
DAFA Building Solutions A/S

Holmstrupgårdvej 1, DK-8220 Brabrand

Annual Report for 2024

CVR No. 41 85 45 10

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 5/3 2025

Kaare Bo Nielsen
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Financial Highlights	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	8
Balance sheet 31 December	9
Statement of changes in equity	11
Notes to the Financial Statements	12

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of DAFA Building Solutions A/S for the financial year 1 January - 31 December 2024.

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 2024 of the Company and of the results of the Company operations for 2024.

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

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

Aarhus, 26 February 2025

Executive Board

Jens Eg Jensen
CEO

Board of Directors

Mads Kirkegaard
Chairman

Kaare Bo Nielsen

Jens Eg Jensen

Independent Auditor's report

To the shareholder of DAFA Building Solutions A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DAFA Building Solutions A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

Aarhus, 26 February 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Kragh
State Authorised Public Accountant
mne26783

Linda Højland
State Authorised Public Accountant
mne45871

Company information

The Company	DAFA Building Solutions A/S Holmstrupgårdvej 1 DK-8220 Brabrand CVR No: 41 85 45 10 Financial period: 1 January - 31 December Incorporated: 12 November 2020 Financial year: 5th financial year Municipality of reg. office: Aarhus
Board of Directors	Mads Kirkegaard, chairman Kaare Bo Nielsen Jens Eg Jensen
Executive Board	Jens Eg Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Financial Highlights

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

	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	26,361	24,199	29,072	29,154	-6
Profit/loss of primary operations	18,211	16,883	21,495	21,316	0
Profit/loss of financial income and expenses	-1,310	279	-580	-57	0
Net profit/loss for the year	13,048	13,378	16,314	16,579	-5
Balance sheet					
Balance sheet total	55,103	64,057	66,753	58,702	430
Investment in property, plant and equipment	121	29	1,152	123	0
Equity	33,836	35,788	37,410	36,096	395
Number of employees	9	8	9	10	0
Ratios					
Return on assets	33.0%	26.4%	32.2%	36.3%	0.0%
Solvency ratio	61.4%	55.9%	56.0%	61.5%	91.9%
Return on equity	37.5%	36.6%	44.4%	90.9%	-2.5%

In connection with changes to accounting policies previous year, the comparative figures for 2021 have not been restated.

Management's review

Key activities

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

Business Model

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

Development in the year

The Company's income statement for 2024 shows a profit of DKK 13,048 thousand as against a profit of DKK 13,378 thousand in 2023. Equity in the Company's balance sheet at 31 December 2024 is DKK 33,836 thousand as against DKK 35,788 thousand at 31 December 2023.

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

Overall, financial performance for 2024 was not satisfactory as the growth was not in line with expectations.

Operating risks

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

Market risks

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

Foreign exchange risks

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

Interest rate risks

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

Credit risks

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

Targets and expectations for the year ahead

In 2025 we expect to increase revenue through organic growth compared to 2024 with about 7-12%, and expectation is also a profit before tax in the range of DKK 16 million to DKK 18 million.

Research and development

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

Management's review

External environment

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

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

Intellectual capital resources

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

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

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

Subsequent events

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

Income statement 1 January - 31 December

	Note	2024 TDKK	2023 TDKK
Gross profit		26,361	24,199
Staff expenses	1	-7,815	-7,001
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-335	-315
Profit/loss before financial income and expenses		18,211	16,883
Financial income	2	1,656	698
Financial expenses	3	-2,966	-419
Profit/loss before tax		16,901	17,162
Tax on profit/loss for the year	4	-3,853	-3,784
Net profit/loss for the year	5	13,048	13,378

Balance sheet 31 December

Assets

	Note	2024 TDKK	2023 TDKK
Acquired licenses		0	0
Acquired other similar rights		154	277
Intangible assets	6	154	277
Other fixtures and fittings, tools and equipment		0	34
Leasehold improvements		1,355	1,411
Property, plant and equipment	7	1,355	1,445
Deposits	8	228	226
Fixed asset investments		228	226
Fixed assets		1,737	1,948
Finished goods and goods for resale		17,836	17,199
Inventories		17,836	17,199
Trade receivables		19,634	19,164
Receivables from group enterprises		15,612	24,456
Other receivables		225	1,290
Deferred tax asset	9	59	0
Receivables		35,530	44,910
Current assets		53,366	62,109
Assets		55,103	64,057

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		TDKK	TDKK
Share capital	10	5,000	5,000
Retained earnings		18,836	15,788
Proposed dividend for the year		10,000	15,000
Equity		33,836	35,788
Provision for deferred tax	9	0	64
Provisions		0	64
Trade payables		11,869	9,290
Payables to group enterprises		1,338	2,049
Payables to group enterprises relating to corporation tax		3,911	13,000
Other payables		4,149	3,866
Short-term debt		21,267	28,205
Debt		21,267	28,205
Liabilities and equity		55,103	64,057
Contingent assets, liabilities and other financial obligations	11		
Related parties	12		
Subsequent events	13		
Accounting Policies	14		

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	5,000	15,788	15,000	35,788
Ordinary dividend paid	0	0	-15,000	-15,000
Net profit/loss for the year	0	3,048	10,000	13,048
Equity at 31 December	5,000	18,836	10,000	33,836

Notes to the Financial Statements

	2024 TDKK	2023 TDKK
1. Staff expenses		
Wages and salaries	7,110	6,408
Pensions	658	545
Other social security expenses	47	48
	7,815	7,001
Including remuneration to the Executive Board and Board of Directors	224	179
Average number of employees	9	8
	2024 TDKK	2023 TDKK
2. Financial income		
Interest received from group enterprises	1,656	698
	1,656	698
	2024 TDKK	2023 TDKK
3. Financial expenses		
Interest paid to group enterprises	2,398	370
Other financial expenses	568	49
	2,966	419
	2024 TDKK	2023 TDKK
4. Income tax expense		
Current tax for the year	3,976	3,822
Deferred tax for the year	-64	-38
Adjustment of deferred tax concerning previous years	-59	0
	3,853	3,784

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
5. Profit allocation		
Proposed dividend for the year	10,000	15,000
Retained earnings	3,048	-1,622
	13,048	13,378

6. Intangible fixed assets

	Acquired licenses	Acquired other similar rights
	TDKK	TDKK
Cost at 1 January	152	835
Cost at 31 December	152	835
Impairment losses and amortisation at 1 January	152	558
Amortisation for the year	0	123
Impairment losses and amortisation at 31 December	152	681
Carrying amount at 31 December	0	154

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	TDKK	TDKK
Cost at 1 January	100	1,703
Additions for the year	0	121
Disposals for the year	-20	0
Cost at 31 December	80	1,824
Impairment losses and depreciation at 1 January	66	292
Depreciation for the year	30	177
Impairment and depreciation of sold assets for the year	-16	0
Impairment losses and depreciation at 31 December	80	469
Carrying amount at 31 December	0	1,355

Notes to the Financial Statements

8. Other fixed asset investments

	Deposits TDKK
Cost at 1 January	226
Additions for the year	2
Cost at 31 December	228
 Carrying amount at 31 December	 228

9. Deferred tax asset

	2024 TDKK	2023 TDKK
Deferred tax asset at 1 January	-64	-102
Amounts recognised in the income statement for the year	123	38
Deferred tax asset at 31 December	59	-64

The deferred tax assets include an amount of DKK 59k which relates to tax depreciations not being utilised in the income period. The entity has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiary. The subsidiary is expected to generate taxable income from 2025 onwards.

10. Share capital

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

11. Contingent assets, liabilities and other financial obligations

Charges and security

As partially security for borrowings, as well as group companies' bank commitments, security in share capital, regarding the Group companies DAFA Holding I ApS, DAFA Holding II ApS, DAFA Group A/S, DAFA Building Solutions A/S and DAFA A/S, DAFA Polska sp. z. o. o. is effective. Furthermore an W&I Insurance policy is assigned as partially security for the group companies' borrowings and bank commitments.

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
11. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
The Company has entered into operating leases with a remaining term of up to 6 months. The total obligation of operating leases amounts to DKK 343 thousand as of 31 December 2024. Of the total obligation, DKK 196 thousand falls due within 1 year.		
The Company has entered into two rental agreements with a remaining term of respective 6 months and 165 months. The total obligation from rental agreements amounts to DKK 12,260 thousand as of 31 December 2024. Of the total obligation, DKK 892 thousand falls due within 1 year and DKK 7,802 thousand falls due after 5 years.		
Guarantee obligations		
Issued to DAFA Holding II ApS	297,524	361,000
Issued to DAFA Group A/S	49,000	49,000
The Group has issued a partly guarantee of payment between the Danish DAFA Holding I ApS Group companies DAFA Holding I ApS, DAFA Holding II ApS, DAFA Group A/S, DAFA Building Solutions A/S and DAFA A/S and the DAFA Holding I ApS Groups' credit institutions.		
Other contingent liabilities		
The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of CC DAFA Invest ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.		

Notes to the Financial Statements

12. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
DAFA Group A/S	Parent company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
DAFA Holding I ApS as the largest.	Holmstrupgårdvej 12, 8220 Brabrand, Denmark.
DAFA Group A/S as the smallest.	Holmstrupgårdvej 12, 8220 Brabrand, Denmark.

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 DAFA Building Solutions A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in TDKK.

Cash flow statement

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

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

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

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income statement

Revenue

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

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

Notes to the Financial Statements

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales, distribution and as well as office expenses, etc.

Gross profit

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Financial income and expenses

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

Tax on profit/loss for the year

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

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

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

Balance sheet

Intangible fixed assets

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

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

Property, plant and equipment

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

Notes to the Financial Statements

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

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

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

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

Impairment of fixed assets

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

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

Other fixed asset investments

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

Inventories

Inventories are measured at the lower of standard cost and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

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

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Equity

Dividend

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

Deferred tax assets and liabilities

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

Notes to the Financial Statements

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

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

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$