

# **Marel A/S**

**Company registration number (CVR): 25 01 37 19**

P.O. Pedersens Vej 18, 8200 Aarhus N

Annual report for 2023

Approved at the Company's annual general meeting on 28 June 2024

Chairman of the meeting

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Arni Sigurjonsson

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## **Statement by the Board of Directors and the Management Board**

The Board of Directors and the Management Board have today discussed and approved the annual report of Marel A/S for the financial year 1 January to 31 December 2023.

The annual report has been prepared 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 its operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Aarhus, 28 June 2024

### **Management Board:**

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Janne Sigurdsson

### **Board of Directors:**

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Arni Sigurjonsson  
Chairman

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Søren K. S. Flummer

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Morten Munk Rasmussen

# **Independent auditor's report**

**To the shareholders of Marel A/S**

## **Opinion**

We have audited the financial statements of Marel A/S for the financial year 1 January – 31 December 2023 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 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 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 (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.

## **Management's responsibility 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, that 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' report

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.

# **Independent auditor's report**

## **Statement on the Management's review**

Management is responsible for the Management's review.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 28 June 2024

### **KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Michael E. K. Rasmussen  
State Authorised  
Public Accountant  
Mne41364

# **Management's review**

## **Company details**

Marel A/S  
P. O. Pedersens Vej 18  
DK-8200 Aarhus N

CVR No.: 25 01 37 19

Registered office: Aarhus

Financial year: 01.01 – 31.12

Established: 19.05.1969

## **Board of Directors**

Arni Sigurjonsson, Chairman  
Søren Kristian Steinicke Flummer  
Morten Munk Rasmussen

## **Management Board**

Janne Sigurdsson

## **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Frederiks Plads 42  
DK-8000 Aarhus C  
CVR no. 25578198

## **Consolidated financial statements**

The financial statements of Marel A/S are included in the consolidated financial statements of Marel hf., Austurhraun 9, 210 Gardabaer, Iceland. The consolidated financial statements can be downloaded at [www.marel.com](http://www.marel.com).

## Management's review

### Financial highlights

(EUR'000)	2023	2022	2021	2020	2019
<b>Income statement:</b>					
Revenue	132.431	135.377	127.175	105.195	97.627
Gross profit	7.209	24.874	18.590	20.448	18.502
Ordinary operating profit/loss	-10.635	7.159	5.048	7.910	4.804
Financial income and expenses, net	-2.320	2.903	1.885	3.178	1.169
Profit/loss for the year	-9.845	8.372	6.056	10.083	4.988
<b>Balance sheet:</b>					
Total assets	115.490	129.366	126.897	100.505	96.474
Equity	13.869	28.728	25.282	23.219	22.589
Gross investments in property, plant and equipment	1.338	1.908	9.550	798	252
<b>Financial ratios %:</b>					
Gross margin	5,4	18,4	14,6	19,4	19,0
Operating margin	-8,0	5,3	4,0	7,5	4,9
Return on investment (yearly basis)	-12,2	7,7	6,4	12,5	8,4
Return on equity	-46,2	31,0	25,0	44,0	20,7
Solvency ratio	12,0	22,2	19,9	23,1	23,4

The financial ratios are defined as follows:

Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Operating margin	$\frac{\text{Ordinary operating profit/loss} \times 100}{\text{Revenue}}$
Return on investment	$\frac{\text{Ordinary operating profit/loss}}{\text{Average number of operating assets}}$
Return on equity	$\frac{\text{Profit after tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at 31 December}}$

## **Management's review**

### **Operating review**

#### **Principal activities**

Marel is a leading global provider of advanced processing equipment, systems, software and services to the poultry, meat and fish industries. The company has a global reach with local presence in over 30 countries, with sales and service engineers servicing customers in over 140 countries.

The Company's business model is based on providing full-line solutions and services to the food processing industry, one of the most important value chains in the world. With an emphasis on innovation, close partnership with customers, and global and local reach, this model supports our vision of a world where quality food is produced sustainably and affordably.

Our revenue streams consist of sales of standard equipment, major projects, and recurring sales of parts, services, and software licenses. We have a global customer base diversified across different industries, product mixes, and geographical areas, allowing us to achieve and maintain strong profitability throughout economic cycles.

#### **Development in activities and financial position**

Revenue in 2023 totalled EUR 132.4 million, which is a decrease of EUR 2.9 million (2,2%) compared to 2022.

Gross profit is highly affected by low margin projects executed in 2023, and an impairment loss on a capitalized R&D project.

Profit for the year after tax totalled EUR -9,8 million, which is a decrease of EUR 18.2 million compared to 2022.

Equity totalled EUR 13.9 million at the end of the year, corresponding to a solvency ratio of 12.0%. In 2023, dividends of EUR 5.0 million was paid.

The financial statements did not live up to the expectations disclosed in the latest published annual report.

#### **Events after the balance sheet date**

No events materially affecting the Company's financial position have occurred subsequent to the financial year end.

## **Management's review**

### **Operating review**

#### **Particular risks**

Our management has identified certain key risks to our business that demand attention. Of these, seven key risks are discussed below, together with an overview of corresponding mitigative actions.

##### *Profit and earnings volatility risk:*

Our operational results are subject to volatility. Factors like increase in competition, geopolitical conflicts, trade restrictions, and natural disasters might influence our ability to predict revenues, costs, and expenses affecting our growth objectives. Our business model with revenue streams generated by different industries, geographical areas, and product mix allows us to achieve and maintain strong profitability throughout economic cycles.

##### *Innovation risk:*

Changes in technology, failure to understand customer needs, inability to enforce intellectual property rights, etc. can affect our expansion objectives. Our success depends on our ability to develop and successfully introduce new products in addition to ensuring the competitiveness of existing ones, including solutions and software.

The Company will continue to lead the innovation game in the food processing industry by committing significant resources to support its ambitious innovation objectives.

##### *People management risk:*

A high turnover rate, disengaged employees, gaps in workforce skills or misalignment of those skills with the company's needs, an inadequate succession plan, etc. can harm our business. Workplace instability, absenteeism, and additional stress caused by the global pandemic, coupled with changing global workforce preferences, further increase the risk of effective talent management.

The Company remains a desirable place to work that attracts and retains talented employees. Throughout the pandemic, we have implemented initiatives to maintain motivation and engage with our workforce in a personal manner. The Company is proactive in adapting its policies to align with current global trends.

# Management's review

## Operating review

### Particular risks

#### *Supply chain disruption risk:*

The company makes use of its global footprint to mitigate supply chain risks, while continuing to adopt new supply chain technologies. Deliberate mitigations include the increasing of inventory levels, as well as identifying substitute suppliers. The company remains agile and proactive when prioritizing its manufacturing needs.

#### *Reputation and compliance risk:*

The Company operates worldwide and needs to comply with numerous and changing laws and regulations. Failure to comply can lead to penalties and adverse publicity. The evolution of social media further increases the risk of reputational damage.

The Company strives to preserve and enhance its brand value, build resilience, and create emotionally connected customers, employees, and stakeholders, while complying with all industry, regulatory, and other general standards of significance.

#### *Information security risk:*

Failure to secure our information systems and data could result in operational disruptions, financial losses, reputational damage with existing and new customers, etc.

The Company continues to invest in new facilities and infrastructure and in upgrading existing ones to ensure their integrity and availability in case of adverse events.

#### *Foreign exchange risk:*

As an international company, the Company is exposed to foreign exchange risk arising from various currency movements, primarily with respect to the EUR/USD exchange rate for revenues and EUR/ISK rate on the cost side.

The Company takes advantage of natural currency hedges by matching revenues and operational costs as economically as possible. The company's funding is denominated in its main operational currencies to create natural hedging in the balance sheet. Where necessary, financial exposure is hedged in accordance with the Company's policy on permitted instruments and exposure limits.

## **Management's review**

### **Operating review**

#### **Intellectual capital**

The primary business foundation is to provide competitive products, solutions and technology for the food industry improving its competitiveness. Accordingly, the Company must be able to develop and retain intellectual capital and know-how on products and business processes. The Company therefore regularly develops policies and procedures for recruiting, training and retaining employees and for developing and documenting products and business processes.

#### **Research and development activities**

The Company's research and development activities comprise regular development of new and existing products and processes for the food industry. The Company is committed to developing industry-leading technology in partnership with our customers.

Annually, we invest approximately 6-8% of revenues in research and development, which translated to EUR 11.6 million in 2023 including an impairment loss of EUR 4.9 million for a development project that was not feasible from a technical and commercial point of view.

The level of research and development cost is essential to the creation of transformative solutions for the food processing industry and securing our competitive advantage, which in turn deliver organic growth to the company.

#### **Branches in Uruguay**

The company has an established Branch in Uruguay operating under the name Marel A/S Sucursal Uruguay performing sales and service activities in the local market. In 2023, the branch had an operating profit of EUR 21.000 before taxes.

#### **Corporate social responsibility**

Marel A/S is part of the Marel Group that has signed the United Nations Global Compact. The Company meets the statutory requirement for Corporate Social Responsibility by following the Consolidated Sustainability Policy for Marel Group. For the statutory reporting on Corporate Social Responsibility, according to §99a in the Danish Financial Statement Act, we refer to the official CSR reporting for the group which can be found in the ESG report for Marel on the website: <https://marel.com/en/investors/financials#sustainability-and-esg>

# Management's review

## Operating review

### Policies and goals for the underrepresented gender

This section constitutes Marel A/S' reporting on gender diversity according to §99b in the Danish Financial Statements Act.

The Marel Group promotes diversity in all its locations worldwide. We must ensure that Marel has a diverse and truly inclusive culture. With this in mind, we have set targets for achieving a better-balanced gender representation across managerial levels and included targets to that effect in our sustainability program.

We understand the value of reflecting the markets and communities we serve across all dimensions – whether that is servicing our customers in their local languages, listening to the needs of our end consumers, moving towards fully local management teams in the regions or hiring and developing more diverse talent in technical roles. The Company's employees, prospective employees, contractors, consultants, suppliers, and customers must be treated equally and should not be discriminated against on the grounds of age, race or ethnicity, nationality, or on any other aspect.

We want to lead by example and have already taken steps towards this with a well gender-balanced board and executive team. We are also committed to ensuring the right diversity and set of competences at all managerial levels to meet future challenges. We hope to be part of moving our industry towards more diversity and more inclusivity going forward, and feel very proud that both our Board and Executive team are in the optimal gender balance within the 40-60% ratio.

In 2021, the Company introduced a new Global Diversity and Inclusion Policy with additional focus on inclusion and accountability. To embed D&I in our culture, it was decided to do more than offer simple training. Instead, almost 40 employees from all around the globe stepped forward and became D&I champions and completed a two-day workshop. We now have the foundation to implement and follow through with D&I initiatives supported by a diverse group of enthusiastic liaisons.

In 2023 we continued to host diversity and inclusion webinars in 12 languages for all employees. These interactive sessions were led by Marel employees and have now been completed by 59% of employees generating positive feedback.

#### *Policy for the gender quota in the Board of Directors*

Under section 99b of the Danish Financial Statement Act, the Board of Directors of Marel A/S has laid down the Company's policy to increase the share of the underrepresented gender in the Company's Management in general.

## Management's review

### Operating review

#### Policies and goals for the underrepresented gender

##### *Policy for the gender quota in the Board of Directors*

The Board of Directors of Marel A/S consists of three men. As this is not compliant with the Danish Business Authority's recommendations.

Marel A/S has not succeeded in promoting a woman for the position during 2023, as no qualified female representative could be found on short notice.

We do not want to create instability in the management of the company by just substituting a male with a female without any other reason. But if the need for changes occurs during 2024, we will strive to find a female candidate.

##### *Policy for other management levels*

Marel A/S wishes that the gender quota of society between men and women is reflected in the Company's management level. Through this policy, the Company will create an equal distribution of sexes at management level.

##### *Policy for other management levels:*

In 2023 we have obtained equal representation of the sexes, and therefore we are not obliged to set further targets.

	<b>2023</b>
<b>Top management body</b>	
Total number of members	3
The % of underrepresented gender	0 %
The target in % for the underrepresented gender	33 %
The year of fulfillment of the target	2025
<b>Other management levels</b>	
Total number of members	2
The % of underrepresented gender	50 %
The target in % for the underrepresented gender	50 %

Managers of the Company should be elected / employed based on their overall qualifications, and it is essential that the managers have the right qualifications, irrespective of their sex. The Board of Directors, however, acknowledges the advantages of a broad-based management at all levels taking into consideration experience, specialised knowledge, culture and sex, etc.

## **Management's review**

### **Operating review**

#### **Goals and policies for the underrepresented gender**

Marel A/S is in a line of business, which has a predominance of male employees. The present management team (3. Management layer) comprises eight persons of which one is female.

In the management team, we seek diversity in line with Group policy. Marel A/S aims to obtain equality between co-workers, and finds that the positions in the management team are equally suitable for both men and women. However we do not have frequently changes in the management group.

In case a manager leaves, Marel A/S will strive to get a more diverse management team, as we want to improve the gender balance for the future, as well as making a systematic effort to give the employees a good work life balance.

The measures initiated have not yet had any changes in the gender quota of the 3. management layer during 2023, as no replacements has taken place.

#### **Outlook**

The continued geopolitical tensions, especially in Europe is still causing uncertainty. The company has a balanced exposure to global economies and local markets through its global reach, innovative product portfolio and diversified business mix. Indeed, our business model has proved to be resilient during times of turbulence. Our global reach and years of investment in innovation and digital solutions have proved to be key differentiating factors for the Company. These will enable us to push forward and help us navigate geopolitical tensions in the long run. That path is of course one of discovery to some extent, with inherent challenges and learnings, but one that team Marel will manage with its characteristic determination.

In 2024 we are moving our Central Warehouse function to Holland where we are centralizing all spare part handling for our European production sites. Therefore, we expect a drop in revenue of app. EUR 75 million per year when fully implemented but expect to be compensated for the lost margins through our Transfer Pricing setup.

We also expect to recover the margin level on equipment and therefore we expect EBIT between EUR 4 – 8 million. These expectations are subject to uncertainties due the increased geopolitical tensions mentioned above.

## **Management's review**

### **Operating review**

#### **Reporting on data ethics**

Marel is committed to the responsible and transparent use and protection of personal data entrusted to us by customers, employees, and others. We provide our employees and contractors with training on global privacy principles in accordance with our commitment to respect and safeguard personal data.

Our Data Ethics Policy are governed by Marel Compliance, and they will regularly assess whether the policy needs to be updated and initiate relevant updates. Marel Compliance will supervise and report on the day-to-day work of using the data ethic principles of the Policy. Marel Compliance monitors compliance with this Policy with relevant checkpoints, communicating the reports significant risks or breaches to the Marel Executive Board.

Example of the practices we follow to help ensure the integrity of our data privacy processes include:

Example of the practices we follow to help ensure the integrity of our data privacy processes include:

- Collecting and using the minimum amount of personal data necessary to achieve our business Purposes.
- Sharing personal data only with individuals who have a legitimate need for it and will protect it.
- Maintaining appropriate administrative, technical, and organizational security measures to protect personal data.
- Training our employees on the responsible use of personal information

# Financial statements 1 January - 31 December 2023

## Income statement

	Note	2023 <u>(EUR'000)</u>	2022 <u>(EUR'000)</u>
Revenue	2	132.431	135.377
Production costs	3,4	<u>-125.222</u>	<u>-110.503</u>
<b>Gross profit</b>		<b>7.209</b>	<b>24.874</b>
Distribution costs	3,4	-10.421	-8.447
Administrative expenses	3,4	<u>-7.423</u>	<u>-9.268</u>
<b>Ordinary operating profit</b>		<b>-10.635</b>	<b>7.159</b>
Result from investments in subsidiaries	5	1.703	2.420
Financial income	6	384	2.223
Financial expenses	7	<u>-4.407</u>	<u>-1.740</u>
<b>Profit/loss before tax</b>		<b>-12.955</b>	<b>10.062</b>
Tax on profit/loss for the year	8	<u>3.110</u>	<u>-1.690</u>
<b>Profit/loss for the year</b>	9	<b><u>-9.845</u></b>	<b><u>8.372</u></b>

## Financial statements 1 January - 31 December 2023

### Balance sheet

	Note	2023	2022
ASSETS		(EUR'000)	(EUR'000)
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	10	225	761
Development projects	10	3.558	6.442
Software	10	0	2
<b>Total intangible assets</b>		<b>3.783</b>	<b>7.205</b>
<b>Property, plant and equipment</b>			
Land and buildings	11	18.460	17.697
Plant and machinery	11	126	148
Fixtures, fittings and other equipment	11	1.640	1.221
Assets under construction	11	39	1.256
<b>Total property, plant and equipment</b>		<b>20.265</b>	<b>20.322</b>
<b>Investments</b>			
Equity investments in group enterprises	12	35.378	35.378
<b>Total investments</b>		<b>35.378</b>	<b>35.378</b>
<b>Total non-current assets</b>		<b>59.426</b>	<b>62.905</b>
<b>Current assets</b>			
<b>Inventories</b>	13	<b>28.328</b>	<b>32.726</b>
<b>Receivables</b>			
Trade receivables		2.331	2.497
Contract work in progress	14	3.516	9.022
Receivables from group enterprises		10.982	18.337
Corporation tax		2.300	0
Other receivables		744	747
Prepayments		35	25
<b>Total receivables</b>		<b>19.908</b>	<b>30.628</b>
<b>Cash at bank and in hand</b>		<b>7.828</b>	<b>3.107</b>
<b>Total current assets</b>		<b>56.064</b>	<b>66.461</b>
<b>TOTAL ASSETS</b>		<b>115.490</b>	<b>129.366</b>

# Financial statements 1 January - 31 December 2023

## Balance sheet

	Note	2023	2022
		(EUR'000)	(EUR'000)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	1.342	1.342
Reserve for development costs		2.775	4.279
Retained earnings		9.752	18.107
Proposed dividends		0	5.000
<b>Total equity</b>		<b>13.869</b>	<b>28.728</b>
<b>Provisions</b>			
Deferred tax	16	2.141	3.558
Warranties	17	542	640
Other provisions	18	89	96
<b>Total provisions</b>		<b>2.772</b>	<b>4.294</b>
<b>Non-current liabilities other than provisions</b>			
Lease liabilities	19	762	472
Payables to group enterprises	19	64.000	64.000
Other payables	19	2.647	2.652
<b>Total non-current liabilities other than provisions</b>		<b>67.409</b>	<b>67.124</b>
<b>Current liabilities other than provisions</b>			
Lease liabilities	19	567	472
Prepayments from customers	14	1.068	2.338
Trade payables		7.037	5.742
Payables to group enterprises	19	16.654	15.248
Corporation tax		0	370
Other payables		6.114	5.049
<b>Total current liabilities other than provisions</b>		<b>31.440</b>	<b>29.219</b>
<b>Total liabilities other than provisions</b>		<b>98.849</b>	<b>96.343</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>115.490</b>	<b>129.366</b>

## Financial statements 1 January - 31 December 2023

### Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Proposed dividends	Total
Balance at 1 January 2022	1.342	2.855	16.085	5.000	25.282
Foreign exc. adj. of equity			73		73
Net profit for the year		1.424	6.949		8.373
Interim dividends paid			0		0
Dividends paid				-5.000	-5.000
Proposed dividends			-5.000	5.000	0
<b>Equity at 1 January 2023</b>	<b>1.342</b>	<b>4.279</b>	<b>18.107</b>	<b>5.000</b>	<b>28.728</b>
Foreign exc. adj. of equity			-14		-14
Net loss for the year		-1.504	-8.341		-9.845
Dividends paid				-5.000	-5.000
Proposed dividends			0	0	0
<b>Equity at 31 December 2023</b>	<b>1.342</b>	<b>2.775</b>	<b>9.752</b>	<b>0</b>	<b>13.869</b>

# Financial statements 1 January - 31 December 2023

## Notes

### 1 Accounting policies

The annual report of Marel A/S for 2023 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

#### Consolidated financial statements

In accordance with section 112 (1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements, as the Company is a subsidiary and as the financial statements of the Company and its subsidiaries are included in the consolidated financial statements of the parent company, Marel hf., Iceland.

#### Income statement

##### Revenue

Revenue from the sale of goods and services is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year-end and that the income can be reliably measured and is expected to be received. Contract work in progress is recognised at the selling price of the work performed. Revenue is measured excl. VAT and taxes and less discounts granted in connection with the sale.

# Financial statements 1 January - 31 December 2023

## Notes

### 1 Accounting policies

#### **Production costs**

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs for raw materials, goods for resale and consumables, wages and salaries, rent and leases, and depreciation of production plant and other assets used for production purposes. Write-down for inventories and write-down in connection with anticipated bad debt losses on contract work in progress are also included. Production costs also comprise development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

#### **Distribution costs**

Costs incurred in distributing goods sold during the year and in conducting sales campaigns, etc. during the year are recognised as distribution costs. Also, costs relating to sales staff, advertising and depreciation are recognised as distribution costs.

#### **Administrative expenses**

Administrative expenses comprise expenses incurred during the year for Company management and administration, including expenses for administrative staff, management, office premises, insurance and office expenses, etc. and depreciation.

#### **Other operating income or operating costs**

Other operating income and cost comprise items secondary to the activities of the Company, including gains and losses on the disposal of non-current assets.

#### **Result from investments in subsidiaries**

Result from investments in subsidiaries comprises dividends from subsidiaries recognised as income in the income statement when adopted at the General Meeting of the subsidiary.

# Financial statements 1 January - 31 December 2023

## Notes

### 1 Accounting policies

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, finance charges in respect of finance leases, realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

#### Tax on profit/loss for the year

Tax for the year comprises current tax for the year end and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

#### Balance sheet

##### Intangible assets

Development projects comprise costs directly and indirectly attributable to the Company's development activities and which comply with the criteria for recognition under the Danish Financial Statements Act. Capitalised development projects are measured at cost less accumulated amortisation or at recoverable amount if the latter is lower. Capitalised development projects are amortised on a straight-line basis of the estimated useful lives after completion of the development project. The amortisation period is usually five years.

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortized on a straight-line basis over the remaining life.

Amortisation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Goodwill	10 years
Software	3 - 5 years

# Financial statements 1 January - 31 December 2023

## Notes

### 1 Accounting policies

#### Property, plant and equipment

Land and buildings, plant and machinery, fixtures and fittings, as well as other plant and equipment are measured at cost less accumulated depreciation. Land is not depreciated.

The basis of depreciation is cost less expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately. The basis of depreciation is cost less any projected residual value after the end of the useful life.

Depreciation is provided on a straight-line basis over the estimated useful life

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	20 - 55 years
Plant and machinery	3 - 10 years
Fixtures, fittings and other equipment	4 - 6 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or operating costs.

#### Leased assets

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other fixed assets.

# Financial statements 1 January - 31 December 2023

## Notes

### 1 Accounting policies

#### Leased assets

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

#### Short term leases and leases of low-value assets

Short term leases that have a lease term of 12 month or less and leases of low-value assets are not recognised as right of use assets and lease liability and the lease payments associated with these leases are expensed as a straight line base over the lease term.

The Company's obligation relating to these leases is disclosed in contingent liabilities.

#### Equity investments

Equity investments in subsidiaries are recognised in the balance sheet at cost. Write-down is made to the lower of cost and recoverable amount.

Cost is reduced by dividends received that exceed accumulated earnings after the date of acquisition.

For subsidiaries where the parent company has a legal or constructive obligation to cover the deficit equity investments are written down corresponding to the parent company's share of negative equity. Any receivable from these enterprises is written down by the parent company's share of the negative net asset value. If the net asset value exceeds the amount owed, the residual amount is recognised under provisions.

#### Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests of individual assets or groups of assets are conducted when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

# Financial statements 1 January - 31 December 2023

## Notes

### 1 Accounting policies

#### Impairment of non-current assets

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists. Write-down of goodwill is not reversed.

#### Inventories

Inventories are measured at cost in accordance with the average cost formula. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as direct and indirect production overheads.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is objective evidence that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of the country of domicile and credit ratings of the debtors in accordance with the credit risk management policy of the Company. The objective indicators used in relation to portfolios are determined based on historical loss experience.

# Financial statements 1 January - 31 December 2023

## Notes

### 1 Accounting policies

#### Receivables

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the work. The degree of completion is computed as the proportion between resources spent and total estimated resources for the completion of the contract. When it is probable that contract work in progress will result in losses, the estimated loss is recognised in the income statement.

When the selling price of contract work in progress cannot be measured reliably, the contract work in progress is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet as receivables or payables depending on the net value of the sales amount less on-account invoicing and prepayments. Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

#### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years, such as office rent, insurance premiums and licences.

# Financial statements 1 January - 31 December 2023

## Notes

### 1 Accounting policies

#### Equity

##### *Dividends:*

The expected dividend payment for the year is disclosed as a separate item under equity.

##### *Reserve for development costs:*

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividend, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, e.g. regarding shares, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the expected value of their realisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in tax rates are recognised in the income statement.

# Financial statements 1 January - 31 December 2023

## Notes

### 1 Accounting policies

#### Corporation tax and deferred tax

The Company is jointly taxed with other Danish subsidiaries and affiliated companies. Current Danish corporation tax is settled by the parent company, which is the administrative company, and allocated between the jointly taxed companies in proportion to their taxable income.

#### Provisions

Provisions comprise expected costs of warranties, losses on work in progress, restructurings, etc.

#### Liabilities other than provisions

Financial liabilities comprising amounts owed to credit institutions, trade payables and payables to group enterprises are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities are measured at net realisable value.

#### Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Company's accounting policies, risks and internal financial management.

# Financial statements 1 January - 31 December 2023

## Notes

### 1 Accounting policies

#### **Applied exemption clauses in the Danish Financial Statements Act**

In accordance with section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement, as this is included in the consolidated cash flow statement of the parent company, Marel hf., Iceland.

Pursuant to section 96(3) of the Danish Financial Statements Act, the Company has not disclosed the fee to the auditors appointed at the annual general meeting.

Pursuant to section 98b(3) of the Danish Financial Statements Act, the Company has not disclosed remuneration of Management as only one member of the Management Board is remunerated.

The financial statements of Marel A/S are included in the consolidated financial statements of Marel hf., Austurhraun 9, 210 Gardabaer, Iceland. The consolidated financial statements can be downloaded at [www.marel.com](http://www.marel.com).

# Financial statements 1 January - 31 December 2023

## Notes

### 2 Segment information

#### Operating segments

The identified operating segments comprise the three industries, which are the reporting segments. These operating segments form the basis for managerial decision taking.

The segment information for the period ended 31 December 2023 is as follows:

	<b>Poultry</b>	<b>Fish</b>	<b>Meat</b>	<b>Others</b>	<b>Total</b>
<b>Revenue</b>	<u>59.193</u>	<u>34.292</u>	<u>36.263</u>	<u>2.683</u>	<u>132.431</u>

#### Geographical information

The Company's operating segments operate in four main geographical areas

	<u>2023</u>	<u>2022</u>
<b>Revenue</b>	(EUR'000)	(EUR'000)
Denmark	7.024	6.913
Europe other	70.144	95.265
North America	32.947	18.165
Other countries	<u>22.315</u>	<u>15.035</u>
<b>Total</b>	<b><u>132.431</u></b>	<b><u>135.377</u></b>

### 3 Staff costs

Wages and salaries, etc.	33.969	33.448
Pensions	2.979	2.453
Other social security costs	<u>529</u>	<u>482</u>
	<b><u>37.477</u></b>	<b><u>36.382</u></b>

Staff costs are recognised as follows:

Production	26.214	25.690
Distribution	6.632	6.072
Administration	<u>4.630</u>	<u>4.620</u>
	<b><u>37.477</u></b>	<b><u>36.382</u></b>

Average number of employees	<u>377</u>	<u>373</u>
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# Financial statements 1 January - 31 December 2023

## Notes

### 3 Staff costs

Pursuant to section 98b(3) of the Danish Financial Statements Act, the Company has not disclosed remuneration of Management as only one member of the Management Board is remunerated.

	2023	2022
	(EUR'000)	(EUR'000)
<b>4 Depreciation</b>		
Land and building	576	438
Plant and machinery	44	46
Fixtures, fittings and other equipment	638	621
Leasehold improvements	0	0
	<b>1.259</b>	<b>1.105</b>

Depreciation are recognised as follows:

Production	263	243
Distribution	340	365
Administration	656	497
	<b>1.259</b>	<b>1.105</b>

### 5 Result from investments in subsidiaries

Dividends from group enterprises	1.703	2.420
	<b>1.703</b>	<b>2.420</b>

### 6 Financial income

Other financial income	384	2.223
	<b>384</b>	<b>2.223</b>

### 7 Financial expenses

Interest expense, group companies	3.716	1.258
Interest expense, leasing	31	14
Other financial expenses	660	468
	<b>4.407</b>	<b>1.740</b>

# Financial statements 1 January - 31 December 2023

## Notes

	2023	2022
	(EUR'000)	(EUR'000)
<b>8 Tax</b>		
Tax on profit/loss for the year is specified as follows:		
Current tax	1.780	-1.552
Correction tax prior years	-87	-45
Deferred tax	1.417	-131
Correction deferred tax prior years	0	38
	<b>3.110</b>	<b>-1.690</b>

## 9 Proposed profit appropriation/distribution of loss

Profit/loss for the year	-9.845	8.372
Reserve for development costs	1.504	-1.424
Proposed dividends	0	-5.000
<b>Transferred to next year</b>	<b>-8.341</b>	<b>1.948</b>

## 10 Intangible assets

	Completed development projects	Ongoing development projects	Total development projects
Cost at 1 January	22.856	5.620	28.476
Additions	0	2.665	2.665
Transferred	421	-421	0
Cost at 31 December	<b>23.277</b>	<b>7.864</b>	<b>31.141</b>
Impairment loss and amortisation at 1 January	22.034	0	22.034
Amortisation and impairment for the year	601	4.948	5.549
Impairment loss and amortisation at 31 December	<b>22.635</b>	<b>4.948</b>	<b>27.583</b>
<b>Carrying amount at 31 December</b>	<b>642</b>	<b>2.916</b>	<b>3.558</b>

Completed development projects relate to the development and test of machines for the food processing industry and are usually amortised over five years.

# Financial statements 1 January - 31 December 2023

## Notes

### 10 Intangible assets

Ongoing development projects relate to the development and test of machines for the food processing industry and the majority of the projects are expected to be completed within 1-3 years where considerable economic benefits are expected.

	Software	Goodwill
Cost at 1 January	625	8.295
Foreign exchange adjustments at 1 January	-1	0
Cost at 31 December	<u>624</u>	<u>8.295</u>
Impairment loss and amortisation at 1 January	623	7.534
Foreign exchange adjustments at 1 January	-1	0
Amortisation for the year	1	536
Impairment loss and amortisation at 31 December	<u>624</u>	<u>8.070</u>
<b>Carrying amount at 31 December</b>	<b><u>0</u></b>	<b><u>225</u></b>

Goodwill is amortised over 10 years, as the service business is linked to equipment with a long lifespan.

# Financial statements 1 January - 31 December 2023

## Notes

### 11 Property, plant and equipment

Own assets	Land and buildings	Plant and machinery	Fixtures, fittings	Assets under construction
			and other equipment	
Cost at 1 January	20.643	1.057	1.530	1.256
Foreign exchange adjustments at 1 January	0	0	0	0
Additions	0	23	180	2
Transferred	990	0	229	-1.219
<b>Cost at 31 December</b>	<b>21.633</b>	<b>1.080</b>	<b>1.939</b>	<b>39</b>
Impairment loss and depreciation at 1 January	3.012	909	1.185	0
Foreign exchange adjustments at 1 January	0	0	0	0
Transferred	0	0	0	0
Disposals	0	0	-9	0
Depreciation for the year	436	44	163	0
<b>Impairment loss and depreciation at 31 December</b>	<b>3.448</b>	<b>954</b>	<b>1.339</b>	<b>0</b>
<b>Carrying amount at 31 December</b>	<b>18.185</b>	<b>126</b>	<b>600</b>	<b>39</b>
<b>Leased assets</b>				
Cost at 1 January	202	0	1.918	0
Foreign exchange adjustments	0	0	0	0
Additions	349	0	784	0
Disposals	-16	0	-978	0
<b>Cost at 31 December</b>	<b>536</b>	<b>0</b>	<b>1.724</b>	<b>0</b>
Impairment loss and depreciation at 1 January	136	0	1.042	0
Foreign exchange adjustments	0	0	0	0
Disposals	-16	0	-835	0
Depreciation for the year	140	0	475	0
<b>Impairment loss and depreciation at 31 December</b>	<b>260</b>	<b>0</b>	<b>683</b>	<b>0</b>
<b>Carrying amount at 31 December</b>	<b>275</b>	<b>0</b>	<b>1.041</b>	<b>0</b>
<b>Total</b>	<b>18.460</b>	<b>126</b>	<b>1.640</b>	<b>39</b>

# Financial statements 1 January - 31 December 2023

## Notes

	2023	2022		
	(EUR'000)	(EUR'000)		
<b>12 Equity investments</b>				
<b>Equity investments in group companies</b>				
Cost at 1 January	35.378	35.378		
Cost at 31 December	<b>35.378</b>	<b>35.378</b>		
<b>Carrying amount at 31 December</b>	<b>35.378</b>	<b>35.378</b>		
Specification of subsidiaries see latest published financial statements	<u>Registered office</u>	<u>Owner- ship</u>	<u>Profit/ loss</u>	<u>Equity</u>
			(EUR'000)	(EUR'000)
Marel Salmon A/S	Denmark	100%	3.030	17.974
Marel New Zealand Limited	New Zealand	100%	191	1.259
Marel GB Ltd.	England	100%	794	7.395
Marel Food Systems Ltd.	Ireland	100%	110	1.730
Marel Polska Sp. z.o.o.	Poland	100%	525	745
Marel Chile SPA	Chile	100%	306	1.645
Marel Equipameintos Industriales S.A.	Uruguay	100%	41	229
<b>13 Inventories</b>				
Finished goods			7.758	6.193
Work in progress			20.568	26.530
Raw materials and consumables			2	3
			<b>28.328</b>	<b>32.726</b>

# Financial statements 1 January - 31 December 2023

## Notes

	<u>2023</u>	<u>2022</u>
	(EUR'000)	(EUR'000)
<b>14 Contract work in progress</b>		
Contract work in progress	2.902	8.302
Progress billings	-454	-1.618
Net value at 31 December	<u><b>2.449</b></u>	<u><b>6.684</b></u>
- recognised as follows:		
Contract work in progress	3.516	9.022
Prepayments from customers	-1.068	-2.338
Net value at 31 December	<u><b>2.449</b></u>	<u><b>6.684</b></u>

In the above, numbers are intercompany projects included with a sales value of EUR 3,288 thousand and progress billings of EUR 391 thousand or a net value of EUR 2,897 thousand with EUR 3,288 thousand reported under assets and EUR 391 thousand reported under liabilities.

## 15 Equity

The Company's share capital amounts to EUR 1,342 thousand, broken down on a share with a face value of EUR 134.2 thousand. No shares carry special rights.

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Share capital for the last 5 years	1.342	1.342	1.342	1.342	1.342

## 16 Deferred tax

Deferred tax at 1 January	3.558	3.463
Deferred tax for the year recognised in profit/loss for the year	-1.417	95
<b>Deferred tax at 31 December</b>	<u><b>2.141</b></u>	<u><b>3.558</b></u>

Deferred tax relates to:

Intangible assets	832	1.584
Property, plant and equipment	835	959
Retaxation obligation, foreign entities	13	13
Current assets	463	1.001
Provisions	-2	0
Leased assets and liabilities	1	1
	<u><b>2.141</b></u>	<u><b>3.558</b></u>

# Financial statements 1 January - 31 December 2023

## Notes

	<u>2023</u>	<u>2022</u>
<b>17 Warranties</b>		
Balance at 1 January	640	512
Adjustments for the year	-98	128
<b>Balance at 31 December</b>	<b><u>542</u></b>	<b><u>640</u></b>

Date of maturity is expected to be 0-1 year

## 18 Other provisions

Reorganisation provision	89	76
Other provisions	0	20
	<b><u>89</u></b>	<b><u>96</u></b>

Date of maturity is expected to be 0-1 year

## 19 Non-current liabilities

	Current portion	Non-current portion	Total	Hereof falling due after more than five years
Finance leases	567	762	1.329	0
Payables to group enterprises	16.654	64.000	80.654	0
Other payables	6.114	2.647	8.761	2.400
	<b><u>23.334</u></b>	<b><u>67.409</u></b>	<b><u>90.743</u></b>	<b><u>2.400</u></b>

## 20 Related parties

Marel A/S' related parties comprise the following:

### Control:

Marel hf., Austurhraun 9, Gardabaer, Iceland

Marel hf. Holds the majority of the share capital in the Company

Marel A/S is part of the consolidated financial statements of Marel hf. Austurhraun 9, Gardabaer, Iceland, which is the smallest and largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Marel hf. can be obtained by contacting the Company or at the following website: [www.marel.com](http://www.marel.com).

# Financial statements 1 January - 31 December 2023

## Notes

	2023	2022
	(EUR'000)	(EUR'000)
<b>20 Related parties</b>		
<b>Related party transactions:</b>		
<b>Group</b>		
Sale of goods	111.261	113.413
Production costs	-48.357	-54.643
Distribution costs	-2.638	-76
Administrative expenses	-7.965	3.787
Interest	-3.716	-1.258
<b>Total</b>	<b><u>48.585</u></b>	<b><u>61.223</u></b>
<b>Parent Company</b>		
Production costs	3.201	0
Distribution costs	2.265	0
Administrative expenses	2.356	0
Dividends	5.000	-5.000
<b>Total</b>	<b><u>5.000</u></b>	<b><u>-5.000</u></b>

Payables and receivables to group enterprises are disclosed in the balance sheet and in notes 14 and 19, and interest expense and received dividend are disclosed in note 5 and 7.

## 21 Collateral, contingent liabilities and lease liabilities

The Company is jointly taxed with other Danish group companies. Marel A/S is registered as the administrative company, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties. Corporation taxes payable and withholding taxes within the joint taxation unit totalled a receivable of DKK 513 thousand at 31 December 2023. Any subsequent corrections to the taxable joint taxation income or withholding taxes may imply that the Company's liability will increase.

Cash at bank and in hand amounting to EUR 7,829 thousand has been pledged as security for a group cash pool.