

Annual report



REFRESH AND DELIGHT

CO-ROs Fond
CVR no. 26 88 05 99
Holmensvej 11
DK-3600 Frederikssund

Chair of the meeting,
24 May 2024





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MANAGEMENT REVIEW

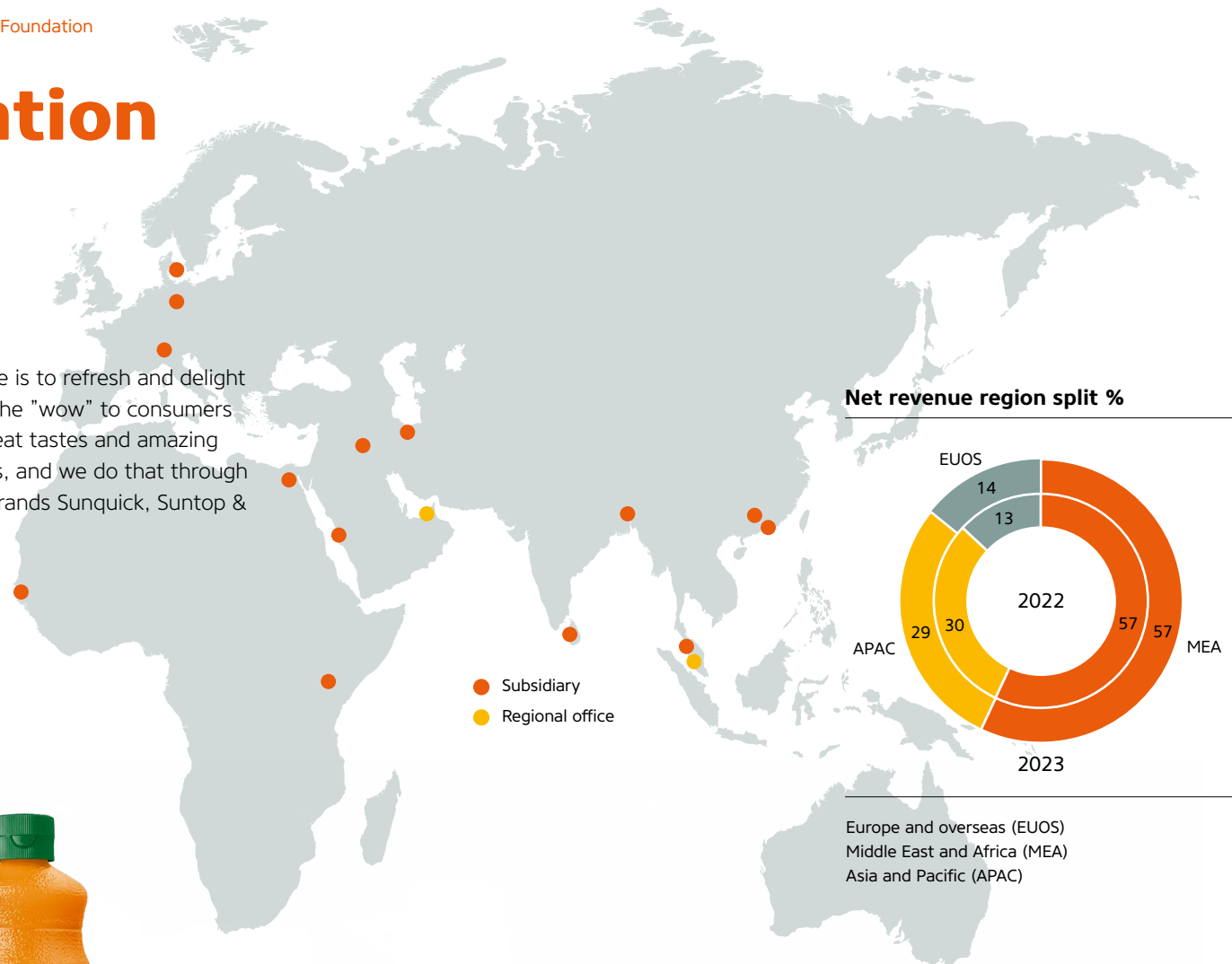
CO-RO Foundation in brief

The CO-RO Foundation is a commercial Foundation, which acts as a governing body for managing, strengthening, and maintaining existing and potential future companies within the CO-RO Group as well as other activities handled solely by the Foundation. The CO-RO Foundation is the ultimate owner of CO-RO A/S, where the commercial activities are carried out.

Our purpose is to refresh and delight – bringing the "wow" to consumers through great tastes and amazing experiences, and we do that through our great brands Sunquick, Suntop & Sunlolly.

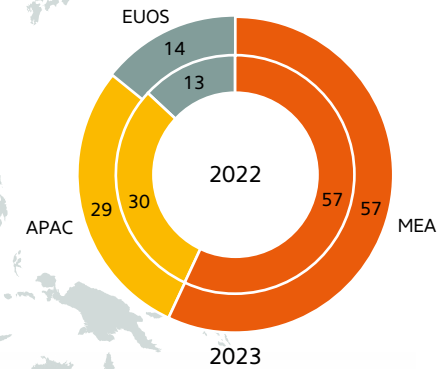
The CO-RO Group manufactures, markets and sells still-drinks, concentrates, and home-freeze ice lollies.

Our +1100 dedicated employees worldwide work daily to bring our products to consumers around the globe, creating more than 10 million smiles every day.



- Subsidiary
- Regional office

Net revenue region split %



- Europe and overseas (EUOS)
- Middle East and Africa (MEA)
- Asia and Pacific (APAC)

Highlights 2023

PRINCIPAL AND KEY FIGURES

(mDKK)	2023	2022*	2021*	2020*	2019**
Profit and loss statement					
Revenue	1,875	1,915	1,706	1,539	0
Gross profit	532	520	507	443	0
EBITDA ¹⁾	186	150	173	119	0
EBIT	53	10	38	-24	0
Net financials	1	-130	111	1	3
Profit for the year	27	-115	119	-43	121
Balance sheet					
Balance sheet total	2,843	2,790	2,934	532	1,980
Investments in tangible fixed assets	241	91	103	111	0
Equity capital	2,189	2,195	2,327	2,203	1,980
Cash flow					
Operating activities	209	91	87	148	0
Investing activities	-205	-198	-109	-82	0
Free cash flow	4	-107	-22	66	0
Employees					
Average number of full-time employees	1,131	1,143	1,157	1,228	0
Key figures (%) ¹⁾					
Return on assets	1.9	0.4	1.3	-0.9	-0.0
Return on equity capital	1.4	-5.8	6.0	-1.8	6.3
Solvency ratio	69.0	69.8	69.9	69.6	100.0

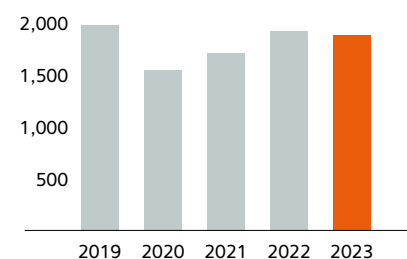
¹⁾ For EBITDA key figure definitions see the section on applied accounting practice

* Consolidated principal and key figures for the Group

** Stand-alone figures principal and key figures for CO-ROs Fond. According to Danish Accounting Act paragraph 111

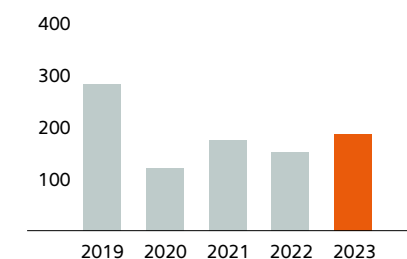
1,875

Revenue
mDKK



186

EBITDA
mDKK

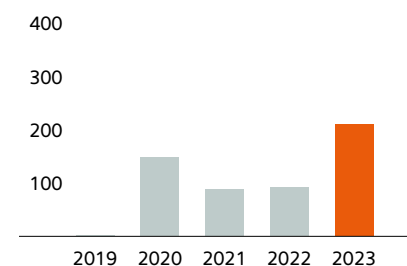


69.0%

Solvency ratio

209

Cash flow from operating activities
mDKK





Management review

DEVELOPMENT IN FINANCIAL YEAR 2023

Financial results for the year

2023 was a year of getting back on track for CO-RO, but also a year where the global economy was affected by significant geo-political tension as well as fiscal and economic uncertainty, leading to continued devaluation of FX-rates and record soaring raw material prices on especially orange and sugar. We are mindful that consumer spend is still under pressure from high levels of inflation, but our strong brands, diversified business models and valued relationships with partners across the globe have secured a resilient platform for future growth in the CO-RO Group.

2023 ended with a revenue of 1,875 mDKK, or a 4.3% increase in revenue (in comparable currencies) which is slightly below management's expectations.

Our production cost decreased by 3.7% compared to last year. Despite continued significant increases in raw material

prices, we see the effect of our continued – and record strong – efficiency agenda yielding annual savings of +50 mDKK in 2023. As a percentage of revenue, production cost dropped by 1.2 %-points. Distribution and Administration cost declined 4.7% in 2023 from cost savings initiatives and prudent spending. All in all, leading to an EBITDA of 186.1 mDKK – an increase of 36.1 mDKK compared to 2022.

Investments in upgrades on systems and machinery as well as capabilities continues to be a priority for CO-RO. In addition, our exciting new compound factory is under way, so investments levels are significantly higher than last year. The resulting depreciations lead to Earnings

+24%
growth
in EBITDA

before Interest and Tax (EBIT) of 53.5 m DKK for the full year – over five times higher than last year, and slightly above management’s expectations.

2023 was the year where CO-RO A/S and CO-RO Holding A/S merged to reduce complexity and further strengthen the solidity of the operating company.

Net financials show significant improvement of approx. 130 mDKK vs LY (-1.4 mDKK vs LY of -130 mDKK) mainly driven by good return on securities, but also affected by significant devaluation of several of our trading currencies, the Egyptian Pound and Kenyan Shilling in particular. The operational result combined with the financial items lead to a net profit for 2023 of 27.2 mDKK.

**+250
mDKK**

invested in 2023

Balance sheet, Investments & Cash Flows

CO-RO Group total assets at 31 December 2023 amounted to 2,843 mDKK against 2,790 mDKK at 31 December 2022.

Investments were increased to a highest ever in CO-RO’s history (+250 mDKK in 2023) as we embarked on the construction of a brand-new compound factory in Denmark. In addition to that, we have finalized our new factory in Bangladesh, expanded our filling capacity for the Sun Lolly range in Denmark, upgraded production equipment in Malaysia and China to cater for our reduced sugar portfolio as well as improved core liquid technology, whilst we continued to invest in general maintenance and improvements in all our plants. All investments made in 2023 were funded internally.

Trade Working Capital declined slightly in nominal terms despite the increased activity and ended at 495.9 mDKK or 26.4% of revenue (up 0.5 %-points from last year). Despite high commodity

prices, our inventory decreased significantly in 2023 from improved global supply chains with higher certainty of freight routes, leading to better planning and forecasting, whereas receivables increased somewhat due to timing of Ramadan sell-in compared to last year.

Consolidated net cash flows ended at 9.2 mDKK in 2023 compared to 39.7 mDKK in 2022. Cash flows from operating activities increased significantly by 118 mDKK mainly from improvement in Net Working Capital – all in all boosting our free cash flow. With investments in tangible assets more than 150 mDKK higher than last year, the combined result was a strong cashflow for the CO-RO Group, leading to a Group solvency rate that remains high at 69.0% - in line with last year.

Development activities

Development costs for improving and expanding the product portfolio are incurred throughout the year. Activities include developing new products in our various categories as well as refining existing products and concepts.

All development costs were expensed as they do not meet the criteria for capitalization.

Developments in the parent company

The parent company incurred a net profit after tax of 26.4 mDKK – in line with Management’s expectations and affected by the same events as impacted group numbers.

No facts or events occurred in the parent company during the financial year which are not reflected in the management report for the Group.

2024 OUTLOOK

As we embark on our journey for 2024, we remain optimistic, yet also cautious, as CO-RO navigates the balance between positive demand for our strong brands and products in key markets as well as new exciting ventures and projects, with the continued high macro- and geopolitical uncertainty and severe volatility in raw material prices.

For 2024, we expect a revenue growth of 5-10% in comparable FX-rates. EBIT is expected to be at the same level or slightly higher than 2023, as we continue our growth journey, while at the same time navigate the prevailing circumstances related to input cost and potential disruptions on global supply chains. Similar developments are expected for the parent company.

Events after the end of the financial year

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

RECOMMENDATIONS ON FOUNDATION GOVERNANCE

The CO-RO Foundation constantly strives to secure that the management and control systems of the Foundation are effective, adequate, and well-functioning.

To facilitate this a series of internal policies and procedures have been adopted and described in the Foundations Rules

of Procedure. These are regularly reviewed and adjusted if needed, to ensure strong leadership in - and governance of - the CO-RO Foundation in line with the overall Board composition as well as the Articles of Association for the CO-RO Foundation.

Safeguarding the interests of the CO-RO Foundation involves a duty for the Board of Directors to ensure that the activity and distribution objectives are promoted in the best possible way, and that work is performed solely in the interests of the Foundation. The CO-RO Foundation has thus decided to adopt the "Recommendation on Foundation Governance" from 2020 with its 17 specific recommendations as a way to ensure this.

The CO-RO Foundation have for 2023 decided to comply or explain as per the below:



No 1.1 - Transparency and communication

The Foundation complies with this recommendation. The Chairman handles all communication towards external stakeholders unless otherwise decided by the Chairman. Any requests or questions made to other Board members are passed on to the Chairman who decides how to handle the matter.

No 2.1.1 - position on the overall strategy and distribution policy

The Foundation complies with this recommendation. The Foundation regularly evaluates its strategy and distribution policy at the Board meetings in compliance with the Foundations Charter.

No 2.1.2 – Foundations Asset Management

The Foundation complies with this recommendation, as the Board in regular meetings decide on appropriate Asset Management to secure the purpose and needs of the CO-RO Foundation

No 2.2.1 – Ensure effective Board work

The Foundation complies with this recommendation. The Board meets several times annually with a pre-agreed agenda. All meetings are called and led by the Chairman. To ensure an effective outcome, an agenda as well as material related to discussion or decision points are forwarded in advance to all Board members for each meeting. The Board is in charge of execution decisions made at the Board meetings.

No 2.2.2 – Appropriate allocation of responsibilities in the Board

The Foundation complies with this recommendation. This is also described and regulated in the Foundations Rules of Procedure as well as the Foundations Charter. All assignments including those handled by the Chairman are all decided in Board meetings.

No 2.3.1 – Assess and stipulate the competences of the Board

The Foundation complies with this recommendation. The Board will recurrently

evaluate the competencies and qualifications needed in the Board – see also 2.3.2 og 2.3.3.

No 2.3.2 – Selection and nomination of candidates for the Board

The Foundation complies with this recommendation. Every year, the Board members as well as the composition of the Board is evaluated. Nomination of Board members for election are prepared well in advance for approval by the acting Board of Directors.

No 2.3.3 – Personal qualities and competences of the Board members

The Foundation complies with this recommendation. When evaluating the composition of the Board, such matters are taken into consideration weighing the need for introducing new talent against the need for continuity and the need for diversity in relation to, inter alia, commercial and grants experience, age and gender.

No 2.3.4 – Information and characteristics of the Board members

The Foundation complies with this recommendation. Information can be found in the Annual Report as well as on the website co-ro.com

No 2.3.5 – Majority of Board members are not also members of the Board of the Foundation's subsidiaries

The Foundation complies with this recommendation.

No 2.4.1 – Independent Board members

The Foundation does not comply with this recommendation, as the wish to ensure continuity, experience and knowledge about the CO-RO Group is more important.

No 2.5.1 – Appointment period

The Foundation does not comply with this recommendation. The Board have decided that the size and complexity of the Foundation does not warrant that formalized rules on this matter is needed. The Board have furthermore



decided that a long seniority as well as relevant competencies are more important when choosing Board members. The Foundations Charters stipulates that all Board members are elected for a period of 1 year at a time.

No 2.5.2 – Age limit for the Board members

The Foundation complies with this recommendation. All Board members are obliged to resign at the Annual General Meeting no later than the year they turn 75.

Brand-new compound factory in Denmark in progress

No 2.6.1 – Evaluation procedure

The Foundation complies with this recommendation. In advance on the Annual General Meeting, the Chairman will call each Board members for a performance evaluation as well as assessment of the overall Board composition, where the individual Board Members contribution to the Board is reviewed. A questionnaire is developed to facilitate a structured debate.

No 2.6.2 – Yearly evaluation of management/administrator

The Foundation does not comply with this recommendation, as the Foundation does not have any employees or administrator.

No 3.1.1 – Remuneration of members of the Board

The Foundation complies with this recommendation. The Board members receives a fixed annual remuneration. The remuneration is set in accordance with the work and responsibility that follows the position. The Remuneration policy is evaluated annually by the Foundation.

No 3.1.2 – Information about remuneration for each Board member

The Foundation does not comply with this recommendation. The Board have decided to follow the Danish Financial Statements Act §98b, where upon the remuneration for the Total Board is listed as a total amount.

DISTRIBUTION POLICY AND 2023 PAYOUTS

The Board in the CO-RO Foundation can choose to support initiatives within the following 5 areas. All distribution of funds must be for the benefit of companies with the CO-RO Group:

1. **Education:** To Engage in Partnerships with internationally acclaimed Business Schools and Universities with the aim to strengthen the company's access to its future employees – the next generation of CO-RO leaders. The CO-RO Foundation is offering a full scholarship to IMD's one-year MBA program to a Danish national.

2. **Research & Development:** To support research and development related to CO-RO's main business activities enabling an effective and sustainable industry.
3. **Donation of Art:** To donate Danish Art Works to companies within the CO-RO Group
4. **Green Investments:** To invest in sustainable initiatives and projects within the CO-RO Group
5. **Ib Berg Nielsen grants:** To offer 2 yearly grants of 10 tDKK to apprentices and office students

In 2023 the CO-RO Foundation made one donation of art as well as 1 IMD scholarship for a total value of approx. 800 tDKK.

For the coming year, the Board have decided to keep the current distribution policy and mandate.

RISKS

General risks

CO-RO uses raw materials that are subject to significant price fluctuations. This is a risk factor since there may be a time lag between the time when price fluctuations take place and the date when the changes can be passed on to prices of finished products in the market.

Several of the Group's main markets are in the Middle East, a region often experiencing relatively high levels of geopolitical instability. Furthermore, legislative changes on sugar content are increasingly seen across our markets. The Group is aware of these risks and has taken corrective measures but may nevertheless be affected.

Financial risks

The Group's activities mean that the financial results, cash flows and equity capital are affected by the exchange rate and interest rate trends of several currencies. Transactions are mainly in EUR, USD, SAR, CNY, EGP and MYR. It

is company policy not to hedge against currency risks. Exchange rate risks related to investments in affiliated enterprises abroad are not hedged.

Warfare risks

The conflict in Ukraine does not expect to have a direct impact on CO-RO's business, but the ripple effects on the financial sector, disruption in the global supply chains does have an indirect effect.

Conflict in the Middle East and attacks on shipping lanes in the Red Sea suggest that supply chain disruptions and sourcing of certain raw materials could have a direct impact on CO-RO's business in the MEA and APAC region.

CO-RO monitors the situations on an ongoing basis to ensure supply chain security; the safety of its workforce; and the consistency of its operations

POLICY FOR DATA ETHICS

In CO-RO, Data Ethics is about more than compliance with GDPR and other relevant

legislation – it's about making sure that our employees, consumers, customers and stakeholders are treated fair and equal. We care for the individual right to personal data privacy and have through internal e-learning classes as well as updated security systems ensured that all employees understand their responsibility and what to do in case of a breach. We encourage our employees to see errors and problems with a positive mindset and as an opportunity to better our internal processes.

During the course of running our day-to-day business, CO-RO gathers information on value chain analysis, profitability measures, productivity and efficiency targets as well as several other types of information connected to our primary area of business. Machine learning tools are used in our production as well as administration to heighten internal job-satisfaction as well as create transparency in our decision-making.

CO-RO's company purpose is to REFRESH AND DELIGHT through great tasting

products and amazing brand experiences. To be as relevant as possible to our consumers enabling us to deliver on our purpose, CO-RO frequently purchases and/or collects and uses consumer-, shopper-, brand- and market specific data, but always with the aim of improving our customer service.

Once every quarter, CO-RO conducts a fully confidential staff engagement survey using an external third-party software. We use these data to improve our working environment whether that being physical or emotional as well as prioritize our efforts in health and safety measures.

CO-RO will only deliver sensitive information about our employees if directed so by authorities through local legislation, court-rulings or where a state of emergency entails us to do so. CO-RO does not sell or distribute in any shape, way or form classified or sensitive personal information to third parties. We also do not gather such information from our customers or stakeholders.

To facilitate an open discussion on the use of data and our policy for Data Ethics, CO-RO have created a Steering Group incl. top-level management, where IT projects incl. useability, reach and content are being evaluated and prioritized regularly.

KNOWLEDGE RESOURCES

CO-RO employs many employees with specialist knowledge in the development, production and distribution of the Group's products, who are essential for its ability to maintain its market position. Through targeted recruitment, training and instruction of CO-RO employees, the Group spends considerable resources to attract, retain and develop competent employees.

CSR & SUSTAINABILITY

CO-RO has published a CSR report for 2023 in accordance with §99 of the Danish Financial Statements Act. The report and the Group's Code of Conduct

are available from the Group's website at this address:

www.co-ro.com/responsibility

GENDER DIVERSITY

This reports on gender diversity with respect to the Board of Directors of CO-ROS Fond - the parent company - and other management levels, as required by Section 99b of the Danish Financial Statements Act. Currently the Board of Directors consists of 2 males and 1

female, which means that the under-represented gender counts for 33,3%. Gender equality in the Board of Directors is in accordance with the Danish Business Authority regulations and is thus in compliance.

Other management levels

Currently CO-ROS Fond does not have any employees i.e. 0 people in other management levels. As a result, we do not have a policy for gender composition for other management levels.

	2023
Board of Directors	
Number of Directors	3
Gender composition of female and male	33.3%/66.7%
	2023
Other management levels	
Number of managers at other management levels	0
Gender composition of female and male	N/A

FINANCIAL STATEMENTS

Statement by management

Today, the Board of Directors have discussed and approved the annual report of CO-ROs Fond for the financial year 1 January – 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Foundation financial statements give a true and fair view of the financial position of the Group and the Foundation at 31 December 2023 and of the results of the Group's and the Foundation's operations and the

consolidated cash flows 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 Group's and the Foundation's operations and financial matters and the results of the Group's and

the Foundation's operations and financial position.

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

Frederikssund, 24 May 2024

Board of Directors

Niels Thestrup
(Chairman)

Michael Ring
(Vice chairman)

Annette Kobberup

Independent auditor's report

To the Board of Directors of CO-ROs Fond

Opinion

We have audited the consolidated financial statements and the Foundation financial statements of CO-ROS FOND for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Foundation, and a consolidated cash flow statement. The consolidated financial statements and the Foundation financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Foundation financial statements give a true and fair view of the financial position of the Group and the Foundation at 31 December 2023 and of the results of the Group's and the Foundation's operations as well as the consolidated cash flows 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 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 consolidated financial statements and the Foundation financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and Foundation 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 Group's and the Foundation'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 Group or the Foundation 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 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 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 because of the financial statements.

As part of an audit conducted in accordance with ISAs and 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 Group's and the Foundation'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 Group's and the Foundation'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 Group and the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions

and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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'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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 24 May 2024

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised Public Accountant
mne33717

Peter Andersen
State Authorised Public Accountant
mne34313

The profit and loss statement

for 1 January to 31 December

(tDKK)	Note	Parent Company		Group	
		2023	2022	2023	2022
Revenue	2	0	0	1,875,076	1,915,143
Production costs	3	0	0	-1,343,528	-1,394,889
Gross profit		0	0	531,548	520,254
Distribution costs	3	0	0	-317,762	-354,402
Administrative costs	3	-846	-1,165	-163,174	-163,247
Profit of primary operation		-846	-1,165	38,407	2,605
Other operating income	4	0	0	15,076	7,525
Profit before financial items	5	-846	-1,165	53,483	10,130
Income from equity investments in Group companies	6	20,602	-103,535	0	0
Financial income	7	9,490	2,612	82,954	47,423
Financial expenses	8	-1,217	-6,534	-81,511	-177,699
Profit before tax		28,029	-108,622	54,926	-120,146
Tax on ordinary profit	9	-1,634	1,002	-27,684	4,661
Profit for the year		26,395	-107,620	27,242	-115,485
The profit of the group is distributed as follows:					
Shareholders in CO-ROs Fond				26,395	-107,620
Minority interests				847	-7,865
Profit for the year				27,242	-115,485

Balance sheet of 31 December

Assets

(tDKK)	Note	Parent Company		Group	
		2023	2022	2023	2022
Development projects in progress				4,422	
Development projects		0	0	29,231	36,232
Goodwill		0	0	35,897	43,478
Intangible assets	10	0	0	69,550	79,710
Land and buildings		0	0	377,802	385,590
Production facility and machinery		0	0	224,860	260,702
Other facilities, operating equipment and equipment		0	0	33,716	32,645
Tangible fixed assets under construction and advance payments for tangible fixed assets		0	0	284,540	138,902
Tangible assets	11	0		920,918	817,839
Investments in Group companies		1,828,100	1,817,870	0	0
Other assets		0	0	7,578	10,224
Financial fixed assets	12	1,828,100	1,817,870	7,578	10,224
Non-current assets		1,828,100	1,817,870	998,046	907,773
Raw materials and consumables		0	0	192,104	252,777
Work in progress		0	0	26,722	45,756
Finished goods and commercial goods		0	0	102,419	116,010
Advance payment for goods		0	0	22,193	17,422
Inventories		0	0	343,438	431,965
Receivables from sales and services		0	0	289,434	229,954
Receivables with Group companies		2,561	2,612	0	0
Company tax		0	435	18,180	19,806
Deferred tax asset	19	0	1,138	26,392	43,060
Other amounts receivable		213	0	59,069	120,184
Accruals and deferred expenses	13	0	0	16,834	5,773
Receivables		2,774	4,185	409,909	418,777
Securities	14	128,076	72,120	800,841	802,751
Cash and cash equivalents	27	4,769	53,875	290,990	229,112
Current assets		135,619	130,180	1,845,178	1,882,605
Assets		1,963,719	1,948,050	2,843,224	2,790,378

Balance sheet of 31 December

Liabilities

(tDKK)	Note	Parent Company		Group	
		2023	2022	2023	2022
Share capital		92,378	92,378	92,378	92,378
Reserve for net revaluation in accordance with the equity method		1,740,026	1,729,797	0	0
Reserve for employee benefits		0	0	-2,200	-927
Distribution pool		8,387	9,187	8,387	9,187
Currency translation reserve		0	0	-17,177	-8,077
Transferred profit		121,948	116,155	1,881,351	1,854,956
Proposed dividend for the financial year		0	0	0	0
Shareholders in CO-ROs Fond share of the equity capital		1,962,739	1,947,517	1,962,739	1,947,517
Minority interests	16	0	0	225,923	247,527
Equity capital total		1,962,739	1,947,517	2,188,662	2,195,044
Provision for pensions and similar	17	0	0	24,799	24,766
Other Provisions	18	0	0	1,524	0
Provision for deferred tax	19	0	0	7,528	22,283
Provisions		0	0	33,851	47,049
Other credit institutions		0	0	42,315	44,737
Long-term Debt	20	0	0	42,315	44,737
Prepayments received from customers		0	0	7,182	5,701
Other Credit institutions		0	0	171,198	113,929
Suppliers of goods and services		0	0	136,938	165,387
Debts to Group companies		0	0	0	0
Company tax		390	0	14,174	0
Other debts		590	533	248,904	218,531
Current liabilities		980	533	578,396	503,548
Debt		980	533	620,711	548,285
Equity and liabilities		1,963,719	1,948,050	2,843,224	2,790,378

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Statement of changes in equity of 31 December

Group

(tDKK)	Share capital	Transferred profit incl. Revaluation reserves	Currency translation reserve	Reserve employee benefits	Distribution pool	In all	Minority interests	Equity capital in total
Equity at 1/1 2022	92,378	1,962,575	-12,755	-1,875	9,974	2,050,297	276,670	2,326,967
Revaluation reserves	0	0	0	0	0	0	0	0
New entries and disposals	0	0	0	0	0	0	27,776	27,776
Dividend paid	0	0	0	0	0	0	-42,935	-42,935
Distributions of grants	0	0	0	0	-787	-787	0	-787
Allocation of the profit	0	-107,619	0	0	0	-107,619	-7,865	-115,484
Actuarial gain or loss, employee benefits (after tax)	0	0	0	948	0	948	948	1,896
Rate Adjustment etc., for Group companies	0	0	4,678	0	0	4,678	-7,067	-2,389
Equity at 1/1 2023	92,378	1,854,956	-8,077	-927	9,187	1,947,517	247,527	2,195,044
Revaluation reserves	0	0	0	0	0	0	0	0
New entries and disposals	0	0	0	0	0	0	11,768	11,768
Dividend paid	0	0	0	0	0	0	-26,083	-26,083
Distributions of grants	0	0	0	0	-800	-800	0	-800
Allocation of the profit	0	26,395	0	0	0	26,395	847	27,242
Actuarial gain or loss, employee benefits (after tax)	0	0	0	-1,273	0	-1,273	-1,145	-2,418
Rate Adjustment etc., for Group companies	0	0	-9,100	0	0	-9,100	-6,991	-16,091
Equity at 31/12 2023	92,378	1,881,351	-17,177	-2,200	8,387	1,962,739	225,923	2,188,662

Statement of changes in equity of 31 December

Parent Company

(tDKK)	Share capital	Revaluation in accordance with the equity method	Distribution pool	Transferred profit	In all
Equity at 1/1 2022	92,378	1,827,706	9,974	120,239	2,050,297
Correction for the year	0	0	0	0	0
Revaluation reserves	0	0	0	0	0
Distributions of grants	0	0	-787	0	-787
Actuarial gain or loss, employee benefits (after tax)	0	948	0	0	948
Allocation of the profit	0	-103,535	0	-4,084	-107,619
Rate Adjustment etc., for Group companies	0	4,678	0	0	4,678
Equity at 1/1 2023	92,378	1,729,797	9,187	116,155	1,947,517
Revaluation reserves	0	0	0	0	0
Dividend paid	0	0	0	0	0
Distributions of grants	0	0	-800	0	-800
Actuarial gain or loss, employee benefits (after tax)	0	-1,273	0	0	-1,273
Allocation of the profit	0	20,602	0	5,793	26,395
Rate Adjustment etc., for Group companies	0	-9,100	0	0	-9,100
Equity at 31/12 2023	92,378	1,740,026	8,387	121,948	1,962,739

Cash flow statement

for the Group of 1 January to 31 December

(tDKK)	Note	2023	2022
Profit before net financials		53,482	10,130
Amortisation/depreciation charges		126,813	131,554
Other adjustments of non-cash operating items ¹⁾		4,712	5,824
Cash generated from operations before changes in working capital		185,007	147,508
Changes in working capital	25	64,204	-50,101
Cash generated from operations		249,211	97,407
Financial income		26,586	46,271
Financial expenses		-56,199	-48,291
Income tax paid		-10,423	-4,099
Cash flows from operating activities		209,175	91,288
Acquisition of intangible assets		-12,815	-4,208
Acquisition of property, plant and equipment		-241,198	-91,401
Disposal of property, plant and equipment		6,191	331
Gain/Loss on securities		12,655	-11,911
Purchase/sales of securities		29,794	62,108
Cash flows from investing activities		-205,373	-45,081
Capital injection	26	11,768	27,776
Proceeds of debt related to non-current liabilities		20,520	9,495
Dividend distribution		-26,083	-42,935
Grants		-800	-787
Cash flows from financing activities		5,405	-6,451
Net cash flows in total		9,207	39,756
Cash and cash equivalents, beginning of year		115,183	70,222
Exchange rates cash and cash equivalents, beginning of year		-4,598	5,205
Cash and cash equivalents net, year-end	27	119,792	115,183

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

¹⁾ Consist of provisions for end of service benefits to employees other accruals

Notes

1 Accounting policies

The annual report of CO-ROs Fond for 2023 has been presented in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

General about recognition and measurement

Income is recognized in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortization, depreciation and impairment losses, are recognized in the income statement when the amounts related to the financial year.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the company as a result of a past event has a legal or actual obligation, and it is likely that future economic benefits will flow out of the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting.

In respect to recognition and measurement, consideration are given to predictable risks

and losses that occur before the Financial Statements are presented, and which confirm or refute conditions that existed on the balance sheet date.

Consolidated Financial Statements

The consolidated financial statements comprise CO-ROs Fond (the Foundation) and subsidiaries controlled by CO-ROs Fond. Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing if the Foundation controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Consolidation principles

The consolidated financial statements have been prepared as a consolidation of the Foundation's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realized and

unrealized gains on intra-group transactions are eliminated.

The proportionate share of results of joint ventures after tax is recognized in the consolidated income statement, after elimination of the proportionate share of unrealized intra-group profit or loss.

In the consolidated financial statements, the items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the Group's profit/loss and equity, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognized directly in equity as a transaction between shareholders.

Foreign currency translation

Transactions in foreign currency are converted at first recognition at the exchange rate of the transaction day. Currency exchange rate differences that arise between the rate on the transaction day and the rate on the day of payment, shall be included in the profit and loss account as a financial item.

Outstanding amounts, debt and other monetary items in foreign currency shall be converted to the currency rate on balance day. The difference between the balance

sheet date's rate and the rate at the time of the creation of the outstanding amount or debt obligation or their inclusion in the latest annual accounts are included in the profit and loss account under financial income and costs.

Foreign subsidiaries are considered to be independent units. The profit and loss statements shall be converted into an average exchange rate for the month, and the balance sheet items shall be converted into the currency rates of the balance day. Exchange rate differences that have arisen through the conversion of equity capital of foreign subsidiaries at the beginning of the year to the currency rates of the balance day and by the conversion of average rates to the currency rates of the balance day are included directly into the equity capital.

Currency rate adjustment of outstanding accounts with independent foreign subsidiary companies that are considered part of the total investment in the subsidiary company, are included directly in the equity capital. Equivalently, exchange rate gains and losses on loans, are included directly in the equity capital.

In the case of recognition of foreign subsidiaries that are integrated units, monetary items are converted at the exchange rate on the balance day. Non-monetary items are converted at the exchange rate at the time of purchase, or at the time of the sub-

Notes

1 Accounting policies (continued)

sequent appreciation or depreciation of the asset. Items on the profit and loss account are converted at the transaction day rate, since items derived from non-monetary items are however converted at historic rates for the non-monetary item

Business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities.

The date of acquisition is the date when the Group actually obtains control of the acquiree.

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair

value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the considera-

tion is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities in the group are recognised in the income statement in the year in which they are incurred.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments are recognised as errors.

Gains or losses from divestment or winding-up of subsidiaries which imply that control is no longer maintained are calculated as the difference between, on the one hand, the selling price less selling expenses and, on the other hand, the proportionate share of the carrying amount of net assets. If the entity still holds equity investments in the divested entity, the remaining propor-

tionate share of the carrying amount forms the basis for the measurement of equity investments in Groups or securities and equity investments.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' ownership share or at the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of equity investments, mergers, demergers, additions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are taken directly to equity.

The profit and loss statement

Revenue

The company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Notes

1 Accounting policies (continued)

Revenue from the sale of goods and finished goods is recognized in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. Revenue is measured net of all types of discounts/rebates, VAT and other indirect taxes in connection with the sale, and are measured at the current value of the remuneration.

Production costs

Production costs include direct and indirect costs borne to achieve the revenue. In the production costs are included costs of raw materials, consumables, production personnel, indirect production costs and depreciation on production facilities.

Distribution costs

Distribution costs include costs incurred for the distribution of sold products and for sales campaigns, including costs for sales and distribution staff, advertising costs and depreciation.

Administration costs

Administration costs include costs incurred for the management and administration of the company, including costs for the administrative staff and management, as well as office costs and depreciation.

Other operating income and operating costs

Other operating income and operating costs include revenue and costs of a secondary nature in relation to the company's main activities, including public subsidies, rent and licensing income etc. as well as the profit or loss incurred by the sale of fixed assets.

Income from equity investments in Group companies

Income from equity investments in Group companies are included and measured according to the equity method, which implies that the capital shares are measured as the proportional share of the companies' internal accountable value.

In the profit and loss account, the company's share of the profit of the companies is included after elimination of internal profits.

Net revaluation of investments in Group companies is transferred in connection with the allocation of the results to reserve for net revaluation by the equity method under the equity capital.

Special Items

Special items are presented in a separate note. Special items include significant income and expenses not directly attributable to the Group's recurring operating activities such as restructuring cost. In addition, oth-

er non-recurring amounts are classified as special items including impairment of goodwill; significant impairments of non-current tangible assets; gains and losses on the disposal of activities; and significant gains and losses on the disposal of non-current assets.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses on securities, payables and transactions denominated in foreign currencies as well as surcharge and refunds under the on-account tax scheme, received inheritance etc.

Tax for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The balance sheet

Intangible assets

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in

the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years. The amortisation period is fixed on the basis of the expected repayment horizon, longest for strategically acquired business enterprises with strong market positions and long-term earnings profiles.

Development projects

Development projects and other acquired intangible rights, including software licenses, are measured at cost less accumulated amortization and impairment losses.

Development projects that are clearly defined and identifiable are recognized as intangible assets if it is probable that it will generate future financial benefits for the Company, and the development costs of each asset can be measured reliably. Other development costs are recognized as costs in the income statement as incurred.

On initial recognition, development costs are measured at cost. The cost of development projects comprises costs such as salaries and other costs that are directly attributable to the development projects and are needed to complete the project, calculated from the time at which the development project first meets the specific criteria for being recognized as an asset. Completed development projects are amortized on a straight-line basis using the

Notes

1 Accounting policies (continued)

estimated useful lives of the assets. The amortization period is usually 3-7 years and cannot exceed 10 years.

Development projects and other intangible assets are written down to their recoverable amounts. Development projects in progress are tested at least once a year for impairment.

Tangible fixed assets

Land and buildings, production facilities and machinery and other facilities, operating equipment and equipment is measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchases price and any costs directly attributable to the acquisition until the date when the assets is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages.

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.

Depreciation is provided on a straight-line basis over the expected useful lives of the

assets. The expected useful lives are as follows:

	Expected service life	Scrap value
Buildings	10-40 years	DKK 0
Production plants and machinery	3-15 years	DKK 0
Other installations, operating equipment and inventory	3-10 years	DKK 0
Dispencers	5 years	DKK 0

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of items of tangible assets are calculated as the difference between the selling price less costs

to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Impairment

The carrying amount of intangible assets, property, plant and equipment and equity investments in subsidiaries and associates is tested annually for indication of impairment.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Leases

Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other leases are disclosed in contingencies, etc.

Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method in the parent company financial statements. This implies that the equity ratios are measured at the proportionate share of the accounting equity value of the companies with the addition or deduction of unamortised positive and negative goodwill, respectively, with deduction or addition of unrealised intra-group profits and losses.

In the profit and loss statement, the company's share of the company's profit is included after elimination of unrealised intra-group profits and with the deduction or addition of depreciation of goodwill and negative goodwill, respectively.

Subsidiaries with negative accounting equity value are measured at zero, and any receivables from these companies are written down by the company's share of the negative equity value to the extent that it is assessed irrecoverable. If the accounting negative equity value exceeds the receivable, the remaining amount is included under provisions to the extent that the company has a legal or actual obligation to cover the liabilities of the company in question.

Net revaluation of investments in subsidiaries are transferred in connection with the allocation of results for reserves for net

Notes

1 Accounting policies (continued)

revaluation using the equity method under equity.

Impairment subsidiaries

Impairment tests are conducted on intangible assets and property, plant and equipment and investments in subsidiaries when there is evidence of impairment. Intangible assets and property, plant and equipment and investments in subsidiaries are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Other assets

Receivables included under fixed assets include long-term leasing rights on land abroad. These shall be measured by the first inclusion at cost price and shall be amortised over the period of the lease.

Inventories

Inventories are measured at cost price, calculated in accordance with the FIFO or net realizable value where this is lower.

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

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and production overheads. Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management.

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 selling price.

Receivables

Receivables shall be measured at amortised cost, which usually corresponds to the nominal value less any impairment losses to meet expected depreciation.

Write-down for bad and doubtful debts is made when there is objective evidence that

a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments recognised under "Current assets" comprise expenses incurred concerning subsequent financial years.

Cash

Cash comprises cash balances and bank balances.

Securities and investments

Securities included under current assets include listed securities that are measured at fair value (market price) at the balance sheet date.

Equity capital

Reserve for net revaluation according to the equity method

Net revaluation of investment in Group companies is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve can be eliminated in case of losses, realisation of equity investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the transferred profit reserve under equity.

Currency translation reserve

The currency translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign ex-

Notes

1 Accounting policies (continued)

change adjustments will be included in this equity reserve instead.

Dividend

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and 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 base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes or on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting neither the profit/loss for the year nor the taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the expected value of their utilisation; 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 and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value or fair value.

Post-employment benefits

The Group's obligation under employee end of service benefit is accounted for as an unfunded defined benefit plan and is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined

benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately under Equity (Fair value - level 3). The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in employee costs in the statement of profit or loss.

Other financial liabilities

Other financial liabilities shall be measured at amortised cost, which usually corresponds to the nominal value.

Other liabilities are measured at net realisable value.

Prepayments received from customers

Prepayments received from customers a recognized as a liability comprises payments received concerning income in subsequent financial reporting years.

Fair value

Fair value measurements are based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximizes the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities that are measured at fair value or where the fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1:

Value based on the fair value of corresponding assets/liabilities in a well-functioning market.

Level 2:

Value calculated on the basis of recognised valuation methods based on observable market information.

Level 3:

Value calculated on the basis of recognised valuation methods and reasonable estimates are made on the basis of non-observable market information.

Cash flow statement

The cash flow statement is presented according to the indirect method and shows cash flows relating to operations,

Notes

1 Accounting policies (continued)

investments and financing as well as the company's cash at the beginning and end of the year.

Cash flows concerning operating activities is calculated as operating income adjusted for non-cash operating items, changes in working capital as well as paid corporation tax.

Cash flows concerning investing activities include payments in connection with the acquisitions and sales of companies, ac-

tivities and financial fixed assets as well as the purchase, development, improvement and sales, etc. of intangible fixed assets and fixed assets.

Cash flows concerning financing activities include changes in the size or composition of the company's share capital and related expenses, as well as borrowing of loans, repayment of interest-bearing debt, purchase of own shares and payment of dividends.

Cash includes cash and cash equivalents less short-term bank debt, which is related to operating funding.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flow are reflected in the consolidated cash flow statement.

Segment information

Segment information is disclosed by geographic markets. Segment information follows the Group's accounting policies, risks and internal financial management.

Organic Growth

Organic growth is calculated as realized numbers recalculated to last year currencies and adjusted for acquisitions done in the year.

Financial highlights

The key ratios presented under "Highlights" have been calculated as follows:

Return on assets	$\frac{\text{Profit before financial items, etc.} \times 100}{\text{Average assets}}$
Return on equity capital	$\frac{\text{The financial profit for the year after tax excl. minority interests} \times 100}{\text{Average equity capital excl. minority interests}}$
Solvency ratio	$\frac{\text{Equity capital excl. minority interests, year end} \times 100}{\text{Total liabilities, year end}}$

EBITDA is calculated on the basis of EBIT, depreciations and disposals for the year as well as accumulated depreciation on divested assets.

Trade Working Capital is calculated on the basis of inventory, receivables from sales and suppliers of goods.

Notes

2 Segment information on Revenue

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Geographic markets				
Europe and Overseas	0	0	254,054	240,300
Asia and Pacific Ocean	0	0	543,402	576,500
Middle-East and Africa	0	0	1,077,620	1,098,343
	0	0	1,875,076	1,915,143

3 Staff expenses

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Wages and salaries	0	0	289,510	311,315
Pensions	0	0	24,853	26,472
Other expenses for social security	0	0	5,101	5,793
	0	0	319,464	343,580
The number of people employed on average	0	0	1,131	1,143

The staff expenses are included in the items production, distribution, and administration expenses.

Remuneration to the Board of Directors in 2023 is 550 tDKK (2022: 484 tDKK).

4 Other operating income

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Profit on the sale of fixed assets	0	0	7,350	162
Other operating income	0	0	7,726	7,364
	0	0	15,076	7,526

Other operating income consist among others of gain of sale of fixed assets, sales of octo-boxes, plastic caps and pallets. In the financial year the subsidiary Co-Ro A/S have sold the property Smedetoften 2, Frederikssund, Denmark resulting in a gain of tDKK 7,350

5 Special items

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Salary costs related to resigned employees	0	0	0	290
Financial income, Inheritance	0	72	0	72
	0	72	0	362

Notes

6 Income from investments in Group companies

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Share from profit in Group companies	9,448	-92,204	0	0
Offset in internal profit after tax on inventories purchased within the group	18,735	-3,749	0	0
Goodwill depreciation	-7,581	-7,582	0	0
	20,602	-103,535	0	0

7 Financial income

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Group companies	0	106	0	0
Inheritance ¹⁾	0	72	0	72
Other financial income	9,490	2,434	82,954	47,351
	9,490	2,612	82,954	47,423

¹⁾ See note 5 special items.

8 Financial expenses

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Group companies	0	0	0	0
Other financial expenses	1,217	6,534	81,511	177,699
	1,217	6,534	81,511	177,699

9 Tax on ordinary profit

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Tax on profit for the year	496	0	12,476	8,530
Adjustment of deferred tax	1,138	-1,138	1,699	-23,309
Adjustment to tax relating to previous years	0	136	9,526	3,554
Withholding taxes on foreign activities	0	0	3,983	6,564
	1,634	-1,002	27,684	-4,661

Notes

10 Intangible assets

(tDKK)	Development projects in progress	Development projects	Goodwill
Group			
Cost price 1/1 2023	0	100,929	75,815
Rate adjustment at closing rate	0	-559	0
New entries for the year	4,422	8,393	0
Cost price 31/12 2023	4,422	108,763	75,815
Depreciation and impairment losses 1/1 2023	0	-64,697	-32,337
Rate adjustment at closing rate	0	464	0
The year's depreciation	0	-15,299	-7,581
Depreciation and impairment losses 31/12 2023	0	-79,532	-39,918
Accounting value 31/12 2023	4,422	29,231	35,897

Developments projects such as software relates to the implementation and development of the ERP system. Management has based on the current activity level made an assessment that there are no indications of impairment.

Notes

11 Tangible assets

(tDKK)	Land and buildings	Production facility and machinery	Other installations, operating equipment and furniture	Assets under construction	Tangible assets in total
Group					
Cost price 1/1 2023	759,897	1,170,549	133,470	138,902	2,202,818
Rate adjustment at closing rate	-12,914	-44,565	-5,779	-7,755	-71,013
New entries for the year	15,291	11,449	2,801	211,657	241,198
Disposals for the year	-3,647	-31,712	-232	0	-35,591
Transferred in the year	7,519	39,831	10,914	-58,264	0
Cost price 31/12 2023	766,146	1,145,552	141,174	284,540	2,337,412
Revaluation 1/1 2023	0	434	0	0	434
Rate adjustment at closing rate	0	0	0	0	0
This years revaluation	0	0	0	0	0
Disposals for the year	0	-434	0	0	-434
Revaluation 31/12 2023	0	0	0	0	0
Depreciation and impairment losses 1/1 2023	-374,307	-910,280	-100,825	0	-1,385,412
Rate adjustment at closing rate	6,324	33,812	2,881	0	43,017
The year's depreciation	-23,657	-70,575	-9,702	0	-103,934
Accumulated depreciation, divested assets	3,296	26,351	188	0	29,835
Depreciation and impairment losses 31/12 2023	-388,344	-920,692	-107,458	0	-1,416,494
Accounting value 31/12 2023	377,802	224,860	33,716	284,540	920,918

Notes

12 Financial fixed assets

(tDKK)	Other assets
Group	
Cost price 1/1 2023	10,224
Rate adjustment at closing rate	-2,342
Additions for the year	0
Disposals for the year	-304
Cost price 31/12 2023	7,578

(tDKK)	Investments in Group companies
Parent Company	
Cost price 1/1 2023	88,074
New entries for the year	0
Disposals for the year	0
Cost price 31/12 2023	88,074
Revaluation 1/1 2023	1,729,797
Offset in internal profit after tax on inventories	18,735
Rate adjustment at closing rate, etc.	-9,100
Share of profit for the year	9,448
Goodwill depreciation	-7,581
Actuarial gain or loss, employee benefits	-1,273
Revaluation 31/12 2023	1,740,026
Accounting value 31/12 2023	1,828,100

12 Financial fixed assets (continued)

Group companies:			
Company name	Registered address	Ownership share	
CO-RO Holding A/S	Denmark	100%	
CO-RO A/S	Denmark	100%	
CO-RO Deutschland GmbH	Germany	100%	
CO-RO Switzerland SAGL	Switzerland	100%	
CO-RO Food (China) Ltd.	China	100%	
Golden Creation (H.K.) CO., Ltd.	Hong Kong	100%	
Golden Creation (Tianjin) Trade CO., Ltd.	China	100%	
ACI-CORO Bangladesh Ltd.	Bangladesh	50%	
Binzagr CO-RO Ltd.	Saudi Arabia	50%	
Barkath CO-RO SDN BHD	Malaysia	50%	
Barkath CO-RO Manufacturing SDN BHD	Malaysia	50%	
BIDCORO Africa Ltd.	Kenya	50%	
Sunquick Lanka Pvt. Ltd.	Sri Lanka	51%	
Sunquick Lanka Properties Pvt. Ltd.	Sri Lanka	49%	
TAKCORO international Beverage Company	Iran	50%	
Khudairi CORO Trading DMCC, Dubai	Iraq	50%	
Rania for Food Products Ltd.	Iraq	49%	
Soudancoro for juices and drinks Company Ltd.	Egypt	50%	
CO-RO Senegal	Senegal	100%	
ApS af TAK 27042017	Denmark	100%	

All subsidiaries are independent entities.

Due to the expected challenging market conditions in 2023 management has assessed the valuation of the Group's assets for each cash generating unit (CGU). The assessment has not led to any further impairment in 2023.

Management has based the value in use for the operations in Kenya, Malaysia and China by estimating the present value of future cash flows from a 5-year forecast approved by the board of directors. Key parameters in the forecast are trend in revenue, cost development and growth expectations.

A negative change to the assumptions for revenue and cash flows or an increase in discount rate applied will result in need for further impairment of the operations in Kenya.

Notes

13 Accruals and deferred expenses

Prepayments consist of prepaid lease, licenses, other administration costs and accruals regarding uninvoiced revenue.

14 Fair Value

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Current asset investments				
Changes in fair value recognised in the P&L	167	-4,089	27,885	-90,361
Fair value of assets or liabilities as of 31/12 2023	128,076	72,120	800,841	802,751

The Parent Company's and Group's investments in Current Asset Investments consist solely of listed shares and bonds (Fair value - level 1).

15 Allocation of the Profit

(tDKK)	Parent Company	
	2023	2022
Proposal for dividend	0	0
Reserve for net revaluation in accordance with the equity method	20,602	-103,535
Transferred profit	5,793	-4,085
Total distribution	26,395	-107,620

16 Minority interests

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Minority interests 1/1	0	0	247,527	276,670
Disposals of the year	0	0	0	0
Share of profit for the year	0	0	847	-7,865
Distributed dividends	0	0	-26,082	-42,935
Capital contribution	0	0	11,768	27,776
Actuarial gain/loss, employee benefits	0	0	-1,145	948
Currency exchange adjustments	0	0	-6,991	-7,067
	0	0	225,923	247,527

17 Provision for pensions and similar

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Severance obligation opening balance	0	0	24,766	25,008
Rate adjustment at closing rate	0	0	-738	1,204
Service cost	0	0	2,685	2,707
Benefits paid	0	0	-2,097	-1,774
Actuarial gain/loss, employee benefits	0	0	-3	-2,366
This year's adjustment	0	0	186	-13
	0	0	24,799	24,766

Provisions relate to the severance obligation to employees of foreign group companies and will be paid as the employees in these companies leave the group.

Notes

17 Provision for pensions and similar (continued)

	Parent Company		Group	
	2023	2022	2023	2022
Discount rate	0%	0%	3.00%	4.00%
Expected rate of salary increase	0%	0%	4.25%	4.15%
Retirement age	0 years	0 years	60 years	60 years

The following payments are expected to the defined benefit plan in future years:

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Within the next 12 months	0	0	8,822	8,057
Between 1-5 years	0	0	10,903	13,465
Between 5-10 years	0	0	3,906	4,988
Over 10 years	0	0	1,168	0
Total expected payments	0	0	24,799	26,510

18 Other Provisions

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Customer Claims	0	0	1,306	0
Tax Claims	0	0	218	0
	0	0	1,524	0

The provisions are expected to mature as follows:

Within 1 year	0	0	0	0
Between 5-10 years	0	0	1,524	0
	0	0	1,524	0

19 Provision for deferred tax

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Intangible assets	0	0	-11,776	-7,765
Tangible assets	0	0	-4,880	-15,502
Inventories	0	0	0	0
Accruals	0	0	-371	601
Unused tax losses and credits	0	1,138	20,039	21,169
Internal profit	0	0	15,852	22,274
	0	1,138	18,864	20,777
Deferred tax 1/1	1,138	0	20,777	7,024
Rate adjustment at closing rate	0	0	-214	639
This year's adjustment of deferred tax	-1,138	1,138	-1,699	13,114
Deferred tax 31/12	0	1,138	18,864	20,777
Assets	0	1,138	26,392	43,060
Liabilities	0	0	-7,528	-22,283
Deferred tax 31/12, net	0	1,138	18,864	20,777

The Group has on 31 December 2023 included a deferred tax asset totalling 26 mDKK. The tax asset mainly consists of time differences on group eliminated internal profit.

Based on the budgets, management has assessed the probability that future taxable income will be available in which the tax asset can be utilised.

Notes

20 Long-term debt

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

The debt falls due for payment as specified below:

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Other Credit institutions				
After 5 years	0	0	9,512	20,650
Between 1 and 5 years	0	0	32,803	24,087
Long-term part	0	0	42,315	44,737
Within 1 year	0	0	171,198	113,929
	0	0	213,513	158,666

21 Contingencies and other financial obligations

Contingent assets

Tax assets related to tax losses in the Group are not booked in the balance. Due to uncertainty regarding utilisation within a shorter foreseeable future period. The not recognised deferred tax asset amounts to 51 mDKK.

Contingent liabilities

Binzagr CO-RO Company Ltd. has initiated appeals regarding the resumption of corporate tax cases for 2018. The contingent liability is estimated to amount to 3.1 mDKK.

CO-RO Food (China) Ltd. has a dispute regarding a leased land. The dispute is not expected to cause future economic consequences.

CO-RO A/S has granted a support letter to BIDCORO Africa Ltd. for a period of 12 months from the date on which the financial statements of Bidcoro Africa Ltd. For the year ended 31 December 2023 have been approved by its Board of Directors.

21 Contingencies and other financial obligations (continued)

Rental and lease contracts

The Group has entered into operating lease agreements with a total future lease payment of DKK:

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Within one year	0	0	4,317	2,542
Between one and five years	0	0	2,553	1,317
After five years	0	0	12,999	13,797
	0	0	19,869	17,657

22 Mortgages and collateral

The property in Barkath CO-RO Sdn. BHD. is provided as collateral for bank facilities in Barkath CO-RO Manufacturing Sdn. BHD. The property's book value per. 31. December 2023 amounted to 16.8 mMYR equivalent to 24.8 mDKK. The bank debt is per. 31 December 2023 amounted to 22.2 mMYR equivalent to 32.6 mDKK.

The property in Sunquick Lanka Properties Pvt. Ltd. is provided as collateral for bank facilities. The property's book value per. 31. December 2023 amounted to 691.8 mLKR equivalent to 14.4 mDKK. The bank debt is per. 31 December 2023 amounted to 135.7 mLKR equivalent to 2.8 mDKK.

CO-RO A/S has guaranteed bank debt in subsidiaries in China up to 7.6 mEUR - equivalent to 56.5 mDKK. The bank debt amounts to 6.3 mDKK as of 31 December 2023.

Inventory and receivables from Sales and Services in Sunquick Lanka Pvt. Ltd. is provided as collateral for bank facilities. Book value per 31 December 2023 amounted to 921.9 mLKR equivalent to 19.2 mDKK. The bank debt is per 31 December 2023 amounted to 180 mLKR equivalent to 3.7 mDKK.

Notes

23 Related parties

Transactions with related parties

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
The purchase of legal services from a member of the board of directors	0	163	0	0
Interest income Group companies	0	106	0	0
Receivables Group companies	2,561	2,612	0	0
Debts Group companies	0	0	0	0
	2,561	2,881	0	0

Remuneration to Management is disclosed in note 3.

24 Remuneration to auditor elected at the general assembly

(tDKK)	Parent Company		Group	
	2023	2022	2023	2022
Auditor's remuneration EY	10	39	1,721	2,275
Auditor's remuneration other	0	0	296	0
Other services	0	0	201	196
Tax consulting	0	0	147	986
	10	39	2,365	3,458

25 Changes in working capital

(tDKK)	Group	
	2023	2022
Change in inventories	88,620	-71,454
Change in receivables	-40,181	77,239
Change in trade and other payables	15,765	-55,886
	64,204	-50,101

26 Acquisition of subsidiaries capital injection

(tDKK)	Group	
	2023	2022
A capital increase was made in the following companies:		
BIDCORO Africa Ltd.	0	15,589
Sunquick Lanka Pvt. Ltd.	3,000	3,267
ACI CORO Bangladesh Ltd	1,429	8,920
Barkath CO-RO SDN. BHD.	7,339	0
	11,768	27,776

27 Cash and cash equivalents

(tDKK)	Group	
	2023	2022
Cash and cash equivalents at 31/12 comprise:		
Cash	290,990	229,112
Revolving credit facility	-171,198	-113,929
	119,792	115,183

Restricted cash that are not available for general business use amounts to 12.5 mDKK.

Notes

28 Members of the CO-RO Foundation Board

Niels Thestrup

Born on November 9 1962
Partner in König Law Firm
Dependent

Chairman since 2023
Member of the Board since May 17, 2023.

Education

Candidate of Law with a right to appear before the Supreme Court. Master of Arts in International Relations. Special competencies within legal knowledge and expertise.

Board positions

ChemoMetec A/S
Løvbjerggård A/S
A/S Erik Thestrup
Pnn Memocore ApS
Brancor Futures A/S
Nova5 Arkitekter A/S
Nivå Golf Center A/S
Pnn Medical A/S
MedTech Invest A/S
Brancor Securities A/S
Sani Membranes A/S
KG Holding, Søllerød ApS
Pnn Medical US A/S
Ejd.selskabet Dr. Tværgade 5 A/S

Michael Ring

Born on December 29 1959
Owner and CEO of Stelton A/S
Dependent

Vice-chairman since 2018
Member of the Board since January 1, 2008

Education

MBA from IMD, Lausanne. Special competencies within management and finance

Board positions

Ring Holding ApS (incl. group companies)
CO-RO A/S
8.8 Holding A/S
Fur Bryghus Aps
Legatum Holding ApS

Annette Kobberup Stougaard

Born on June 5 1956
Dependent

Member of the board since December 9, 2005

Education

Master of Arts. Special competencies within Human Resources and Management.

Board positions

Frederikssund Erhverv
Park Theater in Frederikssund

Company details



Name and adress etc.

CO-ROs Fond
Holmensvej 11
3600 Frederikssund

CVR no.: 26 88 05 99
Municipality of
registred office: Frederikssund
Financial year: 1 January - 31 December

Board of Directors

Niels Thestrup
(Chairman)
Michael Ring
(Vice chairman)
Annette Kobberup Stougaard

Revision

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