
Uhrenholt A/S

Teglårdsparken 106, DK-5500 Middelfart

Annual Report for 2023

CVR No. 18 98 10 09

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 19/3 2024

Sune Uhrenholt
Chair



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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 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.

Middelfart, 19 March 2024

Executive Board

Sune Uhrenholt
CEO

Board of Directors

Frank Uhrenholt
Chair

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 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 Uhrenholt 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.

Odense M, 19 March 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Line Hedam

State Authorised Public Accountant

mne27768

Anders Kronborg Choy

State Authorised Public Accountant

mne44142

Company information

The Company	Uhrenholt A/S Teglårdsparken 106 DK-5500 Middelfart Telephone: + 45 64 41 40 41 Website: 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, chair 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

Financial Highlights

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

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	2,964,888	2,963,207	2,398,148	2,236,904	2,310,093
Gross profit	233,418	216,085	193,152	191,070	146,196
Profit/loss of primary operations	86,889	84,686	68,130	75,518	28,303
Profit/loss of financial income and expenses	28,477	309	16,821	4,647	-9,355
Profit/loss before tax	115,366	84,995	82,396	80,079	19,284
Net profit/loss for the year	92,270	67,787	64,602	61,450	13,298
Balance sheet					
Balance sheet total	817,844	929,649	885,985	784,927	830,745
Investment in property, plant and equipment	2,791	2,180	4,195	1,659	3,955
Equity	431,486	532,119	463,100	402,556	337,479
Number of employees	166	166	155	155	162
Ratios					
Gross margin	7.9%	7.3%	8.1%	8.5%	6.3%
Profit margin	2.9%	2.9%	2.8%	3.4%	1.2%
Return on assets	10.6%	9.1%	7.7%	9.6%	3.4%
Solvency ratio	52.8%	57.2%	52.3%	51.3%	40.6%
Return on equity	19.2%	13.6%	14.9%	16.6%	4.0%

Management's review

Key activities

Uhrenholt is a privately-owned dairy company based in Denmark. The company operates in more than 90 markets worldwide, either directly or through subsidiaries, and provides a wide range of own brands and private label solutions to retail, wholesale, foodservice, and industrial customers.

Our competitive advantage is agility, speed, and unparalleled service, and we collaborate closely with our customers to create market-driven food solutions tailored to their needs. We partner with a select group of trusted suppliers to ensure that these often complex solutions are delivered to the global markets swiftly and efficiently while meeting the agreed standards, commercial targets, and sustainability goals.

At Uhrenholt, our approach to business is straightforward and built on trust, dialogue, and efficiency. Our company structure and culture empower our employees 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

After experiencing an intense surge in raw material prices throughout 2022, the trend normalized in 2023. However, in the fourth quarter, we started to see a resurgence of substantial price hikes in our raw materials.

During this very volatile market development, our business model proved its strength, as the company once again delivered strong results. Earnings Before Tax concluded at +115,4 million DKK and raised equity to +431,5 million DKK as of December 31, 2023, with a solvency ratio of 52,8%.

Initially, management had forecasted Earnings Before Tax for 2023 in the range of 60-75 million DKK. The improved result was primarily driven from the absence/delay of comprehensive macroeconomic recession, combined with the successful pursuit of opportunities arising from increased market volatility and innovation. Improved cash flow management and policies contributed to debt reduction and gains on foreign exchange transactions, which also improved the result.

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

Entering 2024, the combination of geopolitical uncertainty, continued concerns about global or local recession, and currency challenges in certain markets lowers the financial expectations for the year. Additionally, the decrease in milk intake further restricts the availability of goods, contributing to the escalation of raw material prices, and we are seeing noticeable uptick in raw material prices and elevated freight rates, exerting further pressure on profit margins.

Despite many uncertainties, we continue to execute our strategic plans within the existing business framework and expect Earnings Before Tax for 2024 to be in the range of 80-95 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. The Group has published the CSR report for 2023 on our website according to §99a of the Danish Financial Statement Act.

The CSR report can be found at <https://nozebra.ipapercms.dk/Uhrenholt/CSR/csr-2023/>

Management's review

Statement on gender composition

	<u>2023</u>
Top management	
Total number of members	4
Underrepresented gender %	0%
Target figure %	25%
Year for meeting target	2028
Other management levels	
Total number of members	12
Underrepresented gender %	17%
Target figure %	25%
Year for meeting target	2028

Top management (Board of Directors)

The Board of Directors consists of 4 members and the underrepresented gender constitutes 0%, which is unchanged compared to last year. We target to increase the percentage to 25% by the end of 2028.

There have been no changes in board members during 2023 and therefore no specific actions have been taken to change gender composition. In upcoming board-level transitions, we will always choose the best qualified candidate and if equally qualified male and female candidates are available, we will prioritize the one from the underrepresented gender. We aim to achieve a better balance by 2028.

Other management (Executive Board & GLT)

The Management level consists of 12 members, whereof the underrepresented gender constitutes 17%. Target is to increase the level of underrepresented gender to 25% at end of 2028.

Our policy is to choose the best qualified candidate and if equally qualified male and female candidates are available, we will prioritize the one from the underrepresented gender.

During 2023 the team has been increased with 1 member, but the best qualified person for the specific position didn't change the gender composition.

Statement on data ethics

The company has published the CSR report for 2023 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-2023/>

Subsequent events

There have been no significant events occurring after the balance sheet date that would materially impact the evaluation of the Annual Report.

Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Revenue	1	2,964,888	2,963,207
Other operating income		0	5
Expenses for raw materials and consumables		-2,629,173	-2,667,818
Other external expenses		-102,297	-79,310
Gross profit		233,418	216,084
Staff expenses	2	-135,037	-122,072
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-10,993	-9,248
Other operating expenses		-499	-79
Profit/loss before financial income and expenses		86,889	84,685
Income from investments in subsidiaries		10,904	2,798
Financial income	4	24,718	10,514
Financial expenses	5	-7,145	-13,002
Profit/loss before tax		115,366	84,995
Tax on profit/loss for the year	6	-23,096	-17,208
Net profit/loss for the year	7	92,270	67,787

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Completed development projects		1,460	10,079
Acquired patents		287	671
Acquired other similar rights		5,239	0
Intangible assets	8	6,986	10,750
Land and buildings		5,424	3,582
Plant and machinery		6,060	7,909
Other fixtures and fittings, tools and equipment		1,901	3,326
Property, plant and equipment	9	13,385	14,817
Investments in subsidiaries	10	57,169	47,256
Receivables from group enterprises	11	233,961	365,482
Fixed asset investments		291,130	412,738
Fixed assets		311,501	438,305
Finished goods and goods for resale		78,954	81,747
Inventories		78,954	81,747
Trade receivables		352,210	345,147
Receivables from group enterprises		37,341	34,000
Other receivables	12	27,866	24,107
Prepayments	13	7,506	5,541
Receivables		424,923	408,795
Cash at bank and in hand		2,466	802
Current assets		506,343	491,344
Assets		817,844	929,649

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital	14	50,000	50,000
Reserve for development costs		1,139	7,860
Reserve for hedging transactions		519	598
Reserve for exchange rate conversion		-1,383	441
Retained earnings		381,211	282,220
Proposed dividend for the year		0	191,000
Equity		431,486	532,119
Provision for deferred tax	15	1,147	2,241
Provisions		1,147	2,241
Other payables		10,733	11,009
Long-term debt	16	10,733	11,009
Credit institutions		27,263	82,261
Lease obligations		0	171
Trade payables		264,740	228,757
Payables to group enterprises		25,420	23,115
Corporation tax		3,818	3,024
Other payables	16	53,237	46,952
Short-term debt		374,478	384,280
Debt		385,211	395,289
Liabilities and equity		817,844	929,649
Contingent assets, liabilities and other financial obligations	17		
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Statement of changes in equity

	Share capital	Reserve for development costs	Reserve for hedging transactions	Reserve for exchange rate conversion	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	50,000	7,860	598	441	282,220	191,000	532,119
Exchange adjustments	0	0	0	-1,824	0	0	-1,824
Ordinary dividend paid	0	0	0	0	0	-191,000	-191,000
Fair value adjustment of hedging instruments, beginning of year	0	0	-767	0	0	0	-767
Fair value adjustment of hedging instruments, end of year	0	0	666	0	0	0	666
Tax on adjustment of hedging instruments for the year	0	0	22	0	0	0	22
Other equity movements	0	-4,086	0	0	4,086	0	0
Development costs for the year	0	2,346	0	0	-2,346	0	0
Depreciation, amortisation and impairment for the year	0	-4,981	0	0	4,981	0	0
Net profit/loss for the year	0	0	0	0	92,270	0	92,270
Equity at 31 December	50,000	1,139	519	-1,383	381,211	0	431,486

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
1. Revenue		
Geographical segments		
Europa	706,153	794,363
Asia and Pacific	1,287,434	1,202,263
Middle East and Africa	484,317	550,317
Other	486,984	416,264
	<u>2,964,888</u>	<u>2,963,207</u>
Business segments		
Consumer division	1,464,990	1,405,853
Trading division	1,499,898	1,557,354
	<u>2,964,888</u>	<u>2,963,207</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
2. Staff Expenses		
Wages and salaries	126,054	113,701
Pensions	7,428	6,472
Other social security expenses	889	881
Other staff expenses	666	1,018
	<u>135,037</u>	<u>122,072</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>166</u>	<u>166</u>

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	4,860	4,307
Depreciation of property, plant and equipment	4,133	4,941
Impairment of intangible assets	2,000	0
	10,993	9,248
Which is specified as follows:		
Amortisation - Completed development projects	4,386	3,442
Amortisation - Acquired patents	474	865
Depreciation - Buildings	318	322
Depreciation - Plant and machinery	1,849	2,694
Depreciation - Other fixtures and fittings, tools and equipment	1,966	1,925
Write-down - Completed development projects	2,000	0
	10,993	9,248
	2023	2022
	TDKK	TDKK
4. Financial income		
Interest received from group enterprises	12,557	9,441
Other financial income	1,493	1,073
Exchange adjustments	10,668	0
	24,718	10,514
	2023	2022
	TDKK	TDKK
5. Financial expenses		
Other financial expenses	7,145	5,184
Exchange adjustments, expenses	0	7,818
	7,145	13,002

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
6. Income tax expense		
Current tax for the year	24,281	17,023
Deferred tax for the year	-1,094	704
Adjustment of tax concerning previous years	-113	-1
	<u>23,074</u>	<u>17,726</u>
thus distributed:		
Income tax expense	23,096	17,208
Tax on equity movements	-22	518
	<u>23,074</u>	<u>17,726</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
7. Profit allocation		
Proposed dividend for the year	0	191,000
Retained earnings	92,270	-123,213
	<u>92,270</u>	<u>67,787</u>

Notes to the Financial Statements

8. Intangible fixed assets

	Completed development projects	Acquired patents	Acquired other similar rights
	TDKK	TDKK	TDKK
Cost at 1. January	29,246	2,759	0
Additions for the year	3,007	91	0
Transfers for the year	-28,087	0	28,087
Cost at 31. December	4,166	2,850	28,087
Impairment losses and depreciation at 1. January	19,168	2,089	0
Impairment losses for the year	2,000	0	0
Depreciation for the year	4,386	474	0
Transfers for the year	-22,848	0	22,848
Impairment losses and depreciation at 31. December	2,706	2,563	22,848
Carrying amount at 31. December	1,460	287	5,239

Development costs relate to the external development and implementation cost of software systems for internal use.

9. Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	TDKK	TDKK	TDKK
Cost at 1. January	11,496	32,591	16,648
Additions for the year	2,160	0	630
Disposals for the year	0	-1,775	-867
Cost at 31. December	13,656	30,816	16,411
Impairment losses and depreciation at 1. January	7,914	24,682	13,322
Depreciation for the year	318	1,849	1,966
Impairment and depreciation of sold assets for the year	0	-1,775	-778
Impairment losses and depreciation at 31. December	8,232	24,756	14,510
Carrying amount at 31. December	5,424	6,060	1,901
Including assets under finance leases amounting to	0	0	60

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
10. Investments in subsidiaries		
Cost at 1 January	121,987	134,945
Disposals for the year	0	-12,958
Transfers for the year	-60,943	0
Cost at 31 December	<u>61,044</u>	<u>121,987</u>
Value adjustments at 1 January	-76,343	-140,337
Disposals for the year	0	70,894
Exchange adjustment	-1,803	-496
Net profit/loss for the year	8,282	6,774
Dividend to the Parent Company	0	-9,202
Amortisation of goodwill	-156	-267
Change in intercompany profit on inventories	2,774	-3,709
Transfers for the year	60,943	0
Value adjustments at 31 December	<u>-6,303</u>	<u>-76,343</u>
Equity investments with negative net asset value amortised over receivables	<u>2,428</u>	<u>1,612</u>
Carrying amount at 31 December	<u>57,169</u>	<u>47,256</u>
Remaining positive difference included in the above carrying amount at	<u>0</u>	<u>156</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Uhrenholt Food Service Hong Kong Ltd.	China	100%
Emborg Foods USA Inc.	USA	100%
Uhrenholt Middle East DMCC	Dubai	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%
Uhrenholt Oceania Pty Ltd.	Australia	100%
Uhrenholt Philippines Inc.	Philippines	100%
Uhrenholt Polska SP z.o.o.	Poland	100%
Uhrenholt Sdn Bhd	Malaysia	100%

Notes to the Financial Statements

Name	Place of registered office	Ownership
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11. Other fixed asset investments

	Receivables from group enterprises
	TDKK
Cost at 1. January	365,482
Additions for the year	9,742
Disposals for the year	-141,263
Cost at 31. December	<u>233,961</u>
Carrying amount at 31. December	<u>233,961</u>

2023

TDKK

2022

TDKK

12. Derivative financial instruments

As of 31 December 2023, the company has derivative financial instruments in the form of forward currency exchange contracts. At 31 December 2023 the fair value of derivative financial instruments are:

Assets	3,375	8,513
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Forward currency exchange contracts:

The company has entered into forward currency exchange contracts in order to hedge the currency element of 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 3.375. The forward exchange contracts have maturity date within the next 12 months.

13. Prepayments

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

14. Share capital

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

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
15. Provision for deferred tax		
Deferred tax liabilities at 1 January	2,241	1,538
Amounts recognised in the income statement for the year	-1,094	703
Deferred tax liabilities at 31 December	1,147	2,241

	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:

Other payables

After 5 years	0	0
Between 1 and 5 years	10,733	11,009
Long-term part	10,733	11,009
Other short-term payables	53,237	46,952
	63,970	57,961

Other payables of 8,906 TDKK as of 31 December 2023 carry interest.

	2023	2022
	TDKK	TDKK
17. Contingent assets, liabilities and other financial obligations		

Charges and security

The company has provided unlimited surety for group companies' balances with banks and finance companies. At 31 December 2023 the total group debt amounts to kDKK 35,649.

As per 31 December 2023 a floating charge of mDKK 300 has been registered, as security for the Group's balances with banks. This security has been cancelled by end of February following a new financing arrangement. As per 31 December 2023 the floating charge gave security in the following:

Receivables from sales kDKK 352,210

Inventories kDKK 78,954

Other plant, machinery and equipment kDKK 7,961

Intellectual rights/patents kDKK 287

At 31 December bank guarantees have been provided to the tax authorities through banks/finance companies of TDKK 1,450 (2022: TDKK 460).

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
17. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	2,715	2,713
Between 1 and 5 years	<u>3,125</u>	<u>2,098</u>
	<u>5,840</u>	<u>4,811</u>
Rental obligations, non-cancellation period 3-36 months.	20,525	27,510

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 and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
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.

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

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.

20. Subsequent events

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

Notes to the Financial Statements

21. Accounting policies

The Annual Report of Uhrenholt A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of 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. 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.

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.

Notes to the Financial Statements

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

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

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

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.

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 the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Segment information on revenue

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

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.

Notes to the Financial Statements

Other external expenses

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

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

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other 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 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 year.

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.

Depreciation period and residual value are reassessed annually.

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.

Notes to the Financial Statements

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 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.

Prepayments

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

Equity

Dividend

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

Deferred tax assets and liabilities

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

Notes to the Financial Statements

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.

Financial liabilities

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