
Dellner Hydratech Group ApS

Sigencevej 2, DK-9760 Vrå

Annual Report for
12 October 2021 - 31 December 2022

CVR No. 42 74 92 06

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 5/7 2023

Marcus Åberg
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Financial Statements of Dellner Hydratech Group ApS for the financial year 12 October 2021 - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations and cash flows for 2021/22.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Vrå, 5 July 2023

Executive Board

Marcus Åberg

Kai Kölker

Independent Auditor's report

To the shareholder of Dellner Hydratech Group ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 12 October 2021 - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Dellner Hydratech Group ApS for the financial year 12 October 2021 - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement 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 C, 5 July 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Keld A. M. Nielsen

State Authorised Public Accountant

mne40037

Company information

The Company

Dellner Hydratech Group ApS
Sigenvvej 2
DK-9760 Vrå

CVR No: 42 74 92 06

Financial period: 12 October 2021 - 31 December 2022

Incorporated: 12 October 2021

Financial year: 1st financial year

Municipality of reg. office: Silkeborg

Executive Board

Marcus Åberg
Kai Kölker

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Jens Chr. Skous Vej 1
8000 Aarhus C

Financial Highlights

Seen over a 1-year period, the development of the Company is described by the following financial highlights:

	2021/22
	TDKK 15 months
Key figures	
Profit/loss	
Gross profit/loss	49,113
Profit/loss of ordinary primary operations	-27,582
Profit/loss before financial income and expenses	-27,985
Profit/loss of financial income and expenses	-4,858
Net profit/loss	-32,843
Balance sheet	
Balance sheet total	200,282
Investment in property, plant and equipment	27,663
Equity	56,406
Cash flows	
Cash flows from:	
- operating activities	-126,578
- investing activities	-40,898
- financing activities	169,143
Change in cash and cash equivalents for the year	1,667
Number of employees	99
Ratios	
Return on assets	-14.0%
Solvency ratio	28.2%
Return on equity	-116.5%

Management's review

Key activities

The primary activities are to develop, manufacture, sell and service hydraulic components. Dellner Hydratech Group ApS is headquartered in Denmark, with subsidiaries in the US, China, India, and Czech Republic.

Development in the year

Second half of 2021, Dellner Group established the company Dellner Hydratech Aps and acquired the assets of Hydratech Industries A/S that was in bankruptcy. A restructuring program is on-going with good progress, and we expect to turn the business around end 2023.

The income statement of the Company for 2021/22 shows a loss of TDKK 32,843, and at 31 December 2022 the balance sheet of the Company shows positive equity of TDKK 56,406. The result of 2022 is affected by restructuring costs, inflation in general, Ukraine war as well as global material price increases.

The gross profit for the extended fiscal year is TDKK 49,113. Shareholder's contribution of total of TDKK 89,209 have been added to secure the financing during the start-up period. The outcome lies within management expectations.

Capital resources

Dellner Hydratech Group ApS is part of Dellner Group and financing can and will be provided by intercompany solutions.

Targets and expectations for the year ahead

Management have taken measures to transform the company to ensure profitable growth. For 2023 we still expect a loss due to the restructuring program is still on-going and we expect an EBIT around TDKK -15 000 to TDKK -25 000.

Research and development

The organization in Denmark that is working on continuous development of new products and improvements of the existing product portfolio.

External environment

The company regularly evaluate and actively take actions to reduce its environmental footprint according to UN's 17 sustainable development goals. Our processes are reviewed in terms of energy consumption and use of other resources.

Uncertainty relating to recognition and measurement

There has been no material uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 December 2022 of the Company and the results of the activities and cash flows of the Company for the financial year for 2021/22 have not been affected by any unusual events.

Income statement 12 October 2021 - 31 December 2022

	Note	2021/22 TDKK 15 months
Gross profit/loss		49,113
Staff expenses	1	-74,927
Depreciation and impairment losses of property, plant and equipment		-1,768
Other operating expenses		-403
Profit/loss before financial income and expenses		-27,985
Income from investments in subsidiaries		2,097
Financial income	2	1,246
Financial expenses	3	-8,201
Profit/loss before tax		-32,843
Tax on profit/loss for the year		0
Net profit/loss for the year	4	-32,843

Balance sheet 31 December 2022

Assets

	Note	2021/22 TDDK
Land and buildings		19,238
Plant and machinery		4,437
Leasehold improvements		188
Property, plant and equipment in progress		2,032
Property, plant and equipment	5	<u>25,895</u>
Investments in subsidiaries	6	15,332
Fixed asset investments		<u>15,332</u>
Fixed assets		<u>41,227</u>
Raw materials and consumables		21,281
Work in progress		17,449
Finished goods and goods for resale		6,875
Inventories		<u>45,605</u>
Trade receivables		66,706
Receivables from group enterprises		43,117
Other receivables		1,088
Prepayments	7	872
Receivables		<u>111,783</u>
Cash at bank and in hand		<u>1,667</u>
Current assets		<u>159,055</u>
Assets		<u>200,282</u>

Balance sheet 31 December 2022

Liabilities and equity

	<u>Note</u>	<u>2021/22</u> TDKK
Share capital		40
Retained earnings		<u>56,366</u>
Equity		<u>56,406</u>
Payables to group enterprises		<u>123,011</u>
Long-term debt	8	<u>123,011</u>
Prepayments received from customers		1,146
Trade payables		7,560
Other payables		<u>12,159</u>
Short-term debt		<u>20,865</u>
Debt		<u>143,876</u>
Liabilities and equity		<u>200,282</u>
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 12 October	0	0	0
Cash payment concerning formation of entity	40	0	40
Contribution from group	0	89,209	89,209
Net profit/loss for the year	0	-32,843	-32,843
Equity at 31 December	40	56,366	56,406

Cash flow statement 12 October 2021 - 31 December 2022

	Note	2021/22 TDKK
Result of the year		-32,843
Adjustments	9	6,626
Change in working capital	10	-93,406
Cash flow from operations before financial items		-119,623
Financial income		1,246
Financial expenses		-8,201
Cash flows from ordinary activities		-126,578
Cash flows from operating activities		-126,578
Purchase of property, plant and equipment		-27,663
Fixed asset investments made etc		-15,332
Dividends received from subsidiaries		2,097
Cash flows from investing activities		-40,898
Raising of payables to group enterprises		79,894
Cash capital increase		89,249
Cash flows from financing activities		169,143
Change in cash and cash equivalents		1,667
Cash and cash equivalents at 31 December		1,667
Cash and cash equivalents are specified as follows:		
Cash at bank and in hand		1,667
Cash and cash equivalents at 31 December		1,667

Notes to the Financial Statements

2021/22

TDKK

1. Staff Expenses

Wages and salaries	64,698
Pensions	7,746
Other social security expenses	1,195
Other staff expenses	1,288
	<u>74,927</u>

Remuneration to the Executive Board allocated to Dellner Hydratech Group ApS amounts DKK 0.

Average number of employees	<u>99</u>
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2021/22

TDKK

2. Financial income

Interest received from group enterprises	<u>1,246</u>
	<u>1,246</u>

2021/22

TDKK

3. Financial expenses

Interest paid to group enterprises	7,341
Other financial expenses	<u>860</u>
	<u>8,201</u>

2021/22

TDKK

4. Profit allocation

Retained earnings	<u>-32,843</u>
	<u>-32,843</u>

Notes to the Financial Statements

5. Property, plant and equipment

	Land and buildings	Plant and machinery	Leasehold improvements	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 12 October	0	0	0	0
Additions for the year	20,048	5,370	213	2,032
Cost at 31 December	20,048	5,370	213	2,032
Impairment losses and depreciation at 12 October	0	0	0	0
Depreciation for the year	810	933	25	0
Impairment losses and depreciation at 31 December	810	933	25	0
Carrying amount at 31 December	19,238	4,437	188	2,032

Notes to the Financial Statements

2021/22

TDKK

6. Investments in subsidiaries

Additions for the year	15,332
Cost at 31 December	15,332
Carrying amount at 31 December	15,332

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Dellner Hydratech Industries Fluid Power (Suzhou) Co., Ltd	China	TCNY 23.525	100%	-1,903	-6,565
Dellner Hydratech Industries Wind Power (Suzhou) Co., Ltd	China	TCNY 9.354	100%	2,711	-910
Dellner Hydratech Czech Republic s.r.o.	Czech Republic	TCZK 54.704	100%	63,142	951
Dellner Hydratech India Pvt Ltd.	India	TINR 45.431	100%	-61,952	-11,427
Dellner Hydratech USA, Inc.	United States of America	TUSD 1	100%	1,836	622

All amounts above is presented in local currency in accordance to disclosed in the share capital of the companies.

7. Prepayments

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

Notes to the Financial Statements

8. 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:

	<u>2021/22</u> TDKK
Payables to group enterprises	
After 5 years	0
Between 1 and 5 years	123,011
Long-term part	<u>123,011</u>
Within 1 year	0
	<u>123,011</u>

9. Cash flow statement - Adjustments

	<u>2021/22</u> TDKK
Financial income	-1,246
Financial expenses	8,201
Depreciation, amortisation and impairment losses, including losses and gains on sales	1,768
Income from investments in subsidiaries	-2,097
	<u>6,626</u>

10. Cash flow statement - Change in working capital

	<u>2021/22</u> TDKK
Change in inventories	-45,605
Change in receivables	-68,666
Change in trade payables, etc	20,865
	<u>-93,406</u>

Notes to the Financial Statements

2021/22

TDKK

11. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	2,458
Between 1 and 5 years	2,473
	<u>4,931</u>

12. Related parties and disclosure of consolidated financial statements

Basis

Controlling interest

Dellner Group AB

Majority shareholder of Dellner Hydratech Group A/S

Transactions

During the year, the Company had the following transactions with its ultimate Parent Company and its subsidiaries:

Revenue: TDKK 62,756

Goods purchased: TDKK 119,702

Dividends, received: TDKK 2,097

Interest income: TDKK 1,246

Interest expenses: TDKK 7,341

Capital contribution, received: TDKK 89,209

Capital contribution, paid: TDKK 15,332

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Dellner Group AB	781 70 Borlänge, Sweden

The company is registered with the Swedish Companies Registration Office (<https://www.bolagsverket.se>) under Business ID: 556444-4627.

13. Subsequent events

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

Notes to the Financial Statements

14. Accounting policies

The Annual Report of Dellner Hydratech Group ApS for 2021/22 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 2021/22 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2022 of Dellner Group AB, the Company has not prepared consolidated financial statements.

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.

Leases

Leases in terms of which the Company 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 Company.

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

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. Gains and losses 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.

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.

Notes to the Financial Statements

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Income statement

Net sales

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service 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 Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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 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 costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Notes to the Financial Statements

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of 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 Company, including gains and losses on the sale of property, plant and equipment.

Income from investments in subsidiaries

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

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 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.

Balance sheet

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.

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	25 years
Other buildings	25 years
Plant and machinery	5-7 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of 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 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.

Notes to the Financial Statements

Investments in subsidiaries

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

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.

Prepayments

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

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 receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

Loans 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.

Notes to the Financial Statements

Cash Flow Statement

The cash flow statement shows the Company'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 Company'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	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$