



moveero A/S

Nagbølvej 31
6640 Lunderskov
CVR No. 19879712

Annual report 2023

The Annual General Meeting adopted the annual report on 13.03.2024

Julian Rudolph Pötzl
Chairman of the General Meeting

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Entity details

Entity

moveero A/S

Nagbølvej 31

6640 Lunderskov

Business Registration No.: 19879712

Registered office: Kolding

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Julian Rudolph Pötzl, Chairman

Gorm Olin Olsen

Lone Alsløv-Jensen

Thomas Blom Kristensen

Torben Brændgaard

Executive Board

Torben Brændgaard

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of moveero A/S for the financial year 01.01.2023 - 31.12.2023.

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 Entity's financial position at 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Nagbøl, 13.03.2024

Executive Board

Torben Brændgaard

Board of Directors

Julian Rudolph Pötzl
Chairman

Gorm Olin Olsen

Lone Alsløv-Jensen

Thomas Blom Kristensen

Torben Brændgaard

Independent auditor's report

To the shareholders of moveero A/S

Opinion

We have audited the financial statements of moveero A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including 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 Entity's financial position at 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

Emphasis of matter

We draw attention to note 2, which states that there is uncertainty relating to recognition and measurement of a receivable from a foreign group company. Our opinion has not been modified with respect to this matter.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Kolding, 13.03.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Per Schøtt

State Authorised Public Accountant

Identification No (MNE) mne28663

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	811,883	828,691	729,297	534,733	578,946
Gross profit/loss	159,103	99,526	122,270	85,054	89,915
Operating profit/loss	89,384	39,043	59,455	30,898	45,976
Net financials	1,083	(110,579)	11,451	(6,775)	4,703
Profit/loss for the year	70,097	(78,744)	55,263	18,804	39,513
Total assets	262,050	283,820	419,353	366,512	272,607
Investments in property, plant and equipment	3,180	6,426	9,926	9,748	6,335
Equity	120,330	87,634	196,378	170,874	152,071
Cash flows from (used in) operating activities	80,059	(8,056)	76,709	38,759	37,250
Cash flows from (used in) investing activities	(3,180)	(6,376)	(9,044)	(9,748)	(6,335)
Cash flows from (used in) financing activities	(57,109)	(28,801)	(77,716)	34,598	(62,716)
Average number of employees	358	341	352	333	345
Ratios					
Gross margin (%)	19.60	12.01	16.77	15.91	15.53
EBIT margin (%)	11.01	4.71	8.15	5.78	7.94
Net margin (%)	8.63	(9.50)	7.58	3.52	6.82
Return on equity (%)	67.41	(55.45)	30.10	11.65	29.86
Equity ratio (%)	45.92	30.88	46.83	46.62	55.78

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

EBIT margin (%):

$\frac{\text{Operating profit/loss}}{\text{Revenue}} * 100$

Revenue

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Primary activities

As in previous years, the company's main activity is the manufacture and sale of wheel rims, mainly for agricultural and construction machinery.

Development in activities and finances

The company has in 2023 delivered a net revenue of DKK 811.9 million (against DKK 828.7 million in 2022), and profit for the year after tax amounted to DKK 70.1 million (against a loss of DKK 78.7 million in 2022).

Profit/loss for the year in relation to expected developments

The expectations for the annual profit after tax were at DKK 43-48 million. Profits for the 2023 financial year exceeded the expectations, and the realized profits are considered very satisfactory. The company has achieved a great result through a determined effort and the company has performed very satisfactorily under tough conditions.

Uncertainty relating to recognition and measurement

The company has in previous years granted loans of DKK 150 million to foreign group companies. The loans are now collected at one group company and the amount is recognized under the accounting item "Receivables from group enterprises". In 2022, an impairment test of the receivable caused a write-down of DKK 113.3 million. The recognized amount was in 2022 DKK 36.3 million and in 2023, the amount after repayments is DKK 28.9 millions.

It is uncertain if the recognized amount of DKK 28.9 millions will be settled in full or if the group company will be able to settle a larger amount over a longer span of time. However, repayments of more than the DKK 28.9 millions are not expected to be possible in the short term. At the same time, no guarantee has been received regarding the balance in question. As a result, there is an uncertainty associated with the valuation of the receivable and any future adjustments of the write-down may be significant.

The matter does not affect the assessment of the company's ability to continue as a going concern.

Outlook

The company does not have significant risks regarding individual customers or partners, beyond what is usual for the industry, as well as common customer/supplier relationships. The global geopolitical situation is not deemed to increase the company's risk.

For 2024, the key markets for the company are expected to stabilize back to a lower and more normal level. The strategic focus for 2024 is to seek new market opportunities and ensure profitable growth. The key focus will be on continuous improvement to ensure the company's position in meeting the future challenges. It is management's expectation that profit for the year will be DKK 40-45 million in 2024.

Knowledge resources

The company continuously addresses the need to be able to attract, develop and retain employees with a relevant level of competence. During 2023 we saw an improvement of the people development and retention ratio.

Statutory report on corporate social responsibility

Corporate social responsibility is an integral part of the business strategy in the moveero group. The company wants to act responsibly and in a manner that creates value in relation to customers, employees, business partners and the outside world.

Business model and risk assessment

The company's business model consists of manufacturing and selling rims mainly for agricultural and construction machinery. In general, moveero A/S is run according to good and sound principles, which also includes a requirement for the company to contribute to the surrounding community, develop employees and not least ensure good job satisfaction and thus retain employees at the company.

moveero A/S is aware that running a business involves certain risks related to negatively impacting human rights, social and employee conditions, the environment and climate, as well as corruption/bribery. This is addressed by adherence to the moveero code of conduct, which contains guidelines that ensure that the moveero group's vision and values are complied with. The purpose of the code of conduct is to ensure that the company is run ethically, with social responsibility and sustainably in all aspects.

The environment

In its environmental policy, moveero A/S has set a goal striving to protect the environment and contribute positively to the local communities where business is conducted by acting with integrity and in accordance with legislation and good corporate governance at all times.

moveero A/S is ISO 14001-certified, has documented environmental procedures and an energy policy that aims for long-term sustainability through optimization of the company's energy consumption. The company continuously makes the necessary investments to reduce energy consumption.

During the financial year, no cases of environmental damage occurred due to the company's business. In order to reduce electricity consumption all electrical lighting in the production was changed to LED lamps.

Furthermore moveero A/S initiated the process of changing a large share of the gas consumption with central heating, which is expected to be finalized in 2024.

Anti-corruption and bribery effort

In line with the company's ethical standards policy, all employees are expected to maintain a high standard of integrity, honesty, and a fair approach to day-to-day business. Corruption is not tolerated in any form, and bribes or similar payments may not be made to or received from others. In practice, this is ensured by the company operating with two-factor approval on all payments.

The implemented whistleblower scheme can be used if corruption and bribery suspected. In 2023 there have been no reports of corruption-like situations, and this is also the expectation and the goal for 2024.

Social conditions, staff conditions and respect for human rights

moveero A/S is ISO 45001-certified. moveero A/S has internal guidelines and objectives in place, ensuring that work is done in a safe and healthy working environment. These are described in the company's health and safety policy, as well as employment policy.

The most important components of an effective health and safety system are a visible and committed management and the active involvement of employees. These further include components such as training of new employees, risk assessments of all tasks, as well as registration and remediation of health and safety risks. The company's safety committee convenes monthly to review well-being, sickness, absenteeism, occupational safety, etc.

The company's employment policy is to ensure that employees are treated fairly and with respect, and that their

abilities, differences and results are recognized. The principles of equality and justice must be visibly observed, and there must be no discrimination (gender, age, belief) of employees, potential employees or internally among employees.

The company has implemented a whistleblower scheme that is used to report violations or potential violations of, for example, human rights, sexual harassment, etc. No violations have been noted in 2023, and this also the expectation and the goal for 2024.

moveero A/S considers the ongoing work with employee conditions as a contributing factor to the company being perceived as an attractive workplace with a focus on inclusion and diversity. A workplace where, in 2023, employees represent 13 different nationalities, and where the proportion of the underrepresented gender was 12 % in production. We strive to increase the proportion of the underrepresented gender, especially in production. The use of systematic workplace assessment is included to, among other things, increase automation in production and, e.g., reduce the need for physical strength and contribute to a better working environment. It is a goal for 2024, that the proportion of the underrepresented gender in production increases.

The average seniority in moveero A/S is 10,8 years.

Statutory report on the underrepresented gender

	2023	2022	2021	2020	2019
Supreme management body					
Total number of members	3	4	5	5	6
Underrepresented gender (%)	33.00	25.00	20.00	20.00	17.00
Target figures (%)	40.00	40.00	40.00	40.00	40.00
Year of expected achievement of target figures	2024	2023	2023	2021	2021

The company works within a technical industry, within which more men than women are typically educated, which is reflected in the composition of the employees. To increase diversity, moveero A/S has a target that, by 2024 40 % of the board members elected by the general meeting must be of the underrepresented gender, corresponding to 2 people. At the end of 2023, 1 woman has been elected to the board by the general meeting. The target has thus not been realized, as there have been no suitable candidates for the board.

When recruiting for management position, which could be subject for becoming a Director of the Board, the aim is to identify at least qualified candidate of each gender.

	2023	2022	2021	2020	2019
Other management levels					
Total number of members	8	7	9	5	5
Underrepresented gender (%)	50.00	43.00	44.00	20.00	20.00
Target figures (%)	40.00	40.00	25.00	40.00	40.00
Year of expected achievement of target figures	2022	2022	2021	2021	2020

The company's senior management group consists of 8 people. The company's policy for the senior management group was for 2023 that the underrepresented gender must be represented by at 40%. At the end of this financial year, the company's senior management group consists of 4 men and 4 women, which means that this target has been met and an equal gender distribution has been achieved.

When recruiting, the aim is to identify at least qualified candidate of each gender. During the financial year of 2023, three of the eight members of the management group have been hired, and in that process, the company had a great focus on finding qualified candidates of each gender. The share of underrepresented gender in other management levels has been increasing the last five years and has in the years 2021-2023 has an equal gender distribution (40-60 %).

Statutory report on data ethics policy

moveero A/S is committed to ensuring that personal data about employees, customers, suppliers, and business associates is processed with respect for individual privacy and stored securely. Personal data is only stored for as long as it is relevant or the company's business or the individual's own interests. Appropriate document management procedures for storing or destroying documents have been developed and implemented.

Events after the balance sheet date

No significant circumstances have occurred after the balance sheet date that impact assessment of the annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Revenue	3	811,882,629	828,690,850
Production costs		(652,779,292)	(729,164,715)
Gross profit/loss		159,103,337	99,526,135
Distribution costs		(4,372,628)	(8,906,159)
Administrative expenses	4	(65,346,560)	(51,577,419)
Operating profit/loss		89,384,149	39,042,557
Other financial income	6	4,529,964	4,584,070
Impairment losses on financial assets		0	(113,348,306)
Other financial expenses	7	(3,446,887)	(1,815,126)
Profit/loss before tax		90,467,226	(71,536,805)
Tax on profit/loss for the year	8	(20,370,683)	(7,206,822)
Profit/loss for the year	9	70,096,543	(78,743,627)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Land and buildings		30,000,000	1,197,167
Plant and machinery		33,962,546	39,107,401
Property, plant and equipment	10	63,962,546	40,304,568
Fixed assets		63,962,546	40,304,568
Raw materials and consumables		22,050,142	28,584,196
Work in progress		41,766,431	44,746,427
Manufactured goods and goods for resale		22,032,665	22,993,715
Inventories		85,849,238	96,324,338
Trade receivables		46,053,310	90,269,441
Receivables from group enterprises		31,966,738	42,111,423
Other receivables		11,379,817	11,741,325
Receivables		89,399,865	144,122,189
Cash		22,838,725	3,068,457
Current assets		198,087,828	243,514,984
Assets		262,050,374	283,819,552

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	11	51,700,000	51,700,000
Revaluation reserve		22,599,780	0
Retained earnings		10,030,716	35,934,173
Proposed dividend		36,000,000	0
Equity		120,330,496	87,634,173
Deferred tax	12	7,240,741	1,258,691
Provisions		7,240,741	1,258,691
Other payables	13	16,122,308	15,717,642
Non-current liabilities other than provisions		16,122,308	15,717,642
Bank loans		4,471,739	28,310,284
Trade payables		57,774,801	106,630,780
Payables to group enterprises		195,739	257,797
Tax payable		22,361,664	8,990,036
Other payables	14	33,552,886	35,020,149
Current liabilities other than provisions		118,356,829	179,209,046
Liabilities other than provisions		134,479,137	194,926,688
Equity and liabilities		262,050,374	283,819,552
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
Staff costs	5		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Related parties with controlling interest	18		
Non-arm's length related party transactions	19		

Statement of changes in equity for 2023

	Contributed capital DKK	Revaluation reserve DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	51,700,000	0	35,934,173	0	87,634,173
Extraordinary dividend paid	0	0	(60,000,000)	0	(60,000,000)
Revaluations for the year	0	28,974,077	0	0	28,974,077
Tax of entries on equity	0	(6,374,297)	0	0	(6,374,297)
Profit/loss for the year	0	0	34,096,543	36,000,000	70,096,543
Equity end of year	51,700,000	22,599,780	10,030,716	36,000,000	120,330,496

Cash flow statement for 2023

	Notes	2023 DKK	2022 DKK
Operating profit/loss		89,384,149	39,042,557
Amortisation, depreciation and impairment losses		8,496,137	7,735,835
Working capital changes	15	1,858,633	(48,214,787)
Other adjustments		(10)	(32,004)
Cash flow from ordinary operating activities		99,738,909	(1,468,399)
Financial income received		4,529,964	4,584,070
Financial expenses paid		(3,446,887)	(1,815,126)
Taxes refunded/(paid)		(20,762,919)	(9,356,808)
Cash flows from operating activities		80,059,067	(8,056,263)
Acquisition etc of property, plant and equipment		(3,180,039)	(6,426,336)
Sale of property, plant and equipment		0	50,000
Cash flows from investing activities		(3,180,039)	(6,376,336)
Free cash flows generated from operations and investments before financing		76,879,028	(14,432,599)
Repayments of loans etc		(10,466,917)	(2,829,146)
Incurrence of debt to group enterprises		10,144,685	3,750,177
Dividend paid		(60,000,000)	(30,000,000)
Increase in lease commitments		3,213,472	277,741
Cash flows from financing activities		(57,108,760)	(28,801,228)
Increase/decrease in cash and cash equivalents		19,770,268	(43,233,827)
Cash and cash equivalents beginning of year		3,068,457	46,302,284
Cash and cash equivalents end of year		22,838,725	3,068,457
Cash and cash equivalents at year-end are composed of:			
Cash		22,838,725	3,068,457
Cash and cash equivalents end of year		22,838,725	3,068,457

Notes

1 Events after the balance sheet date

There are no post-balance sheet events which have a significant impact on net income and the company's expected economic development.

2 Uncertainty relating to recognition and measurement

The company has in previous years granted loans of DKK 149.5 million to two foreign group companies. The loans are now collected at one group company. The impairment test of the receivable caused a write-down of DKK 113.3 million in 2022. As a consequence the receivable is recognized at DKK 36.3 million as part of the accounting item Receivables from group enterprises. This is the best estimate of the net realizable value of the receivables based on the underlying contract basis and financial performance and outlook for the group company.

It is uncertain if the recognized amount of DKK 36.2 million will be settled in full or if the group company will be able to settle a larger amount over a longer span of time. However, repayments of more than the DKK 36.2 million is not expected to be possible in short term. At the same time, no guarantee has been received regarding the balance in question. As a result, there is an uncertainty associated with the valuation of the receivable and any future adjustments of the write-down may be significant.

The matter does not affect the assessment of the company's ability to continue as a going concern.

3 Revenue

	2023	2022
	DKK	DKK
Denmark	43,933,960	32,942,130
Europe in general	694,657,268	702,810,986
World in general	73,291,401	92,937,734
Total revenue by geographical market	811,882,629	828,690,850

4 Fees to the auditor appointed by the Annual General Meeting

	2023	2022
	DKK	DKK
Statutory audit services	270,000	260,000
Tax services	18,000	18,500
Other services	279,214	13,500
	567,214	292,000

5 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	158,368,976	149,304,464
Pension costs	15,120,799	12,751,970
Other social security costs	24,227,541	23,329,956
	197,717,316	185,386,390
Average number of full-time employees	358	341

6 Other financial income

	2023	2022
	DKK	DKK
Financial income from group enterprises	4,361,639	4,577,469
Other interest income	137,770	6,201
Exchange rate adjustments	30,555	400
	4,529,964	4,584,070

7 Other financial expenses

	2023	2022
	DKK	DKK
Other interest expenses	3,446,887	1,665,565
Exchange rate adjustments	0	149,561
	3,446,887	1,815,126

8 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	20,762,919	8,990,038
Change in deferred tax	(392,236)	(1,783,216)
	20,370,683	7,206,822

9 Proposed distribution of profit and loss

	2023	2022
	DKK	DKK
Ordinary dividend for the financial year	36,000,000	0
Retained earnings	34,096,543	(78,743,627)
	70,096,543	(78,743,627)

10 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK
Cost beginning of year	43,938,846	336,449,625
Additions	0	3,180,039
Disposals	0	(922,768)
Cost end of year	43,938,846	338,706,896
Revaluations for the year	28,974,077	0
Revaluations end of year	28,974,077	0
Depreciation and impairment losses beginning of year	(42,741,679)	(297,342,224)
Depreciation for the year	(171,244)	(8,050,992)
Reversal regarding disposals	0	648,866
Depreciation and impairment losses end of year	(42,912,923)	(304,744,350)
Carrying amount end of year	30,000,000	33,962,546
Carrying amount if asset had not been revalued	1,025,923	33,962,546

11 Share capital

	Number	Par value DKK	Nominal value DKK
Share capital	517,000	100	51,700,000
	517,000		51,700,000

There has been no changes in the share capital over the last 5 years.

12 Deferred tax

	2023 DKK	2022 DKK
Property, plant and equipment	7,551,365	1,188,395
Inventories	2,446,347	2,813,065
Provisions	(606,985)	(592,783)
Other taxable temporary differences	(2,149,986)	(2,149,986)
Deferred tax	7,240,741	1,258,691

	2023 DKK	2022 DKK
Changes during the year		
Beginning of year	1,258,691	3,041,907
Recognised in the income statement	(392,247)	(1,783,216)
Recognised directly in equity	6,374,297	0
End of year	7,240,741	1,258,691

13 Other payables

	2023	2022
	DKK	DKK
Wages and salaries, personal income taxes, social security costs, etc payable	16,122,308	15,717,642
	16,122,308	15,717,642

14 Other payables

	2023	2022
	DKK	DKK
VAT and duties	3,219,060	4,133,777
Wages and salaries, personal income taxes, social security costs, etc payable	14,494,854	17,834,720
Holiday pay obligation	10,335,270	9,607,261
Other costs payable	5,503,702	3,444,391
	33,552,886	35,020,149

15 Changes in working capital

	2023	2022
	DKK	DKK
Increase/decrease in inventories	10,475,100	(11,274,409)
Increase/decrease in receivables	40,842,363	(14,762,817)
Increase/decrease in trade payables etc	(49,458,830)	(22,177,561)
	1,858,633	(48,214,787)

16 Unrecognised rental and lease commitments

	2023	2022
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	3,907,572	960,514

17 Contingent liabilities

	2022
	DKK
Recourse and non-recourse guarantee commitments	25,153,500
Other contingent liabilities	63,000,000
Contingent liabilities	88,153,500

The company is jointly taxed with other Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

18 Related parties with controlling interest

The company's largest and smallest parent company, which prepares consolidated financial statements into which the company is incorporated as a subsidiary, is AURELIUS Equity Opportunities SE & Co. KGaA, Grünwald, Germany.

Other holding companies between the company and the ultimate parent:

AURELIUS Development Twenty-Three GmbH, Ludwig-Ganghofer-Str. 6, 82031 Grünwald Germany.

19 Non-arm's length related party transactions

The company have made intercompany transactions effected on market terms and conditions.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

Changes in accounting policies

Accounting policies with regard to recognition and measurement of land and buildings have been changed. Previously land and buildings were measured at cost less accumulated depreciation and impairment losses. Now, land and buildings are measured at cost plus revaluation, less accumulated depreciation and impairment losses. The measure is in accordance with the provisions of the Danish Financial Statements Act § 41.

The change in accounting policies has led to an increase in land and buildings of DKK 28,974,077 and equity DKK 22,599,780 respectively. The balance sheet total increases by DKK 28,974,077 at 31.12.2023.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Segment information is presented in respect of the company's revenue distributed on geographical segments based on the company's assessment of risks.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in the reserve for fair value adjustments of hedging instruments in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

Revenue

Revenue from the sale of manufactured goods is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group

enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Land and buildings are measured at cost plus revaluation, and for buildings, less accumulated depreciation and impairment losses. Revaluation is calculated on the basis of regular, independent fair value measurements.

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the manufacturing process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost plus revaluation and minus estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	30
Plant and machinery	6 to 20
IT equipment	3
Passenger cars	4
Other motor vehicles	5 to 8
Tools	5

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments, and purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.