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# ***DAFA Building Solutions A/S***

Holmstrupgårdvej 1, DK-8220 Brabrand

## **Annual Report for 2023**

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CVR No. 41 85 45 10

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 28/6 2024

Kaare Bo Nielsen  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of DAFA Building Solutions A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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.

Aarhus, 28 June 2024

## Executive Board

Jens Eg Jensen  
CEO

## Board of Directors

Steen Agerbo Bødtker  
Chairman

Kaare Bo Nielsen

Jens Eg Jensen

# Independent Auditor's report

To the shareholder of DAFA Building Solutions A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DAFA Building Solutions A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company 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 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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

# Independent Auditor's report

## Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 28 June 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Henrik Kragh  
State Authorised Public Accountant  
mne26783

Linda Højland  
State Authorised Public Accountant  
mne45871

## Company information

<b>The Company</b>	DAFA Building Solutions A/S Holmstrupgårdvej 1 8220 Brabrand  CVR No: 41 85 45 10 Financial period: 1 January - 31 December Incorporated: 12 November 2020 Financial year: 4th financial year Municipality of reg. office: Aarhus
<b>Board of Directors</b>	Steen Agerbo Bødtker, chairman Kaare Bo Nielsen Jens Eg Jensen
<b>Executive Board</b>	Jens Eg Jensen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

## Financial Highlights

Seen over a 4-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>				
<b>Profit/loss</b>				
Gross profit	24,199	29,072	29,154	-6
Profit/loss of primary operations	16,883	21,495	21,316	0
Profit/loss of financial income and expenses	279	-580	-57	0
Net profit/loss for the year	13,378	16,314	16,579	-5
<b>Balance sheet</b>				
Balance sheet total	64,152	66,753	58,702	430
Investment in property, plant and equipment	29	1,152	123	0
Equity	35,788	37,410	36,096	395
Number of employees	8	9	10	0
<b>Ratios</b>				
Return on assets	26.3%	32.2%	36.3%	0.0%
Solvency ratio	55.8%	56.0%	61.5%	91.9%
Return on equity	36.6%	44.4%	90.9%	-2.5%

In connection with changes to accounting policies, the comparative figures for 2021 have not been restated. See the description under accounting policies.

# Management's review

## Key activities

DAFA Building Solutions A/S' key activities is to conduct business within trading, service, production and investment as well as other related activities designed by the Board of Directors.

## Business Model

DAFA Building Solutions A/S' business model is through a global footprint to follow our customers' development and requirements by offering high service and quality in sustainable, long-lasting foam and rubber solutions which seal, absorb and protect. We want to grow together with our customers by focusing on close customer relations and development of innovative quality products and solutions.

## Development in the year

The Company's income statement for 2023 shows a profit of DKK 13,378 thousand as against a profit of DKK 16,314 thousand in 2022. Equity in the Company's balance sheet at 31 December 2023 is DKK 35,788 thousand as against DKK 37,410 thousand at 31 December 2022.

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

Overall, financial performance for 2023 was not satisfactory as the growth was not in line with expectations.

## Operating risks

The Company's key operating risks relate to the ability to maintain and develop its position at existing customers while increasing the market share.

## Market risks

The Company is exposed to periodic fluctuations in sales in line with the general macro-economic environment, and this risk is limited due to the global footprint.

## Foreign exchange risks

Due to low share of trade in foreign currencies, profit, cash flows and equity have a limited affected by the exchange and interest rate developments. It is the Company's currency policy not to hedge currency risks as most transactions are naturally hedged through purchases and sales in the same currencies.

## Interest rate risks

Due to its high solvency ratio and financial resources, the Company is only to a limited extent exposed to interest rate changes.

## Credit risks

According to the Group's credit policy, all major customers are rated on a current basis.

## Targets and expectations for the year ahead

In 2024 we expect to increase revenue through organic growth compared to 2023 with about 5-10%, and expectation is also a profit before tax in the range of DKK 17 million to DKK 20 million.

## Research and development

DAFA continuously develops and improves its products in cooperation with its customers. The related costs are charged to the income statement as they are incurred. Resources spent on implementation of new technology is capitalized under the item completed development projects.



# Management's review

## External environment

DAFA aims to live in harmony with our surroundings, neighbors as well as the environment. Therefore, DAFA has set out an ambitious strategy: “DAFA Go Green” based on the most significant risks and impacts for climate, environment and CSR. The goals and the status of achievement are reported on DAFAs website on an annual basis:

<https://dafa-group.com/en/sustainability>

## Intellectual capital resources

It is essential for DAFA's continued growth to retain and develop employees; therefore, significant resources are allocated to these efforts.

To ensure competitiveness and efficiency, new technology investments are made continuously alongside continued competence development.

Intellectual capital resources are of great importance to DAFA. In the construction segment, continuous product development is carried out based on knowledge of the market and our customers. In the industry segment, customized quality solutions are developed for which our employees' know-how of materials and possible solutions is a key factor.

## Subsequent events

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

## Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
<b>Gross profit</b>		<b>24,199</b>	<b>29,072</b>
Staff expenses	1	-7,001	-7,340
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-315	-237
<b>Profit/loss before financial income and expenses</b>		<b>16,883</b>	<b>21,495</b>
Financial income	2	698	280
Financial expenses	3	-419	-860
<b>Profit/loss before tax</b>		<b>17,162</b>	<b>20,915</b>
Tax on profit/loss for the year	4	-3,784	-4,601
<b>Net profit/loss for the year</b>	5	<b>13,378</b>	<b>16,314</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		TDKK	TDKK
Acquired licenses		0	50
Acquired other similar rights		277	0
<b>Intangible assets</b>	<b>6</b>	<b>277</b>	<b>50</b>
Other fixtures and fittings, tools and equipment		34	68
Leasehold improvements		1,411	1,684
<b>Property, plant and equipment</b>	<b>7</b>	<b>1,445</b>	<b>1,752</b>
Deposits		226	220
<b>Fixed asset investments</b>		<b>226</b>	<b>220</b>
<b>Fixed assets</b>		<b>1,948</b>	<b>2,022</b>
Finished goods and goods for resale		17,199	18,695
<b>Inventories</b>		<b>17,199</b>	<b>18,695</b>
Trade receivables		19,164	16,509
Receivables from group enterprises		24,551	29,404
Other receivables		1,290	123
<b>Receivables</b>		<b>45,005</b>	<b>46,036</b>
<b>Current assets</b>		<b>62,204</b>	<b>64,731</b>
<b>Assets</b>		<b>64,152</b>	<b>66,753</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital	8	5,000	5,000
Retained earnings		15,788	17,410
Proposed dividend for the year		15,000	15,000
<b>Equity</b>		<b>35,788</b>	<b>37,410</b>
Provision for deferred tax	9	64	102
<b>Provisions</b>		<b>64</b>	<b>102</b>
Credit institutions		0	1,149
Trade payables		9,290	12,004
Payables to group enterprises		2,144	8,599
Payables to group enterprises relating to corporation tax		13,000	4,824
Other payables		3,866	2,665
<b>Short-term debt</b>		<b>28,300</b>	<b>29,241</b>
<b>Debt</b>		<b>28,300</b>	<b>29,241</b>
<b>Liabilities and equity</b>		<b>64,152</b>	<b>66,753</b>
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## Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	5,000	17,410	15,000	37,410
Ordinary dividend paid	0	0	-15,000	-15,000
Net profit/loss for the year	0	-1,622	15,000	13,378
<b>Equity at 31 December</b>	<b>5,000</b>	<b>15,788</b>	<b>15,000</b>	<b>35,788</b>

## Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
<b>1. Staff Expenses</b>		
Wages and salaries	6,403	6,599
Pensions	545	498
Other social security expenses	48	59
Other staff expenses	5	184
	<u>7,001</u>	<u>7,340</u>
<p>Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.</p>		
Average number of employees	<u>8</u>	<u>9</u>
	2023	2022
	TDKK	TDKK
<b>2. Financial income</b>		
Interest received from group enterprises	698	280
	<u>698</u>	<u>280</u>
	2023	2022
	TDKK	TDKK
<b>3. Financial expenses</b>		
Interest paid to group enterprises	370	5
Other financial expenses	49	855
	<u>419</u>	<u>860</u>
	2023	2022
	TDKK	TDKK
<b>4. Income tax expense</b>		
Current tax for the year	3,822	4,601
Deferred tax for the year	-38	0
	<u>3,784</u>	<u>4,601</u>

## Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
<b>5. Profit allocation</b>		
Proposed dividend for the year	15,000	15,000
Retained earnings	-1,622	1,314
	<b>13,378</b>	<b>16,314</b>
<b>6. Intangible fixed assets</b>		
	Acquired licenses	Acquired other similar rights
	TDKK	TDKK
Cost at 1 January	152	630
Additions for the year	0	205
Cost at 31 December	152	835
Impairment losses and amortisation at 1 January	102	497
Amortisation for the year	50	61
Impairment losses and amortisation at 31 December	152	558
Carrying amount at 31 December	<b>0</b>	<b>277</b>
<b>7. Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	TDKK	TDKK
Cost at 1 January	100	1,674
Additions for the year	0	29
Cost at 31 December	100	1,703
Impairment losses and depreciation at 1 January	32	124
Depreciation for the year	34	168
Impairment losses and depreciation at 31 December	66	292
Carrying amount at 31 December	<b>34</b>	<b>1,411</b>

# Notes to the Financial Statements

## 8. Share capital

The company's share capital consists of 400.000 shares of a nominal value of DKK 12,5. No shares have special rights.

## 9. Provision for deferred tax

	2023	2022
	TDKK	TDKK
Deferred tax liabilities at 1 January	102	64
Amounts recognised in the income statement for the year	-38	0
Amounts recognised in equity for the year	0	38
<b>Deferred tax liabilities at 31 December</b>	<b>64</b>	<b>102</b>

## 10. Contingent assets, liabilities and other financial obligations

### Charges and security

As partly security for borrowings and bank commitments in the DAFA Holding I ApS Danish Group companies, security in share capital, regarding the Group companies DAFA Building Solutions A/S and DAFA A/S is effective.

### Rental and lease obligations

The Company has entered into operating leases with a remaining term of up to 39 months. The total obligation of operating leases amounts to DKK 616 thousand as of 31 December 2023. Of the total obligation, DKK 272 thousand falls due within 1 year.

The Company has entered into two rental agreements with a remaining term of respective 6 months and 176 months. The total obligation from rental agreements amounts to DKK 12,390 thousand as of 31 December 2023. Of the total obligation, DKK 1.234 thousand falls due within 1 year.

### Guarantee obligations

Issued to DAFA Holding II ApS	361	475
Issued to DAFA Group A/S	49	49

The Group has issued a partly guarantee of payment between the Danish DAFA Holding I ApS Group companies DAFA Holding I ApS, DAFA Holding II ApS, DAFA Group A/S, DAFA Building Solutions A/S and DAFA A/S and the DAFA Holding I ApS Groups' credit institutions.



# Notes to the Financial Statements

2023	2022
TDKK	TDKK

## 10. Contingent assets, liabilities and other financial obligations

### Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of CC DAFA Invest ApS, which is the management company of the joint taxation purposes. 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.

## 11. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
<b>Controlling interest</b>	
DAFA Group A/S	Parent company
The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:	
<u>Name</u>	<u>Place of registered office</u>
DAFA Holding I ApS as the largest.	Holmstrupgårdvej 12, 8220 Brabrand, Denmark.
DAFA Group A/S as the smallest.	Holmstrupgårdvej 12, 8220 Brabrand, Denmark.

## 12. Subsequent events

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

# Notes to the Financial Statements

## 13. Accounting policies

The Annual Report of DAFA Building Solutions A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Financial Statements for 2023 are presented in TDKK.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of DAFA Group A/S, the Company has not prepared a cash flow statement.

### Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

## 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 Company.

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

# Notes to the Financial Statements

## 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 expenses for premises, sales, distribution and as well as office expenses, etc.

## Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, expenses for raw materials and consumables and other external expenses.

## Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

## Amortisation, depreciation and impairment losses

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

## Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, as well as extra payments and repayment under the on-account taxation scheme.

## Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with CC DAFA Invest ApS. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

## Balance sheet

### Intangible fixed assets

"Acquired licenses" and "Acquired other similar rights" are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Acquired licences and Acquired other similar rights are amortised over the period of the agreements, which is 3 years.

### Property, plant and equipment

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

# Notes to the Financial Statements

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

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

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

## 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.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

## Other fixed asset investments

Other fixed asset investments consist of deposits. Deposits are recognised at amortised cost.

## 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.

Finished goods and goods for resale are measured at cost, comprising purchase price plus delivery costs.

## 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.

## Equity

### Dividend

Dividend distribution proposed by management for the year is disclosed as a separate dividend item.

### Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

# Notes to the Financial Statements

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

## 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 liabilities

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.

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

## Financial Highlights

### Explanation of financial ratios

Return on assets  $\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$

Solvency ratio  $\text{Equity at year end} \times 100 / \text{Total assets at year end}$

Return on equity  $\text{Net profit for the year} \times 100 / \text{Average equity}$