Deloitte.

**Denver A/S**

Omega 5 A
8382 Hinnerup
CVR No. 18831678

**Annual report 01.04.2022 - 31.03.2023**

The Annual General Meeting adopted the annual report on 24.05.2023

**Jesper Ganzhorn Ørskov**
Chairman of the General Meeting

# Contents

# Entity details

### Entity

Denver A/S

Omega 5 A

8382 Hinnerup

Business Registration No.: 18831678

Registered office: Favrskov

Financial year: 01.04.2022 - 31.03.2023

Phone number: 86226100

URL: www.denver.eu

### Board of Directors

Jesper Ganzhorn Ørskov
Henrik Kristensen
Jette Dahl Trans Kristensen
Torben Ulrich
Camilla Ulrich

### Executive Board

Torben Balmer

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Denver A/S for the financial year 01.04.2022 - 31.03.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.03.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.04.2022 - 31.03.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 24.05.2023

### Executive Board

**Torben Balmer**

### Board of Directors

**Jesper Ganzhorn Ørskov**

**Henrik Kristensen**

**Jette Dahl Trans Kristensen**

**Torben Ulrich**

**Camilla Ulrich**

# Independent auditor's report

**To the shareholders of Denver A/S**

## Opinion

We have audited the consolidated financial statements and the parent financial statements of Denver A/S for the financial year 01.04.2022 - 31.03.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.03.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.04.2022 - 31.03.2023 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor’s report. We are independent of the Group 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.

## Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Entity’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 consolidated financial statements and the parent 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 Group's and the Entity’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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. 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.

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 24.05.2023

**Deloitte**
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

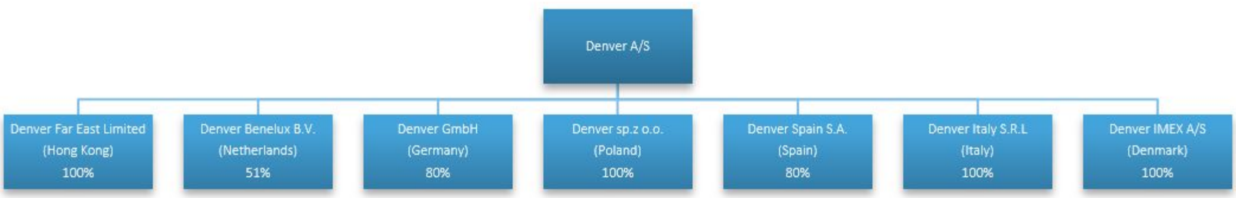
**Michael Bach**
State Authorised Public Accountant
Identification No (MNE) mne19691

**Anders Larsen**
State Authorised Public Accountant
Identification No (MNE) mne47818

# Management commentary

## Financial highlights

| | 2022/23 DKK'000 | 2021/22 DKK'000 | 2020/21 DKK'000 | 2019/20 DKK'000 | 2018/19 DKK'000 |
|---|---|---|---|---|---|
| **Key figures** | | | | | |
| Revenue | 383,709 | 506,772 | 539,696 | 369,259 | 374,981 |
| Gross profit/loss | 59,695 | 98,641 | 106,283 | 56,326 | 47,552 |
| Operating profit/loss | 19,525 | 58,635 | 70,247 | 24,670 | 15,106 |
| Net financials | (6,596) | (3,851) | (2,809) | (1,630) | (1,936) |
| Profit/loss before tax | 12,929 | 54,784 | 67,438 | 23,040 | 13,170 |
| Profit/loss for the year | 8,653 | 40,631 | 50,924 | 17,120 | 9,641 |
| Profit for the year excl. minority interests | 5,743 | 33,793 | 43,482 | 13,937 | 7,551 |
| Balance sheet total | 255,558 | 306,623 | 260,896 | 185,601 | 187,533 |
| Investments in property, plant and equipment | 495 | 482 | 463 | 588 | 111 |
| Equity | 80,785 | 102,406 | 96,874 | 61,076 | 51,715 |
| Equity excl. minority interests | 67,094 | 87,558 | 85,155 | 54,966 | 47,484 |
| Cash flows from operating activities | 56,409 | (17,812) | 12,605 | 13,593 | 4,149 |
| Cash flows from investing activities | (495) | (482) | (663) | (552) | 31 |
| Cash flows from financing activities | (51,759) | 18,096 | (14,171) | (15,368) | (28,900) |
| Average number of employees | 76 | 73 | 63 | 58 | 56 |
| | | | | | |
| **Ratios** | | | | | |
| Return on equity (%) | 7.43 | 39.13 | 62.06 | 27.21 | 13.75 |
| Equity ratio (%) | 26.25 | 28.56 | 32.64 | 29.62 | 25.32 |




Financial highlights are defined and calculated in accordance with the current version of "Recommendations &

Ratios" issued by the CFA Society Denmark.

**Return on equity (%):**
Profit/loss for the year excl. minority interests * 100
Average equity excl. minority interests

**Equity ratio (%):**
Equity excl. minority interests * 100
Balance sheet total

## Primary activities

Denver manufactures and sells mass-market consumer electronics under its own brand Denver.
The Group has over the years evolved into a manufacturer of dependable, affordable, and varied consumer electronics with a broad sales and support network across Europe.

## Development in activities and finances

The income statement for the financial year FY23 (01.04.2023 – 31.03.2023) showed a profit before tax of DKK 12,929k. against DKK 54,784k. for the prior financial year FY22 (period 01.04.2021 – 31.03.2022). The balance sheet for FY23 showed an equity of DKK 80,785k.

All strategic planning, actions, and decisions in the company is anchored around having a strong business model, that continuously adjust to the dynamics in the market, and the competitive landscape.
Denver has a strong management focus on continuously streamlining its operations, organizational structure, and processes to generate ongoing superior financial performance.

## Profit/loss for the year in relation to expected developments

The financial performance of the year has disappointed but the decrease in profit is in line with the general tendencies in the market.

## Uncertainty relating to recognition and measurement

No uncertainties is relevant other than usual in the market

## Outlook

Denver will continue to strengthen operations and growth. The company will also in the coming years have strong focus on creating a platform for sustainable growth and generating a superior ROI.

For the financial year FY24 (01.04.2023 – 31.03.2024), the activity level is expected to be around the same level as FY23.

## Use of financial instruments

Denver uses hedging regarding currency risk to insure actual costs regarding purchase of goods. Hedging is done on individual purchase orders and is approved my management.

## Statutory report on corporate social responsibility

For the companies' core business model incl. activities please see the section on 'Primary activities'.
We have had a focus on responsible supplier management, anti-corruption, and business ethics in 2022/23 and the coming years.

Efforts in 2022/23 are aimed to continue the improved reporting on ESG - Environment (E), Social (S) & Governance (G).

Denver wants to promote good business conduct. We respect and support human rights, and have zero tolerance to corruption, bribery, and other inappropriate business conduct. Our most significant risks are related to our suppliers as there could be a risk that our suppliers do not comply with human rights. This risk is partly covered thru our active involvement and participation in BSCI (Business Social Compliance Initiative). Employees and business partners can at any time report concerns about this (and other critical topics) to an externally managed whistleblower system. We also demand that our suppliers comply with the UN's international standards for human and labor rights. We declare that our products are compliant to the current legislation in the market the products are sold. Such as that our products have CE marking as a legal requirement throughout EEA region. In 2022/23, we did not have any breaches of human rights and we will continue to strengthen our human rights efforts in the future.

We do not accept corruption and bribery and are aware of relevant information and issues at suppliers. We operate our business in a responsible manner, and we have zero tolerance for corruption. The risk concerning corruption is perceived as low as we mainly operate in Denmark where the risk is generally perceived as low however, we are aware of risks related to suppliers and our production. Our policy is applicable to all employees and our employees are obliged to report any evidence or suspicion of corruption breaches. In 2022/23 we did not have any cases related to bribery and corruption. In 2023/24, we will continue to focus on our efforts within anticorruption.

As a manufacturer of consumer electronics, there is naturally a risk that our activities may adversely affect the climate and the environment, which we try to meet through our environmental policy. As a member of BSCI, we are actively participating in the auditing and integration of suppliers into the BSCI qualification and auditing program. We will continue our work with responsible supplier management. We regard environmentally responsible behavior as one of the prerequisites for future business success. We have a constant focus on having updated requirements and standards for our suppliers and their manufacturing processes so that we minimize the impact on the environment. In 2022/23 we have improved our environmental efforts, via increased focus on reducing packaging, the correct sorting of waste, and recycling.  Further, we have launched a green product line, where the cabinet is made of bioplastic. We will continue to focus on environmental development in the future.
Employees are the company's most important resource. The company works actively to maintain and expand a positive reputation, which helps to attract and retain employees with the right competencies. As with other companies there is a risk that our employees experience a lack of motivation or feel stressed. This, we try to mitigate by offering employee development as a natural part of our everyday business. It is our belief that in 2022/23 we have maintained a healthy work environment which we will continue to focus on in the future. Further there have not been any cases handled through whistleblower system.
The company supports the initiatives that come from the company's security committee, such as relevant training of employees and employee development interviews. The company has an active safety committee.

### Statutory report on the underrepresented gender

By end of March 2023, women accounted for 32% of the company employees which is a minor decrease compared to last year.

The company fulfils the requirements for underrepresented gender on the board of Directors, as there is a 60%-40% distribution between men and women in the board of Directors.

For the other management levels, the company had a representation of 1 women and 5 men, corresponding to 17% female and 83% male managers by the end of 2022/23. It is the policy of the company to assess candidates and employees only on qualifications, personality and competencies, and we accept no discrimination in hiring and promotion processes. All applicants and employees must have equal opportunities regardless of gender, age, and ethnicity. We continue to focus on creating a corporate culture that strengthens inclusion. We are consciously focusing on ensuring a balanced distribution of competencies and gender in management roles in our recruitment process – from job advertisements to job interviews.

### Statutory report on data ethics policy

The Group have not made a written politic for data ethics, since the Group does not collect or process external data by use of artificial intelligence or by certain algorithms. Those costumer data which are processed by the Group are covered by the Data Protection Act and handled in accordance with applicable law.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Consolidated income statement for 2022/23

| | Notes | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---|---|---|
| Revenue | 1 | 383,709 | 506,772 |
| Other operating income | | 257 | 265 |
| Cost of sales | | (308,967) | (395,177) |
| Other external expenses | 2 | (15,304) | (13,219) |
| **Gross profit/loss** | | **59,695** | **98,641** |
| Staff costs | 3 | (39,698) | (39,359) |
| Depreciation, amortisation and impairment losses | | (472) | (647) |
| **Operating profit/loss** | | **19,525** | **58,635** |
| Other financial income | | 163 | 700 |
| Other financial expenses | | (6,759) | (4,551) |
| **Profit/loss before tax** | | **12,929** | **54,784** |
| Tax on profit/loss for the year | 4 | (4,276) | (14,153) |
| **Profit/loss for the year** | 5 | **8,653** | **40,631** |

# Consolidated balance sheet at 31.03.2023

## Assets

| | Notes | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---|---|---|
| Acquired licences | | 145 | 218 |
| **Intangible assets** | 6 | **145** | **218** |
| | | | |
| Other fixtures and fittings, tools and equipment | | 1,251 | 1,156 |
| Leasehold improvements | | 0 | 0 |
| **Property, plant and equipment** | 7 | **1,251** | **1,156** |
| | | | |
| Deposits | | 167 | 167 |
| **Financial assets** | 8 | **167** | **167** |
| | | | |
| **Fixed assets** | | **1,563** | **1,541** |
| | | | |
| Manufactured goods and goods for resale | | 148,818 | 183,298 |
| Prepayments for goods | | 700 | 12,813 |
| **Inventories** | | **149,518** | **196,111** |
| | | | |
| Trade receivables | | 80,773 | 92,291 |
| Deferred tax | 9 | 1,930 | 1,200 |
| Other receivables | | 537 | 2,177 |
| Tax receivable | | 8,149 | 4,809 |
| Prepayments | 10 | 1,707 | 1,268 |
| **Receivables** | | **93,096** | **101,745** |
| | | | |
| **Cash** | | **11,381** | **7,226** |
| | | | |
| **Current assets** | | **253,995** | **305,082** |
| | | | |
| **Assets** | | **255,558** | **306,623** |

## Equity and liabilities

| | Notes | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---|---|---|
| Contributed capital | 11 | 10,000 | 10,000 |
| Translation reserve | | 28 | (12) |
| Reserve for fair value adjustments of hedging instruments | | (4,236) | (1,469) |
| Retained earnings | | 45,057 | 55,559 |
| Proposed dividend for the financial year | | 16,245 | 23,480 |
| **Equity belonging to Parent's shareholders** | | **67,094** | **87,558** |
| | | | |
| **Equity belonging to minority interests** | | **13,691** | **14,848** |
| **Equity** | | **80,785** | **102,406** |
| | | | |
| Other provisions | 12 | 11,181 | 12,883 |
| **Provisions** | | **11,181** | **12,883** |
| | | | |
| Bank loans | | 113,190 | 137,752 |
| Prepayments received from customers | | 0 | 1,812 |
| Trade payables | | 25,472 | 25,038 |
| Tax payable | | 6 | 6,410 |
| Other payables | | 24,924 | 20,322 |
| **Current liabilities other than provisions** | | **163,592** | **191,334** |
| | | | |
| **Liabilities other than provisions** | | **163,592** | **191,334** |
| | | | |
| **Equity and liabilities** | | **255,558** | **306,623** |
| | | | |
| Unrecognised rental and lease commitments | 14 | | |
| Contingent liabilities | 15 | | |
| Assets charged and collateral | 16 | | |
| Transactions with related parties | 17 | | |
| Subsidiaries | 18 | | |

# Consolidated statement of changes in equity for 2022/23

| | Contributed capital DKK'000 | Translation reserve DKK'000 | Reserve for fair value adjustments of hedging instruments DKK'000 | Retained earnings DKK'000 | Proposed dividend for the financial year DKK'000 |
|---|---|---|---|---|---|
| Equity beginning of year | 10,000 | (12) | (1,469) | 55,559 | 23,480 |
| Ordinary dividend paid | 0 | 0 | 0 | 0 | (23,480) |
| Exchange rate adjustments | 0 | 40 | 0 | 0 | 0 |
| Value adjustments | 0 | 0 | (3,546) | 0 | 0 |
| Tax of entries on equity | 0 | 0 | 779 | 0 | 0 |
| Profit/loss for the year | 0 | 0 | 0 | (10,502) | 16,245 |
| **Equity end of year** | **10,000** | **28** | **(4,236)** | **45,057** | **16,245** |

| | Equity belonging to Parent's shareholders DKK'000 | Equity belonging to minority interests DKK'000 | Total DKK'000 |
|---|---|---|---|
| Equity beginning of year | 87,558 | 14,848 | 102,406 |
| Ordinary dividend paid | (23,480) | (4,076) | (27,556) |
| Exchange rate adjustments | 40 | 9 | 49 |
| Value adjustments | (3,546) | 0 | (3,546) |
| Tax of entries on equity | 779 | 0 | 779 |
| Profit/loss for the year | 5,743 | 2,910 | 8,653 |
| **Equity end of year** | **67,094** | **13,691** | **80,785** |

# Consolidated cash flow statement for 2022/23

| | Notes | 2022/23<br>DKK'000 | 2021/22<br>DKK'000 |
|---|---|---|---|
| Operating profit/loss | | 19,525 | 58,635 |
| Amortisation, depreciation and impairment losses | | 473 | 647 |
| Other provisions | | (1,702) | 709 |
| Working capital changes | 13 | 58,662 | (49,570) |
| **Cash flow from ordinary operating activities** | | **76,958** | **10,421** |
| Financial income received | | 163 | 700 |
| Financial expenses paid | | (6,753) | (4,551) |
| Taxes refunded/(paid) | | (13,959) | (24,382) |
| **Cash flows from operating activities** | | **56,409** | **(17,812)** |
| Acquisition etc. of property, plant and equipment | | (495) | (482) |
| **Cash flows from investing activities** | | **(495)** | **(482)** |
| **Free cash flows generated from operations and investments before financing** | | **55,914** | **(18,294)** |
| Dividend paid | | (27,556) | (33,419) |
| Incurrence of bank debt | | (24,203) | 51,515 |
| **Cash flows from financing activities** | | **(51,759)** | **18,096** |
| **Increase/decrease in cash and cash equivalents** | | **4,155** | **(198)** |
| Cash and cash equivalents beginning of year | | 7,226 | 7,424 |
| **Cash and cash equivalents end of year** | | **11,381** | **7,226** |
| Cash and cash equivalents at year-end are composed of: | | | |
| Cash | | 11,381 | 7,226 |
| **Cash and cash equivalents end of year** | | **11,381** | **7,226** |

# Notes to consolidated financial statements

## 1 Revenue

| | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---|---|
| Denmark | 35,312 | 27,272 |
| Other EU-countries | 321,778 | 436,424 |
| Other European countries | 24,951 | 40,126 |
| Other countries | 1,668 | 2,950 |
| **Total revenue by geographical market** | **383,709** | **506,772** |

## 2 Fees to the auditor appointed by the Annual General Meeting

| | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---|---|
| Statutory audit services | 324 | 280 |
| Other assurance engagements | 15 | 10 |
| Tax services | 70 | 15 |
| Other services | 14 | 35 |
| | **423** | **340** |

## 3 Staff costs

| | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---|---|
| Wages and salaries | 33,703 | 33,520 |
| Pension costs | 4,284 | 3,451 |
| Other social security costs | 329 | 1,078 |
| Other staff costs | 1,382 | 1,310 |
| | **39,698** | **39,359** |

| | | |
|---|---|---|
| Average number of full-time employees | **76** | **73** |

| | Remuneration of management 2022/23 DKK'000 | Remuneration of management 2021/22 DKK'000 |
|---|---|---|
| Total amount for management categories | 3,283 | 2,643 |
| | **3,283** | **2,643** |

## 4 Tax on profit/loss for the year

| | 2022/23<br>DKK'000 | 2021/22<br>DKK'000 |
|---|---:|---:|
| Current tax | 4,402 | 13,786 |
| Change in deferred tax | (136) | 367 |
| Adjustment concerning previous years | 10 | 0 |
| | **4,276** | **14,153** |

## 5 Proposed distribution of profit/loss

| | 2022/23<br>DKK'000 | 2021/22<br>DKK'000 |
|---|---:|---:|
| Ordinary dividend for the financial year | 16,245 | 23,480 |
| Retained earnings | (10,502) | 10,313 |
| Minority interests' share of profit/loss | 2,910 | 6,838 |
| | **8,653** | **40,631** |

## 6 Intangible assets

| | Acquired licences<br>DKK'000 |
|---|---:|
| Cost beginning of year | 2,547 |
| **Cost end of year** | **2,547** |
| Amortisation and impairment losses beginning of year | (2,329) |
| Amortisation for the year | (73) |
| **Amortisation and impairment losses end of year** | **(2,402)** |
| **Carrying amount end of year** | **145** |

## 7 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment<br>DKK'000 | Leasehold improvements<br>DKK'000 |
|---|---:|---:|
| Cost beginning of year | 4,623 | 2,505 |
| Additions | 495 | 0 |
| **Cost end of year** | **5,118** | **2,505** |
| Depreciation and impairment losses beginning of year | (3,467) | (2,505) |
| Depreciation for the year | (400) | 0 |
| **Depreciation and impairment losses end of year** | **(3,867)** | **(2,505)** |
| **Carrying amount end of year** | **1,251** | **0** |

## 8 Financial assets

| | Deposits DKK'000 |
|---|---|
| Cost beginning of year | 167 |
| **Cost end of year** | **167** |
| **Carrying amount end of year** | **167** |

## 9 Deferred tax

| | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---|---|
| Intangible assets | (7) | (17) |
| Property, plant and equipment | 17 | 23 |
| Tax losses carried forward | 1,920 | 1,194 |
| **Deferred tax** | **1,930** | **1,200** |

| **Changes during the year** | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---|---|
| Beginning of year | 1,200 | 1,567 |
| Recognised in the income statement | 136 | (367) |
| Recognised directly in equity | 594 | 0 |
| **End of year** | **1,930** | **1,200** |

| **Deferred tax has been recognised in the balance sheet as follows** | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---|---|
| Deferred tax assets | 1,930 | 1,200 |
| | **1,930** | **1,200** |

**Deferred tax assets**

Defered tax is mainly incumbent tax losses carried forward and is expected to be realized within 2-4 years.

## 10 Prepayments

Prepayments recognised under assets comprise costs incurred relating to subsequent financial years.

## 11 Contributed capital

| | Number | Par value DKK'000 | Nominal value DKK'000 |
|---|---|---|---|
| Private share class A | 10,000 | 1 | 10,000 |
| | **10,000** | | **10,000** |

## 12 Other provisions

Other provisions comprise of anticipated costs of warranty obligations. Warranty obligations comprise commitments to remedy defects within the warranty period.

## 13 Changes in working capital

| | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---|---|
| Increase/decrease in inventories | 46,591 | (53,543) |
| Increase/decrease in receivables | 9,173 | 9,598 |
| Increase/decrease in trade payables etc. | 2,898 | (5,625) |
| | **58,662** | **(49,570)** |

## 14 Unrecognised rental and lease commitments

| | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---|---|
| Total liabilities under rental or lease agreements until maturity | **3,016** | **4,878** |

## 15 Contingent liabilities

Denver A/S is part in disputes that are not considered to have significant financial consequenses for the company of the group.

## 16 Assets charged and collateral

Guarantee obligations regarding import letter of credits issued by financial institutions constitute DKK 56,191k.

The Group has provided a guarantee regarding rent obligation for Jyske Bank, which amounts to DKK 1.006k.

The Group has provided a guarantee towards Danske Bank, which amounts to DKK 487k.

## 17 Transactions with related parties

All transactions with related parties have been made on arm's length terms.

## 18 Subsidiaries

| | Registered in | Corporate form | Ownership % |
|---|---|---|---|
| Denver Far East Limited | Hong Kong | Limited | 100.00 |
| Denver Germany GmbH | Germany | GmbH | 80.00 |
| Denver Benelux B.V. | The Netherlands | B.V. | 51.00 |
| Denver Spain, S.A. | Spain | S.A. | 80.00 |
| Denver sp. z.o.o. | Poland | sp.z.o.o | 100.00 |
| Denver Italy S.R.L. | Italien | S.R.L | 100.00 |
| Denver IMEX A/S | Denmark | A/S | 100.00 |

# Parent income statement for 2022/23

| | Notes | 2022/23<br>DKK'000 | 2021/22<br>DKK'000 |
|---|---|---|---|
| Revenue | 1 | 315,446 | 412,238 |
| Other operating income | | 257 | 0 |
| Cost of sales | | (273,962) | (351,726) |
| Other external expenses | | (9,187) | (7,402) |
| **Gross profit/loss** | | **32,554** | **53,110** |
| | | | |
| Staff costs | 2 | (26,005) | (27,370) |
| Depreciation, amortisation and impairment losses | | (87) | (338) |
| **Operating profit/loss** | | **6,462** | **25,402** |
| | | | |
| Income from investments in group enterprises | | 8,628 | 15,981 |
| Other financial income | | 0 | 6 |
| Other financial expenses | | (6,980) | (3,866) |
| **Profit/loss before tax** | | **8,110** | **37,523** |
| | | | |
| Tax on profit/loss for the year | 3 | 86 | (4,746) |
| **Profit/loss for the year** | 4 | **8,196** | **32,777** |

# Parent balance sheet at 31.03.2023

## Assets

| | Notes | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---|---|---|
| Acquired licences | | 145 | 218 |
| **Intangible assets** | 5 | **145** | **218** |
| | | | |
| Other fixtures and fittings, tools and equipment | | 32 | 9 |
| Leasehold improvements | | 0 | 0 |
| **Property, plant and equipment** | 6 | **32** | **9** |
| | | | |
| Investments in group enterprises | | 37,128 | 37,850 |
| **Financial assets** | 7 | **37,128** | **37,850** |
| | | | |
| **Fixed assets** | | **37,305** | **38,077** |
| | | | |
| Manufactured goods and goods for resale | | 128,974 | 164,585 |
| Prepayments for goods | | 553 | 12,607 |
| **Inventories** | | **129,527** | **177,192** |
| | | | |
| Trade receivables | | 20,442 | 22,716 |
| Receivables from group enterprises | | 34,360 | 44,266 |
| Deferred tax | 8 | 696 | 6 |
| Other receivables | | 120 | 1,415 |
| Tax receivable | | 5,239 | 4,775 |
| Joint taxation contribution receivable | | 0 | 345 |
| Prepayments | 9 | 1,573 | 1,134 |
| **Receivables** | | **62,430** | **74,657** |
| | | | |
| **Cash** | | **4,727** | **1,898** |
| | | | |
| **Current assets** | | **196,684** | **253,747** |
| | | | |
| **Assets** | | **233,989** | **291,824** |

## Equity and liabilities

| | Notes | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---|---|---|
| Contributed capital | | 10,000 | 10,000 |
| Reserve for fair value adjustments and hedging instruments | | (3,577) | (1,469) |
| Reserve for net revaluation according to equity method | | 33,626 | 34,348 |
| Retained earnings | | 15,663 | 23,607 |
| Proposed dividend for the financial year | | 16,245 | 23,480 |
| **Equity** | | **71,957** | **89,966** |
| Other provisions | 10 | 3,509 | 4,500 |
| **Provisions** | | **3,509** | **4,500** |
| Bank loans | | 111,745 | 137,393 |
| Prepayments received from customers | | 0 | 1,812 |
| Trade payables | | 13,469 | 13,984 |
| Payables to group enterprises | | 30,148 | 39,933 |
| Other payables | | 3,161 | 4,236 |
| **Current liabilities other than provisions** | | **158,523** | **197,358** |
| **Liabilities other than provisions** | | **158,523** | **197,358** |
| **Equity and liabilities** | | **233,989** | **291,824** |
| Unrecognised rental and lease commitments | 11 | | |
| Contingent liabilities | 12 | | |
| Assets charged and collateral | 13 | | |
| Transactions with related parties | 14 | | |

# Parent statement of changes in equity for 2022/23

| | Contributed capital DKK'000 | Reserve for fair value adjustments of hedging instruments DKK'000 | Reserve for net revaluation according to the equity method DKK'000 | Retained earnings DKK'000 | Proposed dividend for the year DKK'000 |
|---|---|---|---|---|---|
| Equity beginning of year | 10,000 | (1,469) | 34,348 | 23,607 | 23,480 |
| Ordinary dividend paid | 0 | 0 | 0 | 0 | (23,480) |
| Exchange rate adjustments | 0 | 0 | 42 | 0 | 0 |
| Value adjustments | 0 | (2,702) | (659) | 0 | 0 |
| Tax of entries on equity | 0 | 594 | 0 | 0 | 0 |
| Dividends from group enterprises | 0 | 0 | (8,733) | 8,733 | 0 |
| Profit/loss for the year | 0 | 0 | 8,628 | (16,677) | 16,245 |
| **Equity end of year** | **10,000** | **(3,577)** | **33,626** | **15,663** | **16,245** |

| | Total DKK'000 |
|---|---|
| Equity beginning of year | 89,966 |
| Ordinary dividend paid | (23,480) |
| Exchange rate adjustments | 42 |
| Value adjustments | (3,361) |
| Tax of entries on equity | 594 |
| Dividends from group enterprises | 0 |
| Profit/loss for the year | 8,196 |
| **Equity end of year** | **71,957** |

# Notes to parent financial statements

## 1 Revenue

| | 2022/23<br>DKK'000 | 2021/22<br>DKK'000 |
|---|---|---|
| Denmark | 34,871 | 28,137 |
| Other EU-countries | 252,409 | 343,975 |
| Other European countries | 28,166 | 40,126 |
| **Total revenue by geographical market** | **315,446** | **412,238** |

## 2 Staff costs

| | 2022/23<br>DKK'000 | 2021/22<br>DKK'000 |
|---|---|---|
| Wages and salaries | 20,801 | 22,959 |
| Pension costs | 3,672 | 2,857 |
| Other social security costs | 321 | 268 |
| Other staff costs | 1,211 | 1,286 |
| | **26,005** | **27,370** |

| | | |
|---|---|---|
| Average number of full-time employees | **43** | **45** |

| | Remuneration<br>of Manage-<br>ment<br>2022/23<br>DKK'000 | Remuneration<br>of Manage-<br>ment<br>2021/22<br>DKK'000 |
|---|---|---|
| Total amount for management categories | 3,283 | 2,643 |
| | **3,283** | **2,643** |

## 3 Tax on profit/loss for the year

| | 2022/23<br>DKK'000 | 2021/22<br>DKK'000 |
|---|---|---|
| Current tax | 0 | 4,803 |
| Change in deferred tax | (96) | (57) |
| Adjustment concerning previous years | 10 | 0 |
| | **(86)** | **4,746** |

## 4 Proposed distribution of profit and loss

| | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---|---|
| Ordinary dividend for the financial year | 16,245 | 23,480 |
| Retained earnings | (8,049) | 9,297 |
| | **8,196** | **32,777** |

## 5 Intangible assets

| | Acquired licences DKK'000 |
|---|---|
| Cost beginning of year | 2,547 |
| **Cost end of year** | **2,547** |
| Amortisation and impairment losses beginning of year | (2,329) |
| Amortisation for the year | (73) |
| **Amortisation and impairment losses end of year** | **(2,402)** |
| **Carrying amount end of year** | **145** |

## 6 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK'000 | Leasehold improvements DKK'000 |
|---|---|---|
| Cost beginning of year | 2,553 | 2,505 |
| Additions | 37 | 0 |
| **Cost end of year** | **2,590** | **2,505** |
| Depreciation and impairment losses beginning of year | (2,544) | (2,505) |
| Depreciation for the year | (14) | 0 |
| **Depreciation and impairment losses end of year** | **(2,558)** | **(2,505)** |
| **Carrying amount end of year** | **32** | **0** |

## 7 Financial assets

| | Investments in group enterprises DKK'000 |
|---|---:|
| Cost beginning of year | 3,503 |
| **Cost end of year** | **3,503** |
| Revaluations beginning of year | 34,347 |
| Exchange rate adjustments | 42 |
| Share of profit/loss for the year | 8,712 |
| Adjustment of intra-group profits | (84) |
| Dividend | (8,733) |
| Fair value adjustments | (659) |
| **Revaluations end of year** | **33,625** |
| **Carrying amount end of year** | **37,128** |

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

## 8 Deferred tax

| | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---:|---:|
| Intangible assets | (7) | (17) |
| Property, plant and equipment | 18 | 23 |
| Tax losses carried forward | 685 | 0 |
| **Deferred tax** | **696** | **6** |

| **Changes during the year** | 2022/23 DKK'000 | 2021/22 DKK'000 |
|---|---:|---:|
| Beginning of year | 6 | (51) |
| Recognised in the income statement | 96 | 57 |
| Recognised directly in equity | 594 | 0 |
| **End of year** | **696** | **6** |

**Deferred tax assets**

Defered tax comprise intangible and tangible assets and is expected to be realized within 2-4 years.

## 9 Prepayments

Prepayments recognised under assets comprise costs incurred relating to subsequent financial years.

## 10 Other provisions

Other provisions comprise of anticipated costs of warranty obligations. Warranty obligations comprise commitments to remedy defects within the warranty period.

## 11 Unrecognised rental and lease commitments

| | 2022/23<br>DKK'000 | 2021/22<br>DKK'000 |
|---|---|---|
| Total liabilities under rental or lease agreements until maturity | **1,586** | **2,845** |

## 12 Contingent liabilities

Denver A/S is part in disputes that are not considered to have significant financial consequenses for the company of the group.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

## 13 Assets charged and collateral

Guarantee obligations regarding import letter of credits issued by financial institutions constitute DKK 47,823k.

The Entity has provided a guarantee regarding rent obligation for Jyske Bank, which amounts to DKK 1,006k.

The Entity has provided a guarantee towards Handelsbanken, which amounts to DKK 487k.

**Collateral provided for group enterprises**

The Entity has guaranteed group enterprises. The maximum limit of the guarantee regarding Denver IMEX A/S DKK 12,900k. Further the Entity has issued a suretyship for all balances between Denver Germany Gmbh and banks. Bank debt in Denver Germany GmbH amount to tDKK 0.

## 14 Transactions with related parties

All transactions with related parties have been made on arm’s length terms.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group’s accounting policies.

Subsidiaries’ financial statement items are recognised in full in the consolidated financial statements. Minority interests’ pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries’ net assets at the takeover date, with net assets having been calculated at fair value.

## Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

## Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequentlfair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in reserve for fair value adjustments of hedging instruments in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

## Income statement

### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation and amortisation for the financial year.

### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

### Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Balance sheet

**Intellectual property rights etc.**
Intellectual property rights etc. comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful life of the assets.

| | |
|---|---|
| Acquired licenses | 4 years |

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**
Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

| | Useful life |
|---|---|
| Other fixtures and fittings, tools and equipment | 4 years |
| Leasehold improvements | 5 years |

For leasehold improvements the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**Investments in group enterprises**
Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

**Inventories**
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Receivables**
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

**Deferred tax**
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Tax payable or receivable**
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Joint taxation contributions payable or receivable**
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Prepayments**
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**
Cash comprises cash in hand and bank deposits.

**Dividend**
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Minority interests**
On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

**Other provisions**
Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

**Operating leases**
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Prepayments received from customers**
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

## Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.