Siemens Industry Software A/S

Borupvang 9, DK-2750 Ballerup

CVR no. 31 25 70 77

Annual report for 2019/20

Adopted at the annual general meeting on 17 December 2020

Luening Andreas

Andreas Lüning
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Siemens Industry Software A/S for the financial year 1 October 2019 - 30 September 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 company's financial position at 30 September 2020 and of the results of the company's operations for the financial year 1 October 2019 - 30 September 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Ballerup, 17 December 2020

Executive board

Friberg Mats
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Mats Friberg
CEO

Damm Peter
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Peter Eugen Damm
CFO

Supervisory board

Soerensen Bjarne Lykke
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Bjarne Lykke
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Bjarne Lykke Sørensen
chairman

Friberg Mats
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Mats Friberg

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Keld Wejse Svarrer

Independent auditor's report

To the shareholders of Siemens Industry Software A/S
Opinion

We have audited the financial statements of Siemens Industry Software A/S for the financial year 1 October 2019 - 30 September 2020, which comprise income statement, balance sheet, statement of changes in equity and notes including significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 September 2020 and of the results of the company's operations for the financial year 1 October 2019 - 30 September 2020 in accordance with the Danish Financial Statements Act.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 the 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 judgment and maintain professional skepticism 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.

Independent auditor's report

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.

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, we conclude that 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 of management's review.

Copenhagen, 17 December 2020

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Thomas Bruun Kofoed
state authorised public accountant
MNE no. mne28677

Simon Blendstrup
state authorised public accountant
MNE no. mne44060

Company details

The company	Siemens Industry Software A/S
	Borupvang 9
	DK-2750 Ballerup
	CVR no.: 31 25 70 77
	Reporting period: 1 October 2019 - 30 September 2020
	Incorporated: 1 February 2008
	Domicile: Ballerup
Supervisory board	Bjarne Lykke Sørensen, chairman
	Mats Friberg
	Keld Wejse Svarrer
Executive board	Mats Friberg
	Peter Eugen Damm
Auditors	EY Godkendt Revisionspartnerselskab
	Dirch Passers Allé 36
	DK-2000 Frederiksberg
Consolidated financial statements	The company is included in the consolidated financial statements of Siemens AG
	The group annual report of Siemens AG may be obtained at the following address:
	Werner-von-Siemens-Strasse 1
	80333 München
	Germany

Financial highlights

Seen over a 5-year period, the development of the company may be described by means of the following financial highlights:

	2019/20	2018/19	2017/18	2016/17	2015/16
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	160.538	165.000	136.936	139.159	107.297
Operating profit/loss	5.684	5.558	384	-387	3.210
Net financials	-234	43	-15	-33	-35
Profit/loss for the year	4.191	4.281	275	-350	1.442
Balance sheet					
Balance sheet total	70.750	58.295	54.402	43.700	15.797
Equity	6.466	2.275	-2.479	-2.754	-2.404
Number of employees	34	39	33	31	30
Financial ratios					
EBIT margin	3,5%	3,4%	0,3%	-0,3%	3,0%
Return on assets	8,8%	9,9%	0,8%	-1,3%	21,6%
Solvency ratio	9,1%	3,9%	-4,6%	-6,3%	-15,2%
Return on equity	95,9%	-4.197,1%	-10,5%	-13,6%	-46,1%
Asset turnover	2,5	2,9	2,8	4,7	7,2

For definitions, see the summary of significant accounting policies.

The financial figures for the years 2015/16 to 2017/18 have not been amended to the change in the accounting policies made in respect of revenue recognition with affect from 1 October 2018.

Management's review

Business review
The company's main activities are sales, marketing, service and support of state-of-the-art software application solutions for the Digital Enterprise which includes an integrated portfolio of software and services for electronic and mechanical design, system simulation, manufacturing, operations and lifecycle analytics.

The software application solutions integrate the virtual and physical, hardware and software, design and manufacturing worlds. The company's comprehensive digital twin enables a complete digital transformation in discrete and process industries.

Unusual matters
The company's financial position at 30 September 2020 and the results of its operations for the financial year ended 30 September 2020 are not affected by any unusual matters.

Financial review
The company's income statement for the year ended 30 September 2020 shows a profit of TDKK 4.191, and the balance sheet at 30 September 2020 shows equity of TDKK 6.466.

Significant events occurring after the end of the financial year
No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Expected development of the company, including specific prerequisites and uncertainties
The revenue is expected to be 3-5% lower in 2020/2021 as in 2019/2020 included one-time orders. The company expects profit before income tax for 2020/2021 to be lower compared to 2019/2020 due to the lower expected revenue.

The company's knowledge resources if of particular importance to its future earnings
The primary software application solution related knowledge resources are hosted by the global R&D organization outside Denmark.

Local Danish resources are mainly recruited within the Danish IT industry. If key knowledge is needed and not available in Denmark, then normally relevant resources can be identified and engaged from the international Siemens Industry Software environment or among the company's partner environment.

Impact on the external environment and measures taken to prevent, reduce or mitigate damage
As a software and service business the company does not cause any significant impact on the external environment.

Management's review

Research and development activities in or for the company
The company does not host any R&D activities which all are located outside Denmark.

Profit/(loss) for the year relative to the expectations most recently expressed
The profit for the year is satisfactory.

Revenue for 2019/2020 came in at TDKK 160.538 from TDKK 165.000 last year after change in accounting policies. The increase is in line with the expectations stated in the annual report 2018/2019.

The profit before income tax for 2019/2020 amounted to TDKK 5.450, which is a decrease in the profit of TDKK 5.601 the year before and is in line with the expectations stated in the annual report 2018/2019.

No dividend is expected to be distributed.

Income statement 1 October 2019 - 30 September 2020

	Note	2019/20 TDKK	2018/19 TDKK
Revenue		**160.538**	**165.000**
Cost of productions		-133.179	-141.965
Gross profit		**27.359**	**23.035**
Distribution costs		-20.607	-16.311
Administrative costs		-1.068	-1.166
Operating profit/loss		**5.684**	**5.558**
Financial income	1	100	77
Financial costs	2	-334	-34
Profit/loss before tax		**5.450**	**5.601**
Tax on profit/loss for the year	3	-1.259	-1.320
Net profit/loss for the year		**4.191**	**4.281**
Distribution of profit	4		

Balance sheet at 30 September 2020

	Note	2019/20 TDKK	2018/19 TDKK
Assets			
Goodwill		0	0
Intangible assets	5	**0**	**0**
Plant and machinery		185	304
Tangible assets	6	**185**	**304**
Total non-current assets		**185**	**304**
Trade receivables		10.894	22.442
Contract work in progress		2.786	1.869
Receivables from group entities		56.798	33.569
Other receivables		6	6
Deferred tax asset	8	81	105
Receivables		**70.565**	**57.991**
Total current assets		**70.565**	**57.991**
Total assets		**70.750**	**58.295**

Balance sheet at 30 September 2020

	Note	2019/20 TDKK	2018/19 TDKK
Equity and liabilities			
Share capital		500	500
Retained earnings		5.966	1.775
Equity	7	**6.466**	**2.275**
Trade payables		523	3.551
Payables to group entities		43.362	40.060
Joint taxation contributions payable		1.145	178
Other payables		14.188	10.686
Deferred income	9	5.066	1.545
Total current liabilities		**64.284**	**56.020**
Total liabilities		**64.284**	**56.020**
Total equity and liabilities		**70.750**	**58.295**
Staff	10		
Contingent liabilities	11		
Mortgages and collateral	12		
Related parties and ownership structure	13		

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 October 2019	500	1.775	2.275
Net profit/loss for the year	0	4.191	4.191
Equity at 30 September 2020	**500**	**5.966**	**6.466**

	Share capital	Retained earnings	Total
Equity 1. oktober 2018	500	-2.506	-2.006
Net profit/loss for the year	0	4.281	4.281
Equity 30. september 2019	**500**	**1.775**	**2.275**

Notes

		2019/20	2018/19
		TDKK	TDKK
1	**Financial income**		
	Interest received from group entities	99	77
	Other financial income	1	0
		100	**77**
2	**Financial costs**		
	Interest paid to group entities	334	34
		334	**34**
3	**Tax on profit/loss for the year**		
	Current tax for the year	1.224	1.194
	Adjustment of tax concerning previous years	11	70
	Adjustment of deferred tax	24	56
		1.259	**1.320**
4	**Distribution of profit**		
	Retained earnings	4.191	4.281
		4.191	**4.281**

Notes

5 Intangible assets

	Goodwill
Cost at 1 October 2019	34.733
Cost at 30 September 2020	34.733
Impairment losses and amortisation at 1 October 2019	34.733
Impairment losses and amortisation at 30 September 2020	34.733
Carrying amount at 30 September 2020	**0**

6 Tangible assets

	Plant and machinery
Cost at 1 October 2019	724
Additions for the year	47
Disposals for the year	-20
Cost at 30 September 2020	751
Impairment losses and depreciation at 1 October 2019	420
Depreciation for the year	154
Reversal of impairment and depreciation of sold assets	-8
Impairment losses and depreciation at 30 September 2020	566
Carrying amount at 30 September 2020	**185**

7 Equity

The share capital consists of 500 shares of a nominal value of TDKK 1. No shares carry any special rights.
There have been no changes in the share capital during the last 5 years.

Notes

		2019/20	2018/19
		TDKK	TDKK
8	**Provision for deferred tax**		
	Provision for deferred tax at 1 October	105	161
	Deferred tax recognised in income statement	-24	-56
	Provision for deferred tax at 30 September	**81**	**105**
	Property, plant and equipment	74	9
	Current asset	0	65
	Provisions	7	6
	Liabilities	0	25
	Transferred to deferred tax asset	-81	-105
		0	**0**
	Deferred tax asset		
	Calculated tax asset	81	105
	Carrying amount	**81**	**105**

9   Deferred income

Deferred income, totaling TDKK 5.066 (2018/2019: TDKK 1.545), comprises payments received concerning income in subsequent reporting years.

Notes

	2019/20	2018/19
	TDKK	TDKK
10 Staff		
Wages and Salaries	33.027	42.880
Pensions	2.681	2.935
Other social security expenses	77	84
	35.785	**45.899**

including remuneration to the Executive and Supervisory Boards of:

	2019/20	2018/19
Executive Board	1.502	1.671
	1.502	**1.671**

	2019/20	2018/19
Average number of employees	34	39

Fee to the exécutive board is partly recognized under 'Distribution costs' as it relates to management fee.

11 Contingent liabilities

Rent obligations, totalling TDKK 5.450 (2018/19: TDKK 1.269).

Operating leases, totalling TDKK 1.846 (2018/19: TDKK 2.044).

The company is jointly and severally liable with other jointly-taxed group entities for payment of corporate income taxes and withholding taxes in the group of jointly taxed entities.

12 Mortgages and collateral

The company has not placed any assets or other as security for loans at 30 September 2020.

Notes

13 Related parties and ownership structure

Controlling interest

The company's related parties include members of the supervisory and executive boards, executive officers and their family members. Related parties also include entities in Siemens Beteiligungen Europa GmbH.

Transactions

Acquisitions of goods and services from related parties TDKK 62.718 (2018/19: TDKK 109.200).
Sale of goods and services to related parties TDKK 80.170 (2018/19: TDKK 50.690).

For information on fee to the management reference is made to the note regarding staff costs.

For information on financial transactions, reference is made to the notes on financial income and financial expenses. Balances with related parties are specified in the balance sheet.

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Siemens Beteiligungen Europa GmbH, Germany.

Consolidated financial statements

The company is included in the consolidated financial statements of Siemens AG

The group annual report of Siemens AG may be obtained at the following address:
Werner-von-Siemens-Strasse 1
80333 München
Germany

Accounting policies

The annual report of Siemens Industry Software A/S for 2019/20 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 are consistent with those of last year.

The annual report for 2019/20 is presented in TDKK.

Basis of recognition and measurement

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

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is made up as the historic cost less installments, if any, and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

In connection with recognition and measurement, allowance is made for gains, losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Accounting policies

Income statement

Revenue

The company's net sales consist of sales of software licenses (perpetual, subscription and software as a service/SAAS), maintenance support, services, training and hardware.

When concluding client contracts, each contract is assessed for compliance with IFRS 15's five steps to asses:

1. Customer contract identification.

2. Identification of purchase obligations.

3. Determining the transaction price.

4. Allocating the transaction price of identified purchase obligations.

5. Recognition of revenue when purchase obligations are met.

The company's customer contracts are divided into individually identifiable purchase obligations that are recognised and measured separately at fair value. Where a sales agreement includes multiple purchase obligations including software, then the total transaction price of the sales agreement is allocated based on the residual method. First the price for the purchase obligations for non-software is determined based on stand alone selling price whereafter the purchase obligations for software is determined as the total contract value minus the determined prices for non-software purchase obligations.

Net sales are recognised when the customer has gained control over the individual identifiable delivery obligation.

Recognised revenue is measured at the fair value of the agreed remuneration, excluding VAT and taxes levied on behalf of a third party. All types of discounts granted are recognised in revenue.

The part of the total remuneration that is variable, for example in the form of discounts, bonus payments, penalty payments, etc., is only recognised in revenue when it is reasonably certain that no subsequent reimbursement thereof will occur, for example due to lack of fulfillment.

When selling perpetual software licenses (right to use), revenue is recognised at a point in time when the customer has access to download the licenses.

Accounting policies

When selling subscription licenses (right to access) – which is a mix of software and maintenance, then a part of the revenue is recognized at a point in time when the customer has access to download the licenses. The remaining revenue is recognized over time during the agreed subscription period.

Hardware revenue is recognized at a point in time when the customer has control over the physical hardware delivery.

Maintenance support, services and training contracts are recognised over time as the work is carried out.

Recognition of maintenance support revenue is based on pro-rata for the contracted period.

Recognition of services and training revenue is mainly based on the time & material method recognized on a monthly basis. Fixed fee agreements are either based on the percentage of completion method (actual consumed costs compared to total projected costs) or based on customer acceptance of milestone deliveries. Costs related to not-accepted milestones are accrued until acceptance.

Cost of productions
Production costs comprise expenses, including statutory royalties and distribution fees, amortization/depreciation and wages/salaries, incurred to generate the year's revenue.

Distribution costs
Distribution costs comprise selling expenses related to the sale of software, maintenance support, services, training and hardware and sales campaigns, etc., in the year. Expenses related to sales staff, advertising and exhibitions and amortization/depreciation charges are recognised in distribution costs as well.

Administrative costs
Administrative costs comprise expenses paid in the year to manage and administer the company, including expenses related to administrative staff and office expenses.

Amortisation, depreciation and impairment losses
Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses
Financial income and expenses comprise interest income and expenses, receivables as well as surcharges and allowances under the tax prepayment scheme, etc.

Accounting policies

Tax on profit/loss for the year
The company is subject to the Danish rules on joint taxation of the Siemens Group's Danish activities.

Siemens A/S acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

The current Danish income tax charge is allocated by settling the joint taxation contributions between the jointly taxed entities in proportion to their taxable income. Companies with a tax loss receive joint taxation contributions from entities that have been able to apply the loss to reduce their own taxable income.

Tax for the year, comprising the year's joint taxation contributions and changes in deferred tax, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and is taken directly to equity as regards the portion that relates to equity.

Balance sheet
Intangible assets
Goodwill
Goodwill is measured at the lower of cost, less accumulated amortisation, and the recoverable amount.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. The maximum amortisation period is seven years and is longest for strategically acquired entities with a strong market position and a long earnings profile.

The carrying amount of goodwill is tested for impairment on a current basis, and any impairment losses are taken to the income statement in cases where the carrying amount exceeds the expected future net income from the business or the activity to which the goodwill relates.

Tangible assets
Plant and machinery are measured at cost less accumulated depreciation and impairment charges.

The cost comprises the purchase price and any costs directly attributable to the acquisition until such time when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages. Borrowing costs are not recognised in the cost.

Accounting policies

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Plant and machinery   3   years

The carrying amount of yearly impaired property, plant and equipment is reduced to the recoverable amount.

Depreciation is recognised in the income statement under 'Costs of productions', 'Distribution costs' and 'Administrative costs', respectively.

Leases

Leases are considered operating leases. The company's aggregate liabilities relating to operating leases and rent agreements are disclosed under 'Contingencies, etc.'.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment is tested annually for impairment.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost. A provision is made for impairment losses.

Contract work in progress

Contract assets are measured at the market value of the work performed less advances received.

The value of each contract asset less prepayments is classified as assets when the market value exceeds prepayments and as liabilities when prepayments exceeds the market value.

Accounting policies

Prepayments
Prepayments include expenses incurred relating to subsequent financial years.

Equity
Dividends
Dividend proposed for the year is recognised as a liability at the date it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is shown as a separate item in equity.

Income tax and deferred tax
The company is jointly taxed with Siemens A/S, which acts as management company, as well as with all other Danish Siemens group entities.

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years as well as for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, for instance in connection with shares, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which they are expected to be realised, either through elimination against tax on future earnings or through a 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 which will, given the legislation in force at the balance sheet date, apply once the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in tax rates are recognised in the income statement.

Liabilities
Financial liabilities are recognized at the date of borrowing at the proceeds received minus transaction costs paid. On subsequent recognition, the financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement over the term of the loan. Financial liabilities also include the capitalized residual lease commitment in respect of finance leases. Other liabilities are measured at amortized cost.

Accounting policies

Deferred income
Deferred income comprises payments received concerning income in subsequent reporting years.

Foreign currency translation
Receivables, payables and other monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date.

Cash flow statement
With reference to section 86(4) of the Dansih Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Financial highlights
Definitions of financial ratios.

EBIT margin

$$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$$

Return on assets

$$\frac{\text{Operating profit/loss} \times 100}{\text{Average assets}}$$

Solvency ratio

$$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$$

Return on equity

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

Asset turnover

$$\frac{\text{The year's revenue}}{\text{Average current assets}}$$