
Endress+Hauser A/S

Poppelgårdvej 10-12, DK-2860 Søborg

Annual Report for 2023

CVR No. 49 00 15 17

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 8/5 2024

Virpi Helena Varjonen
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 Endress+Hauser 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.

Søborg, 8 May 2024

Executive Board

Virpi Helena Varjonen
MD

Board of Directors

Heinrich Bernhard Zehntner
Chairman

Virpi Helena Varjonen

Linda Kaspersen

Independent Auditor's report

To the shareholder of Endress+Hauser 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 Endress+Hauser 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.

Hellerup, 8 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198

Sabina Hsu
State Authorised Public Accountant
mne47821

Company information

The Company	Endress+Hauser A/S Poppelgårdvej 10-12 DK-2860 Søborg Email: info@dk.endress.com Website: www.dk.endress.com CVR No: 49 00 15 17 Financial period: 1 January - 31 December Municipality of reg. office: Gladsaxe
Board of Directors	Heinrich Bernhard Zehntner, chairman Virpi Helena Varjonen Linda Kaspersen
Executive Board	Virpi Helena Varjonen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	217,865	228,662	172,962	171,972	169,021
Profit/loss of primary operations	18,575	21,396	12,304	12,683	10,808
Profit/loss of financial income and expenses	-351	-346	-299	-112	-182
Net profit/loss for the year	14,154	16,385	9,348	9,789	8,264
Balance sheet					
Balance sheet total	50,845	53,070	52,909	43,783	40,672
Investment in property, plant and equipment	716	48	0	188	77
Equity	26,503	28,730	21,684	22,116	20,587
Number of employees	35	35	35	34	34
Ratios					
Return on assets	36.5%	40.3%	23.3%	29.0%	26.6%
Solvency ratio	52.1%	54.1%	41.0%	50.5%	50.6%
Return on equity	51.3%	65.0%	42.7%	45.8%	45.4%

Management's review

Key activities

As in previous years, the activities of the company are sale and service of measurement and control equipment to the Danish process industry and public supply companies. Furthermore, the Company supplies projects and total solutions, which include a large percentage of its own products.

Development in the year

The income statement of the Company for 2023 shows a profit of DKK 14,153,635, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 26,503,299.

Market demand was high in the first half of the year, whereas it was moderate in the second half. The Company made the decision and started to invest to increase the number of employees.

The Company does not conduct systematic research and development in Denmark; however, the Company's products are adjusted and improved continuously in the global R&D centers, and new products were introduced to the Danish market in 2023. The Company brings added value to Danish customers through considerable application and technical know-how, and the Company's offering can help the process industry to become more sustainable by minimizing waste and water usage as well as ensuring energy efficiency in industrial processes.

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

The order intake and net sales for 2023 were as expected resulting a forecasted profit of more than DKK 14,000,000. As anticipated in the previous year, the market demand in 2023 was particularly high in Life Science, but also within New Energy.

Capital resources

Management believes the Company's capital resources are adequate to cover operations and investments in the year ahead.

Targets and expectations for the year ahead

Management assesses the Company's prospects to be positive since the offered products, solutions, and services are in growing demand in the Food and Beverage, New Energy, and Life Science markets. The competitive environment is expected to remain stable.

The Company expects the profit for 2024 to reduce slightly or remain stable within the range of DKK 10,000,000 – 15,000,000 due to planned investments for staff increase and equipment.

Unusual events

No unusual events affected the Company's financial position on 31 December 2023 or the results of its activities for the financial year 2023.

Subsequent events

The Company's outlook for the future is affected by the uncertainty of whether there will remain enough qualified workforce available on the employee market.

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
		DKK	DKK
Revenue		217,865,191	228,662,118
Other operating income		1,605,420	1,644,748
Expenses for raw materials and consumables		-151,086,562	-161,423,118
Other external expenses		-20,135,718	-18,880,646
Gross profit		48,248,331	50,003,102
Staff expenses	1	-29,313,439	-28,232,347
Depreciation and impairment losses of property, plant and equipment	2	-360,354	-374,680
Profit/loss before financial income and expenses		18,574,538	21,396,075
Financial income	3	308,826	162,009
Financial expenses	4	-659,588	-508,085
Profit/loss before tax		18,223,776	21,049,999
Tax on profit/loss for the year	5	-4,070,141	-4,664,518
Net profit/loss for the year	6	14,153,635	16,385,481

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Land and buildings		3,597,570	3,105,126
Other fixtures and fittings, tools and equipment		86,926	223,827
Property, plant and equipment	7	3,684,496	3,328,953
Fixed assets		3,684,496	3,328,953
Finished goods and goods for resale		3,889,168	2,971,735
Inventories		3,889,168	2,971,735
Trade receivables		34,419,504	37,766,415
Receivables from group enterprises		135,068	0
Other receivables		830	2,525
Deferred tax asset	8	508,050	20,006
Corporation tax		241,904	0
Prepayments		39,600	114,875
Receivables		35,344,956	37,903,821
Cash at bank and in hand		7,926,215	8,865,637
Current assets		47,160,339	49,741,193
Assets		50,844,835	53,070,146

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		1,000,000	1,000,000
Retained earnings		11,363,299	11,349,664
Proposed dividend for the year		14,140,000	16,380,000
Equity		26,503,299	28,729,664
Other provisions	9	750,000	500,000
Provisions		750,000	500,000
Prepayments received from customers		289,045	1,624,096
Trade payables		611,738	692,896
Payables to associates		12,370,071	12,662,691
Corporation tax		0	421,496
Other payables		10,320,682	8,439,303
Short-term debt		23,591,536	23,840,482
Debt		23,591,536	23,840,482
Liabilities and equity		50,844,835	53,070,146
Contingent assets, liabilities and other financial obligations	10		
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Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	1,000,000	11,349,664	16,380,000	28,729,664
Ordinary dividend paid	0	0	-16,380,000	-16,380,000
Net profit/loss for the year	0	13,635	14,140,000	14,153,635
Equity at 31 December	1,000,000	11,363,299	14,140,000	26,503,299

Notes to the Financial Statements

	2023	2022
	DKK	DKK
1. Staff Expenses		
Wages and salaries	26,869,323	25,776,658
Pensions	2,174,438	2,187,267
Other social security expenses	269,678	268,422
	<u>29,313,439</u>	<u>28,232,347</u>

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

Average number of employees	<u>35</u>	<u>35</u>
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	2023	2022
	DKK	DKK
2. Depreciation and impairment losses of property, plant and equipment		
Depreciation of property, plant and equipment	<u>360,354</u>	<u>374,680</u>
	<u>360,354</u>	<u>374,680</u>

Which is specified as follows:

Buildings	223,452	218,294
Other fixtures and fittings, tools and equipment	<u>136,902</u>	<u>156,386</u>
	<u>360,354</u>	<u>374,680</u>

	2023	2022
	DKK	DKK
3. Financial income		
Other financial income	166,766	45,993
Exchange adjustments	<u>142,060</u>	<u>116,016</u>
	<u>308,826</u>	<u>162,009</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
4. Financial expenses		
Interest paid to associates	47,430	17,908
Other financial expenses	13	46,161
Exchange adjustments, expenses	612,145	444,016
	<u>659,588</u>	<u>508,085</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
5. Income tax expense		
Current tax for the year	4,558,096	4,602,818
Deferred tax for the year	-488,044	62,112
Adjustment of tax concerning previous years	89	-412
	<u>4,070,141</u>	<u>4,664,518</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
6. Profit allocation		
Proposed dividend for the year	14,140,000	16,380,000
Retained earnings	13,635	5,481
	<u>14,153,635</u>	<u>16,385,481</u>

Notes to the Financial Statements

7. Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	8,609,611	1,739,494
Additions for the year	715,896	0
Disposals for the year	0	-47,500
Cost at 31 December	<u>9,325,507</u>	<u>1,691,994</u>
Impairment losses and depreciation at 1 January	5,504,485	1,515,667
Depreciation for the year	223,452	136,901
Reversal of impairment and depreciation of sold assets	0	-47,500
Impairment losses and depreciation at 31 December	<u>5,727,937</u>	<u>1,605,068</u>
Carrying amount at 31 December	<u>3,597,570</u>	<u>86,926</u>
	2023	2022
	DKK	DKK

8. Deferred tax asset

Deferred tax asset at 1 January	20,006	63,440
Change in previous year's deferred tax	0	-412
Amounts recognised in the income statement for the year	488,044	-43,022
Deferred tax asset at 31 December	<u>508,050</u>	<u>20,006</u>

The recognized tax asset consists of the temporary differences between accounting and tax principles. The Company expects to utilise these temporary differences within a period of 2-5 years. The Company is generating taxable income and paying corporate taxes, and has done so for the past several years, why it is expected that there is basis for recognizing the deferred tax asset.

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
9. Other provisions		
The Company provides warranties of on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of DKK 750.000 (2022: DKK 500.000) have been recognised for expected warranty claims.		
Other provisions	750,000	500,000
	<u>750,000</u>	<u>500,000</u>
The provisions are expected to mature as follows:		
Within 1 year	350,000	200,000
Between 2 and 5 years	400,000	300,000
After 5 years	0	0
	<u>750,000</u>	<u>500,000</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
10. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	990,290	787,134
Between 1 and 5 years	1,836,303	380,135
	<u>2,826,593</u>	<u>1,167,269</u>
The Company has issued bank guarantees relating to performance and warranty guarantees to customers amounting to EUR 57,291 (equivalent to approx. DKK 427k).		

Notes to the Financial Statements

11. Related parties

	<u>Basis</u>
Controlling interest	
Endress+Hauser Management AG (Reinach, Switzerland)	Ultimate parent company
Endress+Hauser AG (Reinach, Switzerland)	Controlling shareholder
Other related parties	
Heinrich Bernhard Zehntner	Chairman of Board of directors
Virpi Helena Varjonen	Member of the Board of directors and executive Board
Linda Kaspersen	Member of the Board of directors

Transactions

The Company is a sales and service entity within the Endress+Hauser Group. The Company's turnover consists of sale of Endress+Hauser Group's products to external customers primarily located in Denmark. Expenses for consumables mainly comprise of products purchased from the Group. Furthermore, the Company has been charged for central group services, which amount to DKK 9,674k for financial year 2023. These services are charged at cost plus a mark up.

The Company has a credit facility agreement at a group entity. Interests are compounded on this credit facility. The applied interest rate is set and adjusted to comparable interest market rates.

The Company has been charged for brand and IP costs by another group entity. This fee constitutes DKK 84k for financial year 2023. The costs are calculated as a portion of the net turnover.

The Board of directors is not remunerated

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 Endress+Hauser 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.

With reference to the true and fair view of the Annual Report, reclassifications were made between financial statement line items in the income statement and comparative figures were adjusted accordingly. The reclassifications do not impact the financial position of the Company at 31 December 2023.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

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 Endress+Hauser Management AG, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at 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 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 from 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.

Notes to the Financial Statements

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

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.

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 and distribution, as well as office expenses, etc.

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.

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.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans 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.

Balance sheet

Notes to the Financial Statements

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	10-50 years
Other fixtures and fittings, tools and equipment	3-10 years
Rebuilding, building	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.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

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 finished goods comprises the cost of raw materials, consumables and direct labour.

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 insurance premiums.

Equity

Dividend

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

Notes to the Financial Statements

Provisions

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

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-3 years. Provisions are measured and recognised based on experience with guarantee work.

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. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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 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 liabilities

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