Haas-Meincke A/S

Tonsbakken 10, DK-2740 Skovlunde

Annual Report for 1 January - 31 December 2022

CVR No 13 88 20 37

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 28/3 2023

Wolfgang Schnallinger
Chairman of the General Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Haas-Meincke A/S for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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.

Skovlunde, 28 March 2023

Executive Board

Morten Riisager
CEO

Board of Directors

Germar Holger Wacker Chairman	Heinz Wolfgang Schnallinger Deputy Chairman	Christian Puhr
Erling Steen True Sandberg Staff Representative	Mads Bruun Staff Representative	

Independent Auditor's Report

To the Shareholder of Haas-Meincke 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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Haas-Meincke A/S for the financial year 1 January - 31 December 2022, 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 Financials 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.

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, 28 March 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Martin Lunden	Gösta Gauffin
statsautoriseret revisor	statsautoriseret revisor
mne32209	mne45821

Company Information

The Company	Haas-Meincke A/S Tonsbakken 10 DK-2740 Skovlunde CVR No: 13 88 20 37 Financial period: 1 January - 31 December Municipality of reg. office: Ballerup
Board of Directors	Germar Holger Wacker, Chairman Heinz Wolfgang Schnallinger Christian Puhr Erling Steen True Sandberg Mads Bruun
Executive Board	Morten Riisager
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	854,013	384,820	419,775	704,919	729,511
Gross profit/loss	119,168	82,692	85,695	188,474	152,580
Operating profit/loss	-24,096	-46,246	-33,859	52,286	-3,692
Profit/loss before financial income and expenses	-20,290	-35,072	-27,872	52,329	-3,692
Net financials	-8,551	1,767	-925	4,537	-7,432
Net profit/loss for the year	-28,841	-44,233	-20,997	44,707	-7,909
Balance sheet					
Balance sheet total	417,482	497,877	375,276	446,547	433,980
Equity	17,474	46,315	90,548	111,545	65,655
Investment in property, plant and equipment	67	744	3,407	630	0
Number of employees	221	219	226	241	233
Ratios					
Gross margin	14.0%	21.5%	20.4%	26.7%	20.9%
Return on assets	-4.9%	-7.0%	-7.4%	11.7%	-0.9%
Solvency ratio	4.2%	9.3%	24.1%	25.0%	15.1%
Return on equity	-90.4%	-64.6%	-20.8%	50.5%	-11.4%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Key activities

The objective of the company is to carry on activities within the food industry as a producer and supplier of capital equipment, mainly for the bakery and chocolate industry.

Development in the year

The income statement of the Company for 2022 shows a loss of TDKK 28,841, and at 31 December 2022 the balance sheet of the Company shows a positive equity of TDKK 17,474.

The scope of the Company's activities were higher than in 2021, which was a result of the release of COVID- 19 restrictions all over the world.

The Company's environment was still characterized by difficulties in the supply chains with shortages of parts and components, especially electrical/software deliveries. Company has been affected by higher raw material prices, logistic costs and energy prices during 2022.

During the year, the Company saw an increase in gaining new customer orders as the main markets started the recovery after COVID-19 pandemic years.

As supply chain and logistics issues became more challenging during 2022, the Company experienced delays in equipment's deliveries to customers.

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

The Company's results for 2022 were lower than the expectations due to the environment with high inflation affecting the long-term execution of contracts with customers. The company experienced over all a negative development of the profit/loss for the year.

The Company faced challenges to return to healthy level of the gross margin following the increased raw material and energy prices, however the impact from higher turnover compared to last year has compensated part of the negative trends. The Company showed better result than previous COVID-19 years.

The Company continued to invest in Research and Development activities to improve the standardization of basic components to be better suited to offset the high raw material prices expected in the coming years.

The Company has received a letter of support from Bühler Food Equipment GmbH confirming, Bühler Food Equipment GmbH will provide financial support necessary to ensure Haas-Meincke A/S will continue as a going concern company for the financial year 2023.

Management's Review

Operating risks

The Company's main operational risk consists of giving guarantees in connection with the commissioning of machines and plants. This is constantly being covered by means of tests of the plants in question and joint evaluations by the senior staff and management.

Moreover it is essential for the Company always to have a strong position on the markets where the products are sold and always to secure a competitive structure of costs. These risks are countered by investments in marketing and efficiency.

Market risks

The Company's use of aluminum and steel as substantial raw materials plus electrical components causes a special risk as there are significant fluctuations in the raw material prices which cannot be included in the prices for the finished products. This is to some extent met by entering into long-term delivery contracts.

Foreign exchange risks

Due to activities abroad, profit, cash flows and equity are affected by the development in exchange rates and interest rates in respect of a number of currencies, especially US dollar and Euro. All contracts for machines and plants in other currencies than DKK are hedged when contracting. As a principal rule spares and service work are not hedged.

The Company does not speculate in foreign currencies.

Interest rate risks

Interest risk primarily relates to interest earning net payables to group enterprises. The debt earns interest at a floating rate. Interest risks are not hedged.

Management's Review

Targets and expectations for the year ahead

The Company expects a market growth in the next years. The ownership structure, according to which the Group is represented in more than 140 countries is expected to have a positive impact, this is materializing in new orders through our owners network, which will secure a growth for the Company.

In addition, the global markets are seeing a positive development which is driven by the recovery after COVID-19 pandemic years.

The order intake at the end of 2022 picked up higher than end of 2021 resulting in order backlog higher than expected. In addition, the development in the first quarter of 2023 is above the budget level.

Certain statements in the Financial Statement – Management commentary - are forward-looking. These forward-looking statements are based on certain assumptions and reflect our current expectations.

As a result, forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations.

Research and development

The development activities comprise two main areas: cookie lines and cracker lines, besides ovens for all above purposes. The Company has had a specifically high level in its development activities.

The Company finds it necessary to continue and increase the high level in the development activities in order to constantly be able to introduce new solutions, which provide the customers with the opportunity to present new products/systems and to make production more efficient in terms of energy savings, waste reduction, and increased output. This is in accordance of the owner's goals of reducing waste, energy consumption and water usage by 50% for newly produced machines until 2025 compared with the status of 2016.

The Company started a new standardization activity for its biggest single machine: Oven. The Company tries to mitigate the uncertainties of the design that will enable to forecast the usage of main raw materials more precise in coming years where the Company still sees fluctuating market prices.

Management’s Review

External environment

The Company observes the present environmental requirements and attempts in general to minimize the adverse environmental effects and problems which may arise during the work processes at the workplaces or which arise from waste substances from the Company's production.

Management assesses the current risk that considerable changes or stricter requirements in the environmental area can affect the Company's operations and profitability. It is Management's opinion that the Company does not have a risk profile that differs materially from the risk profile of the industry taken as a whole.

There are no pending lawsuits or other significant, unresolved issues in the environmental area.

Intellectual capital resources

It is decisive for the Company's development to maintain and recruit a competent and dedicated staff. These employees must have a high level of education and substantial technical experience.

The critical business processes in connection with the Company's principal products are service, quality and the flexibility to produce customized solutions. To ensure that the customer gets the service agreed and is satisfied with the cooperation, all supplies of machines and plants are followed up by a number of questions to the customer. The Company constantly receives a very fine judgement by the customers, and if there are any deviations these will be followed up both towards the customers and internally.

Statement of corporate social responsibility

With reference to section 99a(7) of the Danish Financial Statements Act and to the Annual Report of the Bühler Group (Bühler Holding AG), the Company has not disclosed this information in its own Management's Review.

The report is available on the Group's website:
https://www.buhlergroup.com/content/buhlergroup/global/annual_report1/annual_report_2022/group.html

Statement on gender composition

The Company is proud to have a diverse workforce in relation to nationality, gender, age, education etc. We fully support gender equality at all levels of the organization and continuously strive to find the most competent individual for the job – regardless of gender. The Company currently employs approx. 82% men and 18% women overall, this share in the office staff is 74% men and 26% women.

1. The Board of Directors and Excecutive Board - current compostion and target figure

The Company's policy regarding management diversity aims at having 25 % female members on the Board of Directors. However, the Company also aims at having the most qualified resources available. The Company is currently not in compliance with the policy as all members of the Board are male. The composition of genders in the Board of Directors is unchanged in 2022 due to no gender changes in shareholder elected members. The Company aims at meeting the target of 25 % female members on the Board of Directors in 2025 at the latest.

2. Other management levels

The Company has implemented new statistics measuring gender on all management levels throughout the Group, in order to increase the overall focus on gender diversity. The industry is today dominated by male leaders. The Company's target of 10 % female managers at all levels is based on an evaluation of what is practically achievable within the specific industry and within other comparable companies. However, the Company is not in compliance yet. In order to meet the target, the Company will seek to achieve that at least one from each sex will be among the last three candidates for management positions, promotions etc. The share of female managers at the end of 2022 has increased slightly from 2021.

Statement on data ethics

The Company complies with the Danish GDPR legislation at all times. In 2022 the Company has considered whether a policy on data ethics would be relevant, but since all data in the Company are considered business critical and thus may not be shared in any way and used for other purposes than they were compiled for, the Company does not at this stage see the need for a policy of data ethics. The Company does not use artificial intelligence systems and/or algorithms in its business operations. The machines produced and sold by the Company do not make automated decisions based on processed data. However, annually, management will revisit the decision, should the situation change or should the Group the Company is part of provide such guidance.

Subsequent events

No events have occurred after the end of the financial year of material importance for the company's financial position.

Income Statement 1 January - 31 December

	Note	2022	2021
		TDKK	TDKK
Revenue	2	**854,013**	**384,820**
Production costs	3	-734,845	-302,128
Gross profit/loss		**119,168**	**82,692**
Distribution expenses	3	-73,405	-63,441
Administrative expenses	3	-69,859	-65,497
Operating profit/loss		**-24,096**	**-46,246**
Other operating income	4	3,806	11,174
Profit/loss before financial income and expenses		**-20,290**	**-35,072**
Financial income	5	3,760	7,357
Financial expenses	6	-12,311	-5,590
Profit/loss before tax		**-28,841**	**-33,305**
Tax on profit/loss for the year	7	0	-10,928
Net profit/loss for the year		**-28,841**	**-44,233**

Balance Sheet 31 December

Assets

	Note	2022	2021
		TDKK	TDKK
Completed development projects		0	0
Software		980	1,297
Goodwill		3,754	5,142
Intangible assets	8	**4,734**	**6,439**
Land and buildings		7,170	7,712
Plant and machinery		35	747
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		2,357	3,336
Right-of-use assets		50,673	55,666
Property, plant and equipment	9	**60,235**	**67,461**
Investments in subsidiaries	10	664	664
Deposits	11	3,982	4,236
Fixed asset investments		**4,646**	**4,900**
Fixed assets		**69,615**	**78,800**
Raw materials and consumables		68,182	60,490
Work in progress		21,077	190,530
Finished goods and goods for resale		6,718	5,244
Prepayments for goods		9,780	9,909
Inventories		**105,757**	**266,173**
Trade receivables		104,512	53,729
Contract work in progress	12	83,289	0
Receivables from group enterprises		41,474	77,988
Other receivables		4,885	8,081
Deferred tax asset	15	0	0
Corporation tax		192	520
Prepayments	13	1,103	692
Receivables		**235,455**	**141,010**

Balance Sheet 31 December

Assets

	Note	2022	2021
		TDKK	TDKK
Cash at bank and in hand		**6,655**	**11,894**
Currents assets		**347,867**	**419,077**
Assets		**417,482**	**497,877**

Balance Sheet 31 December

Liabilities and equity

	Note	2022	2021
		TDKK	TDKK
Share capital		5,000	5,000
Retained earnings		12,474	41,315
Equity		**17,474**	**46,315**
Other provisions	16	5,055	11,607
Provisions		**5,055**	**11,607**
Lease obligations		45,311	49,998
Other payables		12,122	12,167
Long-term debt	17	**57,433**	**62,165**
Lease obligations	17	6,984	6,801
Prepayments received from customers		8,867	222,583
Trade payables		80,985	122,713
Contract work in progress, liabilities	12	55,013	0
Payables to group enterprises		175,349	12,209
Other payables	17	10,322	13,484
Short-term debt		**337,520**	**377,790**
Debt		**394,953**	**439,955**
Liabilities and equity		**417,482**	**497,877**
Going concern	1		
Distribution of profit	14		
Related parties	18		
Fee to auditors appointed at the general meeting	19		
Accounting Policies	20		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	5,000	41,315	46,315
Net profit/loss for the year	0	-28,841	-28,841
Equity at 31 December	**5,000**	**12,474**	**17,474**

Notes to the Financial Statements

1 Going concern

The Company has received a letter of support from Bühler Food Equipment GmbH ensuring the Company the financial resources to continue its operations. Based hereon, the annual report is prepared under the going concern assumption.

2 Revenue

	2022	2021
	TDKK	TDKK
Geographical segments		
Revenue, Denmark	34,758	8,583
Revenue, Europe	343,684	141,343
Revenue, countries outside Europe	475,571	234,894
	854,013	**384,820**

3 Staff

	2022	2021
Wages and Salaries	156,185	143,553
Pensions	11,407	10,758
Other social security expenses	2,114	2,197
	169,706	**156,508**
Average number of employees	**221**	**219**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

4 Other operating income

	2022	2021
Sales rental	47	30
COVID-19 salary compensation	0	234
COVID-19 fixed cost compensation	0	8,813
Other income	3,759	2,097
	3,806	**11,174**

Notes to the Financial Statements

		2022	2021
		TDKK	TDKK
5	**Financial income**		
	Other financial income	0	24
	Exchange gains	3,760	7,333
		3,760	**7,357**

6	**Financial expenses**		
	Interest paid to group enterprises	1,441	5
	Other financial expenses	1,577	1,421
	Exchange loss	9,293	4,164
		12,311	**5,590**

7	**Tax on profit/loss for the year**		
	Current tax for the year	0	0
	Deferred tax for the year	0	10,327
	Adjustment of tax concerning previous years	0	601
		0	**10,928**

8 Intangible assets

	Completed development projects	Software	Goodwill
	TDKK	TDKK	TDKK
Cost at 1 January	3,019	8,347	34,035
Cost at 31 December	3,019	8,347	34,035
Impairment losses and amortisation at 1 January	3,019	7,050	28,892
Amortisation for the year	0	317	1,389
Impairment losses and amortisation at 31 December	3,019	7,367	30,281
Carrying amount at 31 December	**0**	**980**	**3,754**

Development projects relate to the development of new versions of ovens, spraying programmes and energy-saving units.

Notes to the Financial Statements

9 Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Right-of-use assets
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	15,941	16,603	13,782	14,698	75,131
Additions for the year	0	0	0	67	2,300
Cost at 31 December	15,941	16,603	13,782	14,765	77,431
Impairment losses and depreciation at 1 January	8,229	15,855	13,782	11,362	19,464
Depreciation for the year	542	713	0	1,046	7,294
Impairment losses and depreciation at 31 December	8,771	16,568	13,782	12,408	26,758
Carrying amount at 31 December	**7,170**	**35**	**0**	**2,357**	**50,673**

10 Investments in subsidiaries

	2022	2021
	TDKK	TDKK
Cost at 1 January	664	664
Carrying amount at 31 December	**664**	**664**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Haas-Meincke BV	Netherlands	100%	5,328	409

11 Other fixed asset investments

	Deposits
	TDKK
Cost at 1 January	3,982
Cost at 31 December	3,982
Carrying amount at 31 December	**3,982**

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Notes to the Financial Statements

12 Contract work in progress

	2022 TDKK	2021 TDKK
Selling price of work in progress	193,765	0
Invoiced on account	-165,489	0
	28,276	**0**
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	83,289	0
Prepayments received recognised in debt	-55,013	0
	28,276	**0**

13 Prepayments

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

14 Distribution of profit

	2022 TDKK	2021 TDKK
Retained earnings	-28,841	-44,233
	-28,841	**-44,233**

15 Deferred tax asset

	2022 TDKK	2021 TDKK
Deferred tax asset at 1 January	0	10,327
Amounts recognised in the income statement for the year	0	-10,327
Deferred tax asset at 31 December	**0**	**0**

The Company has an unrecognized deferred tax asset of approximately DKK 23 million at 31 December 2022. Management has decided not to recognise a deferred tax asset due to the Company's recent history with operating losses.

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK

16 Other provisions

The Company provides warranties valid for 1 to 5 years, and is therefore obliged to repair or replace goods, which are not satisfactory.

Based on previous experience in respect to the level of repairs, returns and other project costs, TDKK 5,055 (2021: TDKK 11,607) has been recognised for expected warranty claims and expected project costs.

	2022	2021
Other provisions	5,055	11,607
	5,055	**11,607**

17 Long-term debt

Lease obligations

	2022	2021
After 5 years	19,392	18,890
Between 1 and 5 years	25,919	31,108
Long-term part	45,311	49,998
Within 1 year	6,984	6,801
	52,295	**56,799**

Other payables

	2022	2021
Between 1 and 5 years	12,122	12,167
Long-term part	12,122	12,167
Other short-term payables	10,322	13,484
	22,444	**25,651**

Notes to the Financial Statements

18 Related parties

	Basis
Controlling interest	
Bühler Food Equipment GmbH Franz Haas-Straße 1 Leobendorf, Niederosterreich 2100 Austria	Controlling shareholder
Bühler Holding AG Gupfenstrasse 5 Uzwil, St. Gallen 9240 Switzerland	Ultimate parent company
Other related parties	
Morten Riisager	Executive Board
Germar Holger Wacker	Board of Directors
Heinz Wolfgang Schnallinger	Board of Directors
Christian Puhr	Board of Directors
Erling Steen True Sandberg	Board of Directors
Mads Bruun	Board of Directors

Transactions

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

There have been no transactions with related parties in the year that have not been made on normal market conditions.

Consolidated Financial Statements

The company is included in the ultimate parent company Annual Report of Bühler Holding AG

Name	Place of registered office
Bühler Holding AG	Switzerland

Notes to the Financial Statements

18 Related parties (continued)

The Group Annual Report of Bühler Holding AG may be obtained at the following address:

Gupfenstrasse 5
Uzwil, St. Gallen 9240
Switzerland

19 Fee to auditors appointed at the general meeting

	2022	2021
	TDKK	TDKK
PricewaterhouseCoopers		
Audit fee	700	640
Other assurance engagements	0	90
Tax advisory services	306	586
Other services	228	122
	1,234	**1,438**

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of Haas-Meincke A/S for 2022 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 2022 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Bühler Holding AG, 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 Bühler Holding AG, the Company has not prepared a cash flow statement.

Recognition and measurement

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

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

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

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

Notes to the Financial Statements

20 Accounting Policies (continued)

Leases

The Company is applying IFRS 16 as its base of interpretation for both recognition and classification of leases.

A lease asset and a corresponding lease liability are recognised in the balance sheet when a lease has been concluded and the lease asset has been made available.

The lease asset is initially measured at cost equivalent to the value of the lease liability added prepaid lease payments. The lease liability is initially measured at the net present value of future lease payments discounted at the interest rate implicit in the lease or the Company's incremental borrowing rate if the interest rate implicit in the lease is not available.

Subsequently, the asset is measured at cost less accumulated depreciation and impairment losses. The lease asset is depreciated over the lease term. Depreciation is recognised on a straight-line basis in the income statement.

Leases with terms of less than 12 months are not recognised in the balance sheet. This also applies to leases of low-value assets. Lease payments are instead recognised in the income statement on a straight-line basis over the lease term. No leases subject to variable payments have been concluded.

When assessing the expected lease term, the non-cancellable lease term is identified. If the lease includes an extension option which Management is reasonably certain to exercise, this is added to the non-cancellable lease term.

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.

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

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue

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

Notes to the Financial Statements

20 Accounting Policies (continued)

Income Statement

Revenue

The Company is applying IFRS 15 as its basis of interpretation for the recognition of revenue.

Revenue from contracts with customers is recognised on the basis of transfer of control, which according to IFRS 15 takes place at the time when control of the product or service delivered passes to the customer.

Control is considered passed to the customer when:
• a binding sales agreement has been made
• delivery has been made before year end
• the sales price has been determined; and
• payment has been received or may with reasonable certainty be expected to be received.

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-ofcompletion 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.

Production costs

Production costs comprises 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.

Production costs also includes research and development costs that do not qualify for capitalisation as well as amortisation of capitalised development costs. Finally, provisions for losses on contract work are recognised.

Notes to the Financial Statements

20 Accounting Policies (continued)

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. Amortisation of goodwill and software is also included to the extent that it relates to administrative activities.

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 rental income and government grants.

Government grants are recognised when it is reasonably certain that the Company complies with the conditions for receiving the grant, and it is reasonably certain that the Company will receive the grant. Government grants are recognised as other operating income, including COVID-19 compensation.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

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

Tax on profit/loss for the year

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

The Company is jointly taxed with Bühler Denmark, Danish branch of Bühler AG. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

20 Accounting Policies (continued)

Balance Sheet

Intangible assets

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the industry and product insight. The amortisation period is 20 years for strategically acquired enterprises.

Software are measured at the lower of cost less accumulated amortisation and recoverable amount. Amortisation is based on cost reduced by any residual value and calculated on a straight-line basis over the expected useful life, which is assessed at 5 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

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

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

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

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Notes to the Financial Statements

20 Accounting Policies (continued)

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits.

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 goods for resale, 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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Contract work in progress

Contract work in progress regarding service 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

20 Accounting Policies (continued)

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 interest.

Provisions

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

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

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.

Notes to the Financial Statements

20 Accounting Policies (continued)

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Financial Highlights

Explanation of financial ratios

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