

## **OVG-PROXY A/S**

**Gothersgade 14 3., 1123 København K**

**CVR no. 33 64 49 57**

**Annual report for the period  
1 September 2021 to 31 August 2022**

Adopted at the annual general meeting on 19  
December 2022

---

Kirankumar Premchand Shah  
chairman



## Table of contents

	<b>Page</b>
<b>Statements</b>	
Statement by management on the annual report	1
Independent auditor's report	2
<b>Management's review</b>	
Company details	5
Financial highlights	6
Management's review	7
<b>Financial statements</b>	
Income statement 1 September 2021 - 31 August 2022	8
Balance sheet at 31 August 2022	9
Statement of changes in equity	11
Notes	12
Accounting policies	18

## Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of OVG-PROXY A/S for the financial year 1 September 2021 - 31 August 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 company's financial position at 31 August 2022 and of the results of the company's operations for the financial year 1 September 2021 - 31 August 2022.

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.

Copenhagen, 19 December 2022

### Executive board

Jesper Bay

### Supervisory board

Jonathan James Diver  
chairman

Kirankumar Premchand Shah

Michael Spencer Hyde

Jeremiah Healy

## Independent auditor's report

### *To the shareholder of OVG-PROXY A/S*

#### **Opinion**

We have audited the financial statements of OVG-PROXY A/S for the financial year 1 September 2021 - 31 August 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 31 August 2022 and of the results of the company's operations for the financial year 1 September 2021 - 31 August 2022 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 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 and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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.

#### **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.

## Independent auditor's report

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.

## Independent auditor's report

### 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, 19 December 2022

### **Baker Tilly Denmark**

Godkendt Revisionspartnerselskab  
CVR no. 35 25 76 91

Ramazan Turan  
statsautoriseret revisor  
MNE no. mne32779

## Company details

The company	<p>OVG-PROXY A/S                  Gothersgade 14 3.                  1123 København K</p> <p>CVR no.: 33 64 49 57</p> <p>Reporting period: 1 September 2021 - 31 August 2022</p> <p>Incorporated: 5 May 2011</p> <p>Domicile: Copenhagen</p>
Supervisory board	<p>Jonathan James Diver, chairman                  Kirankumar Premchand Shah                  Michael Spencer Hyde                  Jeremiah Healy</p>
Executive board	<p>Jesper Bay</p>
Auditors	<p>Baker Tilly Denmark                  Godkendt Revisionspartnerselskab                  Poul Bundgaards Vej 1, 1.                  2500 Valby</p>
Consolidated financial statements	<p>The Company is consolidated in the ultimate parent company's financial statement.</p> <p>The group annual report of Character Group Plc. can be obtained at the following address: <a href="http://www.thecharacter.com">www.thecharacter.com</a></p>

## Financial highlights

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

	2022	2021	2020	2019	2018
	DKK (12 months)	DKK (12 months)	DKK (8 months)	DKK (12 months)	DKK (12 months)
<b>Key figures</b>					
<b>Profit/loss</b>					
Gross profit/loss	13.691.797	4.976.668	12.175.106	-2.833.526	21.509.316
Profit/loss before net financials	33.599	-5.210.687	3.001.479	-17.466.729	6.407.322
Net financials	2.936.166	-6.190.563	-2.738.180	-3.726.837	-3.060.990
Profit/loss for the year	2.969.765	-12.194.250	50.299	-22.668.566	2.486.332
<b>Balance sheet</b>					
Balance sheet total	29.587.508	30.687.556	40.250.652	35.278.827	75.823.608
Investment in property, plant and equipment	135.900	162.988	219.557	1.839.837	485.370
Equity	-25.638.497	-28.608.262	-16.423.649	-24.023.513	-1.354.947
Number of employees	19	15	16	20	24
<b>Financial ratios</b>					
Return on assets	0,1%	-14,7%	7,9%	-31,4%	7,0%
Solvency ratio	-86,7%	-93,2%	-40,8%	-68,1%	-1,8%
Return on equity	-10,9%	54,2%	-0,2%	178,6%	-95,7%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.



## Management's review

### Business review

OVG-PROXY A/S primary activity is to carry out sales and distribution activities in the Nordic region, with a primary focus on toys.

### Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

### Financial review

The company's income statement for the year ended 31 August 2022 shows a profit of DKK 2.969.765, and the balance sheet at 31 August 2022 shows negative equity of DKK 25.638.497.

Turnover has also been materially affected by the global supply chain challenges. On the expectation that the supply chain issues shall ease, the management expect positive results in the coming fiscal year. The Company has taken several measures to increase turnover, and reverse the losses made.

### Risks and uncertainties

Apart from the industry risks such as supply chain management, competition, FX volatility and cyber crime, the Company's main specific risks are Covid 19 and the sufficiency of the Company's financing.

Although it is not possible to completely assess the impact of the ongoing COVID pandemic, management expects that the outbreak will have not have a material financial impact on the Company during the financial year ahead.

The Company's shareholder and the ultimate shareholder have issued letters of financial support at least until 31 August 2023.

The Company has rationalized its product ranges and now concentrates on products which have longevity. Purchases of products are strictly monitored and this should lead to lower inventory provisions. Customer reaction to the Company's product ranges has been good, and it is expected to increase turnover

### 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.

## Income statement 1 September 2021 - 31 August 2022

	Note	2021/22	2020/21
		DKK	DKK
<b>Gross profit</b>		<b>13.691.797</b>	<b>4.976.668</b>
Staff costs	2	-13.289.300	-8.734.678
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-368.898	-1.452.677
<b>Profit/loss before net financials</b>		<b>33.599</b>	<b>-5.210.687</b>
Income from investments in subsidiaries		2.783.194	-3.889.629
Financial income	3	611.034	729.659
Financial costs	4	-458.062	-3.030.593
<b>Profit/loss before tax</b>		<b>2.969.765</b>	<b>-11.401.250</b>
Tax on profit/loss for the period	5	0	-793.000
<b>Profit/loss for the year</b>		<b>2.969.765</b>	<b>-12.194.250</b>
Distribution of profit	6		

## Balance sheet at 31 August 2022

	Note	2022 DKK	2021 DKK
<b>Assets</b>			
Other fixtures and fittings, tools and equipment		42.212	114.798
Leasehold improvements		88.720	249.132
<b>Tangible assets</b>	7	<b>130.932</b>	<b>363.930</b>
Investments in subsidiaries	8	0	196.877
Deposits	9	1.008.173	1.003.677
<b>Fixed asset investments</b>		<b>1.008.173</b>	<b>1.200.554</b>
<b>Total non-current assets</b>		<b>1.139.105</b>	<b>1.564.484</b>
Inventories		0	3.424.751
<b>Stocks</b>		<b>0</b>	<b>3.424.751</b>
Trade receivables		22.408.697	10.027.048
Receivables from subsidiaries		2.197.165	13.397.772
Other receivables		112.497	37.887
Joint taxation contributions receivable		83.000	83.000
Prepayments	10	1.923.648	575.225
<b>Receivables</b>		<b>26.725.007</b>	<b>24.120.932</b>
<b>Cash at bank and in hand</b>		<b>1.723.396</b>	<b>1.577.389</b>
<b>Total current assets</b>		<b>28.448.403</b>	<b>29.123.072</b>
<b>Total assets</b>		<b>29.587.508</b>	<b>30.687.556</b>

## Balance sheet at 31 August 2022

	Note	2022 DKK	2021 DKK
<b>Equity and liabilities</b>			
Share capital		500.000	500.000
Retained earnings		-26.138.497	-29.108.262
<b>Equity</b>		<b>-25.638.497</b>	<b>-28.608.262</b>
Other payables		718.882	0
<b>Total non-current liabilities</b>	11	<b>718.882</b>	<b>0</b>
Trade payables		2.833.338	5.128.090
Payables to associated companies		45.003.012	50.016.785
Other payables		6.670.773	4.150.943
<b>Total current liabilities</b>		<b>54.507.123</b>	<b>59.295.818</b>
<b>Total liabilities</b>		<b>55.226.005</b>	<b>59.295.818</b>
<b>Total equity and liabilities</b>		<b>29.587.508</b>	<b>30.687.556</b>
Uncertainty about the continued operation (going concern)	1		
Contingent liabilities	12		
Related parties and ownership structure	13		

## Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 September 2021	500.000	-29.108.262	-28.608.262
Net profit/loss for the year	0	2.969.765	2.969.765
<b>Equity at 31 August 2022</b>	<b>500.000</b>	<b>-26.138.497</b>	<b>-25.638.497</b>

## Notes

### 1 Uncertainty about the continued operation (going concern)

Due to negative results over the last few years, the company has a strained cash-flow. The parent company and the ultimate parent company have stated that they would support and finance the company. In addition, it is expected that the planned activities for the coming year will generate positive results.

Based on the above Management has prepared the consolidated financial statements on the basis of going concern.

	<u>2021/22</u>	<u>2020/21</u>
	DKK	DKK
<b>2 Staff costs</b>		
Wages and salaries	11.419.913	7.148.028
Pensions	1.132.131	771.724
Other social security costs	191.070	139.534
Other staff costs	546.186	675.392
	<u><b>13.289.300</b></u>	<u><b>8.734.678</b></u>
Average number of employees	<u>19</u>	<u>15</u>

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed.

### 3 Financial income

Other financial income	<u>611.034</u>	<u>729.659</u>
	<u><b>611.034</b></u>	<u><b>729.659</b></u>

## Notes

	<u>2021/22</u>	<u>2020/21</u>
	DKK	DKK
<b>4 Financial costs</b>		
Interest paid to associated companies	0	1.822.921
Other financial costs	<u>458.062</u>	<u>1.207.672</u>
	<b><u>458.062</u></b>	<b><u>3.030.593</u></b>
<b>5 Tax on profit/loss for the period</b>		
Current tax for the year	0	-83.000
Deferred tax for the year	<u>0</u>	<u>876.000</u>
	<b><u>0</u></b>	<b><u>793.000</u></b>
<b>6 Distribution of profit</b>		
Retained earnings	<u>2.969.765</u>	<u>-12.194.250</u>
	<b><u>2.969.765</u></b>	<b><u>-12.194.250</u></b>

## Notes

### 7 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK
Cost at 1 September 2021	4.683.586	1.319.605	6.003.191
Additions for the period	135.900	0	135.900
Cost at 31 August 2022	<u>4.819.486</u>	<u>1.319.605</u>	<u>6.139.091</u>
Impairment losses and depreciation at 1 September 2021	4.568.788	1.070.473	5.639.261
Depreciation for the period	208.486	160.412	368.898
Impairment losses and depreciation at 31 August 2022	<u>4.777.274</u>	<u>1.230.885</u>	<u>6.008.159</u>
<b>Carrying amount at 31 August 2022</b>	<b><u>42.212</u></b>	<b><u>88.720</u></b>	<b><u>130.932</u></b>



## Notes

	2022 DKK	2021 DKK
<b>8 Investments in subsidiaries</b>		
Cost at 1 September 2021	3.971.794	176.954
Additions for the year	0	3.794.840
Disposals for the year	-125.204	0
Cost at 31 August 2022	<u>3.846.590</u>	<u>3.971.794</u>
Revaluations at 1 September 2021	-3.774.917	107.075
Share of profit/loss for the period	-92.340	-3.891.629
Exchange rate adjustments	0	9.637
Investments with negative equity depreciated over receivables	20.667	0
Revaluations at 31 August 2022	<u>-3.846.590</u>	<u>-3.774.917</u>
<b>Carrying amount at 31 August 2022</b>	<b><u>0</u></b>	<b><u>196.877</u></b>

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
Proxy Norway AS	Norway	100%
Online Supply ApS	Copenhagen	100%

## 9 Fixed asset investments

	Deposits DKK
Cost at 1 January 2020 at 1 September 2021	1.003.677
Additions for the year	<u>4.496</u>
Cost at 1 January 2020 at 31 August 2022	<u>1.008.173</u>
<b>Carrying amount at 31 August 2022</b>	<b><u>1.008.173</u></b>

## Notes

### 10 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

### 11 Long term debt

	Debt at 1 September 2021 DKK	Debt at 31 August 2022 DKK	Instalment next year DKK	Debt outstanding after 5 years DKK
Other payables	0	718.882	0	0
	<b>0</b>	<b>718.882</b>	<b>0</b>	<b>0</b>

### 12 Contingent liabilities

As management company, the company is jointly taxed with other danish related parties and jointly and severally liable with other jointly taxed entities for payment of income taxes as well as for payment of withholding taxes on dividends, interest and royalties.

The Company has entered into an operating lease of premises. The lease is interminable until 2025. The total lease commitment amounts to DKK 5.573k.

The Company has entered into operating lease of cars. The total lease commitment amounts to DKK 18k.

## Notes

### 13 Related parties and ownership structure

The Character Group plc, London, United Kingdom ultimately owns the majority of the shares in the Company and has a controlling interest in the Company.

The Character Group plc, London, United Kingdom ultimately owns the shares in the Company.

The Company is consolidated in the ultimate parent company's financial statement.

The group annual report of The Character Group Plc. may be obtained at the following address:  
[www.thecharacter.com](http://www.thecharacter.com)

## Accounting policies

The annual report of OVG-PROXY A/S for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class C (medium).

The accounting policies applied are consistent with those of last year.

The annual report for 2021/22 is presented in DKK.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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 calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

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

### Income statement

#### Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

## Accounting policies

### Cost of sales

Cost of sales comprises goods consumed in the financial period measured at cost, adjusted for ordinary inventory writedowns.

### Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

### Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### Staff costs

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 the period's amortisation, depreciation and impairment 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 period. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on foreign currency transactions etc.

### Income from investments in subsidiaries, associates and participating interests

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

### Tax on profit/loss for the period

The company is subject to the Danish rules on compulsory joint taxation.

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

## Accounting policies

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the period and directly in equity as regards the portion that relates to entries directly in equity.

### Balance sheet

#### Tangible assets

Items of leasehold improvements, fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

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

		<b>Residual value</b>
Other fixtures and fittings, tools and equipment	3-5 years	0 %
Leasehold improvements	3-5 years	0 %

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains or losses from the disposal of other fixtures equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

#### Investments in subsidiaries

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of OVG-PROXY A/S is adopted are not taken to the net revaluation reserve.

## Accounting policies

Acquirees are accounted for using the purchase method, see the above description of consolidated financial statements and calculation of goodwill.

### Inventories

Inventories are measured at cost using the Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

### Income tax and deferred tax

As management company, OVG-PROXY A/S is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

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 and tax paid on account.

## Accounting policies

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

### Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Cash flow statement

No cash flow statement has been prepared for the Company, as the Company's cash flows are included in the cash flow statement of the ultimate parent company.

### Financial Highlights

Definitions of financial ratios.

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