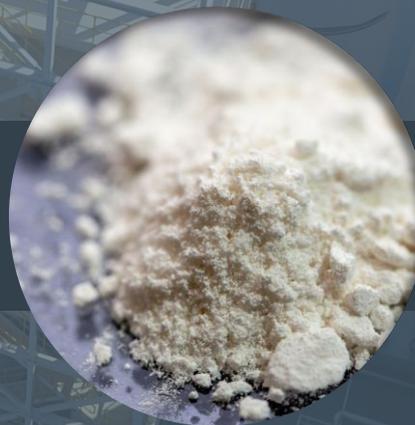


ANNUAL REPORT 2022



An inspiring and exciting year

We look back on yet another year of growth, both in terms of employees, customers, and revenue, but also a year of challenges with inflation, fluctuating commodity prices, and delayed deliveries. Despite this, we are incredibly proud of how our team has managed to tackle these challenges and come out on top.

Employees are a crucial success factor, and we are fully aware of this. It is important to meet the individual needs, whether it is about having a say, freedom with responsibility, support, or whatever else may be important. Our culture is characterized by openness and dialogue, and it is a shared responsibility to integrate new colleagues well and make them feel welcome. We call this **People Integration**.

Once again, our **customers** have shown great trust in us, and we see a steady increase in all four business areas. Although it is our philosophy that no task is too small, we are also constantly receiving larger projects, so there are exciting opportunities at all levels. We believe that our close collaboration with customers is crucial, as we understand their challenges and ensure them a future-proof solution. This is our **Customer Integration**.

In Norway, our installation team is growing, ensuring that we always have competent people at various sites. We have a strong team in Chile, and we have further opened a sister company in the USA.

Business review

The company's primary activity is to run an engineering company with consultancy and assistance regarding production management, mechanical engineering and project management – including purchase, sale and installation of machinery and equipment.

Financial review

The company's income statement for the year ended 31 December 2022 shows a profit of DKK 8,907,073 and the balance sheet at 31 December 2022 shows equity of DKK 20,841,217.

Profit for the year is considered satisfactory.

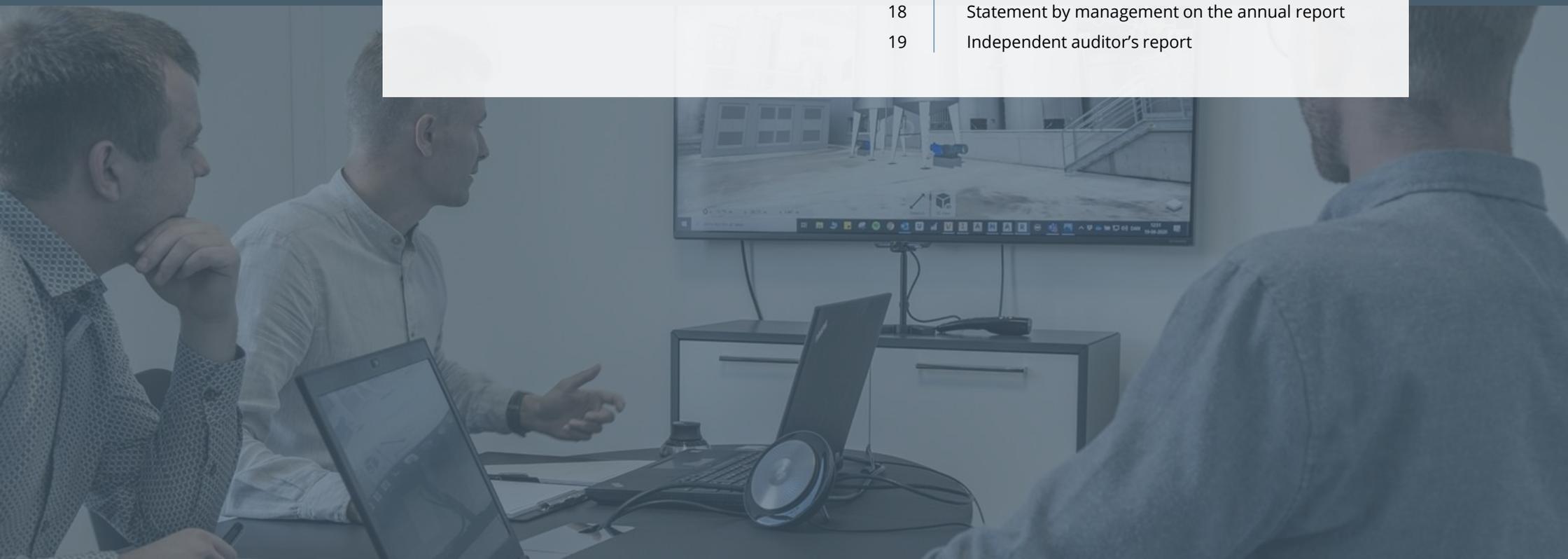
Contents

Management's review

- 4 | How we work
- 5 | Industries
- 6 | EHS
- 7 | Sustainability

Financial statements

- 9 | Income statement 1 January – 31 December 2022
- 10 | Balance sheet at 31 December 2022
- 12 | Statement of changes in equity
- 13 | Notes to the annual report
- 15 | Accounting policies
- 18 | Company details
- 18 | Statement by management on the annual report
- 19 | Independent auditor's report



Here at Process Integration, we see ourselves not only as a supplier or a contractor, but as a trusted partner

A clear mission

Our mission is to build long-lasting partnerships with our customers and help you reach your goals.

We believe that any project, whether it is a new factory, replacement or optimization of an existing facility, should include future opportunities with a holistic approach and 360° view of the facility.

In order to achieve the highest possible plant efficiency and the lowest possible life cycle cost, we focus on the interactions between different existing and new units.

Our job is to ensure the most efficient and sustainable production from an economic and environmental point of view.



Lars Johansen CEO says:
"We never leave our customer alone and strive to have a long-term relationship with all our customers"

Experienced integration

We are an experienced team of engineers and designers that undertakes all types of projects within the feed and food industry.

Our consultants bring many years of practical, hands-on experience from the industry and understand the challenges of optimizing the integrated processes of feed and food manufacturing.

We take pride in finding the best solution for our customers, always paying the utmost attention to the customer- and site-specific requirements and local regulations.

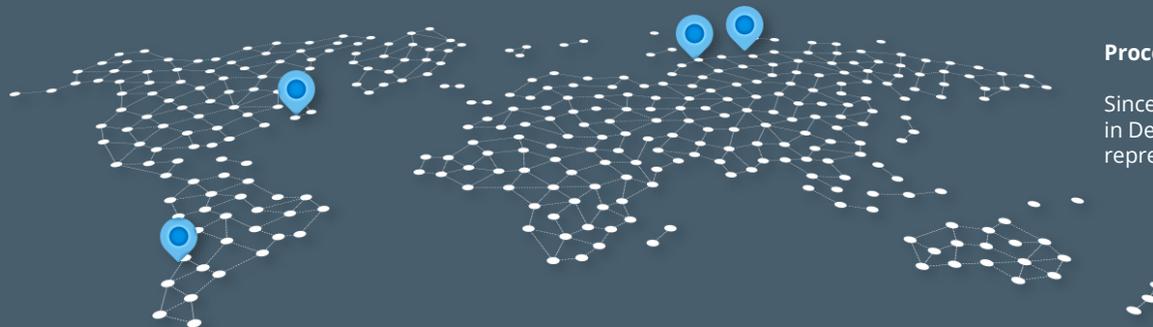
Whatever the challenge, we always aim to identify opportunities and find the best overall solution to meet customer requirements. Our goal is to ensure that the chosen solution will meet your expectations as a minimum.

From desk idea to implementation

As part of our group, we can implement the equipment in your facility through our installation business in Process Integration ApS, or from our sister company Process Installation AS, Norway.

To ensure an on time installation and start-up, our experienced supervisors work with either our entire installation crew including third party installation team and manage the site throughout the project, in close contact with the project managers.

Due to this unique setup, Process Integration can handle new projects from a desk idea to final design and implementation – your project is safe in our hands!



Process Integration Group

Since 2015, when we started our business in Denmark, we have grown and are now represented in four countries.

One-stop project solutions

From basic design to final handover.

Industries



Aqua Feed

Process equipment and production lines manufacturing extruded or pelletized feed.



Pet Food

Process equipment and production lines manufacturing extruded dry pet food, as well as wet canned pet foods.



Sustainable Proteins

Feeding the world's animals proteins through the process of manufacturing feeds.



Liquid Food & Beverages

Developing hygienic processes for all kinds of food applications.

We undertake all types of projects from upgrading or optimizing existing lines to turnkey plants

In close cooperation with our customers and international supplier network, who are all specialists in their field, Process Integration ensures smooth project implementation and a solution that meets all requirements and expectations of quality, capacity, schedule and budget.

Process Integration delivers equipment, single machinery, system solutions, upgrade of existing production lines and turnkey solutions.

Whether you are planning to build a new production plant or modifying an existing process facility, we have the knowledge and your close partner in all the execution phases.

Optimize implementation time and cost by using the right resources at the right time, no more nor less.

We can advise you on how to optimize the design and the performance of your production facilities and plant solutions, solve challenges with the existing production, meet new regulation, quality or environment standards and handle changes or increase in production.

Our focus on environment, health and safety

The goal for working environment work is to create a good physical and psychosocial working environment, which ensures that all employees can do their work in a safe and healthy way. It also creates wellbeing and an environment where our employees get the possibility for personal and professional development.

We believe that good cooperation and happy employees make a difference. It is the professional engagement and consideration in our work that make the difference. By this, we deliver the best solutions on time and for the satisfaction of our clients.



Integrating sustainability

We firmly believe that integrating sustainable practices into industrial operations is beneficial for the environment and essential for long-term success.

For our customers, employees, and trusted partners, we always take a holistic approach to any project, ensuring that we are designing with the most efficient, resource-reducing, and carbon footprint-saving approach.

Within the following sustainability areas, we have a long track record of successful design and project executions:



Carbon footprint



Environmental impact



Energy efficiency



Circular economy



Ecodesign



Financial Statements 2022



Income statement 1 January – 31 December 2022

	Note	2022 DKK	2021 DKK
Gross profit		30,505,368	26,216,913
Staff costs	1	(18,548,456)	(13,827,158)
Earnings before interest, tax, depreciation and amortisation		11,956,912	12,389,755
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		(517,261)	(466,281)
Profit before net financials		11,439,651	11,923,474
Financial income		480,561	87,998
Financial costs	2	(506,086)	(410,885)
Profit before tax		11,414,126	11,600,587
Tax on profit for the year	3	(2,507,053)	(2,549,698)
Profit for the year		8,907,073	9,050,889
Proposed dividend for the year		6,000,000	6,000,000
Retained earnings		2,907,073	3,050,889
		8,907,073	9,050,889



Balance Sheet at 31 December 2022

	Note	2022 DKK	2021 DKK
Assets			
Land and buildings	4	1,075,000	0
Other fixtures and fittings, tools and equipment	4	915,331	844,654
Tangible assets		1,990,331	844,654
Total non-current assets		1,990,331	844,654
Trade receivables		15,374,049	6,744,920
Contract work in progress	5	9,527,483	3,634,813
Receivables from subsidiaries		1,209,410	1,904,472
Other receivables		1,833,486	1,005,715
Joint taxation contributions receivable		0	1,436,018
Prepayments		1,008,898	399,632
Receivables		28,953,326	15,125,570
Cash and cash equivalents		13,942,076	13,051,984
Total current assets		42,895,402	28,177,554
Total assets		44,885,733	29,022,208



Balance Sheet at 31 December 2022

	Note	2022 DKK	2021 DKK
Equity and liabilities			
Share capital		50,000	50,000
Retained earnings		14,791,217	11,884,144
Proposed dividend for the year		6,000,000	6,000,000
Equity		20,841,217	17,934,144
Provision for deferred tax		2,382,267	2,784,142
Other provisions		1,889,239	29,655
Total provisions		4,271,506	2,813,797
Banks		148,927	146,982
Trade payables		6,970,653	2,342,805
Prepayments received recognised in debt	5	9,012,483	4,341,494
Payables to subsidiaries		1,650	0
Corporation tax		2,908,928	0
Other payables		730,369	1,442,986
Total current liabilities		19,773,010	8,274,267
Total liabilities		19,773,010	8,274,267
Total equity and liabilities		44,885,733	29,022,208
Contingent liabilities	6		



Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2022	50,000	11,884,144	6,000,000	17,934,144
Ordinary dividend paid	0	0	(6,000,000)	(6,000,000)
Retained earnings	0	2,907,073	6,000,000	8,907,073
Equity at 31 December 2022	50,000	14,791,217	6,000,000	20,841,217



Notes to the annual report

	2022	2021
	DKK	DKK
1 Staff costs		
Wages and salaries	15,857,903	11,829,569
Pensions	2,412,794	1,782,858
Other social security costs	277,759	214,731
	18,548,456	13,827,158
Average number of employees	27	21
2 Financial costs		
Other financial costs	92,493	110,598
Exchange loss	413,593	300,287
	506,086	410,885
3 Tax on profit for the year		
Current tax for the year	2,908,928	949,982
Deferred tax for the year	(401,875)	1,599,716
	2,507,053	2,549,698



Notes to the annual report

4 Tangible assets

	Land and buildings	Other fixtures and fittings, tools and equipment
Cost at 1 January 2022	0	2,063,050
Additions for the year	1,075,000	587,938
Cost at 31 December 2022	<u>1,075,000</u>	<u>2,650,988</u>
Impairment losses and depreciation at 1 January 2022	0	1,218,396
Depreciation for the year	0	517,261
Impairment losses and depreciation at 31 December 2022	<u>0</u>	<u>1,735,657</u>
Carrying amount at 31 December 2022	<u>1,075,000</u>	<u>915,331</u>

5 Contract work in progress

	2022	2021
	DKK	DKK
Work in progress, selling price	86,396,000	60,526,513
Work in progress, payments received on account	<u>(85,881,000)</u>	<u>(61,233,194)</u>
	<u>515,000</u>	<u>(706,681)</u>

Recognised in the balance sheet as follows:

Contract work in progress under assets	9,527,483	3,634,813
Prepayments received under liabilities	<u>(9,012,483)</u>	<u>(4,341,494)</u>
	<u>515,000</u>	<u>(706,681)</u>

6 Contingent liabilities

The company has entered into an agreement about lease of premises. The lease is non-cancellable with termination of the tenancy from 15 months at the earliest and the total rent obligation is DKK 251 thousand.



Accounting policies

The annual report of Process Integration ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2022 is presented in DKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised 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 recognised in the balance sheet when it is probable that future economic benefits will flow from 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 item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other operating income less raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods and services is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Income from customised products is recognised as production is carried out, implying that revenue corresponds to the selling price of contracts completed in the year (percentage-of-completion method). This method is applied where the total income and expenses relating to the contract and the stage of completion at the balance sheet date can be estimated reliably and it is probable that future economic benefits will flow to the company.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of property, plant and equipment.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Accounting policies

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on debt and foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme etc.

Tax on profit for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of land and buildings, other fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

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

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other buildings	50 years	50 %
Other fixtures, fittings, tools and equipment	3 years	0 %

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Impairment of fixed assets

The carrying amount of items of property and plant and is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Accounting policies

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

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

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Provisions

Provisions comprise expected expenses relating to warranty commitments. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income tax and deferred tax

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

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'joint taxation contributions receivable' or 'joint taxation contributions payable'.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to subsidiaries and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Company details

The company

Process Integration ApS
Godthåbsvej 21
8660 Skanderborg

CVR no.: 36 98 00 28
Reporting period: 1 January – 31 December 2022
Domicile: Skanderborg

Executive board

Sti Løvgreen, director
Lars Johansen, director

Auditors

Roesgaard
Godkendt Revisionspartnerselskab
Sønderbrogade 16
8700 Horsens

Lawyers

DLA Piper Denmark

Bankers

Danske Bank

Statement by management on the annual report

The executive board has today discussed and approved the annual report of Process Integration ApS for the financial year 1 January – 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report be approved by the company at the general meeting.

Skanderborg, on 26 May 2023

Executive board

Sti Løvgreen, director
Lars Johansen, director

Independent auditor's report

Provided that no significant information or changes are brought forward during the consideration of this draft, we will provide the annual report with the following report:

To the shareholder of Process Integration ApS

Opinion

We have audited the financial statements of Process Integration ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the 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, mis-representations, or the override of internal control.

Independent auditor's report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

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

Based on the work we have performed, we conclude that 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 management's review.

Horsens, on 26 May 2023

Roesgaard

Godkendt Revisionspartnerselskab
CVR-nr. 37 54 31 28

Dorrit Kirckhoff Hansen
State Authorised Public Accountant
MNE-nr. mne35838



PI PROCESS
INTEGRATION

Process Integration ApS,
Godthåbsvej 21,
8660 Skanderborg,
CVR No. 36 98 00 28

Follow us here:

