

Beiersdorf A/S

Vesterbrogade 149, DK-1620 Copenhagen
CVR no. 55646317

Annual report for 2021

Adopted at the annual general
meeting on 29 April 2022

DocuSigned by:

Patrick Greve

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Patrick Greve
chairman

Beiersdorf A/S
2021

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Beiersdorf A/S for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

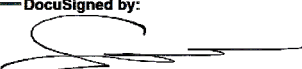
Copenhagen, 29 April 2022

Executive board

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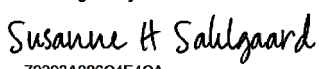
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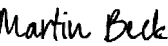
Supervisory board

DocuSigned by:

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Melanie Schrewe

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Patrick Greve

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Ellen Agnetha Susanne Haggberg
Sahlgaard

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Martin Beck

Beiersdorf A/S
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Independent auditor's report

To the shareholders of Beiersdorf A/S

Opinion

We have audited the financial statements of Beiersdorf A/S for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are 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 of the Company at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

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Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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Independent auditor's report

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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 April 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30700228



Allan Nørgaard
State Authorised Public Accountant
MNE no. 35501

Beiersdorf A/S
2021

Company details

Beiersdorf A/S
Vesterbrogade 149
DK-1620 Copenhagen

Website: www.beiersdorf.com

CVR-no. 55 64 63 17

Financial year: 1 January - 31 December 2021

Domicile: Copenhagen

Supervisory Board

Melanie Schrewe
Patrick Greve
Ellen Agnetha Susanne Haggberg Sahlgaard
Martin Beck

Executive Board

Patrick Greve

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg

Bankers

SEB Bank

Consolidated financial statements

The company is reflected in the group report as the parent company
(smallest & largest group):

The consolidated financial statements of may be obtained at the following address:

Beiersdorf AG
Unnastrasse 48
DE-20245 Hamburg
Germany

Beiersdorf A/S
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Financial highlights

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

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|-----------------------------------|--------|--------|--------|--------|--------|
| | TDKK | TDKK | TDKK | TDKK | TDKK |
| Key figures | | | | | |
| Gross profit/loss | 33.326 | 30.791 | 36.274 | 31.142 | 23.388 |
| Profit/loss before net financials | 24.624 | 20.927 | 24.641 | 20.376 | 12.550 |
| Net financials | -188 | -314 | -319 | -47 | -15 |
| Profit/loss for the year | 19.036 | 16.049 | 18.988 | 15.849 | 9.480 |
| Balance sheet | | | | | |
| Balance sheet total | 57.994 | 53.491 | 59.147 | 59.484 | 53.693 |
| Equity | 31.891 | 28.904 | 31.843 | 28.704 | 22.631 |
| Number of employees | 12 | 12 | 14 | 14 | 16 |
| Financial ratios | | | | | |
| Return on assets | 44,2% | 37,2% | 41,5% | 36,0% | 26,1% |
| Solvency ratio | 55,0% | 54,0% | 53,8% | 48,3% | 42,1% |
| Return on equity | 62,6% | 52,8% | 62,7% | 61,7% | 47,4% |

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

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Management's review

Business review

The company's activities comprise sale and marketing of skin and body care products, including the brands Nivea, Atrix, Labello and Dobbeldusch, as well as nursing requisites and hospital articles, such as Hansaplast. There was still impact from COVID-19 included in year 2021. Company had positive development in Topline and Gross Margin due relatively low base in year 2020. Also, optimization of cost structure and other savings secured the overall profitability.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters

With the exception of Covid-19, the company's financial position at 31 December 2021 and the results of its operations for the financial year ended 31 December 2021 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 December 2021 shows a profit of TDKK 19.036, and the balance sheet at 31 December 2021 shows equity of TDKK 31.891.

Management considers the company's financial performance in the year satisfactory. The performance is consistent with management's expectations in the light of the significant events.

Significant events occurring after the end of the financial year

The war in Ukraine began during first quarter 2022. So far, there is no direct impact on our business in Denmark.

There are no other events after the reporting period to be disclosed.

Beiersdorf A/S
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Management's review

Expected development of the company, including specific prerequisites and uncertainties

Beiersdorf operates in a market situation that for the grocery trade as well as the specialist retailers, is characterized by relatively low growth and fierce competition, especially from uprising local brands. The local brands are recognized for their pace of innovation and meeting new consumer trends and needs, particularly in areas of "Free from" and natural ingredients. Controlled and private label brands are equally quick to pick up these trends challenging the core of NIVEA brands.

Beiersdorf has a strong position in the market with our NIVEA and Labello and is market leader or 2nd in multiple categories. The ambition is to improve and maintain the position in the market, as well as driving profitability, which impose a high demand for agility, innovation and use of new media and platforms.

After Q1 Beiersdorf have achieved +40 % net sales growth in Denmark. Therefore, we have increased the full year net sales growth plan from +3,9 % to 5,0 % in our forecast. The only risk will be a significant price increase in August due to higher prices on raw materials, electricity, freight etc. But our customers have mainly accepted price increases. Beiersdorf is confident that full year target on 5,0 % growth will be fulfilled. The margin has increased with 6,3 MDKK in Q1.

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Income statement 1 January - 31 December

| | <u>Note</u> | <u>2021</u> TDKK | <u>2020</u> TDKK |
|--|-------------|---------------------|---------------------|
| Gross profit | | 33.326 | 30.791 |
| Staff expenses | 1 | -8.626 | -9.773 |
| Depreciation, amortisation and impairment of property, plant and equipment | | -76 | -91 |
| Profit/loss before net financials | | 24.624 | 20.927 |
| Financial income | 2 | 29 | 54 |
| Financial expenses | 3 | -217 | -368 |
| Profit/loss before tax | | 24.436 | 20.613 |
| Tax on profit/loss for the year | 4 | -5.400 | -4.564 |
| Profit/loss for the year | | 19.036 | 16.049 |
| Distribution of profit | 5 | | |

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Balance sheet 31 December

| | Note | 2021 TDKK | 2020 TDKK |
|--|------|---------------|---------------|
| Assets | | | |
| Other fixtures and fittings, tools and equipment | | 384 | 460 |
| Tangible assets | 6 | 384 | 460 |
| Other receivables | 7 | 174 | 174 |
| Fixed asset investments | | 174 | 174 |
| Total non-current assets | | 558 | 634 |
| Finished goods and goods for resale | | 160 | 164 |
| Stocks | | 160 | 164 |
| Trade receivables | | 13.795 | 13.100 |
| Receivables from group companies | | 38.652 | 32.324 |
| Other receivables | | 235 | 1.546 |
| Deferred tax asset | | 58 | 83 |
| Receivables | | 52.740 | 47.053 |
| Cash at bank and in hand | | 4.536 | 5.640 |
| Total current assets | | 57.436 | 52.857 |
| Total assets | | 57.994 | 53.491 |

Beiersdorf A/S
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Balance sheet 31 December

| | <u>Note</u> | <u>2021</u> TDKK | <u>2020</u> TDKK |
|--|-------------|----------------------|----------------------|
| Equity and liabilities | | | |
| Share capital | | 10.000 | 10.000 |
| Retained earnings | | 2.855 | 2.855 |
| Proposed dividend for the year | | 19.036 | 16.049 |
| Equity | 8 | <u>31.891</u> | <u>28.904</u> |
| Other payables | | 0 | 835 |
| Total non-current liabilities | 9 | <u>0</u> | <u>835</u> |
| Trade payables | | 15.128 | 12.735 |
| Payables to group companies | | 2.970 | 2.501 |
| Corporation tax | | 5.383 | 4.557 |
| Other payables | | 2.622 | 3.959 |
| Total current liabilities | | <u>26.103</u> | <u>23.752</u> |
| Total liabilities | | <u>26.103</u> | <u>24.587</u> |
| Total equity and liabilities | | <u>57.994</u> | <u>53.491</u> |
| | | | |
| Rent and lease liabilities | 10 | | |
| Contingent assets, liabilities and other financial obligations | 11 | | |
| Related parties and ownership structure | 12 | | |

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Statement of changes in equity

| | Share capital | Retained earnings | Proposed dividend for the year | Total |
|-----------------------------------|---------------|----------------------|--------------------------------------|---------------|
| Equity at 1 January 2021 | 10.000 | 2.855 | 16.049 | 28.904 |
| Ordinary dividend paid | 0 | 0 | -16.049 | -16.049 |
| Proposed dividend for the year | 0 | 0 | 19.036 | 19.036 |
| Equity at 31 December 2021 | 10.000 | 2.855 | 19.036 | 31.891 |

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| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| | TDKK | TDKK |
| 1 Staff expenses | | |
| Wages and salaries | 7.491 | 8.687 |
| Pensions | 720 | 747 |
| Other social security costs | 27 | 28 |
| Other staff costs | 388 | 311 |
| | <u>8.626</u> | <u>9.773</u> |
| | | |
| Average number of employees | <u>12</u> | <u>12</u> |
| | | |
| According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed. | | |
| | | |
| There is no remuneration to members of the Supervisory Board | | |
| | | |
| 2 Financial income | | |
| Financial income, group companies | 24 | 36 |
| Exchange adjustments | 5 | 18 |
| | <u>29</u> | <u>54</u> |
| | | |
| 3 Financial expenses | | |
| Financial expenses, group companies | 4 | 12 |
| Other financial costs | 24 | 49 |
| Exchange adjustments costs | 189 | 307 |
| | <u>217</u> | <u>368</u> |

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| | <u>2021</u> | <u>2020</u> |
|--|---------------|---|
| | TDKK | TDKK |
| 4 Tax on profit/loss for the year | | |
| Current tax for the year | 5.383 | 4.557 |
| Deferred tax for the year | 25 | -13 |
| Adjustment of tax concerning previous years | -8 | 20 |
| | <u>5.400</u> | <u>4.564</u> |
| 5 Distribution of profit | | |
| Proposed dividend for the year | <u>19.036</u> | <u>16.049</u> |
| | <u>19.036</u> | <u>16.049</u> |
| 6 Tangible assets | | Other fixtures and fittings, tools and equipment |
| Cost at 1 January 2021 | | <u>996</u> |
| Cost at 31 December 2021 | | <u>996</u> |
| Impairment losses and depreciation at 1 January 2021 | | 536 |
| Depreciation for the year | | <u>76</u> |
| Impairment losses and depreciation at 31 December 2021 | | <u>612</u> |
| Carrying amount at 31 December 2021 | | <u><u>384</u></u> |

Beiersdorf A/S
Notes 2021

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7 Fixed asset investments

| | <u>Other receiv- ables</u> |
|--|--------------------------------|
| Cost at 1 January 2021 | 174 |
| Disposals for the year | <u>0</u> |
| Cost at 31 December 2021 | <u>174</u> |
| Carrying amount at 31 December 2021 | <u><u>174</u></u> |

8 Equity

The share capital consists of 10.000 shares of a nominal value of TDKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

9 Long term debt

| | Debt at 1 January 2021 | Debt at 31 December 2021 | Instalment next year | Debt outstanding after 5 years |
|----------------|---------------------------|--------------------------------|-------------------------|-----------------------------------|
| Other payables | <u>835</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| | <u><u>835</u></u> | <u><u>0</u></u> | <u><u>0</u></u> | <u><u>0</u></u> |

Beiersdorf A/S
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Notes

| | <u>2021</u> | <u>2020</u> |
|--------------------------------------|---------------------|---------------------|
| | TDKK | TDKK |
| 10 Rent and lease liabilities | | |
| Operating lease liabilities. | | |
| Total future lease payments: | | |
| Between 1 and 5 years | <u>1.113</u> | <u>1.744</u> |
| | <u>1.113</u> | <u>1.744</u> |

11 Contingent assets, liabilities and other financial obligations

The company is jointly taxed with its affiliate, Tesa A/S. The company has joint and several unlimited liability with Tesa A/S for payment of Danish income taxes.

Beiersdorf A/S
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Notes

12 Related parties and ownership structure

Controlling interest

Beiersdorf Nordic Holding AB
Theres Svenssons gata 13
SE-41755 Gothenburg
Sweden

Transactions

Transactions with related parties in the year:

Sale of services to group companies: TDKK 1.147 (2020: TDKK 1.650)

Purchase of goods from group companies: TDKK 49.058 (2020: TDKK 45.346)

Purchase of services from group companies: TDKK 8.803 (2020: TDKK 6.762)

Cost to management fee/royalties: TDKK 7.953 (2020: TDKK 7.297)

Financial income group companies: TDKK 24 (2020: TDKK 36)

Financial expenses group companies: TDKK 4 (2020: TDKK 12)

Receivables from group companies: TDKK 38.652 (2020: TDKK 32.324)

Payables to group companies: TDKK 2.970 (2020: TDKK 2.501)

Besides the above listed transaction, no other transactions were carried out with shareholders or other group companies in the year.

Beiersdorf A/S
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Accounting policies

The annual report of Beiersdorf A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C, as well as selected provisions applying to larger entities.

The annual report for 2021 is presented in TDKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Beiersdorf A/S
2021

Accounting policies

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of property, plant and equipment.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff expenses

Staff expenses 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

The item comprises amortisation/depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Beiersdorf A/S
2021

Accounting policies

Tax on profit/loss for the year

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed entities to a tax refund are, as a minimum, reimbursed by the administration company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the administration company.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of other and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

| | Useful life |
|--|--------------------|
| Other fixtures and fittings, tools and equipment | 3-5 years |

Impairment of fixed assets

The carrying amount of property, plant and equipment is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

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2021

Accounting policies

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Beiersdorf A/S
2021

Accounting policies

Liabilities

Liabilities, which include trade payables, payables to group companies and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Cash flow statement

In pursuance of section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared for the company, as the cash flows are included in the consolidated cash flow statement of the parent company.

Financial highlights

Definitions of financial ratios.

| | |
|------------------|---|
| Return on assets | $\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$ |
| Equity ratio | $\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$ |
| Return on equity | $\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$ |