
GASA Investment A/S

Jægersborg Allé 4, 5., DK-2920 Charlottenlund

Annual Report for 1 January - 31 December 2020

CVR No 39 05 88 04

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
16/4 2021

Mikael Mortensen
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 GASA Investment A/S for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

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.

Gentofte, 16 April 2021

Executive Board

Thomas Marstrand
CEO

Board of Directors

Per Klitgård Poulsen
Chairman

Thomas Marstrand

Kristian la Cour

Bo Svane

Independent Auditor's Report

To the Shareholders of GASA Investment A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of GASA Investment A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 eco-

Independent Auditor's Report

nommic 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 and the Group'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 Group's and 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 Group and 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.
- 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.

Independent Auditor's Report

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 Consolidated Financial Statements and the Parent Company 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.

Odense, 16 April 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mikael Johansen
State Authorised Public Accountant
mne23318

Claus Damhave
State Authorised Public Accountant
mne34166

Company Information

The Company

GASA Investment A/S
Jægersborg Allé 4, 5.
DK-2920 Charlottenlund

CVR No: 39 05 88 04
Financial period: 1 January - 31 December
Municipality of reg. office: Gentofte

Board of Directors

Per Klitgård Poulsen, Chairman
Thomas Marstrand
Kristian la Cour
Bo Svane

Executive Board

Thomas Marstrand

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Munkebjergvænget 1, 3. og 4. sal
DK-5230 Odense M

Financial Highlights

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

	Group		
	2020 TDKK	2019 TDKK	2017/18 TDKK
Key figures			
Profit/loss			
Revenue	2,092,038	2,130,681	2,277,251
Gross profit/loss	215,051	223,905	205,427
Profit/loss before financial income and expenses	24,920	7,982	(8,100)
Net financials	(787)	21,757	(6,788)
Net profit/loss for the year	13,675	26,555	(10,043)
Balance sheet			
Balance sheet total	396,846	473,627	704,965
Equity	226,870	215,320	254,024
Cash flows			
Cash flows from:			
- operating activities	47,296	69,970	60,654
- investing activities	3,909	178,747	(558,426)
including investment in property, plant and equipment	(4,989)	(11,831)	(182,567)
- financing activities	(53,597)	(245,505)	319,629
Number of employees	356	351	362
Ratios			
Gross margin	10.3 %	10.5 %	9.0 %
Profit margin	1.2 %	1.2 %	(0.4)%
Solvency ratio	57.2 %	45.5 %	36.0 %
Return on equity	6.2 %	11.3 %	(4.0)%

See the description under accounting policies.

Management's Review

Key activities

GASA GROUP is a commercial international value added supplier of plants and related products primarily in Europe and abroad while being headquartered in Denmark. The Group's mission is to bring 'Nature to the people'. We connect those who grow plants and flowers with all of us who need nature in our modern lives through tight cooperation with nurseries and retail points. It is our goal to be the leading European supplier of overall plant solutions with a strong customer focus.

Development in the year

The income statement of the Group for 2020 shows a profit of TDKK 13,675, and at 31 December 2020 the balance sheet of the Group shows equity of TDKK 226,870.

The result is considered satisfactory, taking into account the extraordinary circumstances that characterised the financial year 2020.

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

The expectations expressed in the latest annual report were to obtain selective sales growth and improved net result. An increase in revenue has not been realised, however EBITDA is considerably better than last year due to the implemented actions. The net result for the year has decreased compared to last year, which is mainly due to that last year's net result was positively impacted by TDKK 24,353 from income from associates.

Restrictions due to Covid-19 affected many of the sales channels, which were closed down fully or partly in the spring of 2020. Revenue declined significantly and employees were sent home. When the sales channels opened in April / May 2020, most of the lost sales were recovered.

Particular risks

Operating risks

The most material operating risks faced by the Group relates to weather conditions and seasonal fluctuations. Market trends are a risk factor as well. Another risk is the energy price movement which plays an important role in the Group's cost of transportation.

Foreign exchange risks

The Group's sales activities are concentrated on markets dealing in EUR and DKK. To the extent that settlement is carried out in other currencies, the currency policy of the Group requires hedging - primarily in respect of NOK, SEK, PLN and GBP.

Management's Review

Interest rate risks

The overdraft facilities of the Company are based on floating interest-bearing loans and, consequently, the Group is affected by interest rate fluctuations.

Credit risks

The Group allows credit to its customers and thereby assumes a debtor risk. This risk is sensitive to cyclical fluctuations. The Group's policy on debtor management includes minimisation of such risks - including credit insurance cover where possible, just as efforts are continuously being made to reduce the number of credit days.

Targets and expectations for the year ahead

The Group continues to focus on gaining strength from our international sourcing and European product range to serve our customers effectively and efficiently from our Group platforms. The Group expects sales growth and improved net results in 2021 of at least 10%.

Research and development

The Group has no research activities, however focuses on the development of customer-specific and sales-promotional sales efforts, especially towards the retail segment.

External environment

The Group assesses that there are risks associated with emissions during transport of goods and in the value chain in relation to plant production. The Group influences this risk indirectly through dialogue and requirements to the suppliers.

Intellectual capital resources

The Group has launched a number of projects in sales, logistics and administration to streamline operations and creating synergies across the Group's departments.

Statement of corporate social responsibility

Business model

As mentioned above, GASA GROUP is an international value added supplier of plants and related products primarily in Europe and abroad while being headquartered in Denmark.

The Group's mission is to connect those who grow plants and flowers - via our B2B customers - with all of us who need nature in our modern lives. Through tight cooperation with nurseries and retail points, we make nature available to those who value the power of green.

We bring plants to the consumer, eventually from young plants through growers to wholesalers and

Management's Review

retailers around Europe. We set up the most appropriate and seasonal assortment from our locations in the main production areas of Denmark, the Netherlands and Germany. We deliver 'Nature to the people' for the individual customer, besides the plants, we also provide quality control, added value arrangements and logistics.

GASA Group has a number of focus areas and activities around Corporate Social Responsibility, which naturally forms part of our daily day operations, however which are not yet implemented in formal policies. This being said, we are currently evaluating the need for formulating policies and guidelines on CSR, and how we measure and evaluate the impacts of these.

In this work we are fully aware of that there is inherent risks around CSR. Below we will describe potential risks and our policies and guidelines around this.

The environment, including the climate impact of our activities

The Group considers an environmentally responsible approach as one of the preconditions for its business success. The Group works on minimising its impact on the external environment through planning with carriers and suppliers and to showing consideration for the local environment at the workplace. We continuously work on improvements, in particular in connection with the optimisation of logistics solutions. The Group's primary carrier is challenged to upgrade the trucks with the latest technology, which will help to lower the environmental footprint.

In 2020, GASA GROUP has actively chosen to increase its focus on selling organically produced plants - both through advice to gardeners and the embossing of sales channels.

Social and employment relations

The Group values its employment relations and human relations are considered an important factor in business with customers and in-house cooperation. Consequently, we work according to labour market agreements where appropriate and have established a works council and other social bodies governed by labour market agreements or law. Further, we have established policies on behaviour at work, smoking and health and further, we are aware of the risk of work accidents and work-related stress.

The continued work with well-being and employee relations in 2020 shows a very low sickness absence, where the Group is still below 1.0%.

Human rights

The Group respects and works to the best of our knowledge according to international codes for human rights. We have no specific policy established on this as we operate in countries, where we follow the legislation on this subject. Management is further carrying the values forward to the organisation on equal rights and discourage of discrimination.

The Group dissociates itself from corruption and bribery as the most natural thing. Consequently, we are careful around customer entertainment and other peers with whom we meet in this context. We have established an Anti-Money Laundering and Terrorist Financing policy for customers in specific countries

Management's Review

with background checks and identification of the end customers, including focus on where payments is received from as well as our policy is not to receive cash as payments.

In June 2020, a whistleblower scheme was introduced for the entire GASA GROUP.

Conclusion of corporate social responsibility points

Overall, we believe that the result of the efforts in 2020 in the mentioned areas is to maintain a satisfactory level of GASA GROUP.

Statement on gender composition

Equal opportunities and focus on diversity are an integrated part of the Group's policy on employee well-being and working conditions.

Opportunities of development and career must be available for everybody possessing skills and showing intention and shall in no way be restricted by the person's gender, nationality, age, sexual orientation and religion or other similar factors.

The Board of directors

The Group has no female board members for the time being, and the Board is cognisant of this.

The members of the Board are appointed by the shareholders of GASA GROUP at the general meeting. The parent company has four board members elected. At the moment none of the board members are female. As and when the Board nominates new candidates, the Board will include gender as a parameter. When appointing candidates to the Board of the Group it is however important that the members hold professional qualifications relevant to the Group's activities. Finding the member with the right qualifications will always supersede gender.

The Group's ambition is to have one female member at the Board before the end of 2023. That goal has not been achieved during the year as there have been no election to the board.

Other management levels

The share of women in the Group's management team is currently less than 10%. Meanwhile, the Group aims to increase the ratio of women in the management team. That is why we focused on the following areas to increase the ratio of women in 2020:

- Where possible, invited candidates of both genders when recruiting for new management positions
- Considered female candidates for career and succession planning.

Both areas have been executed without compromising on the qualifications needed to hold the positions in question.

In 2020, we did not register any significant development in the gender distribution of Management. However, we have considered any option when replacing and hiring new employees, and also for

Management's Review

managerial positions.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
Revenue	1	2,092,038	2,130,681	0	0
Other operating income		7,799	7,075	0	0
Expenses for raw materials and consumables		(1,811,732)	(1,836,362)	0	0
Other external expenses		(73,054)	(77,489)	(101)	(122)
Gross profit/loss		215,051	223,905	(101)	(122)
Staff expenses	2	(169,836)	(181,954)	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	(20,295)	(33,969)	0	0
Profit/loss before financial income and expenses	4	24,920	7,982	(101)	(122)
Income from investments in subsidiaries		0	0	13,980	27,080
Income from investments in associates		0	24,353	0	0
Financial income	5	5,372	831	0	0
Financial expenses	6	(6,159)	(3,427)	(824)	(973)
Profit/loss before tax		24,133	29,739	13,055	25,985
Tax on profit/loss for the year	7	(10,458)	(3,184)	204	240
Net profit/loss for the year		13,675	26,555	13,259	26,225

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
Completed development projects		3,496	5,595	0	0
Goodwill		127,030	146,254	0	0
Intangible assets	8	130,526	151,849	0	0
Other fixtures and fittings, tools and equipment		36,326	37,592	0	0
Leasehold improvements		10,518	9,318	0	0
Property, plant and equipment in progress		0	1,972	0	0
Property, plant and equipment	9	46,844	48,882	0	0
Investments in subsidiaries	10	0	0	264,678	256,974
Other receivables	11	389	2,181	0	0
Fixed asset investments		389	2,181	264,678	256,974
Fixed assets		177,759	202,912	264,678	256,974
Finished goods and goods for resale		15,904	13,264	0	0
Prepayments for goods		2,632	1,667	0	0
Inventories		18,536	14,931	0	0
Trade receivables		130,656	169,457	0	0
Other receivables	12	20,870	28,619	0	0
Deferred tax asset	13	30,513	37,824	371	362
Corporation tax		1,675	0	1,675	0
Corporation tax receivable from group enterprises		0	0	195	218
Prepayments	14	3,973	4,628	0	0
Receivables		187,687	240,528	2,241	580
Cash at bank and in hand		12,864	15,256	0	0
Currents assets		219,087	270,715	2,241	580
Assets		396,846	473,627	266,919	257,554

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
Share capital	15	1,000	1,000	1,000	1,000
Foreign currency translation reserve		(969)	0	(969)	0
Retained earnings		225,571	212,312	225,571	212,312
Equity attributable to shareholders of the Parent Company		225,602	213,312	225,602	213,312
Minority interests		1,268	2,008	0	0
Equity		226,870	215,320	225,602	213,312
Other payables		8,903	0	0	0
Long-term debt	17	8,903	0	0	0
Credit institutions		753	53,633	0	0
Trade payables		127,033	176,158	0	0
Payables to group enterprises		0	0	41,280	44,217
Corporation tax		1,682	1,173	0	0
Other payables	12,17	31,605	27,343	37	25
Short-term debt		161,073	258,307	41,317	44,242
Debt		169,976	258,307	41,317	44,242
Liabilities and equity		396,846	473,627	266,919	257,554
Distribution of profit	16				
Contingent assets, liabilities and other financial obligations	20				
Related parties	21				
Fee to auditors appointed at the general meeting	22				
Subsequent events	23				
Accounting Policies	24				

Statement of Changes in Equity

Group

	Share capital	Foreign currency translation reserve	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,000	0	212,312	213,312	2,008	215,320
Exchange adjustments	0	(969)	0	(969)	0	(969)
Ordinary dividend paid	0	0	0	0	(717)	(717)
Other equity movements	0	0	0	0	(439)	(439)
Net profit/loss for the year	0	0	13,259	13,259	416	13,675
Equity at 31 December	1,000	(969)	225,571	225,602	1,268	226,870

Parent Company

Equity at 1 January	1,000	0	212,312	213,312	0	213,312
Exchange adjustments	0	(969)	0	(969)	0	(969)
Net profit/loss for the year	0	0	13,259	13,259	0	13,259
Equity at 31 December	1,000	(969)	225,571	225,602	0	225,602

Cash Flow Statement 1 January - 31 December

	Note	Group	
		2020 TDKK	2019 TDKK
Net profit/loss for the year		13,675	26,555
Adjustments	18	29,406	15,953
Change in working capital	19	7,639	31,164
Cash flows from operating activities before financial income and expenses		50,720	73,672
Financial income		5,372	835
Financial expenses		(6,159)	(3,427)
Cash flows from ordinary activities		49,933	71,080
Corporation tax paid		(2,637)	(1,110)
Cash flows from operating activities		47,296	69,970
Purchase of intangible assets		(30)	(194)
Purchase of property, plant and equipment		(4,989)	(11,831)
Fixed asset investments made etc		(247)	(415)
Sale of intangible assets		5,307	0
Sale of property, plant and equipment		1,829	1,187
Sale of fixed asset investments etc		2,039	190,000
Cash flows from investing activities		3,909	178,747
Repayment of loans from credit institutions		0	(48,000)
Change in bank facility		(52,880)	(136,554)
Purchase of treasury shares		0	(60,125)
Dividend paid		(717)	(826)
Cash flows from financing activities		(53,597)	(245,505)
Change in cash and cash equivalents		(2,392)	3,212
Cash and cash equivalents at 1 January		15,256	12,044
Cash and cash equivalents at 31 December		12,864	15,256
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		12,864	15,256
Cash and cash equivalents at 31 December		12,864	15,256

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
1 Revenue				
The main activity of the Group is international trading with ornamentals with a main market in Europe. Therefore it is evaluated that the Group have not different activities segments.				
Geographical segments				
Northern Europe	632,653	675,959	0	0
Central- and Southern Europe	891,806	938,483	0	0
Eastern Europe	562,294	511,414	0	0
Rest of the world	5,285	4,825	0	0
	2,092,038	2,130,681	0	0
2 Staff expenses				
Wages and salaries	149,215	165,721	0	0
Pensions	14,321	9,310	0	0
Other social security expenses	6,300	6,923	0	0
	169,836	181,954	0	0
Including remuneration to the Executive Board and Board of Directors	730	443	0	0
Average number of employees	356	351	0	0
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	16,043	30,766	0	0
Depreciation of property, plant and equipment	4,216	3,417	0	0
Gain and loss on disposal	36	(214)	0	0
	20,295	33,969	0	0

Notes to the Financial Statements

	Group		Parent Company	
	2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
4 Special items				
Salary compensation (Covid-19)	4,029	0	0	0
	4,029	0	0	0
The above special items are recognised in the financial statement line item "Other operating income".				
5 Financial income				
Other financial income	5,372	831	0	0
	5,372	831	0	0
6 Financial expenses				
Interest paid to group enterprises	0	0	808	809
Other financial expenses	6,159	3,427	16	164
	6,159	3,427	824	973
7 Tax on profit/loss for the year				
Current tax for the year	3,146	2,018	(195)	0
Deferred tax for the year	7,311	1,184	(9)	(240)
Adjustment of tax concerning previous years	1	(18)	0	0
	10,458	3,184	(204)	(240)

Notes to the Financial Statements

8 Intangible assets

Group

	Completed development projects	Goodwill
	TDKK	TDKK
Cost at 1 January	10,522	188,549
Exchange adjustment	(10)	0
Additions for the year	30	0
Disposals for the year	0	(5,307)
Cost at 31 December	<u>10,542</u>	<u>183,242</u>
Impairment losses and amortisation at 1 January	4,927	42,285
Exchange adjustment	3	0
Amortisation for the year	2,116	13,927
Impairment losses and amortisation at 31 December	<u>7,046</u>	<u>56,212</u>
Carrying amount at 31 December	<u>3,496</u>	<u>127,030</u>

Development projects relate primarily to the development of new versions of the Groups existing software products. The software constitutes the central platform for optimisation and support of the Groups internal administrative routines. Effective roll-out of these software products within the Group takes place on a continuous basis.

Notes to the Financial Statements

9 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	TDKK	TDKK	TDKK
Cost at 1 January	45,326	10,177	1,972
Exchange adjustment	(249)	0	0
Additions for the year	4,054	935	0
Disposals for the year	(1,829)	0	0
Transfers for the year	0	1,972	(1,972)
Cost at 31 December	<u>47,302</u>	<u>13,084</u>	<u>0</u>
Impairment losses and depreciation at 1 January	7,734	859	0
Exchange adjustment	51	35	0
Depreciation for the year	2,544	1,672	0
Reversal of impairment and depreciation of sold assets	647	0	0
Impairment losses and depreciation at 31 December	<u>10,976</u>	<u>2,566</u>	<u>0</u>
Carrying amount at 31 December	<u>36,326</u>	<u>10,518</u>	<u>0</u>

Notes to the Financial Statements

	Parent Company	
	2020	2019
	TDKK	TDKK
10 Investments in subsidiaries		
Cost at 1 January	331,278	331,278
Disposals for the year	(5,307)	0
Cost at 31 December	<u>325,971</u>	<u>331,278</u>
Value adjustments at 1 January	(74,304)	(33,118)
Exchange adjustment	(969)	3
Net profit/loss for the year	20,449	33,844
Other equity movements, net	0	(4,301)
Amortisation of goodwill	(6,469)	(6,764)
Other adjustments	0	(63,968)
Value adjustments at 31 December	<u>(61,293)</u>	<u>(74,304)</u>
Carrying amount at 31 December	<u>264,678</u>	<u>256,974</u>
Remaining positive difference included in the above carrying amount at 31 December	<u>109,888</u>	<u>121,663</u>

Notes to the Financial Statements

10 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
GASA GROUP Holding A/S	Denmark	TDKK 50.000	100 %
- GASA Gruppen A/S	Denmark	TDKK 11.200	100 %
- Zenflora A/S	Denmark	TDKK 1.000	50 %
- FE af 20/3 2018 A/S	Denmark	TDKK 500	100 %
- GASA Group Holland B.V.	Netherlands	TEUR 1.362	100 %
- GASA Group Germany GmbH	Germany	TEUR 150	100 %
- GASA Group Denmark A/S	Denmark	TDKK 20.000	100 %
- GASA Group Poland Sp. z.o.o.	Poland	TPLN 5	100 %
- Terreno Di Aprilla Srl Societa Agricola	Italy	EUR 1	100 %
- GASA Group Hungary Kft.	Hungary	THUF 99.408	100 %
- GASA Group Norway AS	Norway	TNOK 300	100 %

Information of two subsidiaries are not presented according to the Danish Financial Statements Act §97a, 4. The ownership represent respectively 100% and 65%.

Consolidation not based on majority of voting rights:

Zenflora A/S has been fully consolidated into GASA GROUP Holding A/S since 2010 given the 50% ownership, having the chairmanship according to the Shareholder Agreement and being the one who provided the necessary funding for the company.

11 Other fixed asset investments

	<u>Group</u>
	Other receiv- ables
	TDKK
Cost at 1 January	2,181
Additions for the year	247
Disposals for the year	(2,039)
Cost at 31 December	<u>389</u>
Carrying amount at 31 December	<u>389</u>

Notes to the Financial Statements

12 Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

	Group		Parent Company	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	TDKK	TDKK	TDKK	TDKK
Assets	243	0	0	0
Liabilities	0	525	0	0

The positive fair value of foreign exchange contracts is contained in Other receivables. The foreign exchange contracts are entered to secure the risk related to Trade receivables in SEK, PLN and GBP. The fair value is deducted in the value adjustment of the secured receivables.

As of 31-12-2020 the foreign exchange contracts have a residual maturity of under 3 months.

13 Deferred tax asset

	Group		Parent Company	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	TDKK	TDKK	TDKK	TDKK
Deferred tax asset at 1 January	37,824	39,008	362	122
Amounts recognised in the income statement for the year	<u>(7,311)</u>	<u>(1,184)</u>	<u>9</u>	<u>240</u>
Deferred tax asset at 31 December	<u>30,513</u>	<u>37,824</u>	<u>371</u>	<u>362</u>

The deferred tax asset is calculated by the difference between tax value and book value and tax loss carry-forwards. The deferred tax asset is expected to be reduced by depreciation over time and the tax loss carry-forwards are expected to be utilised within the coming years. In Connection with the assessment of the utilisation of the tax asset, special emphasis has been placed on the company having realised profits in recent years.

Notes to the Financial Statements

14 Prepayments

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

15 Share capital

In 2019, the Company acquired 200.000 treasury shares, corresponding to 20%. As at 31 December 2020 these shares have not been cancelled and are therefore held as treasury shares. The Company may choose to sell these shares at a later time. The shares have been acquired as part of the Company's strategy.

	Group		Parent Company	
	2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
16 Distribution of profit				
Minority interests' share of net profit/loss of subsidiaries	416	330	0	0
Retained earnings	13,259	26,225	13,259	26,225
	13,675	26,555	13,259	26,225

17 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:

Other payables

Between 1 and 5 years	8,903	0	0	0
Long-term part	8,903	0	0	0
Other short-term payables	31,605	27,343	37	25
	40,508	27,343	37	25

The long-term debt obligation consists of holiday pay during the freezing periode. The obligation is interest-bearing.

Notes to the Financial Statements

	Group	
	2020 TDKK	2019 TDKK
18 Cash flow statement - adjustments		
Financial income	(5,372)	(831)
Financial expenses	6,159	3,427
Depreciation, amortisation and impairment losses, including losses and gains on sales	20,295	33,969
Income from investments in associates	0	(24,353)
Tax on profit/loss for the year	10,458	3,184
Other adjustments	(2,134)	557
	29,406	15,953
19 Cash flow statement - change in working capital		
Change in inventories	(3,605)	(556)
Change in receivables	47,204	40,798
Change in trade payables, etc	(35,960)	(9,078)
	7,639	31,164

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
20 Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	18,279	18,279	0	0
Between 1 and 5 years	55,406	55,687	0	0
After 5 years	43,475	67,515	0	0
	117,160	141,481	0	0

Other contingent liabilities

The Parent Company has placed its shares in GASA GROUP Holding A/S as security for Group bank liabilities with the Group's bank in Denmark. The carrying amount of shares charged is DKK 265 million.

Assuming primary liability, the Parent Company has guaranteed all balances with the group enterprises; Gasa Group Denmark A/S, Zenflora A/S, Gasa Group Holland B.V. and Gasa Group Germany GmbH to the Group's bank in Denmark.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 0. Moreover, the Danish 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.

When GASA AARHUS a.m.b.a and GASA ODENSE a.m.b.a were converted into limited companies, the companies book value was measured into trade values according to the danish tax law. The trade value is taxable for the company, GASA GRUPPEN A/S, but it will only be taxpayable if the company pays dividend. The tax rate will be 50% for the company. The dividend will be tax free to the shareholder. The tax calculation after dividend in previous years will be calculated to DKK 110 million, but no more than 50% of the market value. Currently the latent tax amount to DKK 7.6 million.

Notes to the Financial Statements

21 Related parties

Basis

Controlling interest

Erhvervsinvest IV K/S

Parent Company

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.

There have been no such transactions during the financial year.

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
22 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	385	0	7	0
Tax advisory services	25	0	8	0
Other services	40	0	15	0
	450	0	30	0
Deloitte				
Audit fee	98	461	0	30
Other assurance engagements	38	252	0	0
Tax advisory services	0	25	0	15
Other services	54	138	0	15
	190	876	0	60
Others				
Audit fee	274	245	0	0
Other services	156	0	0	0
	430	245	0	0
	1,070	1,121	30	60

23 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

24 Accounting Policies

The Annual Report of GASA Investment A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2020 are presented in TDKK.

Recognition and measurement

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

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

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

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

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

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, GASA Investment A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Compa-

Notes to the Financial Statements

24 Accounting Policies (continued)

ny's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.

Notes to the Financial Statements

24 Accounting Policies (continued)

- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Notes to the Financial Statements

24 Accounting Policies (continued)

Leases

Leases in terms of which the Group 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 Group.

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

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 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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Notes to the Financial Statements

24 Accounting Policies (continued)

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Revenue

Information on business segments and geographical segments based on the Group's risks and returns and its internal financial reporting system. Geographical segments are regarded as the primary segments.

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 Group.

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

Expenses for raw materials and consumables

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

Other external expenses

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

Notes to the Financial Statements

24 Accounting Policies (continued)

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 Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

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

Tax on profit/loss for the year

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

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of 10-20 years whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile. Useful lives are

Notes to the Financial Statements

24 Accounting Policies (continued)

reassessed annually. The amortisation periods used are maximum 20 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc comprise development projects completed with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. The amortisation periods used are 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.

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

Other fixtures and fittings, tools and equipment	3-20 years
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Notes to the Financial Statements

24 Accounting Policies (continued)

Leasehold improvements 3-10 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.

Investments in subsidiaries and associates

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

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised inter-company profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

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

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method 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

Notes to the Financial Statements

24 Accounting Policies (continued)

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

The cost of goods for resale 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 other incurred costs relating to subsequent financial year.

Equity

Dividend

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

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Deferred tax assets and liabilities

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

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

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

Notes to the Financial Statements

24 Accounting Policies (continued)

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.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

24 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

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