Interroll-Joki A/S

Hammerholmen 2-6, DK-2650 Hvidovre

Annual Report for 2024

CVR No. 43 52 17 13

The Annual Report was presented and adopted at the Annual General Meeting of the company on 26/6 2025

Carola Brandt
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Interroll-Joki 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.

Hvidovre, 26 June 2025

Executive Board

Andreas Traberg
CEO

Board of Directors

Markus Jakob Asch Chairman	Andreas Traberg	Laila Annika Carola Brandt

Independent Auditor's report

To the shareholder of Interroll-Joki 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 Interroll-Joki 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.

- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the Financial Statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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.

Independent Auditor's report

Hellerup, 26 June 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Kaare von Cappeln
State Authorised Public Accountant
mne11629

Thomas Lauritsen
State Authorised Public Accountant
mne34342

Company information

The Company	Interroll-Joki A/S Hammerholmen 2-6 DK-2650 Hvidovre Telephone: + 45 36883344 Website: www.interroll.com CVR No: 43 52 17 13 Financial period: 1 January - 31 December Incorporated: 11 December 1972 Municipality of reg. office: Hvidovre
Board of Directors	Markus Jakob Asch, chairman Andreas Traberg Laila Annika Carola Brandt
Executive Board	Andreas Traberg
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Bankers	Danske Bank Int'l Corporate Banking DK Holmens Kanal 2 1090 København K

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
	TEUR	TEUR	TEUR	TEUR	TEUR
Key figures					
Profit/loss					
Revenue	11,366	10,744	12,460	13,202	13,433
Gross profit	4,682	4,324	4,913	5,118	4,803
Profit/loss of primary operations	206	198	575	797	869
Profit/loss of financial income and expenses	3,690	3,329	4,252	1,804	705
Net profit/loss for the year	3,797	3,430	4,694	2,422	1,377
Balance sheet					
Balance sheet total	42,292	34,982	27,631	20,725	15,315
Investment in property, plant and equipment	832	846	242	254	591
Equity	27,717	23,920	20,490	15,796	13,374
Number of employees	42	43	44	44	46
Ratios					
Gross margin	41.2%	40.2%	39.4%	38.8%	35.8%
Profit margin	1.8%	1.8%	4.6%	6.0%	6.5%
Return on assets	0.5%	0.6%	2.1%	3.8%	5.7%
Solvency ratio	65.5%	68.4%	74.2%	76.2%	87.3%

Management's review

Key activities

Interroll-Joki A/S is part of the Interroll Group, a global leader in solutions for internal logistics. Interroll-Joki A/S core activities include the production of drum motors, conveyor solutions, and top modules for mobile robots. Our drum motors and conveyor systems form the backbone of many modern automation systems and are widely used in industries such as e-commerce, food production, and retail.

As part of the Interroll Group, we collaborate closely across the organization, particularly in sales, innovation, and technological development. This collaboration helps us optimize our product portfolio and ensures we can offer the market's most efficient and reliable solutions. Our conveyor systems are designed to integrate seamlessly with other technologies, including mobile robots, which have been a significant growth area for us this year.

Development in the year

The income statement of the Company for 2024 shows a profit of TEUR 3,797, and at 31 December 2024 the balance sheet of the Company shows a positive equity of TEUR 27,717.

2024 was overall a reasonably solid year — we experienced revenue growth of approximately 6% compared to 2023, contrary to the expected decline of 3–5% announced in the 2023 annual report. This growth was primarily driven by strong sales of drum motors for reverse vending machines, as well as an increase in conveyor sales to supermarkets.

The global macroeconomic climate continues to influence customer behaviour and fosters an atmosphere of caution. Our dedicated focus on inventory management and raw material price optimization enabled the company to close 2024 with a pre-tax result that is nearly 13% better than in 2023 (before results from subsidiaries) and better than expected, as outlined in the 2023 annual report.

The company's persistent focus on product development continued, even under these difficult market conditions, with the aim of future-proofing the product portfolio for Interroll-Joki A/S. The new products were not only aimed at existing markets, but also intended to significantly expand the company's available markets in the coming years.

The "Zero Defect" quality strategy, which included the entire supply chain, including suppliers, remained central. The company has maintained an impressive level of customer satisfaction, and the historically low number of complaints proves that the strategy is effective.

Operating risks

When it comes to risk factors, the company does not identify any general risks beyond the macroeconomic uncertainty picture. Retention of skilled employees remains a key priority, and the focus on skills development and employee profiling has been intensified.

Development activities

Product development continues as a high priority with a focus on expanding existing markets and developing new products for new market segments. In recent years, in particular, there has been considerable effort in the area of "Plug'n'Play" conveyors for production automation and efficiency. The company optimistically looks forward to tackling the challenges in the coming year with a realistic but positive approach.

Targets and expectations for the year ahead

Looking ahead to 2025, Interroll-Joki A/S approaches the year with balanced optimism, even though no growth is expected. A minor decline in revenue of 3–5% has been budgeted for. The challenging decline in order intake in 2024, primarily due to uncertainties in Eastern European markets, has taught the company to navigate with caution in a global economic landscape characterised by volatility. Since the global situation by and large does not seem to have changed significantly, we have determined a conservative course for our expectations for 2025. However, it is our expectation for the result before tax that we are able to maintain this compared to 2024. We will take the necessary steps to adjust costs to the expected declining turnover.

In addition to product development, productivity improvements are a key priority for 2025, with a focus on automation and process efficiency in production. This initiative, launched in 2023 with a strong focus on robotics, will continue into 2026 to ensure that the company's capabilities match the wider product range. With the current motor portfolio firmly positioned in supermarkets and light industry, as well as the new product line within conveyors for factory automation, the company expects in the medium term (5-year horizon) an annual revenue growth of up to 10–15%. The new product line is expected to have a higher earning potential than the company's current core business, which strengthens the overall operating result in the coming years.

Uncertainty relating to recognition and measurement

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

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.

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	2023
		TEUR	TEUR
Revenue		11,366	10,744
Other operating income		7	0
Expenses for raw materials and consumables		-5,503	-5,423
Other external expenses		-1,188	-997
Gross profit		**4,682**	**4,324**
Staff expenses	1	-4,037	-3,715
Depreciation and impairment losses of property, plant and equipment		-439	-411
Profit/loss before financial income and expenses		**206**	**198**
Income from investments in subsidiaries		3,477	3,156
Financial income	2	600	466
Financial expenses	3	-387	-293
Profit/loss before tax		**3,896**	**3,527**
Tax on profit/loss for the year	4	-99	-97
Net profit/loss for the year	5	**3,797**	**3,430**

Balance sheet 31 December

Assets

	Note	2024	2023
		TEUR	TEUR
Land and buildings		736	824
Plant and machinery		1,429	1,864
Other fixtures and fittings, tools and equipment		64	94
Property, plant and equipment in progress		948	0
Property, plant and equipment	6	**3,177**	**2,782**
Investments in subsidiaries	7	17,715	14,238
Fixed asset investments		**17,715**	**14,238**
Fixed assets		**20,892**	**17,020**
Raw materials and consumables		1,979	1,506
Work in progress		113	144
Inventories		**2,092**	**1,650**
Receivables from group enterprises		17,981	15,213
Other receivables		197	34
Corporation tax receivable from group enterprises		754	764
Prepayments	8	23	22
Receivables		**18,955**	**16,033**
Cash at bank and in hand		**353**	**279**
Current assets		**21,400**	**17,962**
Assets		**42,292**	**34,982**

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		TEUR	TEUR
Share capital		2,014	2,014
Reserve for net revaluation under the equity method		17,581	14,104
Retained earnings		8,122	7,802
Equity		**27,717**	**23,920**
Provision for deferred tax	9	118	131
Other provisions	10	40	46
Provisions		**158**	**177**
Trade payables		1,390	577
Payables to group enterprises		12,438	9,817
Corporation tax		89	111
Other payables		500	380
Short-term debt		**14,417**	**10,885**
Debt		**14,417**	**10,885**
Liabilities and equity		**42,292**	**34,982**
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Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TEUR	TEUR	TEUR	TEUR
Equity at 1 January	2,014	14,104	7,802	23,920
Net profit/loss for the year	0	3,477	320	3,797
Equity at 31 December	**2,014**	**17,581**	**8,122**	**27,717**

Notes to the Financial Statements

		2024	2023
		TEUR	TEUR
1.	**Staff expenses**		
	Wages and salaries	3,541	3,256
	Pensions	333	299
	Other social security expenses	91	95
	Other staff expenses	72	65
		4,037	**3,715**

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

	2024	2023
Average number of employees	**42**	**43**

		2024	2023
		TEUR	TEUR
2.	**Financial income**		
	Interest from group enterprises	577	452
	Other financial income	15	6
	Exchange adjustments	8	8
		600	**466**

		2024	2023
		TEUR	TEUR
3.	**Financial expenses**		
	Interest to group enterprises	366	254
	Exchange adjustments, expenses	21	39
		387	**293**

Notes to the Financial Statements

4. Income tax expense

	2024	2023
	TEUR	TEUR
Current tax for the year	106	74
Deferred tax for the year	-13	7
Adjustment of tax concerning previous years	6	16
	99	**97**

5. Profit allocation

	2024	2023
	TEUR	TEUR
Reserve for net revaluation under the equity method	3,477	3,156
Retained earnings	320	274
	3,797	**3,430**

6. Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	TEUR	TEUR	TEUR	TEUR
Cost at 1 January	4,735	6,335	292	0
Additions for the year	6	143	10	673
Disposals for the year	-43	-777	-39	0
Transfers for the year	0	-275	0	275
Cost at 31 December	4,698	5,426	263	948
Impairment losses and depreciation at 1 January	3,911	4,471	198	0
Depreciation for the year	94	303	40	0
Reversal of impairment and depreciation of sold assets	-43	-777	-39	0
Impairment losses and depreciation at 31 December	3,962	3,997	199	0
Carrying amount at 31 December	**736**	**1,429**	**64**	**948**

	2024	2023
	TEUR	TEUR
7. Investments in subsidiaries		
Cost at 1 January	134	134
Cost at 31 December	134	134
Value adjustments at 1 January	14,104	10,948
Net profit/loss for the year	3,477	3,156
Value adjustments at 31 December	17,581	14,104
Carrying amount at 31 December	**17,715**	**14,238**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Interroll Nordic A/S	Danmark	67.000 EUR	100%

8. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurances and subscriptions.

	2024	2023
	TEUR	TEUR
9. Provision for deferred tax		
Deferred tax liabilities at 1 January	131	124
Amounts recognised in the income statement for the year	-13	7
Deferred tax liabilities at 31 December	**118**	**131**
Property, plant and equipment	127	141
Guarantees	-9	-10
	118	**131**

	2024	2023
	TEUR	TEUR

10. Other provisions

	2024 TEUR	2023 TEUR
Provisions for warranties	40	46
	40	**46**
The provisions are expected to mature as follows:		
Between 1 and 5 years	40	46
After 5 years	0	0
	40	**46**

Provisions for warranties obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

	2024	2023
	TEUR	TEUR

11. Contingent assets, liabilities and other financial obligations

Charges and security

	2024 TEUR	2023 TEUR
The following assets have been placed as security with bankers:		
Land and buildings with a carrying amount of	736	824

Other contingent liabilities

The Company is jointly and severally liable for tax on the jointly taxed income with Interroll Nordic A/S. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, royalty tax and tax on unearned income.

12. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
INTERROLL HOLDING AG	Holds 100% ownership of the share capital

Other related parties

Related parties include other companies in the Interroll Group.

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:

Name	Place of registered office
Interroll Holding AG	Schweiz

The Group Annual Report of Interroll Holding AG may be obtained at the following address:

Zona Industriale
6592 S. Antonio
Schweiz

Notes to the Financial Statements

13. Accounting policies

The Annual Report of Interroll-Joki 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 TEUR.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Interroll Holding AG, 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 Interroll Holding AG, the Company has not prepared a cash flow statement.

Recognition and measurement

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

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

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.

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.

Notes to the Financial Statements

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.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

Expenses for raw materials and consumables

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

Other external expenses

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

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

Notes to the Financial Statements

Tax on profit/loss 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.

The Company is jointly taxed with Interroll Nordic A/S. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

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

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

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

Production buildings	25 years
Other buildings	25 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item"Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

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

The cost of raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurances, subscriptions and interest.

Provisions

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

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

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

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

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

Current tax receivables and liabilities

Current tax 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

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

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of primary operations x 100 / Revenue
Return on assets	Profit/loss of primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end