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# ***Uhrenholt A/S***

Teglårdsparken 106, DK-5500 Middelfart

## **Annual Report for 1 January - 31 December 2022**

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CVR No 18 98 10 09

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
20/3 2023

Sune Uhrenholt  
Chairman of the General  
Meeting



**pwc**

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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Uhrenholt 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.

Middelfart, 20 March 2023

## Executive Board

Sune Uhrenholt  
Executive Officer

## Board of Directors

Frank Uhrenholt  
Chairman

Sune Uhrenholt

Ole Berggren Madsen

Klaus Michael Vestergaard

# Independent Auditor's Report

To the Shareholder of Uhrenholt 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 Uhrenholt 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 misstate-

# Independent Auditor's Report

ment, 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

# Independent Auditor's Report

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.

Odense, 20 March 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Line Hedam  
State Authorized Public Accountant  
mne27768

Anders Kronborg Choy  
State Authorized Public Accountant  
mne44142

## Company Information

### The Company

Uhrenholt A/S  
Teglårdsparken 106  
DK-5500 Middelfart

Telephone: + 45 64414041  
Facsimile: + 45 64212126  
Website: [www.uhrenholt.dk](http://www.uhrenholt.dk)

CVR No: 18 98 10 09  
Financial period: 1 January - 31 December  
Municipality of reg. office: Middelfart

### Board of Directors

Frank Uhrenholt, Chairman  
Sune Uhrenholt  
Ole Berggren Madsen  
Klaus Michael Vestergaard

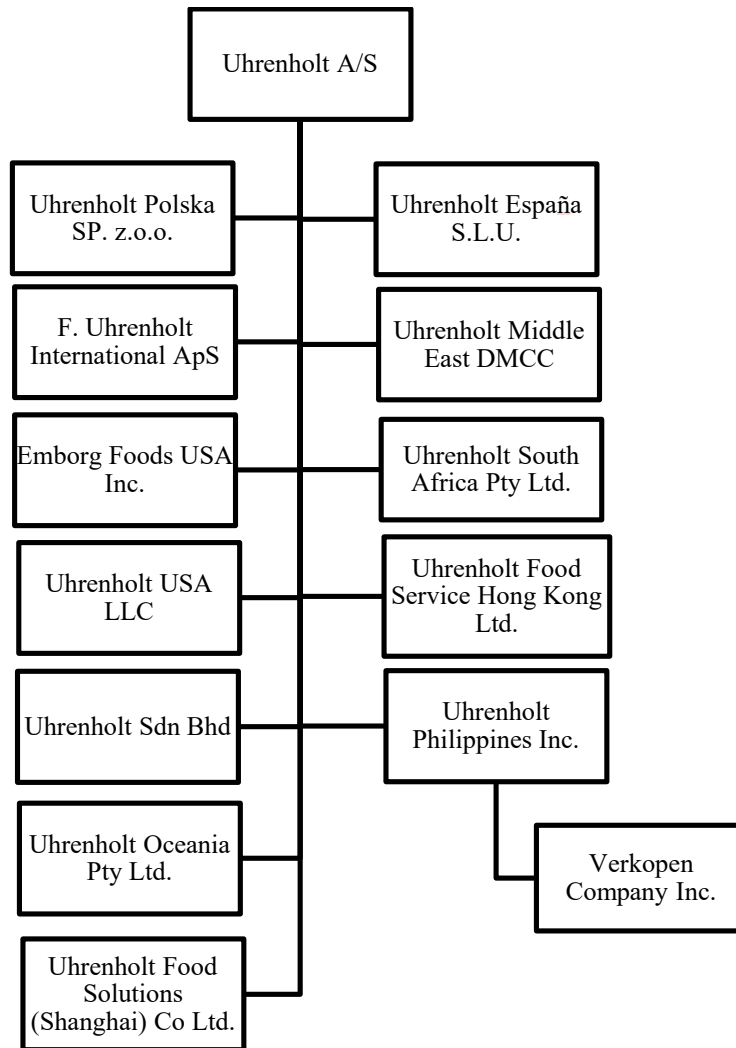
### Executive Board

Sune Uhrenholt

### Auditors

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

## Group Chart





## 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
	kDKK	kDKK	kDKK	kDKK	kDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	2.963.207	2.398.148	2.236.904	2.310.093	2.330.056
Gross profit/loss	216.085	193.152	191.070	146.196	156.398
Operating profit/loss	84.760	68.130	75.518	28.303	31.120
Net financials	309	16.821	4.647	-9.355	-5.162
Net profit/loss for the year	67.787	64.602	61.450	13.298	24.010
<b>Balance sheet</b>					
Balance sheet total	929.649	885.985	784.927	830.745	819.051
Equity	532.119	463.100	402.556	337.479	323.693
Investment in property, plant and equipment	2.180	4.195	1.659	3.955	3.955
Number of employees	166	155	155	162	184
<b>Ratios</b>					
Gross margin	7,3%	8,1%	8,5%	6,3%	6,7%
Profit margin	2,9%	2,7%	3,4%	1,2%	1,6%
Return on assets	9,1%	7,4%	9,6%	3,4%	4,4%
Solvency ratio	57,2%	52,3%	51,3%	40,6%	39,5%
Return on equity	13,6%	14,9%	16,6%	4,0%	7,7%

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

As a privately-owned dairy company based in Denmark, Uhrenholt A/S operates in more than 120 markets worldwide, providing a wide range of own brands and private label solutions to retail, wholesale, foodservice, and industrial customers.

Our business model revolves around adaptability and speed, and we collaborate closely with our customers to create market-driven food solutions tailored to their unique needs. We partner with a select group of trusted suppliers to ensure that these solutions are delivered to market as quickly as possible while meeting the required quality standards, commercial targets, and sustainability goals.

At Uhrenholt, our approach to business is straightforward and built on trust, collaboration, and dynamism. Our company structure and culture empower us to make decisions and improvements quickly and efficiently. We prioritize long-term relationships with our customers and suppliers to ensure mutual benefit in everything we do.

## Development in the year

In the aftermath of the COVID-19 pandemic 2022 turned out to be a volatile year, with extreme price increases, energy cost increase, raising inflation to a level not seen for many years and with a low supply of many products.

This made the market conditions for our business very difficult to maneuver in, but the business model once again showed its durability as the company again delivered a strong result. Profits before tax ended at +85,0 mDKK, with both the consumer and trading divisions contributing strongly.

Compared to last year the revenue grew with 24% or over 500 mDKK to a level of 3.0 bDKK.

The improved profit was generated from strong performance from both Trading and Consumer divisions, and the Emborg brand saw continued double-digit growth globally.

The positive operating result improved the equity as per 31. December 2022 to +532 mDKK and a solvency of 57,2%.

While 2022 was a demanding year, the agility of the global organization, and the determination in the execution of the strategy, made it possible to continue developing the business with our many partners, and serve our global customers with high quality solutions, under challenging circumstances.

Overall management had indicated a 2022 profit before tax at 60-70 mDKK and the improved result was mainly driven by increased revenue at a high USD level, as well as succeeding with the business opportunities the high market volatility generated.

# Management's Review

## *Foreign exchange risks*

Foreign trade entails transactions and positions in foreign currency. Transactions are mainly in USD, EURO and AUD. It is the company policy to hedge against currency risks. Exchange rate risks related to investments in affiliated enterprises abroad are not hedged.

## **Targets and expectations for the year ahead**

Going in to 2023 market visibility is very low, and we foresee a year where we must be navigating in a very unpredictable global market outlook affected by a possible recessionary environment, high level of inflation, high energy cost and a low milk in-take in Europe.

Therefore expectations are a little more conservative for 2023, but with the strong business foundation build on 2 structurally different market divisions (consumer and trading), and with a focus that remains on profitable growth, the expectations for 2023 is a profit before tax in the level of 60-75 mDKK.

## **Statement of corporate social responsibility**

The Uhrenholt Group has signed the UN's Global Compact and is actively working with social responsibility and do see ESG as a key driver of the business. Reference is made to the CSR report for 2022 of the parent company F. Uhrenholt Holding A/S (CVR No. 26 75 15 78), wherein all statements according to §99a of the Danish Financial Statement Act are presented. The CSR report can be found at <https://nozebra.ipapercms.dk/Uhrenholt/CSR/csr-2022/>

## **Statement on gender composition**

At Uhrenholt, we appreciate our people's diverse experiences and backgrounds to better understand the needs of global customers, drive innovation and enhance employee engagement. We are represented in more than 20 countries, and we currently employ 20 nationalities. In our annual employee engagement survey, we ask our employees to what extent people from all backgrounds are treated fairly in our company, and as in previous years, the response we receive is very positive. Furthermore, the employee engagement in Uhrenholt has increased again in 2022.

In our commitment towards diversity, we are proud to report that our workforce is diverse in terms of gender. We have a balance of 52% female employees and 48% male employees. This balance is important as it ensures that different perspectives and ideas are represented in our decision-making processes and helps to create a more inclusive and equitable work environment. We will continue to strive for diversity and inclusion in all aspects of our operations.

## *Board level*

The Uhrenholt A/S Board of Directors consists of 4 board members, which is currently all males. While we have an ambition of having at least one female among our Board at the latest in 2025, it is crucial to the business that we have Board members that possess relevant backgrounds and the right expertise. During 2022 the board was expanded from three to four members. As the new board member was not a

## Management's Review

female, the target has not yet been reached.

### *Management level (Global Leadership Team)*

It is our objective to develop and attract both female and male talent within the organization and to balance the proportion of managers, so no gender is underrepresented in the company. We are committed to working towards increasing the share of women in the global leadership team.

In 2022, the total number of female members of Global Leadership Team is unchanged. Gender representation with 2 women out of 11 is not at target and we aim to increase the number of female members by at least one before end of 2025. However, it remains a top priority to ensure a balanced composition of leaders within Uhrenholt, regardless of gender.

When recruiting new people, we always strive to meet diverse candidates. We must balance this with those that are available however, and with shrinking talent pools in some areas, this is not always achievable. Nonetheless, through our recruitment partners, we always emphasise these diversity efforts, especially if the hiring department has limited existing diversity. If the existing employees in the hiring department have a majority of one gender, we always place an extra effort into trying to find suitable and more diverse candidates.

### **Statement on data ethics**

The parent company F. Uhrenholt Holding A/S (CVR No. 26 75 15 78) has published the group's CSR report for 2022 on our website, wherein our statement on data ethics according to §99d of the Danish Financial Statement Act is disclosed. The CSR report can be found at <https://nozebra.ipapercms.dk/Uhrenholt/CSR/csr-2022/>

### **Subsequent events**

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

## Income Statement 1 January - 31 December

	Note	2022 kDKK	2021 kDKK
<b>Revenue</b>	1	<b>2.963.207</b>	<b>2.398.148</b>
Other operating income		5	0
Expenses for raw materials and consumables		-2.667.818	-2.129.445
Other external expenses		-79.309	-75.551
<b>Gross profit/loss</b>		<b>216.085</b>	<b>193.152</b>
Staff expenses	2	-122.072	-116.983
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-9.248	-8.039
Other operating expenses		-79	-2.555
<b>Profit/loss before financial income and expenses</b>		<b>84.686</b>	<b>65.575</b>
Income from investments in subsidiaries		2.798	2.629
Financial income	4	10.514	21.356
Financial expenses	5	-13.003	-7.164
<b>Profit/loss before tax</b>		<b>84.995</b>	<b>82.396</b>
Tax on profit/loss for the year	6	-17.208	-17.794
<b>Net profit/loss for the year</b>		<b>67.787</b>	<b>64.602</b>

# Balance Sheet 31 December

## Assets

	Note	2022 kDKK	2021 kDKK
Completed development projects		10.079	9.862
Acquired patents		671	2.433
Acquired other similar rights		0	0
<b>Intangible assets</b>	7	<b>10.750</b>	<b>12.295</b>
Land and buildings		3.582	3.504
Plant and machinery		7.909	9.676
Other fixtures and fittings, tools and equipment		3.326	3.196
<b>Property, plant and equipment</b>	8	<b>14.817</b>	<b>16.376</b>
Investments in subsidiaries	9	47.256	52.893
Receivables from group enterprises	10	365.482	357.159
<b>Fixed asset investments</b>		<b>412.738</b>	<b>410.052</b>
<b>Fixed assets</b>		<b>438.305</b>	<b>438.723</b>
<b>Inventories</b>		<b>81.747</b>	<b>83.252</b>
Trade receivables		345.147	321.663
Receivables from group enterprises		34.000	14.747
Other receivables	16	24.296	23.326
Prepayments	11	5.541	3.884
<b>Receivables</b>		<b>408.984</b>	<b>363.620</b>
<b>Cash at bank and in hand</b>		<b>613</b>	<b>390</b>
<b>Currents assets</b>		<b>491.344</b>	<b>447.262</b>
<b>Assets</b>		<b>929.649</b>	<b>885.985</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2022 kDKK	2021 kDKK
Share capital	12	50.000	50.000
Reserve for development costs		7.860	5.986
Reserve for hedging transactions		598	-1.239
Reserve for currency exchange		441	1.045
Retained earnings		282.220	407.308
Proposed dividend for the year		191.000	0
<b>Equity</b>		<b>532.119</b>	<b>463.100</b>
Provision for deferred tax	14	2.241	1.538
Provisions relating to investments in group enterprises		0	42.703
<b>Provisions</b>		<b>2.241</b>	<b>44.241</b>
Lease obligations		0	171
Other payables		11.009	8.389
<b>Long-term debt</b>	15	<b>11.009</b>	<b>8.560</b>
Credit institutions		82.261	49.319
Lease obligations	15	171	968
Trade payables		228.757	220.447
Payables to group enterprises		23.115	29.588
Corporation tax		3.024	1.094
Other payables	15,16	46.952	68.668
<b>Short-term debt</b>		<b>384.280</b>	<b>370.084</b>
<b>Debt</b>		<b>395.289</b>	<b>378.644</b>
<b>Liabilities and equity</b>		<b>929.649</b>	<b>885.985</b>
Distribution of profit	13		
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	Reserve for development costs	Reserve for hedging transactions	Reserve for currency exchange	Retained earnings	Proposed dividend for the year	Total
	kDKK	kDKK	kDKK	kDKK	kDKK	kDKK	kDKK
Equity at 1 January	50.000	5.986	-1.240	1.045	407.307	0	463.098
Exchange adjustments	0	0	0	-604	0	0	-604
Fair value adjustment of hedging instruments, beginning of year	0	0	1.589	0	0	0	1.589
Fair value adjustment of hedging instruments, end of year	0	0	767	0	0	0	767
Tax on adjustment of hedging instruments for the year	0	0	-518	0	0	0	-518
Development costs for the year	0	2.903	0	0	-2.903	0	0
Depreciation, amortisation and impairment for the year	0	-1.029	0	0	1.029	0	0
Net profit/loss for the year	0	0	0	0	-123.213	191.000	67.787
<b>Equity at 31 December</b>	<b>50.000</b>	<b>7.860</b>	<b>598</b>	<b>441</b>	<b>282.220</b>	<b>191.000</b>	<b>532.119</b>



# Notes to the Financial Statements

	2022	2021
	kDKK	kDKK
<b>1 Revenue</b>		
<b>Geographical segments</b>		
Europa	794.363	564.506
Asia and Pacific	1.202.263	1.132.346
Middle East and Africa	550.317	386.825
Other	416.264	314.471
	<b>2.963.207</b>	<b>2.398.148</b>
<b>2 Staff expenses</b>		
Wages and salaries	113.701	109.025
Pensions	6.472	6.130
Other social security expenses	881	856
Other staff expenses	1.018	972
	<b>122.072</b>	<b>116.983</b>
<b>Average number of employees</b>	<b>166</b>	<b>155</b>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act		
<b>3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>		
Amortisation of intangible assets	4.307	3.578
Depreciation of property, plant and equipment	4.941	4.461
	<b>9.248</b>	<b>8.039</b>
Which is specified as follows:		
Completed development projects	3.442	2.816
Acquired patents	865	762
Buildings	322	262
Plant and machinery	2.694	2.857
Other fixtures and fittings, tools and equipment	1.925	1.342
	<b>9.248</b>	<b>8.039</b>

## Notes to the Financial Statements

	2022 kDKK	2021 kDKK
<b>4 Financial income</b>		
Interest received from group enterprises	9.441	9.051
Other financial income	1.073	1.203
Exchange adjustments	0	11.102
	<b>10.514</b>	<b>21.356</b>
<b>5 Financial expenses</b>		
Other financial expenses	5.185	7.164
Exchange adjustments, expenses	7.818	0
	<b>13.003</b>	<b>7.164</b>
<b>6 Tax on profit/loss for the year</b>		
Current tax for the year	17.023	15.093
Deferred tax for the year	704	1.213
Adjustment of tax concerning previous years	-1	0
	<b>17.726</b>	<b>16.306</b>
which breaks down as follows:		
Tax on profit/loss for the year	17.208	17.794
Tax on changes in equity	518	-1.488
	<b>17.726</b>	<b>16.306</b>

## Notes to the Financial Statements

### 7 Intangible assets

	Completed development projects kDKK	Acquired pa- tents kDKK	Acquired other similar rights kDKK
Cost at 1 January	26.156	2.441	2.427
Additions for the year	3.722	318	0
Disposals for the year	-632	0	-2.427
Cost at 31 December	<u>29.246</u>	<u>2.759</u>	<u>0</u>
Impairment losses and amortisation at 1 January	16.292	1.223	2.427
Amortisation for the year	3.442	865	0
Reversal of amortisation of disposals for the year	-567	0	0
Reversal for the year of previous years' impairment losses	0	0	-2.427
Impairment losses and amortisation at 31 December	<u>19.167</u>	<u>2.088</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>10.079</u></b>	<b><u>671</u></b>	<b><u>0</u></b>

Development costs relate to the implementation and continued development of ERP system and other major IT systems

## Notes to the Financial Statements

### 8 Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	kDKK	kDKK	kDKK
Cost at 1 January	11.364	43.249	16.706
Additions for the year	132	97	1.951
Disposals for the year	0	-6.893	-5.872
Transfers for the year	0	-3.863	3.863
Cost at 31 December	<u>11.496</u>	<u>32.590</u>	<u>16.648</u>
Impairment losses and depreciation at 1 January	7.592	32.623	13.512
Depreciation for the year	322	2.625	1.994
Reversal of impairment and depreciation of sold assets	0	-6.879	-5.872
Transfers for the year	0	-3.688	3.688
Impairment losses and depreciation at 31 December	<u>7.914</u>	<u>24.681</u>	<u>13.322</u>
<b>Carrying amount at 31 December</b>	<u><b>3.582</b></u>	<u><b>7.909</b></u>	<u><b>3.326</b></u>
Including assets under finance leases amounting to	<u>0</u>	<u>0</u>	<u>974</u>

## Notes to the Financial Statements

	2022 kDKK	2021 kDKK
<b>9 Investments in subsidiaries</b>		
Cost at 1 January	134.945	133.945
Additions for the year	0	1.000
Disposals for the year	-12.958	0
Cost at 31 December	<u>121.987</u>	<u>134.945</u>
Value adjustments at 1 January	-140.337	-143.587
Disposals for the year	70.894	0
Exchange adjustment	-496	1.067
Net profit/loss for the year	6.774	2.498
Dividend to the Parent Company	-9.202	-445
Amortisation of goodwill	-267	-267
Change in intercompany profit on inventories	-3.709	397
Value adjustments at 31 December	<u>-76.343</u>	<u>-140.337</u>
Equity investments with negative net asset value amortised over receivables	<u>1.612</u>	<u>15.582</u>
Equity investments with negative net asset value transferred to provisions	<u>0</u>	<u>42.703</u>
<b>Carrying amount at 31 December</b>	<b><u>47.256</u></b>	<b><u>52.893</u></b>
Remaining positive difference included in the above carrying amount at 31 December	<u>156</u>	<u>423</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Uhrenholt Food Service Hong Kong Ltd.	China	100%
Emborg Foods USA Inc.	USA	100%
Uhrenholt Middle East DMCC	Dubai	100%
Verkopen Company Inc.	Philippines	100%
Uhrenholt Food Solutions (Shanghai) Co Ltd.	China	100%
Uhrenholt USA LCC	USA	100%
Uhrenholt España S.L.U.	Spain	100%
F. Uhrenholt Holding International ApS	Denmark	100%
Uhrenholt South Africa Pty Ltd.	South Africa	100%

# Notes to the Financial Statements

## 9 Investments in subsidiaries (continued)

Name	Place of registered office	Votes and ownership
Uhrenholt Oceania Pty Ltd.	Australia	100%
Uhrenholt Philippines Inc.	Philippines	100%
Uhrenholt Polska SP z.o.o.	Poland	100%
Uhrenholt Sdn Bhd	Malaysia	100%

## 10 Other fixed asset investments

	Receivables from group enterprises kDKK
Cost at 1 January	357.159
Additions for the year	8.323
Disposals for the year	0
Cost at 31 December	<u>365.482</u>
<b>Carrying amount at 31 December</b>	<b><u>365.482</u></b>

## 11 Prepayments

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

## 12 Equity

The share capital consists of 5,000 shares of a nominal value of kDKK 10. No shares carry any special rights.

## 13 Distribution of profit

	2022 kDKK	2021 kDKK
Proposed dividend for the year	191.000	0
Retained earnings	<u>-123.213</u>	<u>64.602</u>
	<b><u>67.787</u></b>	<b><u>64.602</u></b>

## Notes to the Financial Statements

	2022 kDKK	2021 kDKK
<b>14 Provision for deferred tax</b>		
Provision for deferred tax at 1 January	1.538	325
Amounts recognised in the income statement for the year	703	1.213
<b>Provision for deferred tax at 31 December</b>	<b>2.241</b>	<b>1.538</b>

### 15 Long-term debt

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

The debt falls due for payment as specified below:

#### Lease obligations

Between 1 and 5 years	0	171
Long-term part	0	171
Within 1 year	171	968
	<b>171</b>	<b>1.139</b>

#### Other payables

Between 1 and 5 years	11.009	8.389
Long-term part	11.009	8.389
Other short-term payables	46.952	68.668
	<b>57.961</b>	<b>77.057</b>

# Notes to the Financial Statements

## 16 Derivative financial instruments

As of 31 December 2022, the company has derivative financial instruments in the form of forward currency exchange contracts. At 31 December 2022 the fair value of derivative financial instruments are:

	<u>2022</u> kDKK	<u>2021</u> kDKK
Assets	8.513	0
Liabilities	0	5.510

Forward currency exchange contracts:

The company has entered into forward currency exchange contracts in order to hedge future sales of goods and purchases as well as to hedge balance sheet items in foreign currencies. Forward currency exchange contracts have been entered into in a number of currencies, with USD, NZD, AUD, GBP, PLN, EUR, SGD and SEK being the most important. The fair value of the forward exchange contracts amount to kDKK 8.513. The forward exchange contracts have maturity date within the next 12 months.



## Notes to the Financial Statements

	2022 kDKK	2021 kDKK
<b>17 Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The company has provided unlimited surety for group companies' balances with banks and finance companies. At 31 December 2022 the total group debt amounts to kDKK 90.893.		
As security for the Group's balances with banks and finance companies, a floating charge of a mDKK 300 has been registered, which gives security in the following:		
Receivables from sales kDKK 345.147		
Inventories kDKK 81.747		
Other plant, machinery and equipment kDKK 11.235		
Intellectual rights/patents kDKK 671.		
At 31 December bank guarantees have been provided to the tax authorities through banks/finance companies of	460	4.085
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	2.713	3.408
Between 1 and 5 years	2.098	1.630
	<b>4.811</b>	<b>5.038</b>
Rental obligations, non-cancellation period 3-125 months.	27.510	28.685

### Other contingent liabilities

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

# Notes to the Financial Statements

## 18 Related parties

	<u>Basis</u>
<b>Controlling interest</b>	
F. Uhrenholt Holding A/S	Immediate parent company
FU III ApS	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.

No transactions with related parties have been made, which are not on arm's length basis.

### Consolidated Financial Statements

Uhrenholt A/S and subsidiaries are included in the consolidated financial statements for its ultimate parent company and immediate parent company:

<u>Name</u>	<u>Place of registered office</u>
FU III ApS	Faurskov Allé 6 5560 Aarup Denmark
F. Uhrenholt Holding A/S	Teglårdsparken 106 5500 Middelfart Denmark

The consolidated financial statements can be requested at the above addresses.

## 19 Fee to auditors appointed at the general meeting

With reference to the Danish Financial Statement Act § 96.3, the information on audit fees are provided in the consolidated financial statements of F. Uhrenholt Holding A/S.

# Notes to the Financial Statements

## 20 Accounting Policies

The Annual Report of Uhrenholt 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 kDKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of F. Uhrenholt Holding A/S, 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 F. Uhrenholt Holding A/S, 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.

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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

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

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

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

### Derivative financial instruments

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

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

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### Hedge accounting

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

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

### Revenue

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

## Income Statement

### Revenue

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

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

### Expenses for raw materials and consumables

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

### Other external expenses

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

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **Other operating income and expenses**

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

### **Income from investments in subsidiaries**

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

### **Financial income and expenses**

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

### **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 Danish group companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## **Balance Sheet**

### ***Development projects, patents and licences***

Costs of development projects comprise expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item “Reserve for development costs”. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-10 years.

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use. Patents are amortised over the patent period, maximum 20 years

Other intangible fixed assets are written down to the recoverable amount if this is lower than the carrying amount

### Property, plant and equipment

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

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

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

Other buildings	20-30 years
Plant and machinery	3-15 years
Other fixtures and fittings, tools and equipment	3-8 years

The fixed assets' residual values are determined at nil.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

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

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

### Investments in subsidiaries

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.

### Other fixed asset investments

Other fixed asset investments consist of receivables in affiliated companies.

### Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable 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 indi-



# Notes to the Financial Statements

## 20 Accounting Policies (continued)

rect 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.

### **Prepayments**

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

### **Dividend**

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

### **Deferred tax assets and liabilities**

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

Deferred tax assets 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, such as loans from credit institutions, 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.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

### Financial Highlights

#### Explanation of financial ratios

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