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# *Aasted ApS*

Bygmarken 7 - 17, DK-3520 Farum

## Annual Report for 2023

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CVR No. 10 42 23 45

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 15/3 2024

Bjarne Moltke Hansen  
Chairman of the  
general meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company information	4
Financial Highlights	5
Management's Review	6
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	9
Balance sheet 31 December	10
Statement of changes in equity	12
Notes to the Financial Statements	13

# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Aasted ApS for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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.

Farum, 15 March 2024

## Executive Board

Piet Tæstensen  
CEO

Henrik Heitmann Jensen

Kenneth Toftedal Heiden

Mads Harck

## Board of Directors

Bjarne Moltke Hansen  
Chairman

Poul Christian Aasted

Lars Allan Aasted

Mads Hedstrøm

Thomas Aasted

Søren Sandholm Overgaard

Danica Sucur

# Independent Auditor's report

To the shareholder of Aasted ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Aasted ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for Opinion

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

## Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

## Management's responsibilities for the Financial Statements

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

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

# Independent Auditor's report

## Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

Hellerup, 15 March 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Kaare von Cappeln

State Authorised Public Accountant

mne11629

Jakob Thisted Binder

State Authorised Public Accountant

mne42816

## Company information

<b>The Company</b>	Aasted ApS Bygmarken 7 - 17 DK-3520 Farum  Telephone: +45 4434 8000 Email: Mail@aasted.eu Website: www.aasted.eu  CVR No: 10 42 23 45 Financial period: 1 January - 31 December Municipality of reg. office: Furesø
<b>Board of Directors</b>	Bjarne Moltke Hansen, chairman Poul Christian Aasted Lars Allan Aasted Mads Hedstrøm Thomas Aasted Søren Sandholm Overgaard Danica Sucur
<b>Executive Board</b>	Piet Tæstensen Henrik Heitmann Jensen Kenneth Toftedal Heiden Mads Harck
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

## Financial Highlights

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

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	783,490	576,718	501,099	571,464	589,455
Gross profit	204,603	153,092	146,178	171,929	184,274
EBITDA	78,913	45,790	39,471	53,230	51,382
Profit/loss before financial income and expenses	63,677	34,560	30,713	46,972	45,180
Profit/loss of financial income and expenses	3,056	-5,664	-1,987	-1,728	-5,915
Profit/loss before tax	66,733	28,896	28,726	45,244	39,265
Net profit/loss for the year	52,336	22,003	22,527	36,305	29,250
<b>Balance sheet</b>					
Balance sheet total	636,058	397,714	318,757	306,354	298,695
Investment in property, plant and equipment	6,917	11,584	5,013	1,726	6,120
Equity	157,121	124,785	122,782	112,255	75,950
<b>Ratios</b>					
Solvency ratio	24.7%	31.4%	38.5%	36.6%	25.4%
Return on equity	37.1%	17.8%	19.2%	38.6%	47.7%
Profit margin	8.1%	6.0%	6.1%	8.2%	7.7%
EBITDA margin	10.1%	7.9%	7.9%	9.3%	8.7%

The ratios have been computed in accordance with the Danish Society of Investments Professionals' (Den Danske Finansanalytikerforening) recommendations and guidance. We refer to the definitions in the section under accounting policies.

# Management's review

## Company presentation

Aasted ApS is a company in the Aasted group.

The official purpose of the Company is: "The Company's purpose is to develop and sell machines, solutions, service and advice for the chocolate, confectionary and bakery industries and for other industries, as well as within its business and operations to have a positive impact on society and the environment as a whole."

The Company is a firm believer of the People, Planet and Profit framework as driver of long-term positive sustainable development.

## Development in activities and financial standing

Strategic initiatives and ongoing adjustments have generally had the desired effects, and the Company has moved significantly on its social, environmental, and financial performance. In 2023 the Company was assessed by the global sustainability assessor, EcoVadis, which again awarded Aasted with a Platinum rating for being within the top 1% of our industry. The Company also carried out two employee surveys, including a workplace assessment (APV) and reached its goals for the survey results. Furthermore, order intake, revenue and EBITDA margin has increased.

The order intake for the year has been satisfactory and all-time high. The Company has again this year a historically high order backlog at the outset of 2024 and several deliveries are planned in 2025.

The Company's income statement for 2023 shows a profit before tax of DKK 66.7 million and a profit after tax of DKK 52.3 million and the Company's balance as of 31 December 2023 shows equity of DKK 157.1 million.

The year's financial result is showing considerable improvement year on year and is considered satisfactory. The year has been characterized by high growth and the Company have welcomed many new employees during the year.

The Company expected a growth of around 17-22% in revenue in 2023 compared to 2022 but realized a higher growth of 36%. The Company won more orders than anticipated during the year and was also able to increase capacity and hence realize more revenue. This increase in revenue was also reflected in profit before tax that increased with 131%, versus an expected increase of 80-100%.

The Company has continued to invest many resources in, among other things, organizational and competence development, sustainability, digitization, capacity and product and service development.

## Special risks - operating risks and financial risks

### Currency risks

Hedging of incoming orders and derived purchases are made if there is specifically considered to be a risk. The Company does not undertake currency speculation.

### Research and development

The development activities include the development of products of external expense as well as significant development activities at own expense. The Company activates relevant development activities on the balance sheet that fulfil the criteria for this.



# Management's review

## Knowledge resources

The competitive advantage of the Company is to develop, produce and sell the Company's leading high-tech and operationally reliable products and services. Our employees are the biggest asset of the Company, and it is important that the Company can attract, develop, and retain highly skilled employees. Considerable funds are continuously invested in the development of this.

## Unusual conditions

The Company's assets, liabilities, and financial positions as of 31 December 2023 as well as the result of the Company's activities for 2023 are not affected by unusual conditions.

## Expected outlook

The management expects a growth of around 15-20% in revenue in 2024 compared to 2023. Profit before tax is expected to increase by 20-25%. The expectations are based on the current order backlog as well as the current picture of the global geopolitical and economic situation.

## Statement of social responsibility and data ethics

The Company has prepared an independent report for social responsibility (Corporate Responsibility), which constitutes the statutory statement. In this, the Company explains its view on its social responsibility and data ethics, cf. § 99a and § 99d of the Danish Financial Statements Act. The reporting can be read on the Company's website,

<https://brochure.aasted.eu/csr/aasted-csr-rapport-2023/>

## Account of the underrepresented gender

In accordance with Danish financial law, we have set targets for the underrepresented gender, which in Aasted are people who identify as female. Being a manufacturing company, many of the groups of professionals that are needed in the production of our machines have technical and engineering background, which are typically male dominated professions. This translates into the distribution of the gender ratio on the total workforce.

We have set targets to reach a more equal distribution of genders across the management levels from board of directors to all employees employed by Aasted. It is our policy to work towards a diversity in our workforce including in the management positions. To support this, we aim for an inclusive workplace and culture that supports minorities including the underrepresented gender, and we aim for that the payment reflects role, responsibility, results, and skills regardless of gender. We monitor the gender pay gap, that in 2023 were -0.7%. Generally, when we use recruiters, usually for key strategic positions like manager positions, they are instructed to not provide name, personal identification number or picture. Furthermore, we have in 2023 used a tool to analyze our job postings, to educate our HR department on inclusive writing.

As of 31 December 2023, the share of the underrepresented gender in the Board of Directors at Aasted were 14% (1 out of 7). Our targeted level is to achieve 25% in 2025 and 30% in 2030. Since the current setup of the Board of Directors were established in 2022 with three new external members, changes in the composition are not foreseen neither in 2023 nor in 2024. With this in mind, in 2023 we adapted the 2025 goal from 30% to 25% to be more realistic.

## Management's review

As of 31 December 2023, the share of the underrepresented gender in management at Aasted were 20%. With management positions we refer to positions with people management responsibility. Our targeted level is to achieve 25% in 2025 and 30% in 2030. From 2022 to 2023, we have increased the number of management positions, mainly in the production, where it is in general difficult to attract female workforce. This has decreased the share of female managers. In 2023, we redefined our 2025 target from 35% to 25% to better reflect our new organization.

Comparing our gender distribution to the goals we have set we see a gap which might not be closed if we continue business as usual. To reach these targets we have planned actions in place for next year.

Firstly, getting stakeholder input from professionals in industry organization to identify where we can have the most positive impact.

Secondly, management training and dialogue on how we ensure diversity and inclusion in Aasted with a focus on the bias, that may impede the recruitment of more female managers.

Below we have made an overview of the underrepresented gender and our target.

	Unit	2023	2022	2021	2020	2019
<b>Board of Directors</b>						
Total number of members	Headcount	7	7	7	9	9
Underrepresented gender	%	14	14	0	22	22
Target	%	25	30	30	30	30
Target year	Year	2025	2025	2025	2025	2025
<b>Other Management levels</b>						
Total number of members	Headcount	46	35	33	33	35
Underrepresented gender	%	20	26	33	33	20
Target	%	25	35	35	30	30
Target year	Year	2025	2025	2025	2025	2025

### Events after the balance sheet date

No events have taken place after the balance sheet was prepared that are deemed to have a material effect on the assessment of the Annual Report.

## Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Revenue	1	783,490	576,718
Production expenses	2	-578,887	-423,626
<b>Gross profit</b>		<b>204,603</b>	<b>153,092</b>
Distribution expenses	2	-106,836	-83,198
Administrative expenses	2	-34,090	-35,555
<b>Operating profit/loss</b>		<b>63,677</b>	<b>34,339</b>
Other operating income		0	221
<b>Profit/loss before financial income and expenses</b>		<b>63,677</b>	<b>34,560</b>
Income from investments in subsidiaries		2,624	0
Financial income	3	3,578	345
Financial expenses	4	-3,146	-6,009
<b>Profit/loss before tax</b>		<b>66,733</b>	<b>28,896</b>
Tax on profit/loss for the year	5	-14,397	-6,893
<b>Net profit/loss for the year</b>	6	<b>52,336</b>	<b>22,003</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		TDKK	TDKK
Completed development projects		22,736	20,074
Goodwill		30,821	0
Development projects in progress		7,790	7,751
<b>Intangible assets</b>	7	<b>61,347</b>	<b>27,825</b>
Plant and machinery		10,714	10,192
Other fixtures and fittings, tools and equipment		2,702	2,265
Leasehold improvements		5,649	3,707
Property, plant and equipment in progress		46	610
<b>Property, plant and equipment</b>	8	<b>19,111</b>	<b>16,774</b>
Investments in subsidiaries	9	1,415	0
Deposits	10	4,777	4,607
<b>Fixed asset investments</b>		<b>6,192</b>	<b>4,607</b>
<b>Fixed assets</b>		<b>86,650</b>	<b>49,206</b>
<b>Inventories</b>	11	<b>154,218</b>	<b>88,049</b>
Trade receivables		82,760	44,076
Contract work in progress	12	169,190	102,020
Other receivables		8,801	5,520
Corporation tax		500	349
Prepayments	13	6,835	8,887
<b>Receivables</b>		<b>268,086</b>	<b>160,852</b>
Cash at bank and in hand		127,104	99,607
<b>Current assets</b>		<b>549,408</b>	<b>348,508</b>
<b>Assets</b>		<b>636,058</b>	<b>397,714</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital		320	320
Reserve for development costs		23,811	21,704
Retained earnings		92,990	82,761
Proposed dividend for the year		40,000	20,000
<b>Equity</b>		<b>157,121</b>	<b>124,785</b>
Provision for deferred tax	14	45,906	31,025
Provisions relating to investments in group enterprises		205	1,432
<b>Provisions</b>		<b>46,111</b>	<b>32,457</b>
Other payables		16,551	16,015
Deferred income		27,396	0
<b>Long-term debt</b>	15	<b>43,947</b>	<b>16,015</b>
Prepayments received from customers		8,371	6,970
Trade payables		92,386	74,995
Contract work in progress	12	228,144	113,240
Payables to group enterprises		4,286	0
Other payables	15	52,267	29,252
Deferred income	15, 16	3,425	0
<b>Short-term debt</b>		<b>388,879</b>	<b>224,457</b>
<b>Debt</b>		<b>432,826</b>	<b>240,472</b>
<b>Liabilities and equity</b>		<b>636,058</b>	<b>397,714</b>
Contingent assets, liabilities and other financial obligations	17		
Related parties	18		
Fee to auditors appointed at the general meeting	19		
Subsequent events	20		
Accounting Policies	21		

## Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January 2023	320	21,704	82,761	20,000	124,785
Ordinary dividend paid	0	0	0	-20,000	-20,000
Other equity movements	0	-168	168	0	0
Development costs for the year	0	7,915	-7,915	0	0
Depreciation, amortisation and impairment for the year	0	-5,640	5,640	0	0
Net profit/loss for the year	0	0	12,336	40,000	52,336
<b>Equity at 31 December 2023</b>	<b>320</b>	<b>23,811</b>	<b>92,990</b>	<b>40,000</b>	<b>157,121</b>
Equity at 1 January 2022	320	22,605	79,857	20,000	122,782
Ordinary dividend paid	0	0	0	-20,000	-20,000
Development costs for the year	0	-901	901	0	0
Net profit/loss for the year	0	0	2,003	20,000	22,003
<b>Equity at 31 December 2022</b>	<b>320</b>	<b>21,704</b>	<b>82,761</b>	<b>20,000</b>	<b>124,785</b>

# Notes to the Financial Statements

## 1. Revenue

Aasted ApS only have activities within the segment for production and sales of production equipment to the chocolate and baking industry. With reference to section 96 of the Danish Financial Statement Act the Company has excluded information regarding the distribution of revenue to geographical markets, as the information may cause significant harm to the Company as a result of special competitive considerations.

	2023	2022
	TDKK	TDKK
<b>2. Staff</b>		
Wages and salaries	225,608	198,395
Pensions	12,531	7,846
Other social security expenses	3,736	3,397
	<u>241,875</u>	<u>209,638</u>
Wages and salaries, pensions, other social security expenses and other staff expenses are recognised in the following items:		
Production expenses	171,411	142,632
Distribution expenses	48,686	43,430
Administrative expenses	21,778	23,576
	<u>241,875</u>	<u>209,638</u>
Including remuneration to the Executive Board and Board of Directors:		
Executive board	8,196	6,829
Board of directors	820	512
	<u>9,016</u>	<u>7,341</u>
<b>Average number of employees</b>	<u>342</u>	<u>316</u>

## 3. Financial income

	2023	2022
	TDKK	TDKK
Other financial income	3,046	345
Exchange adjustments	532	0
	<u>3,578</u>	<u>345</u>

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>4. Financial expenses</b>		
Other financial expenses	3,146	713
Exchange adjustments, expenses	<u>0</u>	<u>5,296</u>
	<b><u>3,146</u></b>	<b><u>6,009</u></b>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>5. Income tax expense</b>		
Deferred tax for the year	14,881	7,628
Adjustment of tax concerning previous years	-484	1,732
Adjustment of deferred tax concerning previous years	<u>0</u>	<u>-2,467</u>
	<b><u>14,397</u></b>	<b><u>6,893</u></b>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>6. Profit allocation</b>		
Proposed dividend for the year	40,000	20,000
Retained earnings	<u>12,336</u>	<u>2,003</u>
	<b><u>52,336</u></b>	<b><u>22,003</u></b>



## Notes to the Financial Statements

### 7. Intangible fixed assets

	Completed development projects	Goodwill	Develop- ment projects in progress
	TDKK	TDKK	TDKK
Cost at 1. January	35,917	0	7,751
Additions for the year	0	34,246	10,148
Disposals for the year	0	0	-216
Transfers for the year	9,893	0	-9,893
Cost at 31. December	<u>45,810</u>	<u>34,246</u>	<u>7,790</u>
Impairment losses and depreciation at 1. January	15,843	0	0
Depreciation for the year	7,231	3,425	0
Impairment losses and depreciation at 31. December	<u>23,074</u>	<u>3,425</u>	<u>0</u>
<b>Carrying amount at 31. December</b>	<b><u>22,736</u></b>	<b><u>30,821</u></b>	<b><u>7,790</u></b>
Amortised over	<u>5 years</u>	<u>10 years</u>	<u></u>

Goodwill concerns market rights acquired from the Company's subsidiaries.

Development projects relate to the development of the Company's portfolio of products. The cost for the development projects include salaries and other external costs that can be directly or indirectly attributed to the development projects. The recognition of the development costs is based on costs involved in the projects. Progress with the development projects is following the established plan.

## Notes to the Financial Statements

### 8. Property, plant and equipment

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvement s	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1. January	34,333	14,932	3,768	610
Additions for the year	3,806	1,239	635	1,237
Disposals for the year	0	-207	0	0
Transfers for the year	0	0	1,801	-1,801
Cost at 31. December	<u>38,139</u>	<u>15,964</u>	<u>6,204</u>	<u>46</u>
Impairment losses and depreciation at 1. January	24,141	12,667	61	0
Depreciation for the year	3,284	802	494	0
Reversal of impairment and depreciation of sold assets	0	-207	0	0
Impairment losses and depreciation at 31. December	<u>27,425</u>	<u>13,262</u>	<u>555</u>	<u>0</u>
<b>Carrying amount at 31. December</b>	<u><b>10,714</b></u>	<u><b>2,702</b></u>	<u><b>5,649</b></u>	<u><b>46</b></u>
Amortised over	<u>5 years</u>	<u>5 years</u>	<u>10 years</u>	

## Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
<b>9. Investments in subsidiaries</b>		
Cost at 1 January	320	320
Cost at 31 December	320	320
Value adjustments at 1 January	-320	-320
Exchange adjustment	387	0
Net profit/loss for the year	1,028	0
Value adjustments at 31 December	1,095	-320
<b>Carrying amount at 31 December</b>	<b>1,415</b>	<b>0</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes	Ownership
Aasted Germany GmbH	Bremen, Germany	100%	100%
Aasted North America, Inc.	USA	100%	100%
Aasted Turkey and Middle East LLC	Turkey	100%	100%

## 10. Other fixed asset investments

	Deposits
	TDKK
Cost at 1. January	4,607
Additions for the year	170
Cost at 31. December	4,777
<b>Carrying amount at 31. December</b>	<b>4,777</b>

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>11. Inventories</b>		
Raw materials and consumables	144,934	79,280
Work in progress	6,408	5,571
Finished goods and goods for resale	2,876	3,198
	<u>154,218</u>	<u>88,049</u>

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>12. Contract work in progress</b>		
Selling price of work in progress	524,819	297,375
Payments received on account	-583,773	-308,595
	<u>-58,954</u>	<u>-11,220</u>
 Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	169,190	102,020
Prepayments received recognised in debt	-228,144	-113,240
	<u>-58,954</u>	<u>-11,220</u>

### 13. Prepayments

Prepayments consists of prepaid expenses related to rent, insurance, subscriptions to service agreements as well as prepaid travel costs.

## Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
<b>14. Provision for deferred tax</b>		
Deferred tax liabilities at 1 January	31,025	25,864
Amounts recognised in the income statement for the year	14,881	5,161
<b>Deferred tax liabilities at 31 December</b>	<b>45,906</b>	<b>31,025</b>
Intangible assets	7,039	6,122
Property, plant and equipment	809	724
Inventories	1,941	1,336
Contract work in progress	51,041	28,816
Prepayments	155	107
Tax loss carry-forward	-15,079	-6,080
	<b>45,906</b>	<b>31,025</b>
	2023	2022
	TDKK	TDKK

## 15. 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

After 5 years	0	0
Between 1 and 5 years	16,551	16,015
Long-term part	16,551	16,015
Other short-term payables	52,267	29,252
	<b>68,818</b>	<b>45,267</b>

## Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
<b>15. Long-term debt</b>		
<b>Deferred income</b>		
After 5 years	13,698	0
Between 1 and 5 years	13,698	0
Long-term part	27,396	0
Within 1 year	3,425	0
	<b>30,821</b>	<b>0</b>

### 16. Deferred income

Deferred income consists of payments received in respect of internal profit to be reversed in subsequent years.

	2023	2022
	TDKK	TDKK
<b>17. Contingent assets, liabilities and other financial obligations</b>		

#### Rental and lease obligations

Obligations under rental or leasing contracts until maturity in total	211,609	226,648
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#### Other contingent liabilities

Deposit and guarantee obligations	133,697	99,580
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The Company has submitted a corporate pledge in the form of an indemnity letter to Nykredit for TDKK 75,000.

The Company is involved in a few disputes. The outcome of the disputes is not expected to have a significant impact on the Company's financial position.

The group companies are jointly and severally liable for tax on the jointly taxed incomes of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Aasted Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 18. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
<b>Controlling interest</b>	
Aasted Holding ApS, Bygmarken 9-17, 3520 Farum	Majority shareholder

### Other related parties

Consists of the Company's Board of Directors and subsidiaries

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
Aasted Holding ApS, CVR-no. 71 28 60 10	Bygmarken 9-17, 3520 Farum

## 19. Fee to auditors appointed at the general meeting

With reference to section 96(3) of the Danish Financial Statements Act and to the information for the fee to auditors appointed at the general meeting in the Consolidated Financial Statements of Aasted Holding ApS, CVR-no. 71 28 60 10, the Company has excluded the information for the fee to auditors appointed at the general meeting.

## 20. Subsequent events

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

# Notes to the Financial Statements

## 21. Accounting policies

The Annual Report of Aasted ApS for 2023 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 Financial Statements for 2023 are presented in TDKK.

### Adjustment of comparative figures

The Company has adjusted its allocation of expenses to production, distribution and administration in 2023. As a result the comparative figures have also been adjusted to reflect this change. As the change is only an adjustment to the allocation of expenses there is no impact on operating profit/loss, net profit/loss for the year and equity in 2022.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of Aasted Holding ApS, CVR-no. 71 28 60 10, the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Aasted Holding ApS, CVR-no. 71 28 60 10, the Company has not prepared a cash flow statement.

### Recognition and measurement

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.

### Translation policies

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

## Income statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.



# Notes to the Financial Statements

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

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

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

With reference to section 96 of the Danish Financial Statements Act, Management has omitted information on the distribution of net revenue by geographical markets, as the information could cause significant damage to the Company. Management has justified the application of the section in note 1.

## **Production expenses**

Production expenses comprise costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Research and development costs that do not meet the criteria for capitalization are also recognized under production expenses, as well as depreciation of capitalized development costs.

## **Distribution expenses**

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

## **Administrative expenses**

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Administrative expenses also includes impairment of receivables recognized under current assets.

## **Other operating income and expenses**

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

## **Income from investments in subsidiaries**

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

## **Financial income and expenses**

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

# Notes to the Financial Statements

## Tax on profit/loss for the year

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

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

## Balance sheet

### Intangible fixed assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 year.

Intellectual property rights, etc. include completed development projects and development projects in progress.

Development projects relating to products that are clearly defined and identifiable, where the degree of technical utilization, sufficient resources and a potential future market or development opportunity in the company can be demonstrated, and where the intention is to manufacture, market or use the product in question, are recognized as intangible fixed assets. Other development costs are recognized as costs in the income statement when the costs are incurred.

The cost for development projects includes wages and depreciation, that can be directly and indirectly attributed to the development projects.

Indirect production costs in the form of indirectly attributable personnel costs and depreciation on intangible and tangible fixed assets used in the development process are recognized in the cost based on incurred costs for the individual project.

Completed development projects are depreciated on a straight-line basis over the expected useful life. The depreciation period is 5 years. For development projects protected by intellectual property rights, the maximum amortization period constitutes the remaining term of the rights in question. Development projects are written down to the recoverable amount if this is lower than the accounting value.

### Property, plant and equipment

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

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

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

Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	10 years

The fixed assets' residual values are determined at nil.

Profit and loss on disposal of property, plant and equipment is calculated as the difference between the sales price less sales costs and the accounting value at the time of sale. Profit or loss is recognized in the income statement as a correction to depreciation and write-downs or under other operating income, to the extent that the selling price exceeds the original cost.

# Notes to the Financial Statements

## Impairment of fixed assets

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

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

## Investments in subsidiaries

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

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

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

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

The cost of raw materials and consumables equals landed cost.

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

## Receivables

Receivables are 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.

## Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

# Notes to the Financial Statements

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

## Prepayments

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

## Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits.

## Equity

### Dividend

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

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

### Current tax receivables and liabilities

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

### Financial liabilities

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

### Deferred income

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

## Financial Highlights

### Explanation of financial ratios

Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$
Profit margin	$\text{Profit/loss before financial income and expenses} \times 100 / \text{Revenue}$
EBITDA margin	$\text{EBITDA} \times 100 / \text{Revenue}$