# *VPK Fond II K/S*

Klostervej 28, st., DK-8680 Ry

# Annual Report for 1 January - 31 December 2021

CVR No 40 48 27 76

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 23/3 2022

Klaus Bülow Davidsen
Chairman of the General Meeting

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# Management’s Statement

The General Partner has today considered and adopted the Annual Report of VPK Fond II K/S for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Ry, 23 March 2022

**On behalf of the General Partner: VPK Komplementar II ApS**

| | | |
|---|---|---|
| Anders Tvegaard | Jon Erik Risvig | Klaus Bülow Davidsen |

# Independent Auditor's Report

To the General Partner of VPK Fond II K/S

**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 2021 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 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of VPK Fond II K/S for the financial year 1 January - 31 December 2021, 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 Financials 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.

# Independent Auditor's Report

**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 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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group'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 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 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.

Aarhus, 23 March 2022
**PricewaterhouseCoopers**
Statsautoriseret Revisionspartnerselskab
*CVR No 33 77 12 31*

| | |
|---|---|
| Henrik Kragh | Christian Roding |
| statsautoriseret revisor | statsautoriseret revisor |
| mne26783 | mne33714 |

# Company Information

| | |
|---|---|
| **The Company** | VPK Fond II K/S<br>Klostervej 28, st.<br>DK-8680 Ry<br><br>CVR No: 40 48 27 76<br>Financial period: 1 January - 31 December<br>Municipality of reg. office: Skanderborg |
| **Executive Board** | Anders Tvegaard<br>Jon Erik Risvig<br>Klaus Bülow Davidsen |
| **Auditors** | PricewaterhouseCoopers<br>Statsautoriseret Revisionspartnerselskab<br>Nobelparken<br>Jens Chr. Skous Vej 1<br>DK-8000 Aarhus C |

# Financial Highlights

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

| | Group | | |
|---|---|---|---|
| | 2021* | 2020 | 2019* |
| | TDKK | TDKK | TDKK |
| **Key figures** | | | |
| **Profit/loss** | | | |
| Operating profit/loss | -16.377 | -15.790 | -3.826 |
| Profit/loss before financial income and expenses | -16.551 | -11.777 | -3.827 |
| Net financials | 27.754 | -4.704 | -1.092 |
| Net profit/loss for the year | 8.930 | -17.433 | -5.180 |
| **Balance sheet** | | | |
| Balance sheet total | 282.755 | 238.448 | 151.189 |
| Equity | 133.338 | 135.981 | 58.915 |
| **Cash flows** | | | |
| Cash flows from: | | | |
| - operating activities | 1.862 | 4.873 | -4.958 |
| - investing activities | 4.959 | -62.955 | -115.456 |
| including investment in property, plant and equipment | -5.392 | -7.586 | -3.522 |
| - financing activities | 256 | 63.365 | 122.726 |
| Change in cash and cash equivalents for the year | 7.077 | 5.283 | 2.312 |
| Number of employees | 93 | 77 | 72 |
| **Ratios** | | | |
| Return on assets | -5,9% | -4,9% | -2,5% |
| Solvency ratio | 47,2% | 57,0% | 39,0% |
| Return on equity | 6,6% | -17,9% | -17,6% |

*Hjernø Værtøjsfrabrik A/S and Hjernø Holding ApS are included in the consolidated figures from 1 July 2019.
Saxlift A/S and SL Invest 2019 ApS are included in the consolidated figures from 1 September 2019.
Blue Idea Group Holding ApS are included in the consolidated figures from 5. January 2021.

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

# Management's Review

### Key activities

The purpose of the Limited Partnership is to generate profits by conducting, monitoring, developing and realizing investments in companies, either directly or through wholly or partly owned holding companies.

### Development in the year

The income statement of the Group for 2021 shows a profit of TDKK 8,930, and at 31 December 2021 the balance sheet of the Group shows equity of TDKK 133,338. The result for the year is better than expected as a result of the sale of investments in 2021 with a gain.

### Expectations for the coming year

It is expected that the portfolio companies will develop positively. The accounting result for 2022 will primarily be determined by potential realization of investments, however such events are by nature difficult to predict.

### Unusual events

The financial status of the Group and the Parent are properly estimated. The performance in the portfolio companies is affected individually as a result of Covid-19, lack of chips globally and supply chain challenges.

# Income Statement 1 January - 31 December

| | Note | Group 2021 TDKK | Group 2020 TDKK | Parent Company 2021 TDKK | Parent Company 2020 TDKK |
|---|---|---|---|---|---|
| **Gross profit/loss** | | **53.349** | **41.059** | **-7.989** | **-10.120** |
| Staff expenses | 2 | -51.001 | -41.947 | 0 | 0 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | 3 | -18.725 | -10.773 | 0 | 0 |
| Other operating expenses | | -174 | -116 | 0 | 0 |
| **Profit/loss before financial income and expenses** | | **-16.551** | **-11.777** | **-7.989** | **-10.120** |
| Income from investments in associates | | 30.818 | -3.254 | 39.738 | 0 |
| Financial income | 4 | 537 | 2 | 0 | 0 |
| Financial expenses | 5 | -3.601 | -1.452 | -7.377 | -21 |
| **Profit/loss before tax** | | **11.203** | **-16.481** | **24.372** | **-10.141** |
| Tax on profit/loss for the year | 6 | -2.273 | -952 | 0 | 0 |
| **Net profit/loss for the year** | | **8.930** | **-17.433** | **24.372** | **-10.141** |

# Balance Sheet 31 December

## Assets

| | | Group | | Parent Company | |
|---|---|---|---|---|---|
| | Note | 2021 | 2020 | 2021 | 2020 |
| | | TDKK | TDKK | TDKK | TDKK |
| Completed development projects | | 831 | 176 | 0 | 0 |
| Goodwill | | 118.609 | 61.791 | 0 | 0 |
| **Intangible assets** | 7 | **119.440** | **61.967** | **0** | **0** |
| Other fixtures and fittings, tools and equipment | | 24.857 | 23.088 | 0 | 0 |
| Leasehold improvements | | 3.102 | 3.448 | 0 | 0 |
| **Property, plant and equipment** | 8 | **27.959** | **26.536** | **0** | **0** |
| Investments in subsidiaries | 9 | 0 | 0 | 50.466 | 32.671 |
| Investments in associates | 10 | 51.087 | 69.523 | 64.679 | 73.776 |
| Other investments | 11 | 17.762 | 0 | 17.762 | 0 |
| Deposits | 11 | 1.317 | 1.317 | 0 | 0 |
| **Fixed asset investments** | | **70.166** | **70.840** | **132.907** | **106.447** |
| **Fixed assets** | | **217.565** | **159.343** | **132.907** | **106.447** |
| **Inventories** | 12 | **15.244** | **12.459** | **0** | **0** |
| Trade receivables | | 27.262 | 22.048 | 0 | 0 |
| Contract work in progress | 13 | 2.903 | 6.690 | 0 | 0 |
| Receivables from associates | | 0 | 51 | 0 | 0 |
| Other receivables | | 1.849 | 25.927 | 46 | 24.647 |
| Corporation tax | | 76 | 129 | 0 | 0 |
| Corporation tax receivable from group enterprises | | 0 | 1.376 | 0 | 0 |
| Prepayments | 14 | 537 | 183 | 0 | 61 |
| **Receivables** | | **32.627** | **56.404** | **46** | **24.708** |
| **Cash at bank and in hand** | | **17.319** | **10.242** | **3.861** | **6.191** |
| **Currents assets** | | **65.190** | **79.105** | **3.907** | **30.899** |
| **Assets** | | **282.755** | **238.448** | **136.814** | **137.346** |

# Balance Sheet 31 December

## Liabilities and equity

| | | Group | | Parent Company | |
|---|---|---|---|---|---|
| | Note | 2021 | 2020 | 2021 | 2020 |
| | | TDKK | TDKK | TDKK | TDKK |
| Share capital | | 121.239 | 143.148 | 121.239 | 143.148 |
| Retained earnings | | -8.165 | -21.292 | 11.128 | -13.244 |
| **Equity attributable to shareholders of the Parent Company** | | **113.074** | **121.856** | **132.367** | **129.904** |
| Minority interests | | 20.264 | 14.125 | 0 | 0 |
| **Equity** | | **133.338** | **135.981** | **132.367** | **129.904** |
| Provision for deferred tax | 16 | 216 | 2.212 | 0 | 0 |
| **Provisions** | | **216** | **2.212** | **0** | **0** |
| Credit institutions | | 71.480 | 39.333 | 0 | 0 |
| Lease obligations | | 9.217 | 8.257 | 0 | 0 |
| Other payables | | 2.623 | 0 | 0 | 0 |
| **Long-term debt** | 17 | **83.320** | **47.590** | **0** | **0** |
| Credit institutions | 17 | 16.146 | 17.167 | 0 | 0 |
| Lease obligations | 17 | 3.161 | 3.558 | 0 | 0 |
| Trade payables | | 9.357 | 12.412 | 3.942 | 7.178 |
| Contract work in progress, liabilities | 13 | 7.584 | 0 | 0 | 0 |
| Payables to owners and Management | | 477 | 84 | 0 | 0 |
| Corporation tax | | 257 | 2.731 | 0 | 0 |
| Other payables | 17 | 20.728 | 14.404 | 505 | 264 |
| Deferred income | 18 | 8.171 | 2.309 | 0 | 0 |
| **Short-term debt** | | **65.881** | **52.665** | **4.447** | **7.442** |
| **Debt** | | **149.201** | **100.255** | **4.447** | **7.442** |
| **Liabilities and equity** | | **282.755** | **238.448** | **136.814** | **137.346** |
| Unusual events | 1 | | | | |
| Subsequent events | 23 | | | | |
| Distribution of profit | 15 | | | | |
| Contingent assets, liabilities and other financial obligations | 22 | | | | |
| Accounting Policies | 24 | | | | |

# Statement of Changes in Equity

## Group

| | Share capital | Other reserves | Retained earnings | Equity excl. minority interests | Minority interests | Total |
|---|---|---|---|---|---|---|
| | TDKK | TDKK | TDKK | TDKK | TDKK | TDKK |
| Equity at 1 January | 143.148 | 0 | -21.292 | 121.856 | 14.125 | 135.981 |
| Exchange adjustments | 0 | 104 | 0 | 104 | 34 | 138 |
| Cash capital increase | 40.230 | 0 | 0 | 40.230 | 10.702 | 50.932 |
| Cash capital reduction | -62.139 | 0 | 0 | -62.139 | 0 | -62.139 |
| Ordinary dividend paid | 0 | 0 | 0 | 0 | -400 | -400 |
| Other equity movements | 0 | 0 | -269 | -269 | 269 | 0 |
| Net profit/loss for the year | 0 | -104 | 13.396 | 13.292 | -4.466 | 8.826 |
| **Equity at 31 December** | **121.239** | **0** | **-8.165** | **113.074** | **20.264** | **133.338** |

## Parent Company

| | Share capital | Other reserves | Retained earnings | Equity excl. minority interests | Minority interests | Total |
|---|---|---|---|---|---|---|
| Equity at 1 January | 143.148 | 0 | -13.244 | 129.904 | 0 | 129.904 |
| Cash capital increase | 40.230 | 0 | 0 | 40.230 | 0 | 40.230 |
| Cash capital reduction | -62.139 | 0 | 0 | -62.139 | 0 | -62.139 |
| Net profit/loss for the year | 0 | 0 | 24.372 | 24.372 | 0 | 24.372 |
| **Equity at 31 December** | **121.239** | **0** | **11.128** | **132.367** | **0** | **132.367** |

# Cash Flow Statement 1 January - 31 December

| | Note | Group 2021 | Group 2020 |
|---|---|---|---|
| | | TDKK | TDKK |
| Net profit/loss for the year | | 8.930 | -17.433 |
| Adjustments | 19 | -7.012 | 16.339 |
| Change in working capital | 20 | 10.430 | 7.465 |
| **Cash flows from operating activities before financial income and expenses** | | **12.348** | **6.371** |
| Financial income | | 537 | 2 |
| Financial expenses | | -3.603 | -1.453 |
| **Cash flows from ordinary activities** | | **9.282** | **4.920** |
| Corporation tax paid | | -7.420 | -47 |
| **Cash flows from operating activities** | | **1.862** | **4.873** |
| Purchase of intangible assets | | 0 | -71 |
| Purchase of property, plant and equipment | | -5.392 | -7.586 |
| Fixed asset investments made etc | | -30.646 | -60.638 |
| Sale of property, plant and equipment | | 0 | 5.340 |
| Sale of fixed asset investments etc | | 62.138 | 0 |
| Business acquisitions | | -31.843 | 0 |
| Sale of minority interest | | 10.702 | 0 |
| **Cash flows from investing activities** | | **4.959** | **-62.955** |
| Repayment of loans from credit institutions | | -2.906 | 0 |
| Reduction of lease obligations | | -397 | 0 |
| Repayment of payables to associates | | 0 | -14.491 |
| Lease obligations incurred | | 959 | 0 |
| Changes of loans from group enterprises | | 0 | -225 |
| Raising of loans from participating interests | | 0 | 30 |
| Raising of other long-term debt | | 0 | 8.159 |
| Cash capital increase | | 64.868 | 69.892 |
| Cash capital reduction | | -62.137 | 0 |
| Dividend paid | | -131 | 0 |
| **Cash flows from financing activities** | | **256** | **63.365** |
| **Change in cash and cash equivalents** | | **7.077** | **5.283** |
| Cash and cash equivalents at 1 January | | 10.242 | 4.959 |
| **Cash and cash equivalents at 31 December** | | **17.319** | **10.242** |

# Cash Flow Statement 1 January - 31 December

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | TDKK | TDKK |
| Cash and cash equivalents are specified as follows: | | | |
| Cash at bank and in hand | | 17.319 | 10.242 |
| **Cash and cash equivalents at 31 December** | | **17.319** | **10.242** |

# Notes to the Financial Statements

## 1 Unusual events

The financial status of the Group and the Parent are properly estimated. The performance in the portfolio companies is affected individually as a result of Covid-19, lack of chips globally and supply chain challenges.

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | TDKK | TDKK | TDKK | TDKK |
| **2 Staff expenses** | | | | |
| Wages and salaries | 42.553 | 35.125 | 0 | 0 |
| Pensions | 6.345 | 4.909 | 0 | 0 |
| Other social security expenses | 840 | 869 | 0 | 0 |
| Other staff expenses | 1.263 | 1.044 | 0 | 0 |
| | **51.001** | **41.947** | **0** | **0** |
| **Average number of employees** | **93** | **77** | **0** | **0** |

Remuneration to the Executive Board of VPK Fond II K/S amounts to DKK 0.

## 3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

| | | | | |
|---|---|---|---|---|
| Amortisation of intangible assets | 14.567 | 7.216 | 0 | 0 |
| Depreciation of property, plant and equipment | 4.158 | 3.557 | 0 | 0 |
| | **18.725** | **10.773** | **0** | **0** |

## 4 Financial income

| | | | | |
|---|---|---|---|---|
| Other financial income | 0 | 2 | 0 | 0 |
| Exchange adjustments | 537 | 0 | 0 | 0 |
| | **537** | **2** | **0** | **0** |

# Notes to the Financial Statements

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | TDKK | TDKK | TDKK | TDKK |
| **5 Financial expenses** | | | | |
| Impairment losses on financial assets | 0 | 0 | 7.355 | 0 |
| Interest paid to associates | 0 | 3 | 0 | 0 |
| Other financial expenses | 3.601 | 1.449 | 22 | 21 |
| | **3.601** | **1.452** | **7.377** | **21** |
| **6 Tax on profit/loss for the year** | | | | |
| Current tax for the year | 4.284 | 847 | 0 | 0 |
| Deferred tax for the year | -2.011 | 105 | 0 | 0 |
| | **2.273** | **952** | **0** | **0** |

## 7 Intangible assets

**Group**

| | Completed development projects | Goodwill |
|---|---|---|
| | TDKK | TDKK |
| Cost at 1 January | 789 | 70.696 |
| Net effect from merger and acquisition | 1.406 | 0 |
| Additions for the year | 0 | 70.985 |
| Cost at 31 December | 2.195 | 141.681 |
| Impairment losses and amortisation at 1 January | 467 | 8.905 |
| Net effect from merger and acquisition | 497 | 0 |
| Amortisation for the year | 400 | 14.167 |
| Impairment losses and amortisation at 31 December | 1.364 | 23.072 |
| **Carrying amount at 31 December** | **831** | **118.609** |

Goodwill consists of positive differences that have occurred in connection with the acquisition of Hjernø Værktøjsfabrik A/S, Sax Lift A/S and Blue Idea Group Holding ApS. It is Management's assessment that goodwill is to be amortised over 10 years.

# Notes to the Financial Statements

## 8 Property, plant and equipment

**Group**

| | Other fixtures and fittings, tools and equipment | Leasehold improvements |
|---|---|---|
| | TDKK | TDKK |
| Cost at 1 January | 35.853 | 5.001 |
| Net effect from merger and acquisition | 300 | 0 |
| Additions for the year | 5.280 | 166 |
| Cost at 31 December | 41.433 | 5.167 |
| Impairment losses and depreciation at 1 January | 12.766 | 1.553 |
| Net effect from merger and acquisition | 166 | 0 |
| Depreciation for the year | 3.644 | 512 |
| Impairment losses and depreciation at 31 December | 16.576 | 2.065 |
| **Carrying amount at 31 December** | **24.857** | **3.102** |
| Including assets under finance leases amounting to | 17.536 | 0 |

## 9 Investments in subsidiaries

| | **Parent Company** | |
|---|---|---|
| | 2021 | 2020 |
| | TDKK | TDKK |
| Cost at 1 January | 32.671 | 32.608 |
| Additions for the year | 25.150 | 63 |
| Cost at 31 December | 57.821 | 32.671 |
| Impairment of subsidiaries | -7.355 | 0 |
| Value adjustments at 31 December | -7.355 | 0 |
| **Carrying amount at 31 December** | **50.466** | **32.671** |

Investments in subsidiaries are specified as follows:

| Name | Place of registered office | Share capital | Votes and ownership | Equity | Net profit/loss for the year |
|---|---|---|---|---|---|
| Hjernø Holding ApS | Odense | 60.255 | 66,70% | 1.500.000 | -9.862.328 |

# Notes to the Financial Statements

## 9 Investments in subsidiaries (continued)

| Name | Place of registered office | Share capital | Votes and ownership | Equity | Net profit/loss for the year |
|---|---|---|---|---|---|
| Hjernø Værktøjsfabrik A/S | Odense | 1.387.302 | 66,70% | 7.208.246 | -13.178.650 |
| SL invest 2019 ApS | Skanderborg | 100.000 | 67,30% | 32.876.116 | 729.585 |
| Sax Lift A/S | Vejen | 500.000 | 67,30% | 12.181.434 | 8.543.606 |
| Blue Idea Group Holding ApS | Silkeborg | 100.000 | 70% | 35.838.871 | 138.871 |
| Blue Idea Group ApS | Silkeborg | 80.000 | 70% | 8.149.510 | 8.019.176 |
| Blue Idea Development ApS | Silkeborg | 80.000 | 70% | 2.564.263 | 4.634.263 |
| Blue Idea ApS | Silkeborg | 138.889 | 70% | 2.142.223 | 2.697.116 |
| Blue Idea AB | Malmö, Sweden | 36.985 | 70% | 1.098.201 | 1.045.550 |

## 10 Investments in associates

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | TDKK | TDKK | TDKK | TDKK |
| Cost at 1 January | 73.776 | 13.148 | 73.776 | 13.148 |
| Additions for the year | 12.884 | 60.628 | 13.304 | 60.628 |
| Disposals for the year | -22.401 | 0 | -22.401 | 0 |
| Cost at 31 December | 64.259 | 73.776 | 64.679 | 73.776 |
| Value adjustments at 1 January | -4.253 | -1.058 | 0 | 0 |
| Disposals for the year | 6.154 | 0 | 0 | 0 |
| Net profit/loss for the year | -9.763 | -1.803 | 0 | 0 |
| Other equity movements, net | 0 | 60 | 0 | 0 |
| Amortisation of goodwill | -5.310 | -1.452 | 0 | 0 |
| Value adjustments at 31 December | -13.172 | -4.253 | 0 | 0 |
| **Carrying amount at 31 December** | **51.087** | **69.523** | **64.679** | **73.776** |
| Positive differences arising on initial measurement of subsidiaries at net asset value | 38.440 | 44.582 | 38.440 | 44.582 |
| Remaining positive difference included in the above carrying amount at 31 December | 37.134 | 43.103 | 38.440 | 44.582 |

# Notes to the Financial Statements

Investments in associates are specified as follows:

| Name | Place of registered office | Share capital | Votes and ownership |
|---|---|---|---|
| Bizbrains Holding ApS | Vejle | 620.000 | 33,80% |
| LeadFamly ApS | Aarhus | 99.944 | 15,60% |
| Roeq ApS | Odense | 1.438.841 | 47,50% |

## 11 Other fixed asset investments

| | Group | | Parent Company |
|---|---|---|---|
| | Other investments | Deposits | Other investments |
| | TDKK | TDKK | TDKK |
| Cost at 1 January | 0 | 1.317 | 0 |
| Additions for the year | 17.762 | 0 | 17.762 |
| Cost at 31 December | 17.762 | 1.317 | 17.762 |
| **Carrying amount at 31 December** | **17.762** | **1.317** | **17.762** |

Other investments consist of investment in Capturi A/S.

## 12 Inventories

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | TDKK | TDKK | TDKK | TDKK |
| Raw materials and consumables | 1.238 | 1.724 | 0 | 0 |
| Work in progress | 8.487 | 8.498 | 0 | 0 |
| Prepayments for goods | 5.519 | 2.237 | 0 | 0 |
| | **15.244** | **12.459** | **0** | **0** |

# Notes to the Financial Statements

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | TDKK | TDKK | TDKK | TDKK |

## 13 Contract work in progress

| | | | | |
|---|---|---|---|---|
| Selling price of work in progress | 11.542 | 12.283 | 0 | 0 |
| Payments received on account | -16.223 | -5.593 | 0 | 0 |
| | **-4.681** | **6.690** | **0** | **0** |
| Recognised in the balance sheet as follows: | | | | |
| Contract work in progress recognised in assets | 2.903 | 6.690 | 0 | 0 |
| Prepayments received recognised in debt | -7.584 | 0 | 0 | 0 |
| | **-4.681** | **6.690** | **0** | **0** |

## 14 Prepayments

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

## 15 Distribution of profit

| | | | | |
|---|---|---|---|---|
| Minority interests' share of net profit/loss of subsidiaries | -4.466 | -1.304 | 0 | 0 |
| Retained earnings | 13.396 | -16.129 | 24.372 | -10.141 |
| | **8.930** | **-17.433** | **24.372** | **-10.141** |

## 16 Provision for deferred tax

| | | | | |
|---|---|---|---|---|
| Provision for deferred tax at 1 January | 2.212 | 2.497 | 0 | 0 |
| Amounts recognised in the income statement for the year | -2.139 | -285 | 0 | 0 |
| **Provision for deferred tax at 31 December** | **216** | **2.212** | **0** | **0** |

# Notes to the Financial Statements

## 17 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 | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | TDKK | TDKK | TDKK | TDKK |
| **Credit institutions** | | | | |
| After 5 years | 20.250 | 11.665 | 0 | 0 |
| Between 1 and 5 years | 51.230 | 27.668 | 0 | 0 |
| Long-term part | 71.480 | 39.333 | 0 | 0 |
| Other short-term debt to credit institutions | 16.146 | 17.167 | 0 | 0 |
| | **87.626** | **56.500** | **0** | **0** |
| **Lease obligations** | | | | |
| After 5 years | 1.310 | 1.180 | 0 | 0 |
| Between 1 and 5 years | 7.907 | 7.077 | 0 | 0 |
| Long-term part | 9.217 | 8.257 | 0 | 0 |
| Within 1 year | 3.161 | 3.558 | 0 | 0 |
| | **12.378** | **11.815** | **0** | **0** |
| **Other payables** | | | | |
| After 5 years | 2.355 | 0 | 0 | 0 |
| Between 1 and 5 years | 268 | 0 | 0 | 0 |
| Long-term part | 2.623 | 0 | 0 | 0 |
| Other short-term payables | 20.728 | 14.404 | 505 | 264 |
| | **23.351** | **14.404** | **505** | **264** |

## 18 Deferred income

Deferred income comprises payments received in respect of income in subsequent years. Deferred income is measured at cost.

# Notes to the Financial Statements

| | | Group 2021 | Group 2020 |
|---|---|---|---|
| | | TDKK | TDKK |
| **19** | **Cash flow statement - adjustments** | | |
| | Financial income | -537 | -2 |
| | Financial expenses | 3.601 | 1.452 |
| | Depreciation, amortisation and impairment losses, including losses and gains on sales | 18.723 | 10.772 |
| | Income from investments in associates | -30.819 | 3.254 |
| | Tax on profit/loss for the year | 2.273 | 952 |
| | Other adjustments | -253 | -89 |
| | | **-7.012** | **16.339** |
| **20** | **Cash flow statement - change in working capital** | | |
| | Change in inventories | -2.786 | -221 |
| | Change in receivables | 2.063 | -7.027 |
| | Change in trade payables, etc | 11.153 | 14.713 |
| | | **10.430** | **7.465** |
| **21** | **Cash flow statement - business acquisitions** | | |
| | Property, plant and equipment | 187 | 0 |
| | Receivables | 4.631 | 0 |
| | Tax debt | -2.196 | 0 |
| | Other payables | -8.786 | 0 |
| | Long-term debt | -34.032 | 0 |
| | Goodwill | 72.039 | 0 |
| | | 31.843 | 0 |
| | | **31.843** | **0** |

# Notes to the Financial Statements

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | TDKK | TDKK | TDKK | TDKK |

## 22 Contingent assets, liabilities and other financial obligations

**Charges and security**

The following assets have been placed as security with mortgage credit institutes:
For Hjernø Værktøjsfabrik A/S' account with Sparekassen Kronjylland, Hjernø Værktøjsfabrik A/S has given below as security:
TDKK 7,500, floating charge with security in the stock of raw materials, semimanufactures and finished goods, fuel and ancillary material, unsecured debts stemming from sale of goods and services, vehicles which are not or have not previously been registered, goodwill, domains, rights according to the Act of Patents, the Act of Trade Marks, the Act of Design, the Act of Utility Models, (topography), as well as operating fixtures, plant and machinery.

| | Group 2021 TDKK | Group 2020 TDKK | Parent Company 2021 TDKK | Parent Company 2020 TDKK |
|---|---|---|---|---|
| Shares in Sax Lift A/S amounting to (measured at the equity method) | 62.765 | 66.845 | 0 | 0 |
| Shares in Hjernø Værktøjsfabrik A/S, amounting (measured at the equity method) | 11.346 | 28.567 | 0 | 0 |
| Shares in Blue Idea Group ApS, amounting (measured at the equity method) | 69.639 | 0 | 0 | 0 |
| Shares in Blue Idea ApS, Blue Idea Development ApS and Blue Idea AB, amounting (measured at the equity method) | 8.201 | 0 | 0 | 0 |

Within the Group a guarantee has been provided for a loan in credit institutions in Blue Idea Group Holding ApS and subsidiaries as well as Hjernø Værktøjsfabrik A/S' loans which per 31 December 2021 amounted to TDKK 2.997.

The Company has committed to additional capital injection of MDKK 2 in 2023 if required to service the existing acquisition financing debt in Hjernø Holding A/S.

## 22 Contingent assets, liabilities and other financial obligations (continued)

**Rental and lease obligations**

| | Group 2021 TDKK | Group 2020 TDKK | Parent Company 2021 TDKK | Parent Company 2020 TDKK |
|---|---|---|---|---|
| Lease obligations under operating leases. Total future lease payments: | | | | |
| Within 1 year | 536 | 608 | 0 | 0 |
| Between 1 and 5 years | 79 | 115 | 0 | 0 |
| | **615** | **723** | **0** | **0** |
| Rent obligation, non-cancellation period | 836 | 1.365 | 0 | 0 |

**Other contingent liabilities**

Sax Lift A/S and SL Invest 2019 ApS are joint taxated, and the companies are jointly and severally liable for tax on the jointly taxed incomes etc of each other. Moreover, the 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.

Blue Idea Group Holding ApS, Blue Idea Group ApS, Blue Idea Development ApS and Blue Idea ApS are joint taxated, and the companies are jointly and severally liable for tax on the jointly taxed incomes etc of each ot her. Moreover, the 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.

Hjernø Værktøjsfakbrik A/S and Hjernø Holding ApS are joint taxated, and the companies are jointly and severally liable for tax on the jointly taxed incomes etc of each other. Moreover, the 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.

## 23 Subsequent events

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

# Notes to the Financial Statements

## 24 Accounting Policies

The Annual Report of VPK Fond II K/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021 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, VPK Fond II K/S, 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.

### Business combinations

***Business acquisitions carried through on or after 1 July 2018***

# Notes to the Financial Statements

**24 Accounting Policies** (continued)

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

**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.

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

**24 Accounting Policies** (continued)

**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.

# Income Statement

**Revenue**

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

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the

**24 Accounting Policies** (continued)

basis of the ratio between the expenses incurred and the total expected expenses of the contract.

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.

### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

### Staff expenses

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

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of 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

Dividends from associates are recognised as income in the income statement in the Parent Company when adopted at the General Meeting of the associate. However, dividends relating to earnings in the associate before it was acquired by the Parent Company are set off against the cost of the associate.

The item “Income from investments in associates” in the income statement includes the proportionate

# Notes to the Financial Statements

**24 Accounting Policies** (continued)

share of the profit for the year.

The item “Income from investments in associates” in the income statement includes the proportionate share of the profit for the year for the Group.

### 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 and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

### Property, plant and equipment

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:

| | | |
|---|---|---|
| Plant and machinery | 12 | years |
| Other fixtures and fittings, tools and equipment | 3-5 | years |
| Leasehold improvements | 10 | years |

The fixed assets’ residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

# Notes to the Financial Statements

**24 Accounting Policies** (continued)

### Impairment of fixed assets

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

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

### Investments in subsidiaries and associates

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Investments in associates are recognised and measured under the equity method in the Consolidated Financial Statements and at cost in the Parent Company. Where cost exceeds the recoverable amount, write-down is made to this lower value.

The item"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 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 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 associates.

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 deposits.

# Notes to the Financial Statements

**24 Accounting Policies** (continued)

### 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. 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.

### 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.

### Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

### Prepayments

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

### Equity

***Dividend***

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

# Notes to the Financial Statements

## 24 Accounting Policies (continued)

### Deferred tax assets and liabilities

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

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

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

### 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 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

**24 Accounting Policies** (continued)

## 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”.

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

## Financial Highlights

**Explanation of financial ratios**

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