
Unilabs A/S

Nygårdsvej 32, DK-2100 København Ø

Annual Report for 2024

CVR No. 29 45 82 19

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 1/7 2025

Thomas Axel Per
Lindahl
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 Unilabs 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.

Copenhagen, 1 July 2025

Executive Board

Dhylum Alacon
Director

Board of Directors

Thomas Axel Per Lindahl
Chairman

Kristine Bøje Carstensen

Shalinee Basak

Dhylum Alacon

Pernille Bundgaard
Employee representative

Linda Poulsen
Employee representative

Independent Auditor's report

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

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

Hellerup, 1 July 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Gösta Gauffin

State Authorised Public Accountant

mne45821

Company information

The Company	Unilabs A/S Nygårdsvej 32 DK-2100 København Ø CVR No: 29 45 82 19 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Thomas Axel Per Lindahl, chairman Kristine Bøje Carstensen Shalinee Basak Dhilum Alacon Pernille Bundgaard, employee representative Linda Poulsen, employee representative
Executive Board	Dhilum Alacon
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	88,839	70,149	67,790	57,405	49,910
Profit/loss of primary operations	51,126	29,150	21,696	18,566	10,277
Profit/loss of financial income and expenses	6,047	6,379	2,049	2,110	1,734
Net profit/loss for the year	44,593	27,652	18,190	16,124	9,294
Balance sheet					
Balance sheet total	100,837	217,789	177,781	149,694	134,021
Investment in property, plant and equipment	647	423	796	998	4,427
Equity	52,324	167,731	140,079	121,889	105,765
Number of employees	47	52	50	46	48
Ratios					
Return on assets	50.7%	13.4%	12.2%	12.4%	7.7%
Solvency ratio	51.9%	77.0%	78.8%	81.4%	78.9%
Return on equity	40.5%	18.0%	13.9%	14.2%	10.4%

Management's review

Key activities

The primary activity of the Company is to support drug development as a leading provider of laboratory services and solutions for the pharmaceutical and biotechnology industries. The Company conducts bioanalytical testing that supports clinical trials and post-market surveillance, ensuring that new therapies are developed efficiently and comply with regulatory requirements.

Development in the year

The income statement of the Company for 2024 shows a profit of TDKK 44,593, and at 31 December 2024 the balance sheet of the Company shows a positive equity of TDKK 52,324.

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

In 2024, the company's turnover increased by 2%, driven primarily by two key factors. Firstly, there was a notable increase in project volume from existing, long-term customers who continued to place their trust in the company's capabilities. Secondly, a wave of new customers was onboarded, largely as a result of the company's strong track record in clinical trial execution and its growing reputation within the drug development sector. This expansion was underpinned by successful progression of several molecules in the pipeline into later stages of clinical development, which, in turn, created additional demand for the company's specialized support services.

The improved momentum in the clinical pipeline was closely linked to the company's ability to deliver high-quality, compliant, and timely project outcomes. Customers increasingly relied on the company to provide expanded analytical, regulatory, and project management support, contributing positively to both turnover and long-term strategic partnerships.

In parallel, gross profit per project also showed a year-over-year improvement. This encouraging development reflects the impact of targeted initiatives launched to enhance project delivery performance and resource efficiency. Through structured efforts in resource planning, capacity alignment, and cross-functional collaboration, the company succeeded in improving both the cost base and execution quality. While variability in project composition and timelines remains a factor, the general trend towards improved profitability per engagement indicates solid progress in operational effectiveness.

The profit for the year was higher than expected due to the combined effect of increased customer demand, successful project execution, and cost optimization initiatives. This performance not only exceeded internal forecasts but also reinforced the robustness of the company's operational model.

Additionally, the organizational changes initiated in 2023 started to yield tangible benefits in 2024. A more streamlined and cost-conscious organizational structure, combined with refined role definitions and team accountability, led to a measurable reduction in personnel costs. These efforts not only enhanced cost efficiency but also helped foster a more agile and delivery-focused company culture.

Looking ahead, the positive financial and operational developments of 2024 lay a strong foundation for continued growth and strategic positioning within the competitive landscape of drug development services.

The company during 2024 paid an extraordinary dividend of DKK 160,000k.

Targets and expectations for the year ahead

The focus is on maintaining the current business within pharma and biotech, supporting drug development projects, and monitoring patients in 2025.

Focus on improving operational efficiency and achieving commercial excellence to secure new business. The company expects revenue and profit for the coming year to be TDKK 32,969.

Aim to build a sustainable Pharma Solutions business within the Unilab's network, enhancing lab connectivity to streamline workflow, reduce silos, and offer unified services.

Management's review

The long-term strategy is to become a global leader in speciality lab testing for pharma, specializing in drug development, gaining reputation and market share.

Intellectual capital resources

The Company's knowledge of clinical biochemistry and regulated biomarker analysis is vested in the Company's employees. Unilabs has many skilled employees across its international laboratories supporting pharma drug development projects. The international approach ensures a robust capacity to deliver and reduces exposure to local changes in a given laboratory.

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Income statement 1 January - 31 December

	Note	2024	2023
		TDKK	TDKK
Gross profit		88,839	70,149
Staff expenses	1	-36,469	-39,214
Earnings before interest, taxes, depreciation and amortisation		52,370	30,935
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-1,244	-1,785
Profit/loss before financial income and expenses		51,126	29,150
Financial income	3	6,632	7,546
Financial expenses	4	-585	-1,167
Profit/loss before tax		57,173	35,529
Tax on profit/loss for the year	5	-12,580	-7,877
Net profit/loss for the year	6	44,593	27,652

Balance sheet 31 December

Assets

	Note	2024	2023
		TDKK	TDKK
Completed development projects		0	7
Development projects in progress		401	0
Intangible assets	7	401	7
Plant and machinery		1,528	2,154
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		36	0
Property, plant and equipment	8	1,564	2,154
Receivables from group enterprises	9	0	61,114
Other receivables	9	2,239	2,356
Fixed asset investments		2,239	63,470
Fixed assets		4,204	65,631
Raw materials and consumables		2,134	3,731
Finished goods and goods for resale		176	41
Inventories		2,310	3,772
Trade receivables		23,399	20,150
Receivables from group enterprises		63,178	124,431
Other receivables		4,647	985
Deferred tax asset	10	1,500	1,555
Prepayments	11	1,599	1,265
Receivables		94,323	148,386
Current assets		96,633	152,158
Assets		100,837	217,789

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		TDKK	TDKK
Share capital		2,000	2,000
Reserve for development costs		313	5
Retained earnings		50,011	165,726
Equity		52,324	167,731
Other provisions	12	1,930	1,930
Provisions		1,930	1,930
Trade payables		18,321	16,751
Payables to group enterprises		7,477	6,015
Corporation tax		12,850	8,858
Other payables		7,935	16,504
Short-term debt		46,583	48,128
Debt		46,583	48,128
Liabilities and equity		100,837	217,789
Contingent assets, liabilities and other financial obligations	13		
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Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	2,000	5	165,726	167,731
Extraordinary dividend paid	0	0	-160,000	-160,000
Development costs for the year	0	308	-308	0
Net profit/loss for the year	0	0	44,593	44,593
Equity at 31 December	2,000	313	50,011	52,324

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
1. Staff expenses		
Wages and salaries	32,127	35,809
Pensions	2,595	2,490
Other social security expenses	406	387
Other staff expenses	1,341	528
	<u>36,469</u>	<u>39,214</u>

The Company's remuneration for Executive Board for 2024 amounted to TDKK 2,630. The amount includes base salary, bonuses, pension and other benefits. Remuneration to the Executive Board for 2023 has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

The Board of Directors do not receive remuneration.

Average number of employees	<u>47</u>	<u>52</u>
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	2024	2023
	TDKK	TDKK
2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	7	321
Depreciation of property, plant and equipment	1,179	1,444
Gain and loss on disposal	58	20
	<u>1,244</u>	<u>1,785</u>

	2024	2023
	TDKK	TDKK
3. Financial income		
Interest from group enterprises	5,920	6,211
Other financial income	21	0
Exchange gains	691	1,335
	<u>6,632</u>	<u>7,546</u>

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
4. Financial expenses		
Interest to group enterprises	5	18
Other financial expenses	73	225
Exchange loss	507	924
	585	1,167
	2024	2023
	TDKK	TDKK
5. Income tax expense		
Current tax for the year	12,525	8,533
Deferred tax for the year	55	-656
	12,580	7,877
	2024	2023
	TDKK	TDKK
6. Profit allocation		
Extraordinary dividend paid	160,000	0
Retained earnings	-115,407	27,652
	44,593	27,652
7. Intangible fixed assets		
	Completed development projects	Develop- ment projects in progress
	TDKK	TDKK
Cost at 1 January	9,339	0
Additions for the year	0	401
Cost at 31 December	9,339	401
Impairment losses and amortisation at 1 January	9,332	0
Amortisation for the year	7	0
Impairment losses and amortisation at 31 December	9,339	0
Carrying amount at 31 December	0	401

Notes to the Financial Statements

8. Property, plant and equipment

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	TDKK	TDKK	TDKK
Cost at 1 January	10,978	2,122	300
Additions for the year	610	0	37
Disposals for the year	-511	0	0
Cost at 31 December	<u>11,077</u>	<u>2,122</u>	<u>337</u>
Impairment losses and depreciation at 1 January	8,824	2,122	300
Depreciation for the year	1,178	0	1
Reversal of impairment and depreciation of sold assets	-453	0	0
Impairment losses and depreciation at 31 December	<u>9,549</u>	<u>2,122</u>	<u>301</u>
Carrying amount at 31 December	<u>1,528</u>	<u>0</u>	<u>36</u>

9. Other fixed asset investments

	Receivables from group enterprises	Other receivables
	TDKK	TDKK
Cost at 1 January	61,114	2,356
Disposals for the year	-61,114	-117
Cost at 31 December	<u>0</u>	<u>2,239</u>
Carrying amount at 31 December	<u>0</u>	<u>2,239</u>

10. Deferred tax asset

	2024	2023
	TDKK	TDKK
Deferred tax asset at 1 January	1,555	899
Amounts recognised in the income statement for the year	-55	656
Deferred tax asset at 31 December	<u>1,500</u>	<u>1,555</u>

Notes to the Financial Statements

11. Prepayments

Prepayments are made up of prepaid costs relating to services, rent, insurance premiums, subscriptions and interest.

<u>2024</u>	<u>2023</u>
TDKK	TDKK

12. Other provisions

Other provisions at 1 January

1,930	1,930
<u>1,930</u>	<u>1,930</u>

The provisions are expected to mature as follows:

After 5 years

1,930	1,930
<u>1,930</u>	<u>1,930</u>

<u>2024</u>	<u>2023</u>
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

4,837

3,565

Between 1 and 5 years

12,265

125

<u>17,102</u>	<u>3,690</u>
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Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

14. Related parties and disclosure of consolidated financial statements

Transactions

	2024	2023
	TDKK	TDKK
Cost recharged to parent company	8,833	5,941
Cost recharged to sister companies	352	0
Services sold to sister companies	405	413
Services rendered from parent company	10,079	3,993
Services rendered from sister companies	8,256	14,655
Interests received from parent company	2,407	3,264
Interests received from sister companies	3,513	2,947
Interests paid to sister companies	5	18
Loans to parent company	0	61,114
Receivables from parent company	0	817
Receivables from sister companies	63,178	123,615
Payables to parent company	6,996	0
Payables to sister companies	481	6,015

Please refer to Note 1 regarding remuneration to the Executive Board.

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
A.P. Møller Holding A/S	Copenhagen
Unilabs Group Holding ApS	Copenhagen

The Group Annual Report of Unilabs Group Holding ApS may be obtained at the following address: Nygårdsvej 32, 2100 København Ø.

Unilabs Group Holding ApS is included in the Consolidated Financial Statements for A.P. Møller Holding A/S, Copenhagen, Denmark, Business Registration No 25 67 92 88. The Consolidated Financial Statements of A.P. Møller Holding A/S can be obtained at <https://apmoller.com/reports/>.

Notes to the Financial Statements

15. Accounting policies

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

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in TDKK.

Cash flow statement

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

Recognition and measurement

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

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

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

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

Leases

All 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

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

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

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

Notes to the Financial Statements

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

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 expenses for premises, sales as well as office expenses, etc.

Gross profit

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

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

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 includes refunding group costs as well as profit on freight to costumers.

Financial income and expenses

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

Notes to the Financial Statements

Tax on profit/loss for the year

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

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

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

Balance sheet

Intangible fixed assets

Development projects

Costs of software-development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work.

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:

Plant and machinery	5 - 10 years
Other fixtures and fittings, tools and equipment	1 - 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 intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

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

Other fixed asset investments

Other fixed asset investments consist of deposits.

Notes to the Financial Statements

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 goods for resale, raw materials and consumables equals landed cost.

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.

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.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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

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

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

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

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

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

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