FU III ApS

Faurskov Allé 6, DK-5560 Aarup

Annual Report for 2023

CVR No. 41 96 99 97

The Annual Report was presented and adopted at the Annual General Meeting of the company on 24/6 2024

Frank Uhrenholt
Chairman of the general meeting

Contents

Management's statement

The Executive Board has today considered and adopted the Annual Report of FU III ApS for the financial year 1 January - 31 December 2023.

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

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Aarup, 24 June 2024

Executive Board

Frank Uhrenholt
CEO

Independent Auditor's report

To the shareholder of FU III ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of FU III ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 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 Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor’s responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 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 Parent 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.

- 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.

Independent Auditor's report

Odense M, 24 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Line Hedam	Anders Kronborg Choy
State Authorised Public Accountant	State Authorised Public Accountant
mne27768	mne44142

Company information

The Company	FU III ApS Faurskov Allé 6 5560 Aarup CVR No: 41 96 99 97 Financial period: 1 January - 31 December Municipality of reg. office: Assens
Executive Board	Frank Uhrenholt
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal DK-5230 Odense M

Financial Highlights

Seen over a 3-year period, the development of the Group is described by the following financial highlights:

	Group		
	2023	2022	2021
	TDKK	TDKK	TDKK
Key figures			
Profit/loss			
Revenue	2,982,117	2,971,683	2,431,953
Gross profit	283,853	258,057	233,399
Profit/loss of primary operations	100,376	91,618	71,098
Profit/loss of financial income and expenses	2,732	-16,043	813
Net profit/loss for the year	78,429	58,604	53,391
Balance sheet			
Balance sheet total	597,656	592,161	543,205
Investment in property, plant and equipment	4,662	1,292	3,395
Equity	203,904	168,245	106,540
Cash flows			
Cash flows from:			
- operating activities	102,403	8,280	58,089
- investing activities	-7,871	-6,568	1,332
- financing activities	-94,402	-2,256	-47,492
Change in cash and cash equivalents for the year	130	-544	11,929
Number of employees	246	240	229
Ratios			
Gross margin	9.5%	8.7%	9.6%
Profit margin	3.4%	3.1%	2.9%
Return on assets	16.8%	15.5%	13.1%
Solvency ratio	34.1%	28.4%	19.6%
Return on equity	42.1%	42.7%	100.2%

Management's review

Key activities

Uhrenholt is a privately-owned dairy group based in Denmark. The group operates in more than 90 markets worldwide, either directly or through subsidiaries, and provides a wide range of own brands and private label solutions to retail, wholesale, foodservice, and industrial customers.

Our competitive advantage is agility, speed, and unparalleled service, and we collaborate closely with our customers to create market-driven food solutions tailored to their needs. We partner with a select group of trusted suppliers to ensure that these often complex solutions are delivered to the global markets swiftly and efficiently while meeting the agreed standards, commercial targets, and sustainability goals.

At Uhrenholt, our approach to business is straightforward and built on trust, dialogue, and efficiency. Our company structure and culture empower our employees to make decisions and improvements quickly and efficiently. We prioritize long-term relationships with our customers and suppliers to ensure mutual benefit in everything we do.

Development in the year

The income statement of the Group for 2023 shows a profit of TDKK 78,429, and at 31 December 2023 the balance sheet of the Group shows a positive equity of TDKK 203,904.

After experiencing an intense surge in raw material prices throughout 2022, the trend normalized in 2023. However, in the fourth quarter, we started to see a resurgence of substantial price hikes in our raw materials.

During this very volatile market development, our business model proved its strength, as the company once again delivered strong results. Earnings Before Tax concluded at +103,1 million DKK. The favorable operating outcome concurrently raised equity to +203,9 million DKK as of December 31, 2023, with a solvency ratio of 34,1%.

Initially, management had forecasted Earnings Before Tax for 2023 in the range of 50-65 million DKK. The improved result was primarily driven from the absence/delay of comprehensive macroeconomic recession, combined with the successful pursuit of opportunities arising from increased market volatility and innovation. Improved cash flow management and policies contributed to debt reduction and gains on foreign exchange transactions, which also improved the result.

Foreign exchange risks

Foreign trade entails transactions and positions in foreign currency. Transactions are mainly in USD, EURO and AUD. It is the company policy to hedge against currency risks. Exchange rate risks related to investments in affiliated enterprises abroad are not hedged.

Targets and expectations for the year ahead

Entering 2024, the combination of geopolitical uncertainty, continued concerns about global or local recession, and currency challenges in certain markets lowers the financial expectations for the year. Additionally, the decrease in milk intake further restricts the availability of goods, contributing to the escalation of raw material prices, and we are seeing noticeable uptick in raw material prices and elevated freight rates, exerting further pressure on profit margins.

Despite many uncertainties, we continue to execute our strategic plans within the existing business framework and expect Earnings Before Tax for 2024 to be in the range of 70-85 mDKK.

Statement of corporate social responsibility

The Uhrenholt Group has signed the UN's Global Compact and is actively working with social responsibility and do see ESG as a key driver of the business. The Group has published the CSR report for 2023 on our website according to §99a of the Danish Financial Statement Act.

The CSR report can be found at https://nozebra.ipapercms.dk/Uhrenholt/CSR/fuiii-2023/csr-2023/

Management's review

Statement on gender composition

The company's top management consists of only one executive officer and there is therefore no obligation to report further in this regard.
In addition, there are no employees in the company and consequently the company is exempt from reporting targets, policies and actions regarding other management.

	2023
Top management	
Total number of members	1
Other management levels	
Total number of members	0

Statement on data ethics

The company has published the CSR report for 2023 on our website, wherein our statement on data ethics according to §99d of the Danish Financial Statement Act is disclosed.

The CSR report can be found at https://nozebra.ipapercms.dk/Uhrenholt/CSR/fuiii-2023/csr-2023/

Subsequent events

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

Income statement 1 January - 31 December

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Revenue	1	2,982,117	2,971,683	0	0
Other operating income		0	216	0	0
Expenses for raw materials and consumables		-2,584,235	-2,624,006	0	0
Other external expenses		-114,029	-89,836	-7	-7
Gross profit		**283,853**	**258,057**	-7	-7
Staff expenses	2	-168,925	-154,354	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-13,983	-12,006	0	0
Other operating expenses		-569	-79	0	0
Profit/loss before financial income and expenses		**100,376**	**91,618**	-7	-7
Income from investments in subsidiaries		0	0	178	142
Financial income	4	10,535	1,077	2	0
Financial expenses	5	-7,803	-17,120	-14	-11
Profit/loss before tax		**103,108**	**75,575**	**159**	**124**
Tax on profit/loss for the year	6	-24,679	-16,971	4	4
Net profit/loss for the year	7	**78,429**	**58,604**	**163**	**128**

Balance sheet 31 December

Assets

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Completed development projects		1,460	10,078	0	0
Acquired patents		2,088	2,645	0	0
Acquired other similar rights		5,239	0	0	0
Goodwill		4,203	5,824	0	0
Intangible assets	8	**12,990**	**18,547**	**0**	**0**
Land and buildings		27,042	25,959	0	0
Plant and machinery		6,061	7,909	0	0
Other fixtures and fittings, tools and equipment		4,245	4,467	0	0
Property, plant and equipment	9	**37,348**	**38,335**	**0**	**0**
Investments in subsidiaries	10	0	0	420	241
Fixed asset investments		**0**	**0**	**420**	**241**
Fixed assets		**50,338**	**56,882**	**420**	**241**
Finished goods and goods for resale		112,471	111,430	0	0
Inventories		**112,471**	**111,430**	**0**	**0**
Trade receivables		381,359	370,276	0	0
Other receivables	11	31,091	33,176	0	0
Deferred tax asset	12	2,248	2,356	0	0
Corporation tax		68	339	0	0
Corporation tax receivable from group enterprises		0	0	472	431
Prepayments	13	8,369	6,119	0	0
Receivables		**423,135**	**412,266**	**472**	**431**
Current asset investments		**197**	**198**	**0**	**0**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Cash at bank and in hand		**11,515**	**11,385**	**36**	**37**
Current assets		**547,318**	**535,279**	**508**	**468**
Assets		**597,656**	**592,161**	**928**	**709**

Balance sheet 31 December

Liabilities and equity

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Share capital	14	40	40	40	40
Reserve for hedging transactions		2	2	0	0
Reserve for exchange rate conversion		-13	0	0	0
Retained earnings		206	119	152	-11
Equity attributable to shareholders of the Parent Company		**235**	**161**	**192**	**29**
Minority interests		203,669	168,084	0	0
Equity		**203,904**	**168,245**	**192**	**29**
Provision for deferred tax	12	1,415	2,472	0	0
Provisions for pensions and similar obligations		1,827	2,454	0	0
Provisions		**3,242**	**4,926**	**0**	**0**
Mortgage loans		18,604	20,099	0	0
Other payables		9,167	8,801	261	246
Long-term debt	15	**27,771**	**28,900**	**261**	**246**
Mortgage loans	15	1,495	1,487	0	0
Credit institutions		35,649	90,893	0	0
Lease obligations		0	171	0	0
Trade payables		265,708	230,335	0	0
Corporation tax		1,545	1,195	468	427
Other payables	15	58,342	66,009	7	7
Short-term debt		**362,739**	**390,090**	**475**	**434**
Debt		**390,510**	**418,990**	**736**	**680**
Liabilities and equity		**597,656**	**592,161**	**928**	**709**

Balance sheet 31 December

Liabilities and equity

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Contingent assets, liabilities and other financial obligations	18				
Related parties	19				
Fee to auditors appointed at the general meeting	20				
Subsequent events	21				
Accounting Policies	22				

Statement of changes in equity

Group

	Share capital	Reserve for hedging transactions	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	40	2	0	119	161	168,084	168,245
Exchange adjustments	0	0	-13	0	-13	-5,178	-5,191
Extraordinary dividend paid	0	0	0	0	0	-37,500	-37,500
Fair value adjustment of hedging instruments, beginning of year	0	-2	0	0	-2	-765	-767
Fair value adjustment of hedging instruments, end of year	0	2	0	0	2	664	666
Tax on adjustment of hedging instruments for the year	0	0	0	0	0	22	22
Other equity movements	0	0	0	-101	-101	101	0
Net profit/loss for the year	0	0	0	188	188	78,241	78,429
Equity at 31 December	**40**	**2**	**-13**	**206**	**235**	**203,669**	**203,904**

Statement of changes in equity

Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	40	-11	29
Net profit/loss for the year	0	163	163
Equity at 31 December	**40**	**152**	**192**

Cash flow statement 1 January - 31 December

		Group	
	Note	2023	2022
		TDKK	TDKK
Result of the year		78,429	58,604
Adjustments	16	36,076	44,883
Change in working capital	17	10,151	-62,429
Cash flow from operations before financial items		**124,656**	**41,058**
Financial income		10,535	1,077
Financial expenses		-7,803	-17,120
Cash flows from ordinary activities		**127,388**	**25,015**
Corporation tax paid		-24,985	-16,735
Cash flows from operating activities		**102,403**	**8,280**
Purchase of intangible assets		-3,209	-5,276
Purchase of property, plant and equipment		-4,662	-1,292
Cash flows from investing activities		**-7,871**	**-6,568**
Repayment of mortgage loans		-1,487	-1,479
Repayment of loans from credit institutions		-55,244	0
Reduction of lease obligations		-171	-968
Raising of loans from credit institutions		0	191
Dividend paid		-37,500	0
Cash flows from financing activities		**-94,402**	**-2,256**
Change in cash and cash equivalents		**130**	**-544**
Cash and cash equivalents at 1 January		11,385	11,929
Cash and cash equivalents at 31 December		**11,515**	**11,385**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		11,515	11,385
Cash and cash equivalents at 31 December		**11,515**	**11,385**

Cash and bank balances at 31 December 2023 include 2,7 MDKK that relates to bank balances subject to restrictions. These funds are not readily available for general use by the FU III ApS group.

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Europe	703,067	794,368	0	0
Asia and Pacific	1,293,770	1,197,264	0	0
Middle East and Africa	484,951	550,317	0	0
Others	500,329	429,734	0	0
	2,982,117	**2,971,683**	**0**	**0**
Business segments				
Consumer division	1,468,911	1,401,254	0	0
Trading division	1,513,206	1,570,429	0	0
	2,982,117	**2,971,683**	**0**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2. Staff Expenses				
Wages and salaries	159,253	145,308	0	0
Pensions	7,460	6,704	0	0
Other social security expenses	1,226	1,100	0	0
Other staff expenses	986	1,242	0	0
	168,925	**154,354**	**0**	**0**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	**246**	**240**	**0**	**0**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	6,620	6,222	0	0
Depreciation of property, plant and equipment	5,363	5,784	0	0
Impairment of intangible assets	2,000	0	0	0
	13,983	**12,006**	**0**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
4. Financial income				
Other financial income	1,361	1,077	2	0
Exchange adjustments	9,174	0	0	0
	10,535	**1,077**	**2**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
5. Financial expenses				
Other financial expenses	7,803	6,811	14	11
Exchange adjustments, expenses	0	10,309	0	0
	7,803	**17,120**	**14**	**11**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
6. Income tax expense				
Current tax for the year	25,696	18,197	-4	-4
Deferred tax for the year	-949	-686	0	0
Adjustment of tax concerning previous years	-90	-22	0	0
	24,657	**17,489**	**-4**	**-4**
thus distributed:				
Income tax expense	24,679	16,971	-4	-4
Tax on equity movements	-22	518	0	0
	24,657	**17,489**	**-4**	**-4**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
7. Profit allocation				
Minority interests' share of net profit/loss of subsidiaries	78,241	58,467	0	0
Retained earnings	188	137	163	128
	78,429	**58,604**	**163**	**128**

Notes to the Financial Statements

8. Intangible fixed assets

Group

	Completed development projects	Acquired patents	Acquired other similar rights	Goodwill
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	29,246	5,509	0	79,332
Exchange adjustment	0	-5	0	-614
Additions for the year	3,007	202	0	0
Transfers for the year	-28,087	0	28,087	0
Cost at 31 December	4,166	5,706	28,087	78,718
Impairment losses and amortisation at 1 January	19,168	2,864	0	73,507
Exchange adjustment	0	0	0	-472
Impairment losses for the year	2,000	0	0	0
Amortisation for the year	4,386	754	0	1,480
Transfers for the year	-22,848	0	22,848	0
Impairment losses and amortisation at 31 December	2,706	3,618	22,848	74,515
Carrying amount at 31 December	**1,460**	**2,088**	**5,239**	**4,203**

Development costs relate to the external development and implementation cost of software systems for internal use.

Notes to the Financial Statements

9. Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	TDKK	TDKK	TDKK
Cost at 1 January	63,413	32,591	19,906
Exchange adjustment	-197	0	-383
Additions for the year	2,160	0	2,502
Disposals for the year	0	-1,775	-1,067
Cost at 31 December	65,376	30,816	20,958
Impairment losses and depreciation at 1 January	37,454	24,681	15,443
Exchange adjustment	-77	0	-364
Impairment losses for the year	0	0	335
Depreciation for the year	957	1,849	2,208
Reversal of impairment and depreciation of sold assets	0	-1,775	-909
Impairment losses and depreciation at 31 December	38,334	24,755	16,713
Carrying amount at 31 December	**27,042**	**6,061**	**4,245**
Including assets under finance leases amounting to	0	0	375

Notes to the Financial Statements

	Parent company	
	2023	2022
	TDKK	TDKK

10. Investments in subsidiaries

	2023 TDKK	2022 TDKK
Cost at 1 January	228	228
Cost at 31 December	228	228
Value adjustments at 1 January	13	-129
Net profit/loss for the year	179	142
Value adjustments at 31 December	192	13
Carrying amount at 31 December	**420**	**241**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Uhrenholt A/S	Denmark	0,26%
Selskabet af 17.08.2007 ApS	Denmark	0,26%
Uhrenholt Sdn Bhd	Malaysia	0,26%
Uhrenholt LLC	Russia	0,26%
Emborg Goods USA inc	USA	0,26%
Uhrenholt Middle East DMCC	Dubai	0,26%
Uhrenholt Polska SP z.o.o.	Poland	0,26%
Uhrenholt Food Solutions (Shanghai) Co Ltd.	China	0,26%
F. Uhrenholt Holding International ApS	Denmark	0,26%
Uhrenholt USA LLC	USA	0,26%
Uhrenholt Espana S.L.U.	Spain	0,26%
Uhrenholt Food Service Hong Kong Ltd	China	0,26%
Uhrenholt South Africa Pty Ltd.	South Africa	0,26%
Uhrenholt Oceania Pty Ltd.	Australia	0,26%
Uhrenholt Philippines Inc.	Philippines	0,26%
F. Uhrenholt Barter ApS	Denmark	0,26%
F. Uhrenholt Handel ApS	Denmark	0,26%
F. Uhrenholt Dairy Products ApS	Denmark	0,26%
F. Uhrenholt Holding A/S	Denmark	0,26%

Voting share in F. Uhrenholt Holding A/S and underlying subsidiaries is 61%.

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

11. Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

Assets	3,375	8,513	0	0

Forward currency exchange contracts:
The group has entered into forward currency exchange contracts in order to hedge future sales of goods and purchases as well as to hedge balance sheet items in foreign currencies. Forward currency exchange contracts have been entered into in a number of currencies, with USD, NZD, AUD, GBP, PLN, EUR, SGD and SEK being the most important. The fair value of the forward currency exchange contracts amount to kDKK 3.375. The forward currency exchange contracts have maturity date within the next 12 months.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

12. Deferred tax asset

Deferred tax asset at 1 January	-116	-802	0	0
Amounts recognised in the income statement for the year	949	686	0	0
Deferred tax asset at 31 December	**833**	**-116**	**0**	**0**
Recognised in the balance sheet as follows:				
Assets	2,248	2,356	0	0
Provisions	-1,415	-2,472	0	0
	833	**-116**	**0**	**0**

13. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

14. Share capital

	Number	Nominal value
		TDKK
A-shares	40,000	40
		40

The share capital consists of 40,000 shares of a nominal value of DKK 1. No shares carry any special rights.

15. 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:

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Mortgage loans				
After 5 years	12,539	14,068	0	0
Between 1 and 5 years	6,065	6,031	0	0
Long-term part	18,604	20,099	0	0
Within 1 year	1,495	1,487	0	0
	20,099	**21,586**	**0**	**0**
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	9,167	8,801	261	246
Long-term part	9,167	8,801	261	246
Other short-term payables	58,342	66,009	7	7
	67,509	**74,810**	**268**	**253**

Other payables of 8,906 TDKK as of 31 December 2023 carry interest.

Notes to the Financial Statements

16. Cash flow statement - Adjustments

	Group 2023	Group 2022
	TDKK	TDKK
Financial income	-10,535	-1,077
Financial expenses	7,803	17,120
Depreciation, amortisation and impairment losses, including losses and gains on sales	14,129	11,869
Tax on profit/loss for the year	24,679	16,971
	36,076	**44,883**

17. Cash flow statement - Change in working capital

	Group 2023	Group 2022
	TDKK	TDKK
Change in inventories	-1,041	-15,910
Change in receivables	-13,704	-38,287
Change in other provisions	-627	-1
Change in trade payables, etc	25,624	-10,588
Fair value adjustments of hedging instruments	-101	2,357
	10,151	**-62,429**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

18. Contingent assets, liabilities and other financial obligations

Charges and security

	Group 2023	Group 2022	Parent 2023	Parent 2022
The following assets have been placed as security with mortgage credit institutes:				
Land and buildings with a carrying amount of	18,306	18,713	0	0
Booked value of debt to mortgage credit institutes at 31 December 2023	20,099	21,586	0	0
At 31 December 2023 bank guarantees have been provided to suppliers through banks and finance companies of	1,450	460	0	0

As per 31 December 2023 a floating charge of mDKK 330 has been registered, as security for the Group's balances with banks. This security has been cancelled by end of February 2024 following a new financing arrangement. As per 31 December 2023 the floating charge gave security in the following:
Receivables from sales kDKK 352,210
Inventories kDKK 78,954
Other plant, machinery and equipment kDKK 8,292
Intellectual rights/patents kDKK 2,088

Rental and lease obligations

	Group 2023	Group 2022	Parent 2023	Parent 2022
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	2,715	2,713	0	0
Between 1 and 5 years	3,125	2,098	0	0
	5,840	**4,811**	**0**	**0**
Rental obligations, non-cancellation period 3-48 months.	23,800	30,785	0	0

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

18. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Group companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. FU III ApS is administration company in relation to joint taxation. The Group companies are also jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax. Any subsequent corrections to corporation taxes and withholding taxes may result in the company's liability constituting a larger amount.

19. Related parties

	Basis
Controlling interest	
Frank Uhrenholt	Controlling interest

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

No transactions with related parties have been made, which are not on arm's length basis.

Notes to the Financial Statements

	Group	
	2023	2022
	TDKK	TDKK
20. Fee to auditors appointed at the general meeting		
PricewaterhouseCoopers		
Audit fee	609	862
Tax advisory services	805	368
Non-audit services	739	1,184
	2,153	**2,414**
Others		
Audit fee	84	0
Tax advisory services	12	0
Non-audit services	287	335
	383	**335**

With reference to the Danish Financial Statements Act § 96,3 information on auditing fees is exclusively provided for the consolidated financial statements of FU III ApS and not for the parent company.

21. Subsequent events

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

Notes to the Financial Statements

22. Accounting policies

The Annual Report of FU III ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, FU III ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquistition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity’s identifiable net assets. In this way, only goodwill related to the Parent Company’s share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Notes to the Financial Statements

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Segment information on revenue

Information on business segments and geographical segments are based on the Group's risks and returns and its internal financial reporting system.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

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

Balance sheet

Intangible fixed assets

Development projects, patents and licences
Costs of development projects comprise expenses directly or indirectly attributable to the Group's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the Group can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item “Reserve for development costs”. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-10 years.

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the patent period, maximum 20 years.

Other intangible fixed assets are written down to the recoverable amount if this is lower than the carrying amount.

Goodwill
Goodwill is amortised on a straight-line basis over the estimated useful life of 10-20 years, which is determined on the basis of Management’s experience with the individual business areas.

Goodwill is written down to recoverable amount if this is lower than the carrying amount

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other buildings	20-65 years
Plant and machinery	3-15 years
Other fixtures and fittings, tools and equipment	3-8 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Notes to the Financial Statements

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Current Asset Investments

Current asset investments, which consist of unlisted shares.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Equity

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Notes to the Financial Statements

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity