Croda Denmark A/S

Elsenbakken 23, DK-3600 Frederikssund

Annual Report for 1 January - 31 December 2022

CVR No 36 05 87 14

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 3 /07 2023

Peter Holm Tygesen
Chairman of the General Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Croda Denmark A/S for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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.

Frederikssund, 3 July 2023

Executive Board

Peter Holm Tygesen
CEO

Board of Directors

Daniele Piergentili Chairman	Jørgen Peter Brodersen	Peter Holm Tygesen

Independent Auditor's Report

To the Shareholder of Croda Denmark A/S

Report on the Financial Statements

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Croda Denmark A/S for the financial year 1 January - 31 December 2022, 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 Financials 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.

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 3 July 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild
State Authorised Public Accountant
mne33262

Nikolaj Erik Johnsen
State Authorised Public Accountant
mne35806

Company Information

The Company	Croda Denmark A/S Elsenbakken 23 DK-3600 Frederikssund CVR No: 36 05 87 14 Financial period: 1 January - 31 December Municipality of reg. office: Frederikssund
Board of Directors	Daniele Piergentili, Chairman Jørgen Peter Brodersen Peter Holm Tygesen
Executive Board	Peter Holm Tygesen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	165,405	136,855	81,110	47,797	82,648
Operating profit/loss	64,330	54,985	14,572	-16,799	18,429
Profit/loss before financial income and expenses	64,467	54,931	14,328	-16,272	15,211
Net financials	3,150	2,220	-1,049	-358	-649
Net profit/loss for the year	53,052	44,862	10,941	-13,774	11,312
Balance sheet					
Balance sheet total	494,824	451,179	410,456	365,419	348,777
Equity	325,901	272,849	247,987	209,969	186,743
Investment in property, plant and equipment	0	0	-16,199	0	0
Number of employees	114	98	85	86	85
Ratios					
Return on assets	13.0%	12.2%	3.5%	-4.5%	4.4%
Solvency ratio	65.9%	60.5%	60.4%	57.5%	53.5%
Return on equity	17.7%	17.2%	4.8%	-6.9%	6.6%

Management's Review

Key activities

The Company's activity consists of the production and sale of adjuvants.

Sales are mainly effected to countries outside the EU.

Development in the year

The income statement of the Company for 2022 shows a profit of DKK 53.0 million, and at 31 December 2022 the balance sheet of the Company shows equity of DKK 325.9 million.

2022 has been another milestone year for Croda Denmark A/S. Following the record-breaking year of 2021 where we benefited from the strong demand for COVID vaccines, we have further increased our gross profit by nearly DKK 30 million.

Overall sales growth over 2022 was 15% compared to LY while the same profit percentage has been successfully maintained.

Expectations for 2023

The outlook for 2023 remains robust. Although we do not expect the same sales growth compared to the previous years due to the gradual fading out of COVID demand from our total turnover during 2023, the company is confident in rapidly reallocating capacity to meet the demand from our non-COVID related customers. Operating profits would be lower due to adverse mix effect as we would be selling less to human vaccine customers which command a price premium. For the first 5 months of the year we also faced some exchange headwinds in terms of depreciating USD versus DKK and we also faced higher costs due to lower amount of stock overhead movement as production level are lower than previous year.

Operating risks

The Company produces and sells goods, and the risk is related to Company's production capacity.

Market risks

The Company is currently subject to the competition and market situation - including customer expectations to the future and thus the demand for products offered by the Company.

Credit risks

The Company's credit risks relate exclusively to our customers. Internal control systems in the form of tight credit control and application of external credit information imply that the Company is not subject to any material risks posed by individual customers or business partners, and historically the Company has not realized any major bad debts.

Management's Review

Strategy and objectives

Strategy

The Company's strategy is to develop our core business, i.e. aluminum-based adjuvants, through an everstronger connection with our customer base in terms of delivering products and expertise to the customers. In addition, we will continuosly expand our current production capacity to reflect the growth in the adjuvant market. Lastly, it is a strategic decision to work purposefully to expand our product portfolio through the development, and launch, of new and innovative adjuvants.

External environment

Croda is continuously working on limiting our impact on the external environment surrounding our warehouses and factories in accordance with the current rules.

The Croda Group furthermore places a numbers of requirements on the Company´s management of the external environment.

Uncertainty relating to recognition and measurement

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

Income Statement 1 January - 31 December

	Note	2022	2021
		TDKK	TDKK
Gross profit/loss		**165,405**	**136,855**
Staff expenses	1	-89,843	-72,791
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-11,095	-9,133
Profit/loss before financial income and expenses		**64,467**	**54,931**
Financial income		10,202	3,086
Financial expenses		-7,052	-866
Profit/loss before tax		**67,617**	**57,151**
Tax on profit/loss for the year	2	-14,565	-12,289
Net profit/loss for the year		**53,052**	**44,862**

Balance Sheet 31 December

Assets

	Note	2022	2021
		TDKK	TDKK
Acquired customer list		6,069	6,897
Software		0	7
Intangible assets	3	**6,069**	**6,904**
Land and buildings		60,627	56,690
Plant and machinery		92,520	82,314
Other fixtures and fittings, tools and equipment		213	241
Leasehold improvements		0	0
Property, plant and equipment in progress		17,171	27,928
Property, plant and equipment	4	**170,531**	**167,173**
Investments in subsidiaries	5	151,657	151,657
Deposits	6	735	319
Fixed asset investments		**152,392**	**151,976**
Fixed assets		**328,992**	**326,053**
Inventories	7	**54,264**	**32,769**
Trade receivables		5,731	31,341
Receivables from group enterprises		11,437	17,527
Other receivables		0	4,271
Corporation tax		10,370	1,643
Prepayments	8	355	0
Receivables		**27,893**	**54,782**
Cash at bank and in hand		**83,675**	**37,575**
Currents assets		**165,832**	**125,126**
Assets		**494,824**	**451,179**

Balance Sheet 31 December

Liabilities and equity

	Note	2022	2021
		TDKK	TDKK
Share capital	9	500	500
Retained earnings		325,401	272,349
Equity		**325,901**	**272,849**
Provision for deferred tax	11	17,567	10,873
Provisions		**17,567**	**10,873**
Other payables		126,560	126,560
Long-term debt	12	**126,560**	**126,560**
Trade payables		9,160	16,689
Payables to group enterprises		2,316	4,911
Other payables	12	13,320	14,082
Deferred income		0	5,215
Short-term debt		**24,796**	**40,897**
Debt		**151,356**	**167,457**
Liabilities and equity		**494,824**	**451,179**
Distribution of profit	10		
Contingent assets, liabilities and other financial obligations	13		
Related parties	14		
Accounting Policies	15		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	500	272,349	272,849
Net profit/loss for the year	0	53,052	53,052
Equity at 31 December	**500**	**325,401**	**325,901**

Notes to the Financial Statements

		2022	2021
		TDKK	TDKK
1	**Staff expenses**		
	Wages and salaries	82,741	66,799
	Pensions	7,146	5,732
	Other social security expenses	-44	260
		89,843	**72,791**
	Average number of employees	**114**	**98**

In accordance with section 98(b)(3) of Danish Financial Statements Act, remuneration to the Executive Board i not disclosed.

		2022	2021
2	**Tax on profit/loss for the year**		
	Current tax for the year	7,871	10,357
	Deferred tax for the year	6,694	1,917
	Adjustment of tax concerning previous years	0	15
		14,565	**12,289**

Notes to the Financial Statements

3 Intangible assets

	Acquired customer list	Software
	TDKK	TDKK
Cost at 1 January	8,277	2,000
Cost at 31 December	8,277	2,000
Impairment losses and amortisation at 1 January	1,380	1,993
Amortisation for the year	828	7
Impairment losses and amortisation at 31 December	2,208	2,000
Carrying amount at 31 December	**6,069**	**0**
Amortised over		3-10 years

4 Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	75,159	138,580	730	2,626	28,851
Additions for the year	5,678	709	0	0	7,719
Transfers for the year	0	17,994	0	0	-17,994
Cost at 31 December	80,837	157,283	730	2,626	18,576
Impairment losses and depreciation at 1 January	18,469	56,266	489	2,626	923
Impairment losses for the year	0	0	0	0	482
Depreciation for the year	1,741	8,497	28	0	0
Impairment losses and depreciation at 31 December	20,210	64,763	517	2,626	1,405
Carrying amount at 31 December	**60,627**	**92,520**	**213**	**0**	**17,171**
Depreciated over	30-40 years	4-20 years	4-6 years	3-8 years	

Notes to the Financial Statements

		2022	2021
		TDKK	TDKK
5	**Investments in subsidiaries**		
	Cost at 1 January	151,657	151,657
	Carrying amount at 31 December	**151,657**	**151,657**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Adjuvac International AB	Uppsala	SEK 50.000	100%

6 Other fixed asset investments

	Deposits
	TDKK
Cost at 1 January	735
Cost at 31 December	735
Carrying amount at 31 December	**735**

7 Inventories

	2022	2021
Raw materials and consumables	10,499	8,210
Work in progress	2,880	33
Finished goods and goods for resale	40,885	24,526
	54,264	**32,769**

8 Prepayments

Prepayments consist of prepaid expenses concerning rent and insurance premiums.

Notes to the Financial Statements

9 Equity

The share capital consists of 500,000 shares of a nominal value of TDKK 1. No shares carry any special rights.

10 Distribution of profit

Extraordinary dividend paid	0	20,000
Retained earnings	53,052	24,862
	53,052	**44,862**

11 Provision for deferred tax

Provision for deferred tax at 1 January	10,873	8,956
Amounts recognised in the income statement for the year	6,694	1,917
Provision for deferred tax at 31 December	**17,567**	**10,873**
	17,567	**10,873**

12 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2022 TDKK	2021 TDKK
Other payables		
Between 1 and 5 years	126,560	126,560
Long-term part	126,560	126,560
Other short-term payables	13,320	14,082
	139,880	**140,642**

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
13 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	110	171
Between 1 and 5 years	28	169
	138	**340**
Rental obligations	5,806	4,304

Notes to the Financial Statements

14 Related parties

	Basis
Controlling interest	
Croda Europe Limited	Majority shareholder

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)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the consolidated financial statements of Croda International Plc.

Name	Place of registered office
Croda International Plc	East Yorkshire, England

The Group Annual Report of Croda International Plc may be obtained at the following address:

Croda International Plc
Cowick Hall
Snaith
Goole
East Yorkshire DN14 9AA
England

Notes to the Financial Statements

15 Accounting Policies

The Annual Report of Croda Denmark A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Financial Statements for 2022 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Croda International Plc, 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 Croda International Plc, 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.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

Notes to the Financial Statements

15 Accounting Policies (continued)

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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.

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.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract 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 contract.

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

15 Accounting Policies (continued)

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.

Gross profit/loss

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

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment 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.

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/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.

Notes to the Financial Statements

15 Accounting Policies (continued)

Balance Sheet

Intangible assets

Software is measured at cost with deduction of accumulated amortisation. Software are amortised on a straight line basis over an evaluation of the expected useful life. Usually, the amortisation period is 3-8 years.

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.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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	30-40	years
Plant and machinery	4-20	years
Other fixtures and fittings, tools and equipment	4-6	years
Leasehold improvements	3-8	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 intangible assets and 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.

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

Notes to the Financial Statements

15 Accounting Policies (continued)

Investments in subsidiaries

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

Other fixed asset investments

Other fixed asset investments consist of deposits.

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. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

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

Prepayments

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

Equity

Dividend

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

Notes to the Financial Statements

15 Accounting Policies (continued)

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 debts

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

Deferred income

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

Financial Highlights

Explanation of financial ratios

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	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$