



Tel.: +45 76 35 56 00
kolding@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Kolding Åpark 8A, 7. sal
DK-6000 Kolding
CVR no. 20 22 26 70

BAADER FOOD SYSTEMS DENMARK A/S

VESTERMØLLEVEJ 9M, 8380 TRIGE

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 17 June 2024**

Petra Baader

CVR NO. 19 18 95 11

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
Independent Auditor's Report.....	5-6
Management Commentary	
Financial Highlights.....	7
Management Commentary.....	8-10
Financial Statements 1 January - 31 December	
Income Statement.....	11
Balance Sheet.....	12-13
Equity.....	14
Notes.....	15-20
Accounting Policies.....	21-26

COMPANY DETAILS

Company	BAADER Food Systems Denmark A/S Vestermøllevej 9M 8380 Trige Telephone: +45 86 23 14 55 Website: www.baader.com E-mail: bfs-dk@baader.com CVR No.: 19 18 95 11 Established: 8 August 1961 Municipality: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Petra Baader, chairman Torsten Krausen Norbert Engberg Robert Focke Lars Bo Larsen, elected by employees Sonja Braun Alexandersen, elected by employees
Executive Board	Jan Houlind Zoffmann Andersen Claus Østergaard Askjær
Auditor	BDO Statsautoriseret revisionsaktieselskab Kolding Åpark 8A, 7. sal 6000 Kolding
General Meeting	The Annual General Meeting is held on June 17th, 2024, at the company's address.

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of BAADER Food Systems Denmark A/S for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aarhus, 5 June 2024

Executive Board

Jan Houllind Zoffmann Andersen

Claus Østergaard Askjær

Board of Directors

Petra Baader
Chairman

Torsten Krausen

Norbert Engberg

Robert Focke

Lars Bo Larsen
Elected by employees

Sonja Braun Alexandersen
Elected by employees

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of BAADER Food Systems Denmark A/S

Opinion

We have audited the Financial Statements of BAADER Food Systems Denmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and 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.

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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 of Management Commentary.

Kolding, 5 June 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jesper Steensbjerre
State Authorised Public Accountant
MNE no. mne31367

FINANCIAL HIGHLIGHTS

	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000
Income statement					
Net revenue.....	691.227	610.269	708.619	609.884	559.724
Gross profit/loss.....	117.800	102.751	88.995	93.110	73.804
Operating profit/loss of main activities...	12.893	8.659	11.781	17.588	1.069
Financial income and expenses, net.....	-5.160	-2.985	-1.632	-2.714	-4.748
Profit/loss for the year before tax.....	42.314	47.673	43.866	25.600	31.519
Profit/loss for the year.....	40.645	47.585	42.572	23.339	31.835
Balance sheet					
Total assets.....	622.681	642.163	518.504	508.476	562.704
Equity.....	324.381	333.210	312.383	255.839	248.505
Invested capital.....	116.453	94.092	79.768	128.630	149.915
Investment in property, plant and equipment.....	-322	-5.581	-2.870	-3.760	-672
Average number of full-time employees.....					
	255	256	265	275	281
Key ratios					
Gross margin.....	17.0	16.8	12.6	15.3	13.2
Operating margin.....	1.9	1.4	1.7	2.9	0.2
Return on invested capital.....	12.2	10.0	11.3	12.6	0.8
Equity ratio.....	52.1	51.9	60.2	50.3	44.2
Return on equity.....	12.4	14.7	15.0	9.3	13.8

The ratios stated in the list of key figures and ratios have been calculated as follows:

Invested capital:	Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities
Gross margin:	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
Operating margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$
Return on invested capital:	$\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$
Equity ratio:	$\frac{\text{Equity, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit after tax} \times 100}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities

BAADER Food Systems Denmark A/S develop, produce and sell Spareparts, Machines and Complete plants for slaughtering and processing of poultry as well as weighing and grading equipment. The weighing and grading equipment can also be used in the fish as well as other food industries.

Sales, Marketing and Service in several important markets takes place directly through subsidiaries.

Development in activities and financial position

The company experienced an increase of the turnover of 14% compared to 2022, which is generated from improved market conditions in developed markets and a higher attention to the after sales market. For 2023 we experienced an increase in demands of the spare part and services to optimize existing machinery, but also a lower interest in investing in new machines.

The company achieved a profit of DKK 40.6m in 2023 against DKK 47.6m in 2022. The result for 2023 is considered satisfactory.

The net result including the result of equity investments in group companies is considered satisfactory.

Profit/loss for the year compared to future expectations

The results and financial development of the company were better than foreseen. The continued focus on growth in different markets and close customer relationships has given the company a strong position in the aftermarket.

During the year 2023 some adjustments within the organization and productions has been completed and some initiatives are still ongoing to ensure a stabilized earning going forward. The organization for different support functions lead by Baader Global are coming into place and any double functions are identified and changed. Cost for support functions are allocated to all companies in the Baader group, in relation to size and turnover.

The company has besides new developments, invested in different updates of the existing product portfolio and production methods.

Significant events after the end of the financial year

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

Financial risks and currency risks

BAADER Food Systems Denmark A/S applies forward exchange transactions to secure receivables and payables in foreign currencies if it is different from EUR. In addition, continuous adjustments are made of net currency positions.

It is the aim of BAADER Food System Denmark A/S to minimize the financial risks from customers through prepayments and/or partly payments before shipping of any major deliveries.

The company is collecting cash for most of the subsidiaries to ensure an optimized cash workflow, at the same time BAADER Food Systems Denmark A/S is also supporting other subsidiaries' cash wise to ensure the local daily operation.

MANAGEMENT COMMENTARY

Knowledge resources

The company aims to supply high quality products focusing on operation reliability and a good basis for production of safe food. All central components are produced by the company’s own production facilities. The production facilities are equipped to support and secure the technology and know-how in-house. Other more general components are produced by closely related sub suppliers.

Research and development activities

The company pays development expenses concurrently to secure future sales. Development projects are initiated both within the mechanical and electrical areas, this gives a portfolio with both updated standalone mechanical machines, but also a system approach, controlled by vision, data and build in intelligence. Major development projects, which meet several detailed conditions, are recognized as assets under construction, and amortized in the income statement, after the projects have been completed. Other development projects are expensed in the income statement.

Future expectations

Baader Food Systems Denmark A/S expect a continued positive development on important markets compared to the 2023. It is expected that last year’s focus on the aftermarket with both local presence and highly educated service technicians, will continue to drive the future service and sparepart sales. It is also expected that there will be a stronger renewed interest for investing in new equipment and to either extend production capacities in existing lines or to build new complete plants, to support the increased request for protein products.

The company’s continued focus on growth, but also efficiency and adjustments of the organization is expected to help stabilize the earnings in the years to come.

For 2024 the revenue is expected to be slightly higher compared to 2023, but profit before tax is expected to be 10% higher than 2023 (DKK 46.5 m).

The Company’s foreign branches

The company’s activities in the French market are handled through the company’s branch in France.

Corporate social responsibility (CSR) report

It is the ambition of the company to show social responsibility in line with its basic values. This is demonstrated in internal as well as external initiatives.

The actual CSR-report is available at:

<https://www.baader.com/our-locations/baaderfoodsystemsdk>

BAADER Food Systems Denmark A/S is working determinedly to ensure a safe and healthy working environment, so the environmental and climatic conditions are incorporated in the company’s processes.

Report of target figures and policies for the under-represented gender

Gender distribution within Management

	2023
Number of members of the supreme management body.....	4
Under-represented gender, share in % of the supreme management body.....	25%
Number of people at other management levels.....	14
Under-represented gender, share in % at other management levels.....	36%

MANAGEMENT COMMENTARY**Report of target figures and policies for the under-represented gender (continued)**

Of the total number of members of the Company's supreme management body, the under-represented gender comprises 25% which meet the criterion for equal distribution of men and women. Hence, the Company is not subject to the obligation of setting a target figure for the gender distribution of the supreme management body.

Target figures for other management levels

	2023
Target figures in % for the other management levels.....	40%
Year, in which the target figures are expected to be met.....	2027

Policy for other management levels

The company's aim continues to be to increase the representation of the underrepresented gender in management positions with respect for the industry specific competences needed. The company encourages and supports all qualified employees to rise into manager positions. The company drives for gender-neutral language when posting open positions and ensures to invite more than one gender to interviews.

Data ethics

BAADER Food Systems has implemented a Data ethic policy, it is available at our webpage at:
<https://www.baader.com/our-locations/baaderfoodsystemsdk>

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK '000
NET REVENUE	1	691.226.622	610.269
Production costs.....	2, 3	-573.427.070	-507.518
GROSS PROFIT/LOSS		117.799.552	102.751
Distribution costs.....	3	-44.557.352	-45.919
Administrative expenses.....	3, 4	-60.349.601	-48.173
OPERATING PROFIT		12.892.599	8.659
Income from investments in subsidiaries.....		34.581.799	41.999
Financial income.....	5	418.997	455
Financial expenses.....		-5.579.174	-3.440
PROFIT BEFORE TAX		42.314.221	47.673
Tax on profit/loss for the year.....	6	-1.669.242	-88
PROFIT FOR THE YEAR	7	40.644.979	47.585

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK '000
Development projects completed.....		58.224.339	69.411
Intangible fixed assets acquired.....		7.695.613	8.788
IT.....		1.851.670	1.179
Development projects in progress.....		28.128.242	21.121
Intangible assets.....	8	95.899.864	100.499
Land and buildings.....		13.894.694	14.887
Production plants and machinery.....		1.646.975	2.254
Other plants, machinery, tools and equipment.....		533.247	660
Property, plant and equipment.....	9	16.074.916	17.801
Fixed asset investments.....		251.667.167	265.983
Rent deposit and other receivables.....		38.467	38
Financial non-current assets.....	10	251.705.634	266.021
NON-CURRENT ASSETS.....		363.680.414	384.321
Raw materials and consumables.....		3.003.549	4.396
Work in progress.....		4.190.305	6.468
Finished goods and goods for resale.....		66.531.883	75.324
Prepayments for goods.....		798.153	1.128
Inventories.....		74.523.890	87.316
Trade receivables.....		24.871.061	21.129
Contract work in progress.....	11	36.065.738	34.707
Receivables from group enterprises.....		98.181.774	72.484
Other receivables.....		4.890.085	8.994
Prepayments and accrued income.....	12	2.927.956	4.193
Receivables.....		166.936.614	141.507
Cash and cash equivalents.....		17.539.805	29.019
CURRENT ASSETS.....		259.000.309	257.842
ASSETS.....		622.680.723	642.163

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK '000
Share Capital.....	13	10.374.870	10.375
Reserve for net revaluation according to equity-method.....		104.231.692	118.549
Reserve for provision for development costs.....		65.673.460	66.090
Retained profit.....		114.101.064	96.196
Proposed dividend.....		30.000.000	42.000
EQUITY.....		324.381.086	333.210
Provision for deferred tax.....	14	14.226.294	15.139
Other provisions for liabilities.....	15	2.274.441	1.637
PROVISIONS.....		16.500.735	16.776
Mortgage debt.....		1.336.221	1.342
Other liabilities.....		13.544.252	13.520
Non-current liabilities.....	16	14.880.473	14.862
Mortgage debt.....		26.415	30
Bank debt.....		109.852.757	64.946
Prepayments received from customers.....	11	55.946.325	94.360
Trade payables.....		30.747.311	37.796
Payables to group enterprises.....		20.746.531	37.627
Corporation tax.....		1.125.405	0
Other liabilities.....		48.473.685	42.556
Current liabilities.....		266.918.429	277.315
LIABILITIES.....		281.798.902	292.177
EQUITY AND LIABILITIES.....		622.680.723	642.163
Contingencies etc.	17		
Charges and securities	18		
Related parties	19		
Consolidated Financial Statements	20		

EQUITY

	Share	Reserve for net revaluation according to equity-method	Reserve for provision for development costs	Retained profit	Proposed dividend	Total
Equity at 1 January 2023.....	10.374.870	118.548.976	66.089.585	96.196.375	42.000.000	333.209.806
Proposed profit allocation according to note 7.....		34.581.799		-23.936.820	30.000.000	40.644.979
Transactions with owners						
Dividend paid.....					-42.000.000	-42.000.000
Other legal bindings						
Capitalized development costs.....			-533.494	533.494		0
Foreign exchange adjustments.....		-7.833.633		359.934		-7.473.699
Transfers						
Receiv./decl. dividend.....		-41.065.450		41.065.450		0
Tax on changes in equity...			117.369	-117.369		0
Equity at 31 December 2023.....	10.374.870	104.231.692	65.673.460	114.101.064	30.000.000	324.381.086

NOTES

	2023 DKK	2022 DKK '000	Note
Net revenue			1
Segment details (geography)			
Denmark.....	5.666.402	6.507	
Europe, other.....	179.363.339	180.655	
Asia.....	101.850.787	101.031	
North America.....	62.851.139	91.322	
Latin America.....	103.334.681	88.459	
Africa & Middel East.....	188.460.840	94.467	
Other areas.....	49.699.434	47.828	
	691.226.622	610.269	
Special items			2
The company has included impairment losses on the development assets with the amount of 6.381 TDKK. the amount is included in the production costs in the income statement.			
Staff costs			3
Average number of full time employees	255	256	
Wages and salaries.....	145.082.900	139.642	
Pensions.....	11.669.967	10.390	
Social security costs.....	1.819.383	1.808	
	158.572.250	151.840	
Remuneration of Board of Directors.....	3.391.246	3.230	
Remuneration of Supervisory Board.....	10.000	10	
	3.401.246	3.240	
Fee to statutory auditor			4
Total fee:			
BDO.....	645.200	717	
	645.200	717	
Specification of fee:			
Statutory audit.....	545.000	505	
Tax consultancy.....	31.500	154	
Other services.....	77.700	58	
	654.200	717	

NOTES

	2023 DKK	2022 DKK '000	Note
Financial income			5
Group enterprises.....	0	418	
Other interest income.....	418.997	37	
	418.997	455	
Tax on profit/loss for the year			6
Calculated tax on taxable income of the year.....	2.604.172	188	
Adjustment of tax for previous years.....	-22.418	0	
Adjustment of deferred tax.....	-912.512	-100	
	1.669.242	88	
Proposed distribution of profit			7
Proposed dividend for the year.....	30.000.000	42.000	
Allocation to reserve for net revaluation according to equity-method.....	34.581.799	42.071	
Retained earnings.....	-23.936.820	-36.486	
	40.644.979	47.585	
Intangible assets			8
	Development projects completed	Intangible fixed assets acquired	
Cost at 1 January 2023.....	166.778.102	15.115.846	
Transfer.....	5.742.971	0	
Additions.....	0	709.095	
Cost at 31 December 2023.....	172.521.073	15.824.941	
Amortisation at 1 January 2023.....	97.366.967	6.327.383	
Amortisation for the year.....	16.929.767	1.801.945	
Amortisation at 31 December 2023.....	114.296.734	8.129.328	
Carrying amount at 31 December 2023.....	58.224.339	7.695.613	
	IT	Development projects in progress	
Cost at 1 January 2023.....	26.796.205	21.120.534	
Transfers to/from other items.....	0	-5.742.971	
Additions.....	1.079.043	19.131.197	
Disposals.....	0	-6.380.518	
Cost at 31 December 2023.....	27.875.248	28.128.242	
Amortisation at 1 January 2023.....	25.616.981	0	
Amortisation for the year.....	406.597	0	
Amortisation at 31 December 2023.....	26.023.578	0	
Carrying amount at 31 December 2023.....	1.851.670	28.128.242	

NOTES

				Note
Intangible fixed assets (continued)				8
<p>The company's development projects relate to the development of new production machines and optimization of the interaction between the company's products in the production line. The development of the individual projects is progressing as planned and is expected to be completed over the next 1-2 years. Market research shows a demand for the new products and there are very few competitors in the market for this type of products.</p>				
Property, plant and equipment				9
		Land and buildings	Production plants and machinery	Other plants, machinery, tools and equipment
Cost at 1 January 2023.....	70.725.793	45.491.390	10.738.355	
Additions.....	152.436	157.345	12.681	
Disposals.....	-79.659	0	0	
Cost at 31 December 2023.....	70.798.570	45.648.735	10.751.036	
Depreciation and impairment losses at 1 January 2023.....	55.838.246	43.237.108	10.077.915	
Depreciation for the year.....	1.065.630	764.652	139.874	
Depreciation and impairment losses at 31 December 2023.....	56.903.876	44.001.760	10.217.789	
Carrying amount at 31 December 2023.....	13.894.694	1.646.975	533.247	
Financial non-current assets				10
		Fixed asset investments	Rent deposit and other receivables	
Cost at 1 January 2023.....		147.320.448	38.264	
Exchange adjustment at closing rate.....		0	203	
Cost at 31 December 2023.....		147.320.448	38.467	
Revaluation at 1 January 2023.....		118.664.003	0	
Exchange adjustment.....		-7.833.633	0	
Dividend.....		-41.065.450	0	
Revaluation and impairment losses for the year.....		34.581.799	0	
Revaluation at 31 December 2023.....		104.346.719	0	
Carrying amount at 31 December 2023.....		251.667.167	38.467	
Investments in subsidiaries				
Name and domicil			Ownership	
LINCO Food Systems S.A., Spain.....			100 %	
Baader Brazil Ltda., Brazil.....			100 %	
Lindholst Asia SDN. BHD., Malaysia.....			100 %	
LINCO Food Systems Ltda., Chile.....			100 %	
Baader Food Systems Netherlands B.V., Netherlands.....			100 %	
Baader Food Systems USA Inc., USA.....			100 %	
Baader Asia PTE Ltd., Singapore.....			100 %	
BFPT Beijing Co. Ltd., China.....			100 %	

NOTES

	2023 DKK	2022 DKK '000	Note
Contract work in progress			11
Contract work in progress.....	321.199.555	306.784	
Invoiced on account.....	-341.080.142	-366.437	
Contract work in progress, net.....	-19.880.587	-59.653	
Recognized as:			
Contract work in progress (assets).....	36.065.738	34.707	
Prepayments from customers (liabilities).....	-55.946.325	-94.360	
	-19.880.587	-59.653	
 Prepayments and accrued income			 12
Prepayments and accrued income relates to prepaid contingencies and license fees as well as prepaid expenses regarding future financial years.			
	2023 DKK	2022 DKK '000	13
Share Capital			
Allocation of share capital:			
A-shares, 10.374.870 unit in the denomination of 1 DKK.....	10.374.870	10.375	
	10.374.870	10.375	
 Provision for deferred tax			 14
The provision for deferred tax is related to differences between the carrying amount and tax value of intangible fixed assets and tangible fixed assets, including accrued expenses. The provision also includes tax losses carried forward			
Deferred tax, beginning of year.....	15.138.806	15.239	
Deferred tax of the year, income statement.....	-912.512	-100	
Provision for deferred tax 31 December.....	14.226.294	15.139	
 Other provisions for liabilities			 15
0-1 year.....	2.274.441	1.637	
Other provisions for liabilities comprise liabilities of ordinary warranty on the Company's products.			

NOTES

Note

Long-term liabilities

16

	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Mortgage debt.....	1.362.636	26.415	1.196.908	1.371.882
Other liabilities.....	13.818.570	274.318	11.910.209	13.819.953
	15.181.206	300.733	13.107.117	15.191.835

Contingencies etc.

17

Contingent liabilities

The Company has provided bank guarantees totalling DKK ('000) 18,620 relating to payment guarantees and general performance guarantees.

Operating lease contracts on machinery and cars have been entered with a total lease commitment during the residual term of 10 to 64 months of DKK ('000) 2,075 (DKK ('000) 475 within 12 months).

The company has subordinated a portion of DKK ('000) 7,450 of its receivables balance from a subsidiary in favor of the subsidiary's other creditors.

The company has a dispute with a former distributor and the company has recognized a liability to cover the expected compensation to this distributor. The dispute has not been settled before yearend.

Joint liabilities

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Baader Poultry A/S, which serves as management company for the joint taxation.

Charges and securities

18

Debt to mortgage provider, DKK ('000) 1,362 is secured by mortgages totalling DKK ('000) 1,406 comprising land, and buildings with the booked value of DKK ('000) 1,874 as of 31 December 2023. The mortgage also comprises the plant and machinery deemed part of the properties.

As security for debt to financial institutions, the company has issued mortgage deeds totalling DKK ('000) 17,632 as mortgage on land and buildings with a booked value of DKK ('000) 12,021 as of 31 December 2023.

Furthermore the company has issued an all-moneys mortgage (floating charge) of DKK ('000) 36,330 as security for debt to financial institutions. The security comprises inventories and trade receivables with at booked value totalling DKK ('000) 99,395.

NOTES

Note

Related parties

19

The company's related parties comprises the following:

Controlling interest

Chairman of the board, through the parent company Baader Poultry A/S

Transactions with related parties

The company has had transactions with its subsidiaries in the year.

The company did not carry out any substantial transactions that were not concluded on market conditions.

Consolidated Financial Statements

20

The company is included in the consolidated financial statements of Baader Poultry A/S, Aarhus, CVR number 30 71 48 30, which is the smallest group.

The company is included in the consolidated financial statements of Baader Global SE, Lübeck, which is the largest group. The consolidated financial statements can be acquired by contacting the company.

ACCOUNTING POLICIES

The Annual Report of BAADER Food Systems Denmark A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of Baader Poultry A/S, Aarhus, CVR number 30 71 48 30.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Where products with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to the related costs and only to the extent that it is likely that they will be recovered.

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Production costs

Production costs comprise costs, including wages and salaries and write-off, incurred to achieve the net revenue for the year.

Production costs also recognise amortisation of capitalised development as well as research costs and the development costs that do not fulfil the criteria for capitalisation.

Furthermore write-down is recognised in connection with expected losses on project contracts.

Distribution costs

The costs incurred for distribution of goods sold during the year and for sales campaigns carried out during the year are recognised in distribution costs. The costs of the sales personnel, advertising and exhibition costs and amortisation are also recognised in distribution costs.

Administrative expenses

Administrative expenses recognise costs incurred during the year regarding management and administration of the group, inclusive of costs relating to the administrative staff, executives, office premises, office expenses etc and related amortisation.

ACCOUNTING POLICIES

Income from investments in subsidiaries

The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement.

Development costs comprise costs, including wages and salaries, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years and does not exceed 20 years.

Capitalised IT-projects are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised IT-projects are depreciated on a straight-line basis over the estimated useful life. The useful life is normally 3-5 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Land and buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

ACCOUNTING POLICIES

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Buildings.....	10-25 years	0 %
Production plant and machinery.....	5 years	0-30 %
Other plants, fixtures and equipment.....	3-5 years	0-30 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Financial non-current assets

Investments in Equity interests in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of consolidation.

Equity investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straightline basis over the amortisation period, which is 7-12 years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industryspecific condition.

Received dividend is deducted in the carrying amount of the equity investment.

Net revaluation of equity interests in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiary's deficit.

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Other receivables are measured at amortised cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the weighted average-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The company has changed the method for estimating the provision for obsolete inventory from being based on when the specific items were last used, to be based on the forecast period of coverage with current stock and recent consumption. The change has increased the provision for obsolete inventory, but it is not possible to estimate a specific amount for the change.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.

The specific piece of work in progress is recognised in the Balance Sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Costs relating to sales work and obtaining of contracts are recognised in the Income Statement as and when they are incurred.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructuring etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated for the contract. The provision is recognised as a cost under production costs.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

ACCOUNTING POLICIES

CASH FLOW STATEMENT

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