HelloFresh Nordics ApS
Artillerivej 90, st.
DK-2300 København S
Central Business Registration No: 40 33 33 71

Annual Report 2024

The Annual General Meeting adopted the Annual Report on 19 June 2025

Chairman of the Annual General Meeting: Thomas Wartmut Griesel

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of HelloFresh Nordics ApS 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, the management review contains a fair review of the development of the Entity's business and financial matters, the results for the year and the Entity's financial position, together with a description of the principal risks and uncertainties that the Entity face.

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

Copenhagen, 19 June 2025

Executive Board

DocuSigned by:
Andreas Støvring
Andreas Støvring
Managing Director

Board of Directors

Signiert von:
Thomas Griesel
Thomas Wartmut Griesel
Chairman

DocuSigned by:
Andreas Støvring
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Andreas Støvring

DocuSigned by:
Michael Saunders
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Michael Saunders

Independent auditor's report

To the Shareholder of HelloFresh Nordics ApS

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 to 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of HelloFresh Nordics ApS for the financial year 1 January to 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 conclusions 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 Statement Act. We did not identify any material misstatement in Management's Review.

Management's responsibility 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.

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, base 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 the internal control that we identify during our audit.

Hellerup, 19. June 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33771231

DocuSigned by: 96584D9D4765486...	Signed by: B62403CF09524EC...
Bo Schou-Jacobsen State Authorised Public Accountant mne28703	Gösta Gauffin State Authorised Public Accountant mne45821

Company information

Entity
HelloFresh Nordics ApS
Artillerivej 90, st.
DK-2300 København S

CVR No: 40 33 33 71
Financial period: 1 January - 31 December 2024
Registered in: Copenhagen, Denmark

Board of Directors
Thomas Wartmut Griesel, Chairman
Andreas Støvring
Michael Saunders

Executive Board
Andreas Støvring

Entity auditors
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
CVR No: 33 77 12 31

Financial highlights

Key figures	2024 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000
Profit/loss						
Revenue	770,270	836,929	809,082	539,751	74,251	3,802
Operating profit / loss	26,185	32,623	25,031	752	-11,469	17
Profit/loss before financial income and expenses	26,185	32,623	25,031	752	-11,469	17
Net financials	3,641	-876	-4,588	-2,153	-731	-56
Net profit/loss for the year	23,209	24,642	15,808	-1,122	-9,440	30
Balance sheet						
Balance sheet total	379,817	367,218	366,067	361,576	36,361	5,152
Equity	313,154	289,945	265,303	249,495	-9,383	20
Investment in property, plant and equipment	245	628	342	1,324	2,285	29
Number of employees	126	119	96	53	25	5
Ratios						
Gross margin	14.5%	14.4%	10.4%	5.4%	3.0%	74.3%
Profit margin	3.4%	3.9%	3.1%	0.1%	-15.4%	0.4%
Return on assets	6.9%	8.0%	6.8%	0.2%	-31.5%	0.3%
Solvency ratio	82.4%	71.4%	72.5%	69.0%	-25.8%	0.4%
Return on equity	7.7%	8.9%	6.1%	-0.9%	201.6%	-300.0%

Management's Review

Key activities
The Company's principal activities are the development, marketing, production, distribution and sale of food and other related business as well as management services for the Company's subsidiaries. Management services are provided by central functions such as finance and legal as well as by operations and marketing teams.

Development in the year
In the 2023 accounts HelloFresh management gave a 2024 expectation range of:
Profit before financial items and taxes DKK 25,000,000 - 35,000,000
Net profit after financial items and taxes DKK 20,000,000 - 30,000,000

The 2024 actual results are within the expectation ranges:
Profit before financial items and taxes DKK 26,184,762
Net profit after financial items and taxes DKK 23,209,453

The gross profit margin improved year on year by 0.17% due to operational efficiencies and marketing spend focus on higher ROI customers, offsetting increased food costs and wages. Overall net profit decreased year on year by 5.81% in line with reduced revenue.

Operating risks and financial risks

Operating risks
Hellofresh Nordic ApS' main operating risk is linked to the ability to maintain and expand its already strong position within the customer base.

Foreign exchange risks
Hellofresh Nordic ApS' is only exposed to a limited extent to currency risks. The company invoices primarily in DKK, while most of the purchases are made in EUR or DKK.

Interest rate risks
Hellofresh Nordic ApS does not have significant interest risks. towards changes in the level of interest rates.

Credit risks
Hellofresh Nordic ApS' does not have significant risks regarding individual customers or business partners.

Strategy and objectives
Our Business model differs from that of a retailer or grocer, as it rethinks the traditional food supply chain model. By starting with the consumer and working upstream with a "pull model", we largely eliminate the need for intermediaries such as distributors or wholesalers. We work closely with our supplier network, made up mostly of local suppliers, to ensure we can purchase the ingredients for our meal solutions on fresh ingredients in the required quantities. We operate on a low inventory basis for perishable products. The ingredients for our meal kits, and ready-to-eat meals, are packed in our refrigerated fulfillments centers. From there, our food solutions are delivered using insulated packaging or refrigerated vehicles, which allow us to deliver the ingredients with a high level of freshness.

Management's Review

Targets and expectations for the year ahead

2025 will be a year with continued macroeconomic challenges. There are pressures on household incomes and inflationary effects on food prices. The company will continue to increase our operational efficiencies across all areas to counteract these gross margin impacts. In order to increase longer term revenue potential management has taken the decision to further invest profits back into the product. This will negatively impact gross margin in 2025 as it will drive increased food cost per box. However the expectation is these investments will pay back in 2026 and beyond. Given the above Hellofresh Nordic ApS expects Net profit after financial items and taxes in the range of 5,000,000 DKK - 15,000,000 in 2025.

Intellectual capital resources

Our core business processes are data and technology driven. Our customized suite of software tools allows us, for example, to transform weekly menus into efficient ingredients purchasing decisions, and to feedback information about pricing and availability into menu planning. Our technology automatically sets up weekly schedules for both production and delivery to our customers with their preferred delivery selection and provides us with data to further improve our products and processes.

Statement of corporate social responsibility

Hellofresh Nordic ApS wants to develop its businesses and meet its strategic challenges in an economically and socially sound manner.

Hellofresh Nordic ApS is a member of the Hellofresh Group, which has prepared a consolidated corporate governance statement report on corporate social responsibility for 2024.

Hellofresh Nordic ApS is an environmentally conscious company that continuously works to reduce the environmental impacts of the company's operations and has a policy of social responsibility, including the environment, human rights, and climate.

Hellofresh Nordic ApS has chosen to apply the exemption provision in section 99a (7) of the Danish Financial Statements Act, as the Hellofresh Group prepares a progress report every year. The Hellofresh Group consolidated corporate governance statement report on the corporate social responsibility for 2024 is made publicly available separately from the management report on the website of the parent Company under:

https://ir-api.eqs.com/media/document/640c6f85-99a3-44e7-ab91-0733f095c9b6/assets/2024_ENG_HelloFresh_Non-Financial_Report.pdf?disposition=inline

Statement on data ethics

Hellofresh Nordic ApS is part of the Hellofresh Group. Hellofresh Group has a policy of Data protection and privacy. The policy can be found on:
https://ir-api.eqs.com/media/document/640c6f85-99a3-44e7-ab91-0733f095c9b6/assets/2024_ENG_HelloFresh_Non-Financial_Report.pdf?disposition=inline

Unusual events

The financial position at 31 December 2024 of the Company and the results of the activities of the Company for the financial year for 2024 have not been affected by any unusual events.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Income Statement for 1 January - 31 December 2024

	Notes	2024 DKK	2023 DKK
Revenue	1	**770,270,391**	**836,928,654**
Expenses for raw materials and consumables		-374,538,309	-494,762,962
Other external expenses		-283,834,096	-222,024,120
Gross profit/loss		**111,897,986**	**120,141,571**
Staff expenses	2	-85,023,517	-86,554,603
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-689,707	-964,417
Profit before financial income and expenses		**26,184,762**	**32,622,552**
Financial income	4	10,586,019	11,096,411
Financial expenses	5	-6,944,920	-11,972,588
Profit before tax		**29,825,862**	**31,746,374**
Tax on profit / loss for the year	6	-6,616,409	-7,104,810
Net profit for the year		**23,209,453**	**24,641,564**
Distribution of profit	7		

Balance sheet 31 December 2024

Assets

	Notes	2024 DKK	2023 DKK
Other fixtures and fittings, tools and equipment		786,707	731,101
Leasehold improvements		104,666	382,560
Assets under construction		0	222,686
Property, plant and equipment	8	**891,373**	**1,336,347**
Investments in subsidiaries	9	293,022,329	293,022,329
Deposits	10	602,429	631,049
Fixed asset investments		**293,624,758**	**293,653,378**
Fixed assets		**294,516,131**	**294,989,725**
Trade receivables		776,268	821,779
Receivables from Group entities		74,497,680	5,267,565
Deferred tax asset	11	130,876	165,071
Corporation tax		394,578	0
Prepayments	12	391,755	375,081
Receivables		**76,191,157**	**6,629,496**
Cash		**9,109,500**	**65,599,149**
Current assets		**85,300,657**	**72,228,645**
Assets		**379,816,788**	**367,218,370**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Share capital		101,114	101,114
Retained earnings		313,053,352	289,843,899
Equity		**313,154,466**	**289,945,013**
Trade payables		2,144,093	2,745,184
Payables to Group entities		35,497,682	40,744,806
Tax liabilities		0	5,072,208
Other payables		21,443,287	21,243,251
Deferred income	13	7,577,260	7,467,908
Current liabilities		**66,662,323**	**77,273,357**
Liabilities		**66,662,323**	**77,273,357**
Equity and liabilities		**379,816,788**	**367,218,370**

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Statement of changes in equity for 2024

	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 1 January 2024	**101,114**	**289,843,900**	**289,945,014**
Net profit / loss for the year	0	23,209,453	23,209,453
Equity at 31 December 2024	**101,114**	**313,053,352**	**313,154,466**

Notes to the financial statements

		2024	2023
		DKK	DKK
1	**Revenue**		
	Revenue, Denmark	700,380,866	776,969,612
	Revenue, Germany	12,211,387	3,124,435
	Revenue, Netherlands	2,307,751	0
	Revenue, Sweden	36,836,862	16,914,673
	Revenue, Norway	18,533,525	39,919,934
		770,270,391	**836,928,654**
	Business segments		
	External Sales	700,380,866	776,969,612
	Intercompany Sales	69,889,525	59,959,042
		770,270,391	**836,928,654**
2	**Staff cost**		
	Wages and salaries	79,515,793	80,981,678
	Pensions	4,923,409	3,495,227
	Other social security cost	584,315	2,077,698
		85,023,517	**86,554,603**
	Average number of employees	126	119

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act. The Directors of the board have not received any remuneration in the period.

		2024	2023
3	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**		
	Depreciation of property, plant and equipment	689,707	964,417
		689,707	**964,417**
	Which is specified as follows:		
	Other fixtures and fittings, tools and equipment	411,814	575,914
	Leasehold improvements	277,893	388,503
		689,707	**964,417**
4	**Financial income**		
	Interest received from group enterprises	1,478,785	197,676
	Exchange gains	9,107,234	10,898,735
		10,586,019	**11,096,411**

Notes to the financial statements

	2024 DKK	2023 DKK
5 Financial expenses		
Interest paid to group enterprises	632,848	0
Exchange adjustments, expenses	6,312,071	11,972,588
	6,944,919	**11,972,588**

6 Tax on profit for the year		
Current tax for the year	6,839,378	7,072,208
Deferred tax for the year	-34,195	-28,333
Adjustments concerning prior years	-188,774	60,934
	6,616,409	**7,104,809**

	2024 DKK	2023 DKK
7 Distribution of profit		
Retained earnings	23,209,453	24,641,564
	23,209,453	**24,641,564**

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Assets under contruction DKK	Total DKK
8 Property, plant and equipment				
Cost at 1 January	2,394,568	1,315,411	222,686	3,932,665
Additions	244,733	0	0	244,733
Transfer	222,686	0	-222,686	0
Disposals	0	0	0	0
Cost at 31 December	2,861,987	1,315,411	0	4,177,398
Impairment losses and amortisation at 1 January	1,663,467	932,851	0	2,596,318
Depreciation for the year	411,813	277,893	0	689,707
Disposals	0	0	0	0
Impairment losses and amortisation at 31 December	2,075,280	1,210,744	0	3,286,025
Carrying amount at 31 December	**786,707**	**104,666**	**0**	**891,373**

Notes to the financial statements

	2024 DKK	2023 DKK
9 Investment in subidiaries		
Cost at 1 January	293,022,329	224,318,345
Additions for the year	0	68,703,984
Carrying amount at 31 December	**293,022,329**	**293,022,329**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
HelloFresh Sweden AB	Sweden	100%	**117,874,831**	**18,659,393**
HelloFresh Norway AS	Norway	100%	**33,456,726**	**10,483,138**

	Deposit DKK
10 Other fixed asset investments	
Cost at 1 January	631,049
Additions for the year	-28,619
Carrying amount at 31 December	**602,429**

11 Deferred tax asset		
Deferred tax asset at 1 January	165,071	136,739
Amounts recognised in the income statement for the year	-34,195	28,332
Carrying amount at 31 December	**130,876**	**165,071**

12 Prepayments

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

13 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

Notes to the financial statements

14 Contingent assets, liabilities and other financial obligations

	2024 DKK	2023 DKK
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1,626,177	804,703
Between 1 and 5 years	1,626,177	503,645
	3,252,354	**1,308,348**

15 Related parties

Transactions

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

Revenue	69,890	59,959
Cost of service	237,221	384,463
Other expenses	284,822	186,180
Financial income	1,479	198
Financial expenses	633	0
Intercompany receivables	74,498	5,268
Intercompany payables	35,498	40,745

Consolidated Financial Statements

The Company is part of the consolidated financial statements of:

Name	Place of registered office
HelloFresh SE	Prinzenstraße 89, 10969 Berlin, Germany

These can be found here:
https://ir-api.eqs.com/media/document/29b0f8fe-8de7-4e8b-bc37-b07943f143e3/assets/DE000A161408-JA-2024-EQ-E-00.pdf?disposition=inline

16 Fee to auditors appointed at the general meeting

With reference to section 96(3) of the Danish Financial Statements Act, information in relation to fee's to auditors has been excluded, HelloFresh Nordics A/S is included in the consolidated financial statements of HelloFresh SE, where the information for the whole group is included.

17 Subsequent events

There are no subsequent events after the balance sheet date to report

Notes to the financial statements

18 Accounting policies

The Annual Report of HelloFresh Nordics ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in DKK.

Consolidation
With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of HelloFresh SE, the Company has not prepared consolidated financial statements.

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 HelloFresh SE, the Company has not prepared a cash flow statement.

Basis of the 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
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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue
Information on business segments and geographical segments based on the Companys risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

18 Accounting policies (continued)

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. In addition the company generates revenue by performing management services for the Company's subsidiaries. Management services are provided by central functions such as finance and legal as well as by operations and marketing teams.

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 costs for sales, advertising, administration, premises and operating leasing costs etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses. Other employee costs are recognised in other external expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of other fixtures and fittings, tools and equipment as well as leasehold improvements.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit for the year

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

Balance sheet

Property, plant and equipment

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

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

The cost of assets under construction comprises of direct and indirect costs of materials.

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, tools and equipment	3 - 10 years
Leasehold improvements	2 - 5 years

Depreciation period and residual value are reassessed annually.

Notes to the financial statements

18 Accounting policies

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

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

Other fixed asset investments
Other fixed asset investments consist of deposits.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments
Prepayments comprise prepaid expenses concerning prepaid costs regarding subsequent financial years.

Deferred tax assets and liabilities
Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, 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 within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

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

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 debts
Debt consist primarily of intercompany loans and are measured at amortised cost, substantially corresponding to nominal value.

Deferred income
Deferred income comprises payments received in respect of income in subsequent years.

Notes to the financial statements

18 Accounting policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$