
HAAS-MEINCKE A/S

Tonsbakken 14, DK-2740 Skovlunde

Annual Report for 2023

CVR No. 13 88 20 37

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 7/5 2024

Søren Toft Bjerreskov
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 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.

Skovlunde, 7 May 2024

Executive Board

Morten Riisager
CEO

Board of Directors

Andreas Markus Kratzer
Chairman

Cornelia Nowak
Vice chairman

Marianne Herzog

Erling Steen True Sandberg
Employee representative

Mads Islin Bruun
Employee 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 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 HAAS-MEINCKE 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.

Hellerup, 7 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Martin Lunden
State Authorised Public Accountant
mne32209

Gösta Gauffin
State Authorised Public Accountant
mne45821

Company information

The Company	HAAS-MEINCKE A/S Tonsbakken 14 DK-2740 Skovlunde CVR No: 13 88 20 37 Financial period: 1 January - 31 December Incorporated: 1 January 1990 Financial year: 34th financial year Municipality of reg. office: Ballerup
Board of Directors	Andreas Markus Kratzer, chairman Cornelia Nowak, vice chairman Marianne Herzog Erling Steen True Sandberg, employee representative Mads Islin Bruun, employee representative
Executive Board	Morten Riisager
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	546,546	854,013	384,820	419,776	704,919
Gross profit	120,612	119,168	82,692	85,695	188,474
Profit/loss of primary operations	-19,599	-20,290	-35,072	-27,871	52,329
Profit/loss of financial income and expenses	-9,587	-8,551	1,767	-926	4,537
Net profit/loss for the year	-28,699	-28,841	-44,233	-20,997	44,707
Balance sheet					
Balance sheet total	408,001	417,482	497,877	375,276	446,547
Investment in property, plant and equipment	278	67	744	3,407	630
Equity	33,516	17,474	46,315	90,547	111,545
Number of employees	191	221	219	226	241
Ratios					
Gross margin	22.1%	14.0%	21.5%	20.4%	26.7%
Return on assets	-4.8%	-4.9%	-7.0%	-7.4%	11.7%
Solvency ratio	8.2%	4.2%	9.3%	24.1%	25.0%
Return on equity	-112.6%	-90.4%	-64.6%	-20.8%	55.1%

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 out activities within the food industry as a producer and supplier of capital equipment, mainly for the bakery industry.

Development in the year

The income statement of the Company for 2023 shows a loss of TDKK 28,699, and at 31 December 2023 the balance sheet of the Company shows a positive equity of TDKK 33,516.

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

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

The Company's results for 2023 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 prices.

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 2024.

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.

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.

The Company does not speculate in foreign currencies.

Management's review

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.

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.

The order intake at the end of 2023 picked up higher than end of 2022 resulting in order backlog higher than expected. We expect a profit of primary operations between DKK 0 - 20 million in 2024.

Research and development

The development activities comprise two main areas: cookie lines and cracker lines including ovens for all above purposes.

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 with 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 upstream equipment as well as ovens. 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. 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.

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.

Management's review

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://annualreport.buhlergroup.com/reports/en_23/home.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. Which also applies to management levels. 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 - current composition 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 in compliance with the policy as the board consists of a total of three members elected by the general meeting, of which one is male and two are female.

	2023	2024	2025	2026	2027
Board of Directors					
Total number of board members	3				
Underrepresented gender in percentage	33%				
The company's other management levels					
Total number of members	23				
Underrepresented gender in percentage	22%				
Target figure in percentage	40%	40%	40%	40%	40%
Year for meeting targets	2028	2028	2028	2028	2028

An equal distribution has been achieved in board of directors according to the Danish Business Authority's definition of this, and therefore the company is exempt from setting targets for the underrepresented gender for this purpose.

Management's review

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 40 % 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. During 2023, the Company has carried out a recruitment process with a view to filling positions in the other management layers. The process was carried out through 2023 but we were unable to hire more female candidates in a leader role as our view is to have the best candidate within the best area. We filled out three leader roles during 2023 and all were male.

Statement on data ethics

The Company complies with the Danish GDPR legislation at all times. In 2023 the Company has considered whether a policy on data ethics would be relevant, but since all data in the Company is 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

On 19 January 2024 it has been decided to close the production in Skovlunde. The reason behind this is that it is commercially necessary for the Bühler group to ensure better utilization of the production sites in Europe. Changes for the Company related to this decision will be carried out in 2024.

No other 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	2023	2022
		TDKK	TDKK
Revenue	3	546,546	854,013
Production expenses	4	-425,934	-734,845
Gross profit		120,612	119,168
Distribution expenses	4	-73,927	-73,405
Administrative expenses	4	-68,474	-69,859
Operating profit/loss		-21,789	-24,096
Other operating income	5	2,190	3,806
Profit/loss before financial income and expenses		-19,599	-20,290
Financial income	6	1,358	3,760
Financial expenses	7	-10,945	-12,311
Profit/loss before tax		-29,186	-28,841
Tax on profit/loss for the year	8	487	0
Net profit/loss for the year	9	-28,699	-28,841

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Completed development projects		0	0
Acquired licenses		679	980
Goodwill		2,365	3,754
Intangible assets	10	3,044	4,734
Land and buildings		6,640	7,170
Plant and machinery		97	35
Other fixtures and fittings, tools and equipment		145	0
Leasehold improvements		1,337	2,357
Right-of-use assets		44,006	50,673
Property, plant and equipment	11	52,225	60,235
Investments in subsidiaries	12	664	664
Deposits	13	4,155	3,982
Fixed asset investments		4,819	4,646
Fixed assets		60,088	69,615
Raw materials and consumables		67,063	68,182
Work in progress		13,690	21,077
Finished goods and goods for resale		1,364	6,718
Prepayments for goods		4,418	9,780
Inventories		86,535	105,757
Trade receivables		73,825	104,512
Contract work in progress	14	111,056	83,289
Receivables from group enterprises		61,477	41,474
Other receivables		6,831	4,885
Corporation tax		0	192
Prepayments		716	1,103
Receivables		253,905	235,455

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Cash at bank and in hand		<u>7,473</u>	<u>6,655</u>
Current assets		<u>347,913</u>	<u>347,867</u>
Assets		<u>408,001</u>	<u>417,482</u>

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital		5,000	5,000
Retained earnings		28,516	12,474
Equity		33,516	17,474
Other provisions	15	6,284	5,055
Provisions		6,284	5,055
Lease obligations		38,365	45,311
Payables to group enterprises		110,000	0
Other payables		11,674	11,959
Long-term debt	16	160,039	57,270
Lease obligations	16	7,692	6,984
Prepayments received from customers		31,723	8,867
Trade payables		86,813	80,985
Contract work in progress	14	39,809	55,013
Payables to group enterprises	16	26,617	175,349
Other payables	16	15,508	10,485
Short-term debt		208,162	337,683
Debt		368,201	394,953
Liabilities and equity		408,001	417,482
Going concern	1		
Subsequent events	2		
Contingent assets, liabilities and other financial obligations	17		
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	12,474	17,474
Contribution from group	0	44,741	44,741
Net profit/loss for the year	0	-28,699	-28,699
Equity at 31 December	5,000	28,516	33,516

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. Subsequent events

On 19 January 2024 it has been decided to close the production in Skovlunde. The reason behind this is that it is commercially necessary for the Bühler group to ensure better utilization of the production sites in Europe.

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

3. Revenue

Geographical segments

	2023	2022
	TDKK	TDKK
Revenue, Denmark	2,524	34,758
Revenue, Europe	224,625	343,684
Revenue, countries outside Europe	303,242	475,571
Other	16,155	0
	<u>546,546</u>	<u>854,013</u>

The revenue is part of the business segment 'Biscuit' in Bühler Group.

4. Staff

	2023	2022
	TDKK	TDKK
Wages and salaries	139,271	156,185
Pensions	11,109	11,407
Other social security expenses	1,497	2,114
	<u>151,877</u>	<u>169,706</u>

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

Average number of employees	<u>191</u>	<u>221</u>
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Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
5. Other operating income		
Sales, rental	53	47
Other income	<u>2,137</u>	<u>3,759</u>
	<u>2,190</u>	<u>3,806</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
6. Financial income		
Exchange gains	<u>1,358</u>	<u>3,760</u>
	<u>1,358</u>	<u>3,760</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
7. Financial expenses		
Interest paid to group enterprises	7,603	1,441
Other financial expenses	710	1,577
Exchange loss	<u>2,632</u>	<u>9,293</u>
	<u>10,945</u>	<u>12,311</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
8. Income tax expense		
Adjustment of tax concerning previous years	<u>-487</u>	<u>0</u>
	<u>-487</u>	<u>0</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
9. Profit allocation		
Retained earnings	<u>-28,699</u>	<u>-28,841</u>
	<u>-28,699</u>	<u>-28,841</u>

Notes to the Financial Statements

10. Intangible fixed assets

	Completed development projects	Acquired licenses	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	7,367	30,281
Amortisation for the year	0	301	1,389
Impairment losses and amortisation at 31 December	3,019	7,668	31,670
Carrying amount at 31 December	0	679	2,365

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

11. Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve- ments	Right-of-use assets
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	15,941	16,603	13,782	14,765	77,431
Additions for the year	0	104	174	0	0
Cost at 31 December	15,941	16,707	13,956	14,765	77,431
Impairment losses and depreciation at 1 January	8,771	16,570	13,782	12,408	26,758
Depreciation for the year	530	40	29	1,020	6,667
Impairment losses and depreciation at 31 December	9,301	16,610	13,811	13,428	33,425
Carrying amount at 31 December	6,640	97	145	1,337	44,006

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
12. Investments in subsidiaries		
Cost at 1 January	664	664
Cost at 31 December	664	664
Carrying amount at 31 December	664	664

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Owner-ship	Equity	Net profit/loss for the year
Haas-Meincke BV	Netherlands	EUR 18,000	100%	4,554	-386
				4,554	-386

13. Other fixed asset investments

	Deposits
	TDKK
Cost at 1 January	3,981
Additions for the year	174
Cost at 31 December	4,155
Carrying amount at 31 December	4,155

	2023	2022
	TDKK	TDKK
14. Contract work in progress		
Selling price of work in progress	578,990	193,765
Invoiced on account	-507,743	-165,489
	71,247	28,276
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	111,056	83,289
Prepayments received recognised in debt	-39,809	-55,013
	71,247	28,276

Notes to the Financial Statements

2023	2022
TDKK	TDKK

15. 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 6,284 (2022: TDKK 5,055) has been recognised for expected warranty claims and expected project costs.

Other provisions	6,284	5,055
	<u>6,284</u>	<u>5,055</u>

The provisions are expected to mature as follows:

Provisions falling due after 5 years	0	0
	<u>0</u>	<u>0</u>

2023	2022
TDKK	TDKK

16. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Lease obligations

After 5 years	10,838	19,392
Between 1 and 5 years	27,527	25,919
Long-term part	38,365	45,311
Within 1 year	7,692	6,984
	<u>46,057</u>	<u>52,295</u>

Payables to group enterprises

After 5 years	0	0
Between 1 and 5 years	110,000	0
Long-term part	110,000	0
Other short-term debt to group enterprises	26,617	175,349
	<u>136,617</u>	<u>175,349</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
16. Long-term debt		
Other payables		
After 5 years	11,023	11,018
Between 1 and 5 years	651	941
Long-term part	<u>11,674</u>	<u>11,959</u>
Other short-term payables	15,508	10,485
	<u>27,182</u>	<u>22,444</u>

17. Contingent assets, liabilities and other financial obligations

The Company has an unrecognized deferred tax asset of approximately DKK 22 million at 31 December 2023. 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

18. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Bühler Food Equipment GmbH Franz Haas-Straße 1 Leobendorf, Niederösterreich 2100 Austria	Controlling shareholder
Bühler Holding AG Gupfenstrasse 5 zwil, St. Gallen 9240 Switzerland	Ultimate parent company

Transactions

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

There have been no 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 Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
Bühler Holding AG	Switzerland

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

Gupfenstrasse 5
Uzwil, St. Gallen 9240
Switzerland

<u>2023</u>	<u>2022</u>
TDKK	TDKK

19. Fee to auditors appointed at the general meeting

Audit fee	365	700
Tax advisory services	351	306
Non-audit services	291	228
	<u>1,007</u>	<u>1,234</u>

Notes to the Financial Statements

20. Accounting policies

The Annual Report of HAAS-MEINCKE 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 Financial Statements for 2023 are presented in TDKK.

Changes in accounting policies

Changes have been made in regards to classification of comparative and current year figures. The changes to classification have no effect on the Company's profit or equity in previous or current year.

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

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 straightline 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 noncancellable 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. 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; however, see the section on hedge accounting.

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

Notes to the Financial Statements

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-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

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

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

Production expenses

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.

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 is also included to the extent that goodwill 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.

Notes to the Financial Statements

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 comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

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.

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.

Balance sheet

Intangible fixed assets

Goodwill

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 and fittings, tools and equipment	5 years
Leasehold improvements	5-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

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

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

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, writedown 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 and costs of completion. 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 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.

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.

Notes to the Financial Statements

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.

Financial liabilities

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	$\text{Gross profit} \times 100 / \text{Revenue}$
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	$\text{Net profit for the year} \times 100 / \text{Average equity}$