
BEUMER Group A/S

P.O. Pedersens Vej 10, DK-8200 Aarhus N

Annual Report for 2023

CVR No. 12 65 56 81

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 27/5 2024

Anders Borresen Moos
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Financial Highlights	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	14
Balance sheet 31 December	15
Statement of changes in equity	17
Notes to the Financial Statements	18

Management's statement

The Executive Board and Supervisory Board have today considered and adopted the Annual Report of BEUMER Group A/S 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.

Aarhus N, 27 May 2024

Executive Board

Klaus Toftgaard Spens
CEO

Stephan Jan Pieter Heessels

Peter Sendal From

Anders Borresen Moos

Ronald Everard Willems

Hans Henrik Olsson

Supervisory Board

Rudolf Hausladen
Chairman

Klaus Schäfer

Norbert Hufnagel

Michael Kuhn

Per Christensen

Henrik Hagemann

Independent Auditor's report

To the shareholder of BEUMER Group A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 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 BEUMER Group A/S 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.

Aarhus C, 27 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Claus Lindholm Jacobsen
State Authorised Public Accountant
mne23328

Thyge Belter
State Authorised Public Accountant
mne30222

Company information

The Company	BEUMER Group A/S P.O. Pedersens Vej 10 DK-8200 Aarhus N CVR No: 12 65 56 81 Financial period: 1 January - 31 December Municipality of reg. office: Aarhus, Denmark
Supervisory Board	Rudolf Hausladen, chairman Klaus Schäfer Norbert Hufnagel Michael Kuhn Per Christensen Henrik Hagemann
Executive Board	Klaus Toftgaard Spens Stephan Jan Pieter Heessels Peter Sendal From Anders Borresen Moos Ronald Everard Willems Hans Henrik Olsson
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

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
Key figures					
Profit/loss					
Revenue	2,093,482	2,097,153	2,135,535	2,054,444	1,810,369
Gross profit	424,207	422,843	451,842	463,564	365,688
Profit/loss of primary operations	92,060	101,832	180,711	199,507	115,833
Profit/loss of financial income and expenses	32,838	25,435	1,789	-5,473	87
Net profit/loss for the year	101,705	107,514	141,935	153,072	88,963
Balance sheet					
Balance sheet total	1,414,255	1,585,558	1,612,210	1,671,472	1,385,918
Investment in property, plant and equipment	8,135	11,709	16,825	10,320	43,039
Equity	619,117	594,681	584,634	551,765	412,608
Number of employees	889	871	828	789	738
Ratios					
Profit margin	4.4%	4.9%	8.5%	9.7%	6.4%
Return on assets	6.5%	6.4%	11.2%	11.9%	8.4%
Solvency ratio	43.8%	37.5%	36.3%	33.0%	29.8%
Return on equity	16.8%	18.2%	25.0%	31.7%	14.2%

Management's review

Statement 2023: Main points

BEUMER Group A/S continues to lead the global market in providing intralogistics systems for parcel sortation and distribution, as well as baggage handling systems. Our core focus is to develop, produce, project sell, and implement state-of-the-art automated material handling systems. Our commitment to customer satisfaction goes beyond just delivering exceptional system solutions. We also place great importance on providing excellent after-sales service, which is essential in building and maintaining long-term partnerships with our valued customers.

Financial development

In 2023, BEUMER Group A/S delivered a satisfactory financial result at the same level as last year. After several years of very high activity in the parcel handling segment, our activities have started to balance more evenly between baggage handling systems and service. The organisation has demonstrated high flexibility in making use of the fundamental know how across our various product platforms and we have again proven robust against reduced demands in a specific market segment.

As part of our ambition to remain a leading supplier of intralogistics systems, significant investments have been made in the continuous development and enhancements of our products and systems. Development of new solutions is a priority and part of our DNA and we focus our development to be in line with our customers' articulated and unarticulated needs with reliability, flexibility and energy consumption as essential ingredients.

The income statement for 1 January to 31 December 2023 shows:

- A **net profit** of DKK 101.7 million.
- An **equity** on 31 December 2023, which amounts to DKK 619.1 million.
- An **operating profit** amounting to DKK 92,1 million.
- A **financial performance** showing a satisfactory profit of DKK 101.7 million. This includes profits/losses from investments in group enterprises and associates.

The result for the year is in line with the expectations at the beginning of the year.

Key risks and uncertainty relating to recognition and measurement

The large scale and international nature of most of our projects continue to be subject to risks. These are, however, not considered unusual within our line of business.

Being a truly global company, the economic development and political stability in all regions have significant impact on BEUMER Group A/S. The higher inflation rates combined with higher interest rates can have a negative impact on cost levels and customers' willingness to invest and the slowdown of some economies has impacted the number of tenders in our industry and thus the number of order wins.

Cyber situational awareness is and remains a priority. As part of our cyber security strategy, we comply with the ISO 27001 standard on how to manage information security (see section "Data ethics policy").

The uncertainty is assessed based on the circumstances known until the present moment and is expected to be reflected in the profit/loss for the year.

Management's review

Targets and expectations for 2024

Despite the continuous general economic uncertainties, we expect that the 2024 activity level will be on similar level as previous years. The new order situation for logistics projects is expected to improve from the current low level, and the airport projects and customer service areas are expected to continue to increase their backlog of orders.

All this taken into consideration, we expect a revenue in the range of DKK 1.8 - 2.1 billion with a positive profit margin in the range of 4,5 – 5,5%.

Continued strategic focus on research and development

In the financial year 2023, BEUMER Group A/S has incurred development costs close to DKK 132.8 million, included in total in the item "Development expenditure". This does not meet the criteria of capitalising development costs, and hence no development costs have been capitalised in 2023.

BEUMER Group is committed to supporting educational institutions and fostering the development of future talent through dedicated trainee programs. We have an ongoing partnership with various educational institutions, such as the School of Marine and Technical Engineering.

Foreign branches

BEUMER Group A/S has foreign branches in several countries and ongoing projects in many parts of the world. We abide to the rules governing permanent establishments and continuously monitor our projects in terms of deciding if they qualify for applying to the rules, in which case BEUMER Group will be registered with a permanent establishment.

Statement of corporate social responsibility and environmental management

BEUMER Group is a project-oriented company. For more information on our business model, we refer to the description on page 1.

Health, safety and social responsibility

BEUMER Group's global Quality, Health, Safety & Environment policy stems from our company values that commit us not only to maintain a sustainable business but also to continuously improve of our products, processes and organisation to ensure our long-term success.

In continuation of BEUMER Group A/S' long list of certifications which has been in place since 2009, BEUMER Group Holding in 2023 achieved the ISO 45001 certification on a group level (multisite certification) with the aim and intended outcome to further prevent work-related injuries and to provide an even more safe and healthy workplace, eliminate hazards and minimise Occupational Health & Safety (OH&S) risks by taking preventive and protective measures.

We plan to maintain and continually improve our OH&S management system and retain the ISO 45001 certification, while we also remain committed to our Working Environment Organisation and Joint Consultation Committee to involve employee representatives in OH&S matters

Consulted by the impartial company, Ennova, an Employee Engagement Survey (EES) is conducted every year. Every second year the survey also covers a workplace assessment (WPA) measuring the physical and psychological work environment (including stress), sick leave due to working environment, as well as offensive behaviour. The 2023 EES survey response rate was 85% and the result revealed high employee motivation and loyalty. Focus areas for improvement, such as cross-organisational cooperation, were also identified.

Management's review

Long term sick leave, including stress related illnesses, is monitored. At present a target is not determined, however the total number of stress related sick leave (both fully and partially) has decreased throughout 2023.

By the end of 2023, the employee turnover was at 4.3% which is below our max. 5% target.

Safety inspections are conducted on BEUMER Group's locations and project installation sites. Focus is on improving work methods, ergonomics, internal transport, use of hazardous substances, emergency preparedness, waste handling and safety of machinery. On project sites, the OH&S training programs include BEUMER Group suppliers. We perform internal OH&S audits and the certification body, Bureau Veritas, performs the OH&S audits at BEUMER Group A/S.

In 2023, BEUMER Group strengthened our global Quality and OH&S organisation with dedicated QHSE managers around the world. Our aim is to establish an even better framework to oversee our processes and standards, foster continuous knowledge sharing for improvements, and define and pursue Quality and OH&S objectives and initiatives across all our global operations.

To improve OH&S visibility globally, we use the KPI, "Lost Time Injury Rate", which measures lost time injuries per 1,000,000 working hours. We also have Health, Safety & Environment (HSE) training programs for Project Managers and Supervisors. In 2023, BEUMER Group A/S's Lost Time Injury Rate was 7.1, which is above our max 4.0 target. The severity of accidents is categorised as "minor, reversible, irreversible or catastrophic". The 2023 working accidents were in the categories "minor, reversible and irreversible", which did not meet our benchmark. For lessons learned, our Working Environment Organisation is involved in the handling of OH&S incidents, and training initiatives have been launched to reduce the number and severity of accidents.

Human rights

As an organisation we recognise the right to form and to join trade unions for the protection of the interests of the employees and support the United Nations' Universal Declaration of Human Rights. Our company policy includes the elimination of discrimination with respect to employment and occupation. Trade unions are involved in salary negotiations, working hours and conditions for employees.

There have been no deviations regarding Labour Standards during 2023. That includes our suppliers, who are evaluated and audited. No breach has been noticed.

BEUMER will continue to work to ensure human rights for staff and contracted people involved in our projects. The risk of breaches is considered very low as we make use of European Health & Safety standards at all our sites, and we have documented records for health and safety processes - including training. Furthermore, we continuously conduct audits at all sites.

Sustainability, environment and climate

Sustainability is a strategic focus point and strongly anchored into corporate values and principles in BEUMER Group. BEUMER Group Holding has appointed a Global Sustainability Director with overall responsibility for anchoring sustainability compliance and development across the entire organisation.

BEUMER Group A/S is among the large Aarhus-based companies who have signed the Aarhus Climate Alliance (Klimaalliancen Aarhus), initiated by the Aarhus Municipality to contribute to the city of Aarhus becoming CO₂-neutral by 2030. In 2023 BEUMER Group A/S increased their share of electrical driven vehicles to reach the target set in the Aarhus Climate Alliance.

In 2023, BEUMER Group A/S further developed their emissions reporting according to the Greenhouse Gas Protocol (GHG). Scope 1 includes direct emissions from company vehicles, Scope 2 concerns indirect emissions from purchased electricity and district heating. By the end of 2023, all information for Scope 1 and

Management's review

2, as well as several for Scope 3 (indirect emissions from upstream and downstream activities) such as business travel, waste generated, transportation of goods, employee commuting and fuel and energy related activities, was in place. Identifying the remaining Scope 3 data to collect and calculate emissions from activities such as purchased goods, use of sold products and end-of life treatment of sold products is a work in progress.

In April 2023, BEUMER Group also committed to the Science Based Target initiative (SBTi). Through this commitment BEUMER Group will be able to set the necessary science-based targets to meet the goals of the Paris Agreement. The Science Based Targets will be set based on BEUMER Group's calculated CO2 emissions on group level.

BEUMER Group A/S aims to protect the environment and comply with all applicable environmental laws and regulations. We continually reduce our environmental impact through an entire product life cycle "from design to end-of-life" treatment of our systems. Our environmental aspects have been determined based on criteria such as an environmental score system and the UN Sustainable Development Goals (SDG):

SDG 3 Good health and well-being

SDG 4: Quality education

SDG 8: Decent work and economic growth

SDG 9: Industry, innovation and infrastructure

SDG 12: Responsible consumption and production

SDG 17: Partnerships for the goals.

For these environmental performance focus points, we have targets and action plans. We train and educate our employees to secure the focus and we monitor, follow up and log our progress. Applicable legislation and other requirements, as well as trends that will have an impact on BEUMER Group A/S will spur an update of procedures to ensure compliance.

To match our values and our focus on sustainability, BEUMER Group A/S has chosen "VækstPension Aftryk" as the preferred savings option for our pension scheme. VækstPension Aftryk is aimed specifically at making sustainable investments in support of the UN Sustainable Development Goals.

BEUMER Group A/S performs internal environmental audits and certification body, Bureau Veritas, performs environmental audits at BEUMER Group A/S. At the time of writing there are no outstanding environmental issues with authorities or other stakeholders.

To improve the environment and climate, we have determined 5 significant environmental focus areas of our activities, products, and services that we can control and influence:

1. CO2 emission from transport of goods to installation sites: Our aim is to minimise express shipments and optimise container utilisation (our modal split of transport describes the relative share of transport by sea, road and air and is represented as the percentage distribution of transport weight among different modes of transport). In 2023, transport of goods to sites by air reached 4.9% due to delivery challenges in specific projects (target is max. 3.0%).

2. Environmental impacts of suppliers: The environmental requirements for our suppliers are specified and state that BEUMER Group A/S values and prefers suppliers who can demonstrate they are ISO 14001 certified - or acting according to ISO 14001, have defined significant environmental aspects and have sustainable programs for energy- and CO2 reduction, material utilisation, waste- and chemical management.

Management's review

3. Power consumption in installed systems: In our R&D, we continue to focus on implementing environmentally acceptable technologies. As a result, the new generation of the CrisBag® system for airport baggage handling achieves an even higher level of energy efficiency. We also continue to analyse real-time data from systems in operation. This type of data analytics sets a benchmark that leads to continuous improvement of key figures to the benefit of our customers. In 2024, BEUMER Group A/S will continue to investigate opportunities for mapping energy consumption at customer sites with the aim to identify further possibilities for energy savings.

4. CO2 emission from BEUMER Group A/S: Following the 2021 Energy Audit, BEUMER Group A/S has continued to implement several suggested improvements.

A minor, yet significant, improvement has been to improve the ventilation system efficiency by reducing the need to activate the cooling/heating units. This minor change has created a steadier operation and reduced the system's electricity consumption.

The total electricity consumption at BEUMER Group A/S locations decreased by 6.7% from 2021 to 2023 and the key figure (kWh/employee/month) for 2023 was also lower compared to previous years.

2021: 213 kWh/employee/month (Average headcount: 818 employees)

2022: 193 kWh/employee/month (Average headcount: 857 employees)

2023: 185 kWh/employee/month (Average headcount: 881 employees)

All BEUMER Group A/S locations are heated by means of district heating. The district heating supplier, "Kredsløb", has announced an environmental objective to be 100% climate neutral by 2030.

5. Recycling of waste: We sort and handle more than 20 different fractions of waste and work continuously to lower the waste volume. In 2023, 79% (61% in 2022) of our waste was recycled and the remaining 21% was recovered for district heating. Organic waste from our canteen and kitchen is used for biogas production. In 2023, the waste management was expanded to include food waste, beverage cartons, plastics and metal as well as rigid-plastics from the production area. The "To-good-to-go" concept continues to be offered by our canteen. These initiatives resulted in a 32% reduction of recover waste produced at BEUMER Group A/S from 2022 to 2023.

BEUMER Group A/S offers employee-purchase of old company PC's, which facilitates reuse and life extension of the IT equipment.

Our canteen is certified with the Organic Food Label Bronze for being 30-60% organic. The goal is to achieve Silver (60-90% organic) by the end 2025.

As an ISO 9001 and ISO 14001 holder, it is BEUMER Group's A/S' risk assessment that the impact on climate and environment is within reasonable limits, and we proactively implement environment and sustainability as part of our daily business conduct.

Responsible supply chain management

BEUMER Group A/S has a quality policy to meet our own and our customers' requirements in accordance with statutory and regulatory laws. By quality we mean to supply a solution that creates value to our customers, to implement our projects at the agreed time and with proper economy, quality and functionality. To us, true sustainability means finding the right balance between ecological demands, economic success and social responsibility.

Management's review

Our Quality Management System has been certified according to ISO 9001 since 1999 and, as mentioned above, in 2023, BEUMER Group Holding achieved the ISO 9001 certification on a group level (multisite certification) to support a continuous path of developing BEUMER Group as an integrated company with a high level of quality. The ISO 9001 certification remains a focal point of our Integrated Management System (IMS), which combines BEUMER Group various management systems into a unified framework with quality, environment (incl. sustainability and ESG reporting), occupational health & safety and information security as key components.

BEUMER Group A/S primarily cooperates with suppliers in Europe and with BEUMER Group's own production sites in Germany and China. All in compliance with ISO 9001, ISO 45001 and ISO 14001. Suppliers are evaluated on a regular basis and critical suppliers are subject to quality, health, safety and environmental performance audits. All suppliers are subject to approval and are asked to sign our purchasing conditions, which include a commitment to comply with the 10 Principles of UN Global Compact. We continuously follow up on main suppliers and perform audits at supplier sites. We have occupational health and safety requirements for suppliers working on our sites or premises to ensure a high level of safety.

Anti-corruption

BEUMER Group A/S conducts business in many countries worldwide, including countries perceived as corrupt. We are aware of the risk, especially in the form of meeting special requirements on bribery in connection with the tendering of projects, important approvals and signing agreements. To this date, there has not been a formal anti-corruption process, however, all projects are financially controlled and project managed, which entails an informal process for monitoring possible corruption. In addition, all project execution includes a project audit process as part of Project Management Office (PMO).

To our knowledge there were no cases concerning corruption in 2023, nor do we expect this will happen. No incidents were reported through our whistleblower system and to ensure continued transparency, BEUMER Group A/S has a set of business conduct guidelines designed as mandatory training and certification for all BEUMER employees. The guidelines comprise contact with business partners, avoidance of conflicts of interest, handling company equipment among other basic rules of conduct. In addition, all project execution includes a project audit process as part of Project Management Office (PMO).

Diversity in management

At BEUMER Group A/S, the supervisory board consists of four members representing the company and two employee elected members. Other management levels consists of 16 members. The board and management appointments are made on merit, with the best qualified person getting the job. We believe this will strengthen the dynamics and development of the company and emphasise our position as a modern and visionary company.

BEUMER Group A/S embraces diversity and strives to recruit candidates with high leadership qualifications. The current distribution of gender is not in line with what can be expected from a company of our size and subsequently we focus on strengthening our efforts to balance the gender equality. The goal for 2023 was to increase gender equality on the board and on other management levels. In 2023 we aimed to have at least one woman among candidates for management positions, and we increased our efforts to spot, recruit and develop female candidates into managers based on adequate professional and personal qualifications and values. The following target has been determined to have women in management and on the board:

Supervisory board and other management levels

- Target 2024: 20%

No women were elected to the board in 2023. On other management levels, the 2023 target (15%) was not achieved with only 13% women being represented.

Management's review

	5-year overview				
	2023	2024	2025	2026	2027
Management board					
Total number of members	6				
Underrepresented gender (%)	0				
Target (%)	20				
Year for target achievement	2027				
Other Management levels					
Total number of members	27				
Underrepresented gender (%)	11				
Target (%)	20				
Year for target achievement	2027				

Even though we have been focusing on strengthening our efforts to balance the gender equality on the board and on other management levels, we have not been able to bring enough females into the candidate pool nor promote enough female candidates internally.

Ethnic diversity

In a global company like BEUMER Group, ethnic diversity is important because it has a positive influence on our organisation's tolerance, how we build relationships and understand values. BEUMER Group A/S prides itself with having employees from more than 20 different nationalities.

Data Ethics Policy

Data in general, including big data, and the collection and handling of the same, form an integral part of all BEUMER business segments. BEUMER Group A/S has a formal Data Ethics Policy and aside from handling personal data securely by means of compliance with the EU regulation for personal data ("GDPR"), BEUMER also respects the use and required protection of other data forming part of BEUMER's business segments. The purpose of this policy is to describe how BEUMER acts in this regard.

The types of data collected and used by BEUMER may be both personally identifiable and non-personally identifiable. Data collection and processing is done automatically in BEUMER's own closed-circuit systems. No data collected, whether by BEUMER or by an external supplier on behalf of BEUMER will be neither sold nor disclosed to any third parties. The overall responsibility for decisions, implementation and use of new technology and the use of non-personally identifiable and personally identifiable data is anchored in BEUMER executive management, who is continuously involved and who informs and conducts evaluations. Data is used based on the Data Ethics Council Expert Group's recommendations from November 2018 and BEUMER Group A/S' present Data Ethics Policy. The Data Ethics Policy has been approved by BEUMER executive directors.

Throughout 2023, BEUMER Group has continued to strengthen its information security management by expanding our internal security organisation and governance. Our Head of Cyber and Information Security, in partnership with Quality and OH&S, and Group IT, works to innovate and improve the internal processes for information security across the BEUMER organisation.

Management's review

In May 2023, BEUMER passed its first ISO 27001 certification for information security. The initial scope covers the customer-facing departments and functions. An Information Security Management Systems (ISMS) has been established, implemented and is the foundation for the certification. The ISO 27001 certification

documents that BEUMER has an Information Security Management System at a sufficient level for the operations, products and services BEUMER delivers worldwide.

As part of BEUMERs overall awareness and training programme within information and cyber security, BEUMER Group A/S onboarding programme for new employees, has been expanded with a dedicated Information Security Awareness session as of Q4 2023.

Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Revenue	1	2,093,482	2,097,153
Production expenses	2	-1,669,275	-1,674,310
Gross profit		424,207	422,843
Distribution expenses		-119,465	-115,293
Development expenditure		-132,816	-115,703
Administrative expenses		-79,866	-90,015
Profit/loss before financial income and expenses		92,060	101,832
Income from investments in subsidiaries	3	20,024	22,330
Financial income	4	19,171	8,575
Financial expenses	5	-6,357	-5,470
Profit/loss before tax		124,898	127,267
Tax on profit/loss for the year	6	-23,193	-19,753
Net profit/loss for the year	7	101,705	107,514

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Land and buildings		18,399	18,937
Plant and machinery		4,355	4,961
Other fixtures and fittings, tools and equipment		11,950	13,652
Leasehold improvements		25,421	29,737
Property, plant and equipment in progress		3,723	1,855
Property, plant and equipment	8	63,848	69,142
Investments in subsidiaries	9	52,517	33,641
Other receivables	10	190	196
Fixed asset investments		52,707	33,837
Fixed assets		116,555	102,979
Inventories	11	284,122	268,773
Trade receivables		120,902	138,500
Contract work in progress	12	245,605	222,966
Receivables from group enterprises		335,148	393,090
Other receivables		24,486	28,296
Deferred tax asset	13	4,580	5,076
Corporation tax		25,087	60,672
Prepayments	14	21,767	19,783
Receivables		777,575	868,383
Cash at bank and in hand		236,003	345,423
Current assets		1,297,700	1,482,579
Assets		1,414,255	1,585,558

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital	15	50,700	50,700
Reserve for net revaluation under the equity method		52,288	33,412
Reserve for hedging transactions		-6,213	-25,092
Retained earnings		427,342	440,661
Proposed dividend for the year		95,000	95,000
Equity		619,117	594,681
Other provisions	16	42,403	48,558
Provisions		42,403	48,558
Trade payables		195,346	225,896
Contract work in progress	12	337,428	502,514
Payables to group enterprises		60,133	63,177
Corporation tax		11,192	311
Other payables	17	134,623	140,195
Deferred income	18	14,013	10,226
Short-term debt		752,735	942,319
Debt		752,735	942,319
Liabilities and equity		1,414,255	1,585,558
Contingent assets, liabilities and other financial obligations	19		
Related parties	20		
Fee to auditors appointed at the general meeting	21		
Subsequent events	22		
Accounting Policies	23		

Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	50,700	33,412	-25,092	440,661	95,000	594,681
Ordinary dividend paid	0	0	0	0	-95,000	-95,000
Exchange adjustments relating to foreign entities	0	-1,148	0	0	0	-1,148
Fair value adjustment of hedging instruments, end of year	0	0	24,205	0	0	24,205
Tax on adjustment of hedging instruments for the year	0	0	-5,326	0	0	-5,326
Net profit/loss for the year	0	20,024	0	-13,319	95,000	101,705
Equity at 31 December	50,700	52,288	-6,213	427,342	95,000	619,117

Notes to the Financial Statements

1. Revenue

The distribution of revenue by activity and geographical market is not disclosed as the market only has a few suppliers, and the disclosures are therefore found to be substantially detrimental to the Company.

2. Staff

	2023 TDKK	2022 TDKK
Wages and salaries	617,550	599,361
Pensions	53,699	45,264
Other social security expenses	10,782	9,649
	682,031	654,274

Including remuneration to the Executive Board and Supervisory Board:

Executive board	18,598	17,273
Supervisory Board	90	90
	18,688	17,363

Average number of employees	889	871
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The incentive program for the Executive Board includes bonuses based on the financial result for the year and other KPIs established by the Company.

3. Income from investments in subsidiaries

	2023 TDKK	2022 TDKK
Share of profits	20,024	22,330
	20,024	22,330

4. Financial income

	2023 TDKK	2022 TDKK
Interest received from group enterprises	12,945	4,909
Other financial income	5,103	1,067
Exchange adjustments	1,123	0
Exchange gains	0	2,599
	19,171	8,575

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
5. Financial expenses		
Interest paid to group enterprises	2,020	2,008
Other financial expenses	2,765	3,462
Exchange adjustments, expenses	1,572	0
	<u>6,357</u>	<u>5,470</u>
	2023	2022
	TDKK	TDKK
6. Income tax expense		
Current tax for the year	25,039	14,882
Deferred tax for the year	3,382	-50
Adjustment of tax concerning previous years	2,984	-322
Adjustment of deferred tax concerning previous years	-2,886	4,364
	<u>28,519</u>	<u>18,874</u>
thus distributed:		
Income tax expense	23,193	19,753
Tax on equity movements	5,326	-879
	<u>28,519</u>	<u>18,874</u>
	2023	2022
	TDKK	TDKK
7. Profit allocation		
Proposed dividend for the year	95,000	95,000
Reserve for net revaluation under the equity method	20,024	22,330
Retained earnings	-13,319	-9,816
	<u>101,705</u>	<u>107,514</u>

Notes to the Financial Statements

8. Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	24,942	49,097	50,781	52,700	1,855
Additions for the year	0	1,622	2,332	458	3,723
Transfers for the year	0	0	1,552	303	-1,855
Cost at 31 December	24,942	50,719	54,665	53,461	3,723
Impairment losses and depreciation at 1 January	6,005	44,136	37,129	22,963	0
Depreciation for the year	538	2,228	5,586	5,077	0
Impairment losses and depreciation at 31 December	6,543	46,364	42,715	28,040	0
Carrying amount at 31 December	18,399	4,355	11,950	25,421	3,723

9. Investments in subsidiaries

	2023	2022
	TDKK	TDKK
Cost at 1 January	229	229
Cost at 31 December	229	229
Value adjustments at 1 January	33,412	10,437
Exchange adjustment	-1,148	645
Net profit/loss for the year	20,024	22,330
Value adjustments at 31 December	52,288	33,412
Carrying amount at 31 December	52,517	33,641

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Crisplant Airport Systems L.L.C.	Abu Dhabi	100%

Notes to the Financial Statements

10. Other fixed asset investments

	Other receivables
	TDKK
Cost at 1 January	196
Cost at 31 December	196
Revaluations at 1 January	0
Exchange adjustment	-6
Revaluations at 31 December	-6
Carrying amount at 31 December	190

11. Inventories

	2023	2022
	TDKK	TDKK
Raw materials and consumables	120,357	106,190
Work in progress	109,185	81,375
Finished goods and goods for resale	54,580	81,208
	284,122	268,773

12. Contract work in progress

	2023	2022
	TDKK	TDKK
Selling price of work in progress	3,257,857	3,596,500
Payments received on account	-3,349,680	-3,876,048
	-91,823	-279,548

Recognised in the balance sheet as follows:

Contract work in progress recognised in assets	245,605	222,966
Prepayments received recognised in debt	-337,428	-502,514
	-91,823	-279,548

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
13. Deferred tax asset		
Deferred tax asset at 1 January	5,076	9,390
Amounts recognised in the income statement for the year	4,830	-5,193
Amounts recognised in equity for the year	-5,326	879
Deferred tax asset at 31 December	4,580	5,076

14. Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and prepayments to suppliers.

15. Share capital

The share capital consists of 50,700 shares of a nominal value of TDKK 1. No shares carry any special rights.

	2023	2022
	TDKK	TDKK
16. Other provisions		
Warranties	42,403	48,558
	42,403	48,558
The provisions are expected to mature as follows:		
Within 1 year	37,183	32,599
Between 1 and 5 years	5,220	15,959
After 5 years	0	0
	42,403	48,558

The Company provides warranties on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions have been recognised for expected warranty claims.

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK

17. 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:

Liabilities	15,239	35,005
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Forward exchange contracts have been concluded to hedge future sale of goods and purchases of goods in AUD, CAD, GBP, KWD, NOK, SGD, and USD.

At the balance sheet date, the fair value of the forward exchange contracts amounts to DKK -15.239k. Sale of goods has been hedged for a period up to 35 months for an amount of AUD 379k, CAD 7,796k, GBP 22,069k, KWD 7,989k, SGD 795k and USD 37,078k.

Purchase of goods in EUR has been hedged for an amount of NOK 34,589k and USD 15.588k.

18. Deferred income

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

	2023	2022
	TDKK	TDKK

19. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Commitments under rental agreements or leases until expiry:	25,588	25,889
Commitments under rental agreements or leases with group enterprises until expiry:	5,448	5,315

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
19. Contingent assets, liabilities and other financial obligations		
Guarantee obligations		
The Company has provided three (2022: three) group guarantees to customers belonging to BEUMER Group UK Limited of TDKK 562.922 (2022: TDKK 550.359), one group guarantees to customers belonging to BEUMER Group Canada Corporation of TDKK 38.176 (2022: TDKK 38.624), one group guarantee to a customer belonging to BEUMER Doha WLL (BDO) of TDKK 978.349 (2022: TDKK 976.196), as well as one (2022: zero) group guarantees to customers belonging to BEUMER Group Australia Pty Limited of TDKK 439.939 (2022: TDKK 0). The project values relating to these guarantees are:	2,019,386	1,565,179
The Company's banks have provided bank guarantees to the Company's and the group enterprises' customers of a total amount of:	466,025	525,624

20. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
BEUMER Group GmbH & Co. KG, reg. no. HR A 7260	Ultimate parent

Transactions

Referring to section 98 C, litra 7 of the Danish Financial Statements Act, no information describing transactions with related parties is provided.

Consolidated Financial Statements

The Company is included in the Group Annual Report of:

<u>Name</u>	<u>Place of registered office</u>
BEUMER Group GmbH & Co. KG	Older Str. 40, 59269 Beckum, Germany, reg. no. HR A 7620

The Group Annual Report of BEUMER Group GmbH & Co. KG may be obtained at the following address:

BEUMER Group GmbH & Co. KG
Older Str. 40
59269 Beckum
Germany

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
21. Fee to auditors appointed at the general meeting		
PricewaterhouseCoopers		
Audit fee	480	425
Tax advisory services	288	446
Non-audit services	131	243
	<u>899</u>	<u>1,114</u>

22. Subsequent events

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

Notes to the Financial Statements

23. Accounting policies

The Annual Report of BEUMER Group A/S 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.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of BEUMER Group GmbH & Co. KG, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement.

Recognition and measurement

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.

Translation policies

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

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

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

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.

Notes to the Financial Statements

Hedge accounting

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve 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.

Segment information on revenue

Information on business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Business 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 Company.

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

In accordance with section 96(1) of the Danish Financial Statements Acts, disclosures on revenue broken down by business segments are not provided as the Company's Executive Board and Supervisory Board assess that such disclosures would be very detrimental to the Company.

Production expenses

Production costs comprises costs incurred to achieve revenue for the year. Cost comprises raw materials and consumables, wages and salaries, rent and leases, share of HR and IT costs, share of building costs as well as depreciation of production plant.

Distribution expenses

Distribution expenses comprise costs incurred for distribution of goods/plant sold, including costs for sales and distribution staff, advertising costs as well as depreciation and amortisation.

Development expenditure

Development expenditure comprise costs that do not meet the criteria for capitalisation as well as amortisation and impairment losses of development costs capitalised.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office premises, office expenses, depreciation, etc. Furthermore, provision for bad debt is recognised.

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.

Notes to the Financial Statements

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 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.

Balance sheet

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. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

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:

Buildings	50 years
Plant and machinery	2-10 years
Other fixtures and fittings, tools and equipment	2-10 years
Leasehold improvements	2-10 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 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 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 with deduction or addition of unrealised intercompany 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 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.

Notes to the Financial Statements

Other fixed asset investments

Other fixed asset investments consist of receivables from group enterprises.

Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of 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.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

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 prepayments to suppliers.

Equity

Dividend

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

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period. Provisions are measured and recognised based on experience with guarantee work.

Notes to the Financial Statements

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.

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 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

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