



## Sysmex Nordic ApS

Hedegaardsvej 88  
2300 Copenhagen S  
CVR No. 38251120

## Annual report 01.04.2020 - 31.03.2021

The Annual General Meeting adopted the  
annual report on 31.08.2021

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**Ulf Sigurd Skimmeland**  
Chairman of the General Meeting

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# Entity details

## Entity

Sysmex Nordic ApS  
Hedegaardsvej 88  
2300 Copenhagen S

CVR No.: 38251120  
Registered office: Copenhagen  
Financial year: 01.04.2020 - 31.03.2021

## Executive Board

Ulf Sigurd Skimmeland  
Keith Lawrence Howes  
Satu Sisko Marjaana Körner

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

# Statement by Management

The Executive Board has today considered and approved the annual report of Sysmex Nordic ApS for the financial year 01.04.2020 - 31.03.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2021 and of the results of its operations and cash flows for the financial year 01.04.2020 - 31.03.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 31.08.2021

## Executive Board

**Ulf Sigurd Skimmeland**

**Keith Lawrence Howes**

**Satu Sisko Marjaana Körner**

# Independent auditor's report

## To the shareholder of Sysmex Nordic ApS

### Opinion

We have audited the financial statements of Sysmex Nordic ApS for the financial year 01.04.2020 - 31.03.2021, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2021 and of the results of its operations and cash flows for the financial year 01.04.2020 - 31.03.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

### Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Copenhagen, 31.08.2021

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Nikolaj Thomsen**

State Authorised Public Accountant  
Identification No (MNE) mne33276

# Management commentary

## Financial highlights

	2020/21	2019/20	2018/19	2017/18	2016/17
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Gross profit/loss	76,646	69,057	37,895	36,918	16,629
Operating profit/loss	16,372	22,494	11,782	8,942	810
Net financials	(922)	751	(380)	(314)	(41)
Profit/loss for the year	11,047	18,031	8,854	6,405	539
Total assets	126,919	130,301	135,246	113,577	52,597
Investments in property, plant and equipment	1,320	817	429	11,538	3,554
Equity	67,424	53,079	38,652	29,900	24,410
<b>Ratios</b>					
Return on equity (%)	18.33	39.31	25.83	23.59	2.21
Equity ratio (%)	53.12	40.74	28.58	26.33	46.41

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$



### **Primary activities**

The Company's activity consists of wholesale of machinery, equipment and accessories for the health care industry.

### **Development in activities and finances**

The profit for the year amounts to DKK 11,694 thousand. The result is satisfactory and according to expectations. The result is positively affected from taking over distribution of a third-party hematology product.

Management expects the result for the financial year 2021/22 to be within the interval DKK 11,000 thousand to 15,000 thousand.

### **Environmental performance**

The Company recognizes environmental issues and as part of the Sysmex Group a wide range of initiatives are taken to reduce the climate impact. The major environmental impact from the Group arises from production that is done mostly in Japan and Germany.

### **Research and development activities**

Research and development activities are carried out on a Group level.

The Company invests in ongoing development and education of employees. This is done mainly through the Sysmex Academy to ensure that all employees are fully updated, able to advise our customers and to provide service to our customers' installations.

### **Foreign branches**

The Company operates in all Nordic countries with an office in Copenhagen, and branch offices in both Sweden and Norway.

### **Events after the balance sheet date**

The Company are as all other companies affected by the ongoing covid pandemic. Management do not know the effect hereof, but we do not expect a material effect on our business.

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2020/21

	Notes	2020/21 DKK	2019/20 DKK
<b>Gross profit/loss</b>		<b>76,646,281</b>	<b>69,056,843</b>
Staff costs	1	(57,366,096)	(43,925,861)
Depreciation, amortisation and impairment losses	2	(2,907,930)	(2,636,880)
<b>Operating profit/loss</b>		<b>16,372,255</b>	<b>22,494,102</b>
Other financial income		1,389,407	1,335,864
Other financial expenses		(2,311,344)	(584,479)
<b>Profit/loss before tax</b>		<b>15,450,318</b>	<b>23,245,487</b>
Tax on profit/loss for the year	3	(4,403,088)	(5,214,896)
<b>Profit/loss for the year</b>	4	<b>11,047,230</b>	<b>18,030,591</b>

# Balance sheet at 31.03.2021

## Assets

	Notes	2020/21 DKK	2019/20 DKK
Other fixtures and fittings, tools and equipment		5,838,357	6,963,309
Leasehold improvements		99,002	120,349
<b>Property, plant and equipment</b>	5	<b>5,937,359</b>	<b>7,083,658</b>
<b>Fixed assets</b>		<b>5,937,359</b>	<b>7,083,658</b>
Manufactured goods and goods for resale		31,933,516	50,577,271
<b>Inventories</b>		<b>31,933,516</b>	<b>50,577,271</b>
Trade receivables		31,002,812	29,339,002
Contract work in progress	6	0	29,644,208
Receivables from group enterprises		13,791,002	591,390
Deferred tax	7	692,853	128,512
Other receivables		300,956	600,616
Prepayments	8	1,258,709	1,130,380
<b>Receivables</b>		<b>47,046,332</b>	<b>61,434,108</b>
<b>Cash</b>		<b>42,001,738</b>	<b>11,206,361</b>
<b>Current assets</b>		<b>120,981,586</b>	<b>123,217,740</b>
<b>Assets</b>		<b>126,918,945</b>	<b>130,301,398</b>

## Equity and liabilities

	Notes	2020/21 DKK	2019/20 DKK
Contributed capital		8,000,000	8,000,000
Retained earnings		35,423,542	45,078,938
Proposed dividend		24,000,000	0
<b>Equity</b>		<b>67,423,542</b>	<b>53,078,938</b>
Other provisions	9	1,210,295	278,737
<b>Provisions</b>		<b>1,210,295</b>	<b>278,737</b>
Other payables		0	1,214,033
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>1,214,033</b>
Trade payables		2,020,198	2,440,734
Payables to group enterprises		132,235	30,603,816
Tax payable		5,814,733	5,424,488
Other payables		29,951,920	20,695,149
Deferred income	10	20,366,022	16,565,503
<b>Current liabilities other than provisions</b>		<b>58,285,108</b>	<b>75,729,690</b>
<b>Liabilities other than provisions</b>		<b>58,285,108</b>	<b>76,943,723</b>
<b>Equity and liabilities</b>		<b>126,918,945</b>	<b>130,301,398</b>
Unrecognised rental and lease commitments	12		
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# Statement of changes in equity for 2020/21

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	8,000,000	45,078,938	0	53,078,938
Exchange rate adjustments	0	3,297,374	0	3,297,374
Profit/loss for the year	0	(12,952,770)	24,000,000	11,047,230
<b>Equity end of year</b>	<b>8,000,000</b>	<b>35,423,542</b>	<b>24,000,000</b>	<b>67,423,542</b>

# Cash flow statement for 2020/21

	Notes	2020/21 DKK	2019/20 DKK
Operating profit/loss		16,372,255	22,494,102
Amortisation, depreciation and impairment losses		2,907,930	2,636,880
Other provisions		931,558	278,737
Working capital changes	11	17,844,386	(31,311,172)
<b>Cash flow from ordinary operating activities</b>		<b>38,056,129</b>	<b>(5,901,453)</b>
Financial income received		1,389,407	198,264
Financial expenses paid		(2,311,344)	(553,121)
Taxes refunded/(paid)		(4,577,184)	(984,911)
<b>Cash flows from operating activities</b>		<b>32,557,008</b>	<b>(7,241,221)</b>
Acquisition etc of intangible assets		(1,761,631)	(817,442)
<b>Cash flows from investing activities</b>		<b>(1,761,631)</b>	<b>(817,442)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>30,795,377</b>	<b>(8,058,663)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>30,795,377</b>	<b>(8,058,663)</b>
Cash and cash equivalents beginning of year		11,206,361	19,237,445
Currency translation adjustments of cash and cash equivalents		0	27,579
<b>Cash and cash equivalents end of year</b>		<b>42,001,738</b>	<b>11,206,361</b>
Cash and cash equivalents at year-end are composed of:			
Cash		42,001,738	11,206,361
<b>Cash and cash equivalents end of year</b>		<b>42,001,738</b>	<b>11,206,361</b>

# Notes

## 1 Staff costs

	2020/21 DKK	2019/20 DKK
Wages and salaries	48,508,198	31,812,624
Pension costs	3,080,277	6,216,350
Other social security costs	5,150,432	4,902,780
Other staff costs	627,189	994,107
	<b>57,366,096</b>	<b>43,925,861</b>

Average number of full-time employees	68	65
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With reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the Management is not disclosed.

## 2 Depreciation, amortisation and impairment losses

	2020/21 DKK	2019/20 DKK
Depreciation of property, plant and equipment	2,907,930	2,636,880
	<b>2,907,930</b>	<b>2,636,880</b>

## 3 Tax on profit/loss for the year

	2020/21 DKK	2019/20 DKK
Current tax	4,407,520	5,032,906
Change in deferred tax	(555,734)	89,344
Adjustment concerning previous years	551,302	92,646
	<b>4,403,088</b>	<b>5,214,896</b>

## 4 Proposed distribution of profit and loss

	2020/21 DKK	2019/20 DKK
Ordinary dividend for the financial year	24,000,000	0
Retained earnings	(12,952,770)	18,030,591
	<b>11,047,230</b>	<b>18,030,591</b>

## 5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	14,645,461	195,587
Exchange rate adjustments	1,152,189	0
Additions	1,319,890	0
<b>Cost end of year</b>	<b>17,117,540</b>	<b>195,587</b>
Depreciation and impairment losses beginning of year	(7,682,152)	(75,238)
Exchange rate adjustments	(710,448)	0
Depreciation for the year	(2,886,583)	(21,347)
<b>Depreciation and impairment losses end of year</b>	<b>(11,279,183)</b>	<b>(96,585)</b>
<b>Carrying amount end of year</b>	<b>5,838,357</b>	<b>99,002</b>

## 6 Contract work in progress

	2020/21 DKK	2019/20 DKK
Contract work in progress	5,090,212	64,247,439
Progress billings regarding contract work in progress	(5,090,212)	(34,603,231)
	<b>0</b>	<b>29,644,208</b>

## 7 Deferred tax

	2020/21 DKK	2019/20 DKK
Property, plant and equipment	44,994	(1,047)
Provisions	647,859	129,559
<b>Deferred tax</b>	<b>692,853</b>	<b>128,512</b>
	<b>2020/21 DKK</b>	<b>2019/20 DKK</b>
<b>Changes during the year</b>		
Beginning of year	128,512	27,733
Recognised in the income statement	555,734	(89,344)
Other changes	8,607	190,123
<b>End of year</b>	<b>692,853</b>	<b>128,512</b>

Deffered tax asset is recognized at estimated short term utilization.

## 8 Prepayments

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



### 9 Other provisions

Provisions cover warranty and claims.

### 10 Deferred income

Deferred income consists of contract accruals.

### 11 Changes in working capital

	<b>2020/21</b>	<b>2019/20</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in inventories	18,643,755	(19,870,805)
Increase/decrease in receivables	14,952,117	14,640,363
Increase/decrease in trade payables etc	(19,048,860)	(26,080,730)
Other changes	3,297,374	0
	<b>17,844,386</b>	<b>(31,311,172)</b>

### 12 Unrecognised rental and lease commitments

	<b>2020/21</b>	<b>2019/20</b>
	<b>DKK</b>	<b>DKK</b>
Liabilities under rental or lease agreements until maturity in total	<b>7,747,565</b>	<b>4,512,582</b>

### 13 Assets charged and collateral

Sysmex Norway has collateral security in respect of bank guarantees of DKK 260 thousand.

### 14 Related parties with controlling interest

Sysmex Nordic ApS' related parties comprise the following:

- Sysmex Europe GmbH, Hamburg, Germany (100%).

### 15 Transactions with related parties

All transactions with related parties which have not been according with market conditions will be disclosed. There have been no such transactions in the financial year.

### 16 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Sysmex Corporation, Kobe, Japan.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Sysmex Europe GmbH, Hamburg, Germany.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Reclassifications of items of the income statements and balance sheet have been made in the comparison year which have not affected profit.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other nonmonetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or write-down. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant nonmonetary items.

## **Income statement**

### **Gross profit or loss**

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### **Cost of sales**

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

### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### **Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of equipment.

**Other financial income**

Other financial income comprises, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

**Balance sheet**

**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-8 years
Leasehold improvements	10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**Inventories**

Inventories are measured at the lower of cost using the average method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

**Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Tax receivable or payable**

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less shortterm bank loans.