings

External environment

It is important for the Company to preserve and protect the environment. The Company monitors its emissions closely, which are optimized on a current basis, and the Company is constantly reducing its energy consumption.

Uncertainty relating to recognition and measurement

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

Unusual events

The financial position at 31 December 2020 of the Company and the results of the activities and cash flows of the Company for the financial year for 2020 have not been affected by any unusual events.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Gross profit/loss		192,090,374	207,466,596
Staff expenses	1	-97,433,244	-99,190,091
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-55,251,026	-51,382,397
Profit/loss before financial income and expenses		39,406,104	56,894,108
Financial income	2	375,527	0
Financial expenses	3	-4,175,006	-3,244,158
Profit/loss before tax		35,606,625	53,649,950
Tax on profit/loss for the year	4	-7,952,559	-11,806,942
Net profit/loss for the year		27,654,066	41,843,008

Balance Sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Land and buildings		189,848,934	196,367,740
Plant and machinery		395,416,753	441,198,324
Other fixtures and fittings, tools and equipment		911,208	948,714
Property, plant and equipment in progress		6,291,944	319,561
Tangible assets	5	592,468,839	638,834,339
Fixed assets		592,468,839	638,834,339
Raw materials and consumables		15,556,098	15,731,498
Stocks		15,556,098	15,731,498
Trade receivables		3,701	186,327
Receivables from group enterprises		20,926,533	25,450,993
Other receivables		5,819,023	6,592,792
Prepayments	6	526,476	303,284
Receivables		27,275,733	32,533,396
Cash at bank and in hand		3,023,036	5,074,532
Currents assets		45,854,867	53,339,426
Assets		638,323,706	692,173,765

Balance Sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital	7	33,400,000	33,400,000
Retained earnings		144,992,857	317,338,791
Equity		<u>178,392,857</u>	<u>350,738,791</u>
Provision for deferred tax	9	63,338,253	58,128,830
Provisions		<u>63,338,253</u>	<u>58,128,830</u>
Other payables		0	3,099,340
Long-term debt	10	<u>0</u>	<u>3,099,340</u>
Trade payables		46,446,567	31,276,635
Payables to group enterprises		319,194,893	234,945,099
Corporation tax		2,500,629	1,482,668
Other payables	10	28,450,507	12,288,411
Deferred income	11	0	213,991
Short-term debt		<u>396,592,596</u>	<u>280,206,804</u>
Debt		<u>396,592,596</u>	<u>283,306,144</u>
Liabilities and equity		<u>638,323,706</u>	<u>692,173,765</u>
Distribution of profit	8		
Contingent assets, liabilities and other financial obligations	14		
Related parties	15		
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	33,400,000	317,338,791	350,738,791
Extraordinary dividend paid	0	-200,000,000	-200,000,000
Net profit/loss for the year	0	27,654,066	27,654,066
Equity at 31 December	33,400,000	144,992,857	178,392,857

Cash Flow Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Net profit/loss for the year		27,654,066	41,843,008
Adjustments	12	67,003,064	66,433,496
Change in working capital	13	32,603,720	-7,466,252
Cash flows from operating activities before financial income and expenses		127,260,850	100,810,252
Financial income		375,527	0
Financial expenses		-4,175,006	-3,244,158
Cash flows from ordinary activities		123,461,371	97,566,094
Corporation tax paid		-1,725,175	-1,990,288
Cash flows from operating activities		121,736,196	95,575,806
Purchase of property, plant and equipment		-8,037,486	-9,790,657
Sale of property, plant and equipment		0	1,502,785
Cash flows from investing activities		-8,037,486	-8,287,872
Increase/decrease in payables to group enterprises		84,249,794	-86,430,937
Dividend paid		-200,000,000	0
Cash flows from financing activities		-115,750,206	-86,430,937
Change in cash and cash equivalents		-2,051,496	856,997
Cash and cash equivalents at 1 January		5,074,532	4,217,535
Cash and cash equivalents at 31 December		3,023,036	5,074,532
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		3,023,036	5,074,532
Cash and cash equivalents at 31 December		3,023,036	5,074,532

Notes to the Financial Statements

	2020 <u>DKK</u>	2019 <u>DKK</u>
1 Staff expenses		
Wages and salaries	86,628,530	90,510,496
Pensions	7,199,257	7,448,053
Other social security expenses	2,358,361	2,184,272
Other staff expenses	1,247,096	-952,730
	<u>97,433,244</u>	<u>99,190,091</u>
Average number of employees	<u>157</u>	<u>163</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
2 Financial income		
Interest received from group enterprises	10	0
Exchange adjustments	375,517	0
	<u>375,527</u>	<u>0</u>
3 Financial expenses		
Interest paid to group enterprises	3,769,620	2,936,920
Other financial expenses	405,386	198,404
Exchange adjustments	0	108,834
	<u>4,175,006</u>	<u>3,244,158</u>
4 Tax on profit/loss for the year		
Current tax for the year	2,743,136	2,912,668
Deferred tax for the year	5,209,423	8,894,274
	<u>7,952,559</u>	<u>11,806,942</u>

Notes to the Financial Statements

5 Tangible assets

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	265,465,134	788,373,700	7,312,583	319,561	1,061,470,978
Additions for the year	54,000	1,987,850	399,558	6,071,482	8,512,890
Disposals for the year	-23,628	-2,439,951	0	-99,099	-2,562,678
Cost at 31 December	<u>265,495,506</u>	<u>787,921,599</u>	<u>7,712,141</u>	<u>6,291,944</u>	<u>1,067,421,190</u>
Impairment losses and depreciation at 1 January	69,097,394	347,175,376	6,363,869	0	422,636,639
Depreciation for the year	6,566,899	47,239,080	437,064	0	54,243,043
Reversal of impairment and depreciation of sold assets	-17,721	-1,909,610	0	0	-1,927,331
Impairment losses and depreciation at 31 December	<u>75,646,572</u>	<u>392,504,846</u>	<u>6,800,933</u>	<u>0</u>	<u>474,952,351</u>
Carrying amount at 31 December	<u>189,848,934</u>	<u>395,416,753</u>	<u>911,208</u>	<u>6,291,944</u>	<u>592,468,839</u>
Interest expenses recognised as part of cost	3,394,528	0	0	0	3,394,528

6 Prepayments

Main part of prepayments relates to prepaid insurance premiums and service contracts.

7 Equity

The share capital consists of 33,400,000 shares of a nominal value of DKK 1. No shares carry any special rights.

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

Notes to the Financial Statements

	2020 DKK	2019 DKK
8 Distribution of profit		
Extraordinary dividend paid	200,000,000	0
Retained earnings	-172,345,934	41,843,008
	27,654,066	41,843,008

9 Provision for deferred tax

Provision for deferred tax at 1 January	58,128,830	49,234,556
Amounts recognised in the income statement for the year	5,209,423	8,894,274
Provision for deferred tax at 31 December	63,338,253	58,128,830

10 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:

Other payables

Between 1 and 5 years	0	3,099,340
Long-term part	0	3,099,340
Other short-term payables	28,450,507	12,288,411
	28,450,507	15,387,751

11 Deferred income

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

Notes to the Financial Statements

	2020	2019
	DKK	DKK
12 Cash flow statement - adjustments		
Financial income	-375,527	0
Financial expenses	4,175,006	3,244,158
Depreciation, amortisation and impairment losses, including losses and gains on sales	55,251,026	51,382,396
Tax on profit/loss for the year	7,952,559	11,806,942
	67,003,064	66,433,496
13 Cash flow statement - change in working capital		
Change in inventories	175,400	-2,095,501
Change in receivables	5,257,663	2,179,936
Change in trade payables, etc.	27,170,657	-7,550,687
	32,603,720	-7,466,252
14 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	110,424	114,000
Between 1 and 5 years	368,080	123,500
	478,504	237,500
15 Related parties		

Basis

Controlling interest

Rexam Overseas Holdings Ltd.

Controlling shareholder

Notes to the Financial Statements

16 Accounting Policies

The Annual Report of Ball Beverage Packaging Fredericia A/S for 2020 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 2020 are presented in DKK.

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

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

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

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

Notes to the Financial Statements

16 Accounting Policies (continued)

the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

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

Income Statement

Revenue

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

Other external expenses

Other external expenses comprise indirect production costs and 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 other external expenses.

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

16 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Tangible assets

Tangible assets 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:

Production buildings	10-40	years
Plant and machinery	3-20	years
Other fixtures and fittings, tools and equipment	3-6	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 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.

Stocks

Stocks are measured at the lower of cost under the FIFO method and net realisable value.

Notes to the Financial Statements

16 Accounting Policies (continued)

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

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

16 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

Deferred income

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

Cash Flow Statement

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

Cash flows from operating activities

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

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of property, plant and equipment.

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".

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

Notes to the Financial Statements

16 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

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