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BAADER POULTRY A/S
C/O BAADER FOOD SYSTEMS DENMARK A/S, VESTERMØLLEVEJ 9, 8380 TRIGE
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 18 June 2024**

Petra Baader

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COMPANY DETAILS

Company	Baader Poultry A/S c/o Baader Food Systems Denmark A/S Vestermøllevej 9 8380 Trige CVR No.: 30 71 48 30 Established: 10 July 2007 Municipality: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Petra Baader, chairman Torsten Krausen Robert Focke
Executive Board	Norbert Engberg
Auditor	BDO Statsautoriseret revisionsaktieselskab Kolding Åpark 8A, 7. sal 6000 Kolding
General Meeting	The Annual General Meeting is held on 18 June 2024, at the company's address.

MANAGEMENT'S STATEMENT

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

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

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

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

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

Aarhus, 17 June 2024

Executive Board

Norbert Engberg

Board of Directors

Petra Baader
Chairman

Torsten Krausen

Robert Focke

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Baader Poultry A/S

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Baader Poultry A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2023 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group 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 Consolidated Financial Statements and the Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

INDEPENDENT AUDITOR'S REPORT

Kolding, 17 June 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jesper Steensbjerre
State Authorised Public Accountant
MNE no. mne31367

FINANCIAL HIGHLIGHTS OF THE GROUP

	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000
Income statement					
Net revenue.....	1,121,937	971,770	1,015,601	804,760	871,855
Gross profit/loss.....	288,925	270,180	233,726	196,653	205,771
Operating profit/loss of main activities...	58,610	68,471	57,699	27,751	42,503
Financial income and expenses, net.....	-14,964	-13,790	-10,484	-9,253	-13,685
Profit/loss for the year before tax.....	43,646	54,681	47,215	18,498	28,818
Profit/loss for the year.....	33,726	39,954	34,634	11,348	17,980
Balance sheet					
Total assets.....	728,205	716,782	600,149	578,015	628,228
Equity.....	203,916	177,664	127,218	78,611	83,268
Invested capital.....	417,991	389,852	304,365	325,269	356,295
Cash flows					
Investment in property, plant and equipment.....	-18,701	-20,870	-12,613	-5,767	-9,707
Average number of full-time employees.....					
	576	564	548	553	563
Key ratios					
Gross margin.....	25.8	27.8	23.0	24.4	23.6
Operating margin.....	5.2	7.0	5.7	3.4	4.9
Return on invested capital.....	14.7	20.0	18.6	9.9	12.5
Equity ratio.....	28.0	24.8	21.2	13.6	13.3
Return on equity.....	17.7	26.2	33.7	14.0	24.6

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

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

MANAGEMENT COMMENTARY

Principal activities

The company is the parent company of the Baader Food Systems-group, which primarily develop, produce and sell spareparts, machines and complete plants for slaughtering and processing of poultry as well as weighing and grading equipment. The weighing and grading equipment can also be used in the fish as well as other food industries.

Sales, marketing and service in several important markets takes place directly through subsidiaries.

Baader Poultry A/S has no other activity then being the parent company for the group.

Development in activities and financial position

The group experienced an increase of the turnover of 29% compared to 2022, which is generated from improved market conditions in developed markets and a higher attention to the after sales market. For 2023 we experienced an increase in demands of the spare part and services to optimize existing machinery, but also a lower interest in investing in new machines.

The group achieved a profit of DKK 33.7m in 2023 against DKK 40.0m in 2022. The result for 2023 is considered satisfactory.

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

Profit/loss for the year compared to the expected development

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

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

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

Significant events after the end of the financial year

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

Financial risks and currency risks

The group applies forward exchange transactions to secure receivables and payables in foreign currencies if it is different from EUR. In addition, continuous adjustments are made of net currency positions.

Expansion of the activities within the group is financed through a group loan.

Knowledge resources

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

Research and development activities

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

MANAGEMENT COMMENTARY

Future expectations

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

The group's continued focus on growth, efficiency and adjustment of the organization is expected to help stabilize the earning in the years to come.

For 2024 the revenue is expected to be slightly higher compared to 2023, but profit before tax is expected to be 10% higher than 2023 (DKK 37.7 m).

The Company's foreign branches

The group's activities in the French market is managed through the group's branch in France.

Corporate social responsibility (CSR) report

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

The actual CSR policy is linked to the group homepage:

https://assets.baader.com/BAADER_Food_Systems_Corporate_Social_Responsibility_2023.pdf

The group is working determinedly to ensure a safe and healthy working environment, so the environmental and climatic conditions are incorporated in the group's processes.

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

Gender distribution within Management

	2023
Number of members of the supreme management body.....	3
Under-represented gender, share in % of the supreme management body.....	33%

Of the total number of members of the Company's supreme management body, the under-represented gender comprises 33% which meet the criterion for equal distribution of men and women. Hence, the Company is not subject to the obligation of setting a target figure for the gender distribution of the supreme management body.

The other management levels consist of two or less persons. Thus, the Company is not subject to the obligation of setting a target figure and preparing a policy for the gender distribution at the other management levels.

Data ethics

The actual Data ethics is linked to the group homepage:

https://assets.baader.com/BAADER_Food_Systems_data%20ethics%20policy_2023.pdf

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
NET REVENUE	1	1,121,937	971,770	0	0
Production costs.....	2, 3	-833,012	-701,590	0	0
GROSS PROFIT/LOSS		288,925	270,180	0	0
Distribution costs.....	2	-109,843	-109,326	0	0
Administrative expenses.....	2, 4	-120,594	-93,565	-199	-194
OPERATING PROFIT		58,488	67,289	-199	-194
Other operating income.....		181	1,182	0	0
Other operating expenses.....		-59	0	0	0
OPERATING PROFIT		58,610	68,471	-199	-194
Income from investments in subsidiaries.....		0	0	39,769	46,659
Financial income.....		3,086	5,761	0	61
Financial expenses.....	5	-18,050	-19,551	-7,548	-8,463
PROFIT BEFORE TAX		43,646	54,681	32,022	38,063
Tax on profit/loss for the year.....	6	-9,920	-14,727	1,704	1,891
PROFIT FOR THE YEAR	7	33,726	39,954	33,726	39,954

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Development projects completed..		58,323	69,411	0	0
Intangible fixed assets acquired....		7,696	8,788	0	0
IT.....		1,852	1,305	0	0
Goodwill.....		0	785	0	0
Development projects in progress..		28,128	22,469	0	0
Intangible assets.....	8	95,999	102,758	0	0
Land and buildings.....		37,470	40,116	0	0
Production plants and machinery...		26,058	19,651	0	0
Other plants, machinery, tools and equipment.....		14,234	13,148	0	0
Property, plant and equipment...	9	77,762	72,915	0	0
Fixed asset investments.....		0	0	331,359	341,064
Rent deposit and other receivables.....		551	1,664	0	0
Financial non-current assets.....	10	551	1,664	331,359	341,064
NON-CURRENT ASSETS.....		174,312	177,337	331,359	341,064
Raw materials and consumables....		99,779	112,141	0	0
Work in progress.....		50,763	52,515	0	0
Finished goods and goods for resale.....		151,477	142,207	0	0
Prepayments for goods.....		798	1,128	0	0
Inventories.....		302,817	307,991	0	0
Trade receivables.....		94,818	98,626	0	0
Contract work in progress.....	11	36,066	34,707	0	0
Receivables from group enterprises.....		11,022	5,002	0	0
Deferred tax assets.....	12	5,654	4,694	9,695	9,717
Other receivables.....		17,358	27,130	0	0
Receivables corporation tax.....		685	0	0	0
Joint tax contribution receivable..		1,299	0	2,424	0
Prepayments and accrued income..	13	4,990	4,722	0	0
Receivables.....	14	171,892	174,881	12,119	9,717
Cash and cash equivalents.....		79,184	56,573	548	354
CURRENT ASSETS.....		553,893	539,445	12,667	10,071
ASSETS.....		728,205	716,782	344,026	351,135

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Share Capital.....	15	66,360	66,360	66,360	66,360
Reserve for net revaluation according to equity method.....		0	0	71,054	80,759
Retained profit.....		137,556	111,304	51,502	30,545
Proposed dividend.....		0	0	15,000	0
EQUITY.....		203,916	177,664	203,916	177,664
Provision for deferred tax.....	16	7,192	8,647	0	0
Other provisions for liabilities.....	17	2,274	1,637	0	0
PROVISIONS.....		9,466	10,284	0	0
Mortgage debt.....		1,337	1,342	0	0
Bank loan.....		204	744	0	0
Payables to group enterprises.....		123,844	153,001	123,844	153,001
Other liabilities.....		14,003	17,150	0	0
Non-current liabilities.....	18	139,388	172,237	123,844	153,001
Bank debt.....		135,993	68,228	0	0
Mortgage debt.....		26	30	0	0
Prepayments received from customers.....	11	89,245	124,400	0	0
Trade payables.....		36,163	60,252	200	200
Payables to group enterprises.....		28,280	33,302	15,347	20,270
Corporation tax.....		2,936	2,399	719	0
Other liabilities.....		82,792	67,986	0	0
Current liabilities.....		375,435	356,597	16,266	20,470
LIABILITIES.....		514,823	528,834	140,110	173,471
EQUITY AND LIABILITIES.....		728,205	716,782	344,026	351,135
Contingencies etc.	19				
Charges and securities	20				
Related parties	21				
Consolidated Financial Statements	22				

EQUITY

	Group		
	Share Capital	Retained profit	Total
Equity at 1 January 2023.....	66,360	111,304	177,664
Proposed profit allocation 7.....		33,726	33,726
Other legal bindings			
Foreign exchange adjustments.....		-7,474	-7,474
Equity at 31 December 2023.....	66,360	137,556	203,916

	Parent Company				
	Share Capital	Reserve for net revaluation according to equity method	Retained profit	Proposed dividend	Total
Equity at 1 January 2023.....	66,360	80,759	30,545	0	177,664
Proposed profit allocation, jf. note 7.....		39,769	-21,043	15,000	33,726
Other legal bindings					
Foreign exchange adjustments.....		-7,474			-7,474
Transfers					
Receiv./decl. dividend.....		-42,000	42,000		0
Equity at 31 December 2023.....	66,360	71,054	51,502	15,000	203,916

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2023 DKK '000	2022 DKK '000
Profit/loss for the year.....	33,726	39,954
Depreciation and amortisation, reversed.....	42,056	37,328
Unrealised exchange gains, reversed.....	-7,474	10,492
Tax on profit/loss, reversed.....	9,920	14,727
Corporation tax paid.....	-13,780	-16,004
Change in inventories.....	5,174	-73,318
Change in receivables (ex tax).....	5,933	-38,758
Change in other provisions.....	637	329
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	-34,462	64,219
CASH FLOWS FROM OPERATING ACTIVITY.....	41,730	38,969
Purchase of intangible assets.....	-21,589	-21,363
Purchase of property, plant and equipment.....	-18,701	-20,870
Sale of property, plant and equipment.....	143	0
Purchase of financial assets.....	0	-131
Sale of financial assets.....	1,112	0
CASH FLOWS FROM INVESTING ACTIVITY.....	-39,035	-42,364
Proceeds from non-current borrowing.....	0	1,342
Installments on loans.....	-47,849	-46,658
Changes in business credits.....	67,765	48,531
CASH FLOWS FROM FINANCING ACTIVITY.....	19,916	3,215
CHANGE IN CASH AND CASH EQUIVALENTS.....	22,611	-180
Cash and cash equivalents at 1. januar.....	56,573	56,753
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	79,184	56,573
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	79,184	56,573
CASH AND CASH EQUIVALENTS.....	79,184	56,573

NOTES

	<u>Group</u>		<u>Parent Company</u>		Note
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
Net revenue					1
Segment details (geography)					
Denmark.....	5,667	6,507	0	0	
Other Europe.....	190,565	200,860	0	0	
Asia.....	179,664	130,188	0	0	
North America.....	401,131	403,977	0	0	
Latin America.....	103,335	88,459	0	0	
Africa & Middle East.....	188,461	94,467	0	0	
Other areas.....	53,114	47,312	0	0	
	1,121,937	971,770	0	0	

	<u>Group</u>		<u>Parent Company</u>		Note
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
Staff costs					2
Average number of full time employees	576	564	0	0	
Wages and salaries.....	291,893	279,245	0	0	
Pensions.....	55,634	49,589	0	0	
Social security costs.....	1,819	1,808	0	0	
	349,346	330,642	0	0	

Special items **3**
The group has included impairment losses on the development assets with the amount of 6,381 TDKK. the amount is included in the production costs in the income statement.

NOTES

	Group		Parent Company		Note
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
Fee to statutory auditor					4
Total Fee					
BDO Denmark.....	843	897	189	180	
Auditors of foreign subsidiaries.....	2,406	2,107	0	0	
	3,249	3,004	189	180	
Specification of fee:					
Statutory audit.....	2,185	2,303	124	124	
Tax consultancy.....	775	465	48	33	
Other services.....	289	236	17	23	
	3,249	3,004	189	180	
Financial expenses					5
Group enterprises.....	7,021	8,275	7,021	8,275	
Other interest expenses.....	11,029	11,276	527	188	
	18,050	19,551	7,548	8,463	
Tax on profit/loss for the year					6
Calculated tax on taxable income of the year.....	12,138	17,701	-1,704	0	
Adjustment of deferred tax.....	-2,218	-2,974	0	-1,891	
	9,920	14,727	-1,704	-1,891	
Proposed distribution of profit					7
Proposed dividend for the year.....	0	0	15,000	0	
Allocation to reserve for net revaluation according to equity method.....	0	0	39,769	46,659	
Retained earnings.....	33,726	39,954	-21,043	-6,705	
	33,726	39,954	33,726	39,954	

NOTES

Note

Intangible assets

8

	Group		
	Development projects completed	Intangible fixed assets acquired	IT
Cost at 1 January 2023.....	161,549	15,116	27,195
Transfer.....	5,743	0	0
Additions.....	396	709	680
Cost at 31 December 2023.....	167,688	15,825	27,875
Amortisation at 1 January 2023.....	92,138	6,327	25,891
Amortisation for the year.....	17,227	1,802	132
Amortisation at 31 December 2023.....	109,365	8,129	26,023
Carrying amount at 31 December 2023.....	58,323	7,696	1,852

	Group	
	Goodwill	Development projects in progress
Cost at 1 January 2023.....	115,103	22,470
Transfers to/from other items.....	0	-5,743
Additions.....	0	19,804
Disposals.....	0	-8,403
Cost at 31 December 2023.....	115,103	28,128
Amortisation at 1 January 2023.....	114,318	0
Amortisation for the year.....	785	0
Amortisation at 31 December 2023.....	115,103	0
Carrying amount at 31 December 2023.....	0	28,128

The group's development projects relate to the development of new production machines and optimization of the interaction between the group's products in the production line. The development of the individual projects is progressing as planned and is expected to be completed over the next 1-2 years. Market research shows a demand for the new products and there are very few competitors in the market for this type of products.

NOTES

	Group			Note
	Land and buildings	Production plants and machinery	Other plants, machinery, tools and equipment	
Property, plant and equipment				9
Cost at 1 January 2023.....	96,822	73,439	27,380	
Additions.....	2,901	12,006	3,794	
Disposals.....	-80	-1,837	-253	
Cost at 31 December 2023.....	99,643	83,608	30,921	
Depreciation and impairment losses at 1 January 2023.....	56,706	53,788	14,233	
Reversal of depreciation of assets disposed of..	0	-1,837	-187	
Depreciation for the year.....	5,467	5,599	2,641	
Depreciation and impairment losses at 31 December 2023.....	62,173	57,550	16,687	
Carrying amount at 31 December 2023.....	37,470	26,058	14,234	
Financial non-current assets				10
			Group	
			Rent deposit and other receivables	
Cost at 1 January 2023.....			1,663	
Disposals.....			-1,112	
Cost at 31 December 2023.....			551	
Carrying amount at 31 December 2023.....			551	
			Parent Company	
			Fixed asset investments	
Cost at 1 January 2023.....			206,826	
Cost at 31 December 2023.....			206,826	
Revaluation at 1 January 2023.....			134,238	
Dividend.....			-42,000	
Revaluation and impairment losses for the year.....			40,645	
Equity movements.....			-7,474	
Amortization of goodwill.....			-876	
Revaluation at 31 December 2023.....			124,533	
Carrying amount at 31 December 2023.....			331,359	

NOTES

Note

Fixed asset investments (continued)
Investments in subsidiaries

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Name and domicil	Ownership
Baader Food Systems Denmark A/S, Denmark.....	100 %
Baader Food Systems USA Inc., USA.....	100 %
Baader Poultry Canada Ltd., Canada.....	100 %
Baader Food Systems Netherlands B.V., Netherlands.....	100 %
LINCO Food Systems S.A., Spain.....	100 %
Baader Brazil Ltda., Brazil.....	100 %
LINCO Food Systems Ltda., Chile.....	100 %
Lindholst Asia SDN., BHD., Malaysia.....	100 %
Baader Asia PTE Ltd., Singapore.....	100 %
BFPT Beijing Co. Ltd., China.....	100 %

	<u>Group</u>		<u>Parent Company</u>	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Contract work in progress				
Contract work in progress.....	321,199	306,784	0	0
Invoiced on account.....	-374,378	-396,477	0	0
Contract work in progress, net.....	-53,179	-89,693	0	0
Recognized as:				
Contract work in progress (assets)...	36,066	34,707	0	0
Prepayments received from customers (liabilities).....	-89,245	-124,400	0	0
	-53,179	-89,693	0	0

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Deferred tax assets

12

Provision for deferred tax relates to differences between the carrying amount and the tax value of intangible fixed assets and tangible fixed assets, including recognised finance leases as well as accrued expenses and tax losses carried forward.

	<u>Group</u>		<u>Parent Company</u>	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Deferred tax at 1. January.....	4,694	3,990	9,717	7,826
Deferred tax for the year, Income Statement.....	989	670	0	1,891
Deferred tax for previous years.....	0	0	-22	0
Exchange rate adjustments.....	-29	34	0	0
Deferred tax 31 December 2022....	5,654	4,694	9,695	9,717

NOTES

Note

The parent company's deferred tax asset is recognised in the Balance Sheet at DKK ('000) 9,695. The tax asset relates primarily to unutilised tax losses. The tax asset is recognised on the basis of the expectations to the positive tax profits for the next couple of years within the group, and the tax losses are then expected to be fully utilised. The assessments are based on the group's budgets for the year to come and the deferred tax liability of the jointly taxed subsidiary at DKK ('000) 14,226.

The group's deferred tax asset is recognised in the Balance Sheet at DKK ('000) 5,654. The tax asset is recognised on the basis of the expectations to the positive tax profits for the next couple of years within the entities, and the deferred tax asset is expected to be fully utilised. The assessments are based on the group's budgets for the year to come.

Prepayments and accrued income

13

Prepayments and accrued income relates to prepaid contingencies and license fees as well as prepaid expenses regarding future financial years.

	Group		Parent Company	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Receivables falling due after more than one year				
Deferred tax asset.....	5,000	4,500	9,695	9,717
	5,000	4,500	9,695	9,717

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Share Capital

Allocation of share capital:

	2023 DKK '000	2022 DKK '000
A-shares, 1,000 unit in the denomination of 66,360 DKK.....	66,360	66,360
	66,360	66,360

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Provision for deferred tax

16

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	Group		Parent Company	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Deferred tax, beginning of year.....	8,647	10,976	0	0
Deferred tax of the year, income statement.....	-1,476	-2,304	0	0
Deferred tax for previous years.....	22	0	0	0
Exchange rate adjustment.....	-1	-25	0	0
Provision for deferred tax 31 December 2022.....	7,192	8,647	0	0

NOTES

Note

	Group		Parent Company		
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
Other provisions for liabilities					17
0-1 year.....	2,274	1,637	0	0	

Other provisions for liabilities comprise liabilities of ordinary warranty on the group's products.

Long-term liabilities

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	Group			
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Mortgage debt.....	1,363	26	1,233	1,372
Bank loan.....	475	271	0	1,015
Payables to group enterprises.....	138,844	15,000	123,844	173,001
Other liabilities.....	16,975	2,972	2,115	17,450
	157,657	18,269	127,192	192,838

	Parent Company			
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Payables to group enterprises.....	138,844	15,000	123,844	173,001
	138,844	15,000	123,844	173,001

NOTES**Note****Contingencies etc.****19****Contingent liabilities**

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

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

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

Joint liabilities

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to DKK ('000) 719 at the balance sheet date.

Charges and securities**20**

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

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

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

As security for debt to banks (credit line) with a balance at 31 December 2023 of DKK ('000) 23.606 the group has pledged fixed assets, Inventories and trade receivables with a booked value totalling DKK ('000) 216,939.

NOTES

Note

Related parties

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The Company's related parties include:

Controlling interest

Chairman of the board, through the parent company Baader Poultry Holding GmbH.

Other related parties having performed transactions with the company

The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Transactions with related parties

The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Consolidated Financial Statements

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

ACCOUNTING POLICIES

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

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

Consolidated Financial Statements

The consolidated financial statements include the parent company Baader Poultry A/S and its subsidiaries in which Baader Poultry A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

New acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement up to the time of disposal. Comparative figures are not adjusted for new acquired, sold or wound up enterprises.

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipment.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' market value of net assets and liabilities at the acquisition date.

Positive differences between acquisition value and market value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life. Negative differences are recognised in the Income Statement upon acquisition.

INCOME STATEMENT

Net revenue

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

Contract work in progress is included in revenue based on the stage of completion, so that revenue corresponds to the selling price of the work performed in the financial year (the degree of completion method).

Sale of Services is recognised in the income statement if the service has been provided before the end of the year.

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

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

ACCOUNTING POLICIES

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Production costs

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

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

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

Distribution costs

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

Administrative expenses

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

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

Income from investments in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

Financial income and expenses

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

Tax

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

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 7 to 12 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

Tangible fixed assets

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

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

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

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

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

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

ACCOUNTING POLICIES

Lease contracts

Lease contracts relating to tangible fixed assets where the company bears all material risks and benefits attached to the ownership (finance lease) are recognised as assets in the balance sheet. The assets are at the initial recognition measured at calculated cost equal to the lower of fair value and present value of the future lease payments. The internal interest rate of the lease contract is used as discounting factor or an approximate value when calculating the present value. Finance lease assets are depreciated similarly to the company's other tangible fixed assets.

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

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the income statement over the term of the contract. The company's total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

Financial non-current assets

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

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

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

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

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

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

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

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories

Inventories are measured at cost using the the weighted average-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

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

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

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

Receivables

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

Contract work in progress

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

Usually, the degree of completion is calculated as the ratio between actual and total budgeted consumption of resources. For projects for which the consumption of resources cannot be applied as basis, the ratio of completed to total subactivities of the individual projects has been applied.

If the sales value of a contract work in progress cannot be calculated reliably, the sales value is calculated as the lower of costs incurred and net realisable value.

The specific piece of work in progress is recognised in the balance sheet as an account receivable or payable, depending on the net value of the selling price less progress invoicing and progress payments. Costs relating to sales work and obtaining of contracts are recognised in the income statement as and when they are incurred.

Accruals, assets

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

ACCOUNTING POLICIES

Other provisions for liabilities

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

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

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

Tax payable and deferred tax

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

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

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

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

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

Other liabilities are measured at amortised cost equal to nominal value.

ACCOUNTING POLICIES

Derivative financial instruments

The initial recognition measures derivative financial instruments in the balance sheet at cost price and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in receivables and liabilities, respectively.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of future cash flows is recognised under receivables or payables and under equity. If the future transaction results in recognition of assets or liabilities, all amounts recognised under equity are transferred from equity and recognised under initial cost for the asset or liability, respectively. If the future transaction results in income or expenses amounts recognised under equity are transferred to the Income Statement for the period where the Income Statement was affected by the hedged amount.

As regards possible derivative financial instruments, which do not comply with the criteria for classification as hedging instruments, any changes in fair value are recognised on a current basis in the Income Statement.

Foreign currency translation

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

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

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

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include cash in hand.