
Hans Erik Bylling Holding ApS

Møllevej 6, DK-6070 Christiansfeld

Annual Report for 2022

CVR No. 38 91 42 00

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 28/6 2023

Hans Erik Bylling
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of Hans Erik Bylling Holding ApS for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Christiansfeld, 28 June 2023

Executive Board

Hans Erik Bylling
Manager

Independent Auditor's report

To the shareholder of Hans Erik Bylling Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Hans Erik Bylling Holding ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Trekantområdet, 28 June 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Forthoft Lind
State Authorised Public Accountant
mne34169

Henrik Junker Andersen
State Authorised Public Accountant
mne42818

Company information

The Company Hans Erik Bylling Holding ApS
Møllevvej 6
DK-6070 Christiansfeld
CVR No: 38 91 42 00
Financial period: 1 January - 31 December
Municipality of reg. office: Kolding

Executive Board Hans Erik Bylling

Auditors PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
7100 Vejle

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	2,042,654	1,631,258	1,376,156	1,295,147	1,253,048
Profit/loss of ordinary primary operations	12,558	47,530	50,837	83,034	50,365
Profit/loss before financial income and expenses	53,502	55,671	56,356	92,653	55,832
Profit/loss of financial income and expenses	-21,461	-11,958	-18,163	2,552	-6,228
Net profit/loss	16,711	34,766	26,545	73,729	43,246
Balance sheet					
Balance sheet total	1,335,731	1,165,113	940,944	913,691	809,031
Investment in property, plant and equipment	34,765	48,102	48,102	20,718	22,448
Equity	389,169	404,739	359,324	350,925	388,688
Cash flows					
Cash flows from:					
- operating activities	53,208	41,586	-7,562	60,660	-44,739
- investing activities	-85,077	-34,688	-42,018	-17,938	-9,450
- financing activities	21,467	23,230	56,537	-31,103	22,448
Change in cash and cash equivalents for the year	-10,402	30,128	6,957	11,619	-9,893
Number of employees	407	341	320	277	258
Ratios					
Gross margin	9.2%	10.0%	11.3%	14.5%	10.2%
Profit margin	2.6%	3.4%	4.1%	7.2%	4.5%
Return on assets	4.0%	4.8%	6.0%	10.1%	6.9%
Solvency ratio	29.1%	34.7%	38.2%	38.4%	48.0%
Return on equity	4.2%	9.1%	7.5%	19.9%	11.8%

In connection with changes to accounting policies, the comparative figures for 2018 have not been restated. See the description under accounting policies. For definitions, see under accounting policies.

Management's review

Key activities

The activities of the group primarily include development, production and sale of fish feed as well as trading with raw materials related to the production.

After takeover of Danforel companies in May 2022 the activities also now include farming and processing fish as well as selling fish and related products.

Development in the year

The income statement of the Group for 2022 shows a profit of TDKK 16,711, and at 31 December 2022 the balance sheet of the Group shows positive equity of TDKK 389,169.

The COVID-19 pandemic came to an end but still the side effects with high transportation cost and hick-ups in logistic somehow affected the business in various countries.

Another big challenge was the start of the war in Ukraine which led to massive price increases on most of the raw materials as well on energy and financing

These increases we could not recover hence our margins were impacted negatively. However, we now see a certain stability.

Several of our markets in Africa was hit significantly harder by the increases, since they are very depending on imported raw materials. This led to a food crisis as well as financial crisis with the result that African currencies devaluated heavily.

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

In 2022 the Group realized a result of TDKK 16,731 against TDKK 34,766 in 2021. The 2022 result didn't live up to expectations.

The result in the Group has been affected negatively with TDKK 28,953 from the result of Danforel companies. In connection with the purchase of Danforel companies a badwill has been identified of TDKK 28,520 which is shown as an income under "Other operating income". Total impact in the profit and loss has been minus TDKK 564.

Operating risks

The group's most significant operating risk is attached to the ability to be strongly positioned in the markets where the products are sold and to ensure that production prices are always competitive.

Foreign exchange risks

The existing price and currency risk are within the standard for the business. The Group is continuously entering into contracts and forward foreign exchange contracts to cover the risks.

Targets and expectations for the year ahead

Profit expectations for the coming years are positive and the expectations is a result as in 2021.

Research and development

Research is ongoing to develop and improve the products of the company.

External environment

The Group is continuously working on securing a safe and healthy work environment in a way where environmental and climate conditions are included in the processes.

Management's review

Statement of corporate social responsibility

Business model

Aller Aqua (“The Group”) is a Danish founded company, which globally including associates employs approximately 700 people at seven different production facilities in seven different countries (Denmark, Germany, Poland, Serbia, Egypt, Zambia and China). The Group’s primary activity is the production and manufacturing of fish feed and related trading with raw materials. The Group has sales in 60 different countries and is the third largest fish feed producer in EU in the freshwater segment.

The Group is aware of its environmental, ethical and societal responsibility, which is an integrated part of our business. Additionally, to our work within the area of CSR, the Group has during the past years entered a program supporting the United Nations Sustainable Development Goals (UN SDG) where we have specific focus on goals no. 2, 8, 13 & 14. The UN SDG goals have been incorporated into our strategy for all entities to maintain focus.

Climate change and environmental approach

The work around climate change and environmental issues is an important part of Aller Aqua’s activities. As we source many raw materials and have several production sites, there is a risk of unintended impact on the surrounding environment. We address this risk by working on ISO 22000 certification of our production sites.

Management's review

UN SDG 13 – Climate action

In 2020, Aller Aqua's focus on climate change initiated the first steps towards a more climate neutral sourcing of ingredients for fish feed production. The main aim was to reduce the transport distance of the ingredients. The target of sourcing 100% of our soya products from the European region was fulfilled in 2022. To quantify the effect, a system for carbon footprint calculations of feed ingredients and feed production were developed according to the PEFCR Feed for food producing animals. The calculations were third part verified before making data public available.

In 2022 the calculations were made even more accurate, by engaging the suppliers and using more detailed information about origin and production sites. Good collaboration with suppliers and transparency regarding sustainability issues are key to deliver valid sustainability data forwards in the value chain. Data has been anchored in the electronic quality management system (IPW), and are connected to the specific supplier and ingredient used.

Statement and questionnaires for suppliers have been updated with questions about sustainability, e.g., if suppliers are working actively with the UN SDGs and if carbon footprint of products are calculated. These documents are filled out every year by suppliers and returned and filed in the quality management system.

The system makes it possible for Aller Aqua to rank both suppliers, ingredients, and feed products according to sustainability. An example of a quantitative result is that Aller Aqua reduced the carbon footprint (measured in CO₂-equivalents incl. land use change according to the EU system "PEFCR for Feed Producing Animals") of raw materials with 17% from 2020 to 2022. Efforts are continuing to increase the use of locally produced raw materials to achieve an even lower transportation impact.

The IPW-system of supplier management is implemented for all factories, and the sustainability calculations are integrated in the EU-factories, but more factories will be covered by this work as well. Being one of the first feed producers to use the PEFCR Feed in EU, Aller Aqua is included in the EU Green Labelling task force to help establish a common understanding and a set of recommendations for an aligned procedure for calculating carbon footprint.

Looking forward, the system for calculating carbon footprint developed in Aller Aqua will be a key element in the coming ASC Feed-certification, which will take place in 2023. ASC (Aquaculture Stewardship Council) mainly addresses environmental and social issues.

Furthermore, we have continued our focus to reduce our environmental impact from production facilities and have thus implemented activities to reduce energy consumption and thereby CO₂e emissions across all entities.

UN SDG 14 – Life below water

Fish which are farmed in aquaculture have a smaller environmental impact than land-based animal food production.

Ensuring that feed fed to the fish are digested optimally, meaning less excretion and more feed is used for fish growth, diminish effluents to the water environment. Also, it is of great significance that feed is used correct at the farms and not wasted.

Aller Aqua constantly develop feed types to optimize digestibility and feed conversion ratios, both by recipe optimization based on raw materials and nutritional composition. In 2022, a number of feed ingredients were continuously tested in Aller Aqua Research in Büsum.

We take responsibility for the success of our clients, and it is a strategic aim to be close to our clients and develop together. We have introduced systematic training programs towards our clients, to secure best practice and performance, which leads to the lowest environmental impact. This is a triple win, for us, the clients, and the environment.

Management's review

Human rights and social relations approach

As our activities are spread across the world, and since we have activities that involves multiple numbers of stakeholders, we acknowledge the need for addressing human rights related issues. We know that the protection and support of international accepted human rights guidelines are very important to our stakeholders, and we acknowledge the risk of not living up to these expectations.

We are working by a “code of conduct” towards our suppliers. This code of conduct is a part of the approval of all suppliers. In the code of conduct we address among others:

- Compliance with applicable laws
- Accurate and honest recordkeeping
- Protection of information, assets and interests
- Business obligations
- Respect and dignity
- Conducting business with integrity
- Responsibility

The “code of conduct” is sent to all suppliers and is a part of the supplier approval to the group. During 2022 numerous supplier audits have taken place across the group factories, however many of these has been virtual due to the COVID-19 pandemic.

Based on these audits we have not seen any critical incidences at our suppliers during the year.

In 2023, we expect to teach and train employees, throughout the group, in the same code of conduct.

Employee relations

We value our employees highly, and we are aware of the need to be able to attract and maintain competent employees on the staff, as our biggest risk within social relations is loss of knowledge. Therefore, we have a focus on providing proper working conditions for our employees worldwide.

At our production facility in Zambia and Egypt we have introduced busses that employees can use to get to work since the population is scarce in the near proximity of our production site and in Egypt challenges with transport are huge. This practice has continued in 2022.

In Denmark we offer our employees a membership of a digital learning platform which have the purpose of creating a stronger and more open culture, where we care about each other and dare to talk about the things that are difficult.

Our work related to the SDG goal no. 8 implies advocating for an increase in the aquaculture sector as this will support economic growth in areas where other forms of agricultural activities are not possible and where it will create decent work for locals. We wish to provide our employees with a decent and stable workplace, which can support a sustainable development in the area where we are present.

In the financial year 2022, we have increased the workforce at group level and have contributed to a greater diversity in these appointments.

We have continued to focus on transferring knowledge through training with our customers and employees, to increase the opportunity to create better results and a better environment.

Aller Aqua Group will continue to work with the UN's global goals, including goal no. 8 "decent work and economic growth" where we will continue to ensure that we through training and knowledge transfer with our customers can contribute to creating sustainable growth in the local areas we work in.

There is also a focus on creating attractive workplaces with opportunities for development internally in the company, as well as internationally.

Management's review

Anti-corruption and bribery approach

The Group have a zero tolerance towards corruption and the Group maintain high ethics and integrity in all business relations. Aller Aqua is aware of how corruption, bribery and poor business ethics may harm the business.

Therefore, the Board of Directors have maintained a close relationship with top management throughout the companies of the Group and make sure that the Group's position and values are known and complied in all places. In the employee handbook, the Group's guidelines on e.g., gifts and ethical conduct are described to secure that the requirements are communicated across geographical areas.

In 2022, we have continued our process to screen our suppliers and apply guidelines that they are required to implement and comply with, and which contain requirements regarding anti-corruption and bribery as well as human rights. We have not identified any material issues related to corruption in 2022.

We will continue to teach and inform all employees about our code of conduct that does not accept corruption, bribery or other financial conflicts of interest. We will also, through direct control, ensure that our transactions take place in accordance with applicable rules.

Statement on gender composition

Policy for other management levels

There are no women in the management team today. It is Group's policy to increase the number of women in our management team, but under the primary condition always to hire the most competent candidate for the job.

In 2022 we have continued to ensure that both genders are offered the same opportunities to further educate themselves as well as we have continued to nudge female talent within our organization to seek out career opportunities when relevant. When using external recruiters, we require receiving a shortlist with both male and female candidates, and we generally strive for more women to enter management. However, in 2022 too few management positions were vacant to show significant change in the overall gender split in our management team. We will continue our efforts in the years to come.

Statement on data ethics

It is the Group's assessment, that it does not have data that has not been adequately handled within GDPR legislation, why it is considered that there currently is no need of a data ethics policy.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Revenue	1	2,042,654	1,631,258	0	0
Other operating income		41,654	9,594	0	0
Expenses for raw materials and consumables		-1,745,244	-1,361,739	0	0
Other external expenses		-150,749	-116,443	-18	-15
Gross profit	2	188,315	162,670	-18	-15
Staff expenses	3	-105,593	-82,689	0	0
Depreciation and impairment losses of property, plant and equipment		-28,510	-22,857	0	0
Other operating expenses		-710	-1,453	0	0
Profit/loss before financial income and expenses		53,502	55,671	-18	-15
Income from investments in subsidiaries		0	0	1,670	5,015
Income from investments in associates		5,478	3,178	0	0
Financial income		12,173	19,185	48	40
Financial expenses		-39,112	-34,321	-377	-172
Profit/loss before tax		32,041	43,713	1,323	4,868
Tax on profit/loss for the year	4	-15,330	-8,947	39	74
Net profit/loss for the year	5	16,711	34,766	1,362	4,942

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Acquired other similar rights		29	79	0	0
Development projects in progress		7,987	0	0	0
Intangible assets	6	8,016	79	0	0
Land and buildings		169,876	86,122	0	0
Plant and machinery		142,477	114,293	0	0
Property, plant and equipment in progress		31,911	28,541	0	0
Property, plant and equipment	7	344,264	228,956	0	0
Investments in subsidiaries	8	0	0	66,464	68,288
Investments in associates	9	67,558	65,109	0	0
Other investments	10	15,956	5,461	0	0
Other receivables	10	1,218	1,200	1,218	1,200
Fixed asset investments		84,732	71,770	67,682	69,488
Fixed assets		437,012	300,805	67,682	69,488
Inventories	12	280,112	174,180	0	0
Trade receivables		453,270	517,982	0	0
Receivables from group enterprises		0	0	17,533	18,701
Receivables from associates		9,486	6,983	0	0
Other receivables		41,517	32,549	0	0
Deferred tax asset	13	17,434	23,597	80	0
Corporation tax		5	3,542	5	124
Prepayments		2,417	595	0	0
Receivables		524,129	585,248	17,618	18,825
Current asset investment	11	33,715	49,142	0	0

Balance sheet 31 December

Cash at bank and in hand	<u>60,763</u>	<u>55,738</u>	<u>2</u>	<u>148</u>
Current assets	<u>898,719</u>	<u>864,308</u>	<u>17,620</u>	<u>18,973</u>
Assets	<u>1,335,731</u>	<u>1,165,113</u>	<u>85,302</u>	<u>88,461</u>

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Share capital		50	50	50	50
Reserve for net revaluation under the equity method		0	0	17,100	18,944
Other reserves		-3,609	-115	0	0
Retained earnings		67,601	66,360	52,009	52,297
Proposed dividend for the year		0	114	0	114
Equity attributable to shareholders of the Parent Company		64,042	66,409	69,159	71,405
Minority interests		325,127	338,330	0	0
Equity		389,169	404,739	69,159	71,405
Provision for deferred tax	13	0	3,767	0	0
Provisions relating to investments in associates		1,981	6,579	0	0
Other provisions	14	459	2,933	0	0
Provisions		2,440	13,279	0	0
Mortgage loans		23,846	0	0	0
Credit institutions		9,941	0	0	0
Other payables		96,344	99,137	0	0
Long-term debt	15	130,131	99,137	0	0
Mortgage loans	15	2,911	0	0	0
Credit institutions	15	380,884	283,960	0	0
Trade payables		297,522	279,425	30	30
Payables to group enterprises		0	0	9,084	10,143
Payables to owners and Management		31	31	31	31
Corporation tax		11,729	14,491	0	0
Deposits		58	110	0	0
Other payables	15	120,856	69,941	6,998	6,852
Short-term debt		813,991	647,958	16,143	17,056
Debt		944,122	747,095	16,143	17,056
Liabilities and equity		1,335,731	1,165,113	85,302	88,461

Balance sheet 31 December

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Statement of changes in equity

Group

	Share capital	Other reserves	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	50	-115	66,360	114	66,409	338,330	404,739
Exchange adjustments	0	-3,494	0	0	-3,494	-27,077	-30,571
Ordinary dividend paid	0	0	0	-114	-114	-1,596	-1,710
Net profit/loss for the year	0	0	1,241	0	1,241	15,470	16,711
Equity at 31 December	50	-3,609	67,601	0	64,042	325,127	389,169

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	50	18,944	52,297	114	71,405	0	71,405
Exchange adjustments	0	-3,494	0	0	-3,494	0	-3,494
Ordinary dividend paid	0	0	0	-114	-114	0	-114
Net profit/loss for the year	0	1,650	-288	0	1,362	0	1,362
Equity at 31 December	50	17,100	52,009	0	69,159	0	69,159

Cash flow statement 1 January - 31 December

	Note	Group	
		2022	2021
		TDKK	TDKK
Result of the year		16,711	34,766
Adjustments	16	32,736	52,124
Change in working capital	17	42,859	-16,558
Cash flow from operations before financial items		92,306	70,332
Financial income		12,173	19,184
Financial expenses		-39,112	-34,320
Cash flows from ordinary activities		65,367	55,196
Corporation tax paid		-12,159	-13,610
Cash flows from operating activities		53,208	41,586
Purchase of intangible assets		-7,937	0
Purchase of property, plant and equipment		-30,858	-34,765
Fixed asset investments made etc		-13,282	-525
Business acquisition		-33,000	0
Dividends received from associates		0	602
Cash flows from investing activities		-85,077	-34,688
Repayment of mortgage loans		-743	0
Repayment of loans from credit institutions		26,713	28,886
Repayment of other long-term debt		-2,793	0
Dividend paid		-1,710	-5,656
Cash flows from financing activities		21,467	23,230
Change in cash and cash equivalents		-10,402	30,128
Cash and cash equivalents at 1 January		104,880	74,752
Exchange adjustment of current asset investments		0	0
Cash and cash equivalents at 31 December		94,478	104,880
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		60,763	55,738
Current asset investments		33,715	49,142
Cash and cash equivalents at 31 December		94,478	104,880

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Europe	1,453,097	1,063,398	0	0
Asia	247,316	212,447	0	0
Africa	342,241	355,413	0	0
	2,042,654	1,631,258	0	0

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
2. Special items				
Badwill	28,520	0	28,520	0
	28,520	0	28,520	0

Related to the acquisition of Danforel Group Management identified a badwill of DKK 29 million, which has been recognized respectively as Other operating income and Income from investments in subsidiaries in 2022.

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
3. Staff Expenses				
Wages and salaries	97,640	78,122	0	0
Pensions	3,163	2,390	0	0
Other social security expenses	2,818	681	0	0
Other staff expenses	1,972	1,496	0	0
	105,593	82,689	0	0

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	407	341	0	0
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Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
4. Income tax expense				
Current tax for the year	15,781	13,665	32	-9
Deferred tax for the year	-7,017	-4,717	-71	0
Adjustment of tax concerning previous years	6,566	-1	0	-65
	15,330	8,947	-39	-74

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
5. Profit allocation				
Proposed dividend for the year	0	114	0	114
Reserve for net revaluation under the equity method	0	0	1,650	5,015
Minority interests' share of net profit/loss of subsidiaries	15,470	29,824	0	0
Retained earnings	1,241	4,828	-288	-187
	16,711	34,766	1,362	4,942

6. Intangible fixed assets

Group

	Acquired other similar rights	Develop- ment projects in progress
	TDKK	TDKK
Cost at 1 January	250	0
Additions for the year	0	7,987
Cost at 31 December	250	7,987
Impairment losses and amortisation at 1 January	171	0
Amortisation for the year	50	0
Impairment losses and amortisation at 31 December	221	0
Carrying amount at 31 December	29	7,987

Notes to the Financial Statements

Capitalized development costs relate to the development of cold-pressed oil for pharmaceutical use to meet market demands. The company expects to develop the project further in the coming years and looks positively at the project's sales and earnings opportunities.

7. Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Property, plant and equipment in progress
	TDKK	TDKK	TDKK
Cost at 1 January	106,725	239,817	28,541
Exchange adjustment	-6,209	-26,730	0
Additions for the year	94,977	62,176	4,751
Disposals for the year	-778	-697	-1,381
Cost at 31 December	<u>194,715</u>	<u>274,566</u>	<u>31,911</u>
Impairment losses and depreciation at 1 January	20,603	125,524	0
Exchange adjustment	-1,352	-14,023	0
Depreciation for the year	5,588	21,962	0
Impairment and depreciation of sold assets for the year	0	-1,374	0
Impairment losses and depreciation at 31 December	<u>24,839</u>	<u>132,089</u>	<u>0</u>
Carrying amount at 31 December	<u>169,876</u>	<u>142,477</u>	<u>31,911</u>

Notes to the Financial Statements

	Parent company	
	2022 TDKK	2021 TDKK
8. Investments in subsidiaries		
Cost at 1 January	49,344	49,344
Cost at 31 December	49,344	49,344
Value adjustments at 1 January	18,944	12,205
Exchange adjustment	-3,494	956
Net profit/loss for the year	1,670	5,015
Other equity movements, net	0	768
Value adjustments at 31 December	17,120	18,944
Carrying amount at 31 December	66,464	68,288

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Familien Bylling Holding ApS	Christiansfeld , Denmark	TDKK 1.000	17%
Haltruplund ApS (subsidiary of Familien Bylling Holding ApS)	Christiansfeld , Denmark	TDKK 80	17%
Aller Aqua Group A/S (subsidiary of Familien Bylling Holding ApS)	Christiansfeld , Denmark	TDKK 3.000	15%
Aller Aqua A/S (subsidiary of Aller Aqua Group A/S)	Christiansfeld , Denmark	TDKK 10.000	15%
Aller Aqua Polska sp. z.o.o. (subsidiary of Aller Aqua Group A/S)	Golub-Dobrzyn, Polen	TPLN 4.573	14%
Aller Aqua Ukraina sp z.o.o. (subsidiary of Aller Aqua Polska sp. z.o.o.)	Okreg Lwowski, Ukraine	TUAH 39	14%
Aller Aqua AM (Armenien) (subsidiary of Aller Aqua Polska sp. z.o.o.)	Ararat, Armenien	TEUR 0	8%
Aller Aqua Norway AS (subsidiary of Aller Aqua Group A/S)	Bergen, Norge	TNOK 100	15%
Gulen Marine Farm AS (subsidiary of Aller Aqua Norway AS)	Ånneland, Norge	TNOK 200	14%
Seamtech AS (subsidiary of Aller Aqua Norway AS)	Bønes, Norge	TNOK 1.800	15%
Aller Aqua China A/S (subsidiary of Aller Aqua Group A/S)	Christiansfeld , Danmark	TDKK 40.629	9%
Aller Aqua (Qingdao) Co. Ltd. (subsidiary of Aller Aqua China A/S)	Qingdao, Kina	TRMB 38.333	9%

Notes to the Financial Statements

Aller Aqua Research GmbH (subsidiary of Aller Aqua Group A/S)	Büsum, Tyskland	TEUR 25	15%
Aller Aqua Nigeria Limited (subsidiary of Aller Aqua Group A/S)	Lagos, Nigeria	TNGA 9.019	15%
Aller Aqua Kenya Limited (subsidiary of Aller Aqua Group A/S)	Nairobi, Kenya	TKES 1.000	15%
Aller Aqua Ghana Limited (subsidiary of Aller Aqua Group A/S)	Akosombo, Ghana	TGHS 1.000	15%
Aller Aqua Egypt For Industrialization - S.A.E. (subsidiary of Aller Aqua Group A/S)	Giza, Egypt	TEGP 23.967	8%
Aller Aqua Balkan d.o.o (subsidiary of Aller Aqua Group A/S)	Južno-Backi, Serbia	TEUR 0	14%
HEB Stepping ApS	Christiansfeld , Denmark	TDKK 50	100%
Pigeskolen P/S	Christiansfeld , Denmark	TDKK 500	100%
Aller Aqua Myanmar Holding ApS	Christiansfeld , Denmark	TDKK 40	15%
Aller Aqua Myanmar Feed Company Ltd. (subsidiary of Aller Aqua Myanmar Holding ApS)	Kyauktan Township, Myanmar	TUSD 8.500	15%
Opdrætsanlæg ApS (subsidiary of Aller Aqua Group A/S)	Grindsted, Denmark	TDKK 80	15%
Danforel Holding ApS (subsidiary of Aller Aqua Group A/S)	Grindsted, Denmark	TDKK 80	15%
Danforel A/S (subsidiary of Danforel Holding ApS)	Grindsted, Denmark	TDKK 4.000	15%
Euroforellen GmbH (subsidiary of Danforel A/S)	Grindsted, Denmark	TDKK 263	15%
Danforel Udstyr A/S (subsidiary of Danforel Holding ApS)	Grindsted, Denmark	TDKK 500	15%
Danforel Ejendomme II ApS (subsidiary of Danforel Holding ApS)	Grindsted, Denmark	TDKK 125	15%
Danforel Olie og Protein A/S (subsidiary of Danforel Holding ApS)	Grindsted, Denmark	TDKK 500	15%
Proby Ingredients A/S (subsidiary of Danforel Olie og Protein A/S)	Grindsted, Denmark	TDKK 500	15%
Danaqua ApS (subsidiary of Danforel Holding ApS)	Grindsted, Denmark	TDKK 125	15%
SIG Fiskeri ApS (subsidiary of Danaqua ApS)	Grindsted, Denmark	TDKK 125	15%
Binderup Mølle Dambrug A/S (subsidiary of Aller Aqua A/S)	Nibe, Denmark	TDKK 5.954	15%

All foreign subsidiaries are recognised and measured as separate entities. The company holds the majority of the votes for all above subsidiaries.

Notes to the Financial Statements

	Group		Parent company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
9. Investments in associated companies				
Cost at 1 January	65,817	65,292	0	0
Additions for the year	1,300	525	0	0
Disposals for the year	-4,100	0	0	0
Cost at 31 December	63,017	65,817	0	0
Value adjustments at 1 January	-8,487	-9,682	0	0
Exchange adjustment	-216	-1,381	0	0
Net profit/loss for the year	5,479	3,178	0	0
Dividends received	0	-602	0	0
Reversals for the year of revaluations in previous years	5,784	0	0	0
Value adjustments at 31 December	2,560	-8,487	0	0
Equity investments with negative net asset value transferred to provisions	1,981	7,779	0	0
Carrying amount at 31 December	67,558	65,109	0	0

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
Aller Ejendomsselskab A/S	Christiansfeld , Denmark	TDKK 3.000	50%
Aller Aqua Zambia Limited	Lusaka, Zambia	TZMW 10	40%
Emsland Aller Aqua GmbH	Golssen, Germany	TEUR 363	45%

Notes to the Financial Statements

10. Other fixed asset investments

Group

	Other investments	Other receivables
	TDKK	TDKK
Cost at 1 January	5,461	1,200
Additions for the year	10,495	18
Cost at 31 December	<u>15,956</u>	<u>1,218</u>
Carrying amount at 31 December	<u>15,956</u>	<u>1,218</u>

Parent company

	Other receivables
	TDKK
Cost at 1 January	1,200
Additions for the year	18
Cost at 31 December	<u>1,218</u>
Carrying amount at 31 December	<u>1,218</u>

11. Fair values

	Value adjustment, income statement	Fair value at 31. December
	TDKK	TDKK
Group		
Listed bonds and shares	-12,408	33,716

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Raw materials and consumables	81,275	59,093	0	0
Finished goods and goods for resale	170,268	115,087	0	0
Biological assets	28,569	0	0	0
	280,112	174,180	0	0

12. Inventories

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

13. Deferred tax asset

Deferred tax asset at 1 January	19,830	16,547	0	0
Other adjustments	-9,413	-1,434		
Amounts recognised in the income statement for the year	7,017	4,717	71	0
Amounts recognised in equity for the year	0	0	9	0
Deferred tax asset at 31 December	17,434	19,830	80	0
Recognised in the balance sheet as follows:				
Assets	17,434	23,597	80	0
Provisions	0	3,767	0	0
	17,434	19,830	80	0

Provision for deferred tax relates to difference between the carrying amount and the tax value of tangible fixed assets, prepayments, inventories and tax loss carried forward.

The deferred tax asset is recognised as it is expected that the company can utilise the tax loss within a few years. The prepared budgets, including the expectations for the future, show that the tax loss is expected to be utilised within a period of 3-5 years.

Notes to the Financial Statements

14. Other provisions

Other provisions for liabilities comprise provisions related to expected local tax claims regarding the group's activities abroad.

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Other provisions	459	2,933	0	0
	459	2,933	0	0

The provisions are expected to mature as follows:

Provisions falling due after 5 years	459	2,933	0	0
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15. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Mortgage loans				
After 5 years	13,548	0	0	0
Between 1 and 5 years	10,298	0	0	0
Long-term part	23,846	0	0	0
Within 1 year	2,911	0	0	0
	26,757	0	0	0
Credit institutions				
After 5 years	2,193	0	0	0
Between 1 and 5 years	7,748	0	0	0
Long-term part	9,941	0	0	0
Within 1 year	8,603	11,998	0	0
Other short-term debt to credit institutions	372,281	271,962	0	0
Short-term part	380,884	283,960	0	0
	390,825	283,960	0	0

Notes to the Financial Statements

Other payables

After 5 years	0	0	0	0
Between 1 and 5 years	96,344	99,137	0	0
Long-term part	96,344	99,137	0	0
Other short-term payables	120,856	69,941	6,998	6,852
	217,200	169,078	6,998	6,852

Group

2022	2021
TDKK	TDKK

16. Cash flow statement - Adjustments

Financial income	-12,173	-19,185
Financial expenses	39,112	34,321
Depreciation, amortisation and impairment losses, including losses and gains on sales	26,516	22,857
Income from investments in associates	-5,478	-3,178
Tax on profit/loss for the year	15,330	8,947
Exchange adjustments	-30,571	8,362
	32,736	52,124

Group

2022	2021
TDKK	TDKK

17. Cash flow statement - Change in working capital

Change in inventories	-64,066	-36,493
Change in receivables	73,634	-127,812
Change in other provisions	-1,274	-277
Change in trade payables, etc	34,565	148,024
	42,859	-16,558

Notes to the Financial Statements

Group		Parent company	
2022	2021	2022	2021
TDKK	TDKK	TDKK	TDKK

18. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

The following assets have been placed as security with bankers:

A floating charge of TDKK 100.000 has been provided for debts to banks with intangible rights, machinery, inventories and receivables with a book value of	199,036	172,542	0	0
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Rental and lease obligations

Lease obligations, period of nonterminability until the 1 January 2030	17,889	20,445	0	0
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The company has also entered into operational lease contracts in a limited scale. The lease contracts amounts to TDKK 529.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

19. Related parties

	Basis
Controlling interest	
Hans Erik Bylling	CEO and ultimative owner

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
20. Fee to auditors appointed at the general meeting				
PwC				
Audit fee	642	361	0	0
Tax advisory services	201	96	0	0
Non-audit services	236	137	0	0
	1,079	594	0	0
BDO				
Audit fee	70	128	0	0
Other assurance engagements	0	15	0	0
Tax advisory services	0	19	0	0
	70	162	0	0
Other				
Audit fee	147	125	0	0
Other assurance engagements	13	10	0	0
Tax advisory services	0	62	0	0
	160	197	0	0

21. Subsequent events

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

Notes to the Financial Statements

22. Accounting policies

The Annual Report of Hans Erik Bylling Holding ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2022 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Hans Erik Bylling Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Notes to the Financial Statements

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

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

Segment information on revenue

Information on business segments and geographical segments based on the Group's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income statement

Net sales

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

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

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

Notes to the Financial Statements

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

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

Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

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

Tax on profit/loss for the year

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

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings	20-50 years
Other fixtures and fittings, tools and equipment	5-15 years
Plant and machinery	5-15 years

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items “Investments in subsidiaries” and “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of investments.

Inventories

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

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

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Current Asset Investments

Current Asset Investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Equity

Dividend

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

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Financial debts

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

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

Deferred income

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

Notes to the Financial Statements

Cash Flow Statement

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

Cash flows from operating activities

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

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Current asset investments". "Current asset investments" consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

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

Financial Highlights

Explanation of financial ratios

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