Westrup ApS

Sorøvej 21, DK-4200 Slagelse

Annual Report for 1 April 2023 - 31 March 2024

CVR No. 42 51 40 12

The Annual Report was presented and adopted at the Annual General Meeting of the company on 6/8 2024

Aashish Barwale
Chairman of the general meeting

Contents

Management's statement

The Executive Board has today considered and adopted the Annual Report of Westrup ApS for the financial year 1 April 2023 - 31 March 2024.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 March 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023/24.

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

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

Slagelse, 6 August 2024

Executive Board

Bo Borne Jørgensen
Mads Reese Wilsom

Independent Auditor's report

To the shareholder of Westrup 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 March 2024 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 April 2023 - 31 March 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Westrup ApS for the financial year 1 April 2023 - 31 March 2024, 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

Ringsted, 6 August 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Brian Pedersen
State Authorised Public Accountant
mne28701

Nikolaj Frausing Borch
State Authorised Public Accountant
mne44062

Company information

The Company	Westrup ApS Sorøvej 21 DK-4200 Slagelse
	CVR No: 42 51 40 12
	Financial period: 1 April 2023 - 31 March 2024
	Municipality of reg. office: Slagelse
Executive Board	Bo Borne Jørgensen Mads Reese Wilsom
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Eventyrvej 16 DK-4100 Ringsted

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023/24	2022/23	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	63,048	70,919	63,536	55,679	58,781
Profit/loss of primary operations	5,292	8,713	3,977	95	-3,603
Profit/loss of financial income and expenses	-3,055	-2,127	-1,813	-2,006	-1,618
Net profit/loss for the year	2,237	6,586	2,164	-1,911	-5,221
Balance sheet					
Balance sheet total	85,798	97,470	95,264	82,966	79,254
Investment in property, plant and equipment	967	3,843	434	445	257
Equity	20,464	18,256	11,857	9,798	11,685
Cash flows					
Cash flows from:					
- operating activities	3,258	4,463	8,237	-1,407	-6,938
- investing activities	-995	-4,059	-589	-539	1,109
- financing activities	-1,616	-611	-4,285	-614	8,049
Change in cash and cash equivalents for the year	647	-207	3,363	-2,560	2,220
Number of employees	97	107	101	106	111
Ratios					
Return on assets	6.2%	8.9%	4.2%	0.1%	-4.5%
Solvency ratio	23.9%	18.7%	12.4%	11.8%	14.7%
Return on equity	11.6%	43.7%	20.0%	-17.8%	-36.5%

Management's review

Key activities

The activities of the Westrup Group are development, manufacturing and sale of separators and cleaners as well as projects primarily relating to grains and seeds for industrial purposes, ranging from single machines to complete process lines and after sale services.

Development in the year

The income statement of the Group for 2023/24 shows a profit of TDKK 2,237, and at 31 March 2024 the balance sheet of the Group shows a positive equity of TDKK 20,464.

The past year and follow-up on development expectations from last year

This result is a decline from 2022/2023 and a consequence of a focused changed marked conditions with increasing financial cost structures and impact from the war in Ukraine.

The previous years hard driven turnaround process, however ensured a reasonable financial result.

The result contains amortizations and net depreciations of TDKK 1,080.

2023/24 was a slow year with some spillover effect from the Ukraine war.

However, due to solid backlog and previous years' initiatives, the reduced order inflow turned out below expectations but with acceptable margins forming the base for a growth budget for the primary activities in the coming years.

The main reasons for the deviation were the low order intake early in the year.

During 2023/24 the parent company has continuously shown full support to Westrup, by only calling on loans, when payback was responsibly possible.

Operating risks

The Company's most significant operating risk relates to the ability to be strongly positioned in the markets where the products are sold, which is very much the focus of Westrup's development strategy.

Foreign exchange risks

Earnings may be affected by changes in exchange rates as some part of the revenue is invoiced in foreign currencies, whereas costs, including salaries, are paid in DKK or EUR. The majority of the Group's revenue is attributable to other countries than Denmark, mainly the EUR-countries and countries in which the trading currency is USD.

Targets and expectations for the year ahead

The expectations for 2024/25 are to continue to strengthen the core business further with increased market shares and increased and stable earnings. The Company expects to further intensify its focus on the development of the market position and representation directly and through partners, understanding competition will still be fierce.

The financial year 2024/25 continues with already incorporated negative effects from the Ukraine War and the new high level of interest rates affecting the business environment negatively. However, with the completed turnaround Westrup A/S has been shaped to operate and grow under these conditions. The Group expects further improvements during 2024/25 and that the profit will at least double that of 2023/2024.

Management's review

Research and development

Key focus continues to be development of the sales and product activities in the direction of a broader mix of single machines and projects, along with increased after sales services. Entering new markets will be at increased focus. The initiatives deliver results and will continue to be powered by further resources and initiatives. A strategy of teaming up with partners around the world will aid the flexibility of Westrup's competences to act and to be more present anywhere in the world continues and start paying off – increased results from these activities are expected.

External environment

The Group focuses on the proper use of equipment and materials for all materials to be used, stored, and disposed of in accordance with all applicable rules. The primary materials used in Westrup's production are wood and metal, and residual products are sold for recycling. Consequently, the overall impact by Westrup on the environment is balanced in respect of the above, and the Company is constantly focusing on reducing it further, if possible.

Intellectual capital resources

The ambition of being a market leader and at the leading edge of technological development means that the Group needs employees with in-depth knowledge of products and customer requirements. This places heavy demands on the Company especially in relation to gaining and propagating new knowledge.

Furthermore, the individual employee's personal knowledge is decisive.

To continuously supply and develop competitive products and project solutions, it is crucial for the Group to recruit and retain employees with a high knowledge level.

The critical business processes are quality, service, and individual solutions. Ensuring that the customer receives the agreed service requires the individual methods and procedures to be documented and checked with Management involvement. Measurement of whether the business processes work, deadlines are met, and quality of delivery is an important indicator.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 March 2024 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023/24 have not been affected by any unusual events.

Subsequent events

After the balance sheet date, the external factors indicate an unchanged difficult global business environment. This has called for continued focus on cost and order intake.

A restructuring of parts of the company has already been carried out and is expected to have an effect in the following years. Therefore, the result for 2024/25 is expected to be better than 2023/24 despite the market conditions.

Income statement 1 April 2023 - 31 March 2024

		Group		Parent company	
	Note	2023/24	2022/23	2023/24	2022/23
		TDKK	TDKK	TDKK	TDKK
Gross profit		**63,048**	**70,919**	**54,178**	**58,079**
Staff expenses	1	-56,676	-60,986	-47,226	-52,806
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-1,080	-1,220	-983	-1,124
Profit/loss before financial income and expenses		**5,292**	**8,713**	**5,969**	**4,149**
Income from investments in subsidiaries		0	0	-756	4,464
Financial income		171	228	39	226
Financial expenses	3	-3,226	-2,355	-3,015	-2,253
Profit/loss before tax		**2,237**	**6,586**	**2,237**	**6,586**
Tax on profit/loss for the year		0	0	0	0
Net profit/loss for the year	4	**2,237**	**6,586**	**2,237**	**6,586**

Balance sheet 31 March 2024

Assets

		Group		Parent company	
	Note	2023/24	2022/23	2023/24	2022/23
		TDKK	TDKK	TDKK	TDKK
Completed development projects		1,362	1,637	1,362	1,637
Acquired licenses		133	238	133	238
Development projects in progress		0	0	0	0
Intangible assets	5	**1,495**	**1,875**	**1,495**	**1,875**
Land and buildings		34,125	30,802	34,125	30,802
Plant and machinery		161	191	161	191
Other fixtures and fittings, tools and equipment		835	537	607	632
Property, plant and equipment in progress		0	3,296	0	3,296
Property, plant and equipment	6	**35,121**	**34,826**	**34,893**	**34,921**
Investments in subsidiaries	7	0	0	3,237	3,252
Fixed asset investments		**0**	**0**	**3,237**	**3,252**
Fixed assets		**36,616**	**36,701**	**39,625**	**40,048**
Inventories	8	**26,301**	**33,854**	**24,856**	**32,801**
Trade receivables		10,666	14,816	4,330	5,168
Contract work in progress	9	54	108	54	108
Receivables from group enterprises		0	0	7,045	5,545
Receivables from associates		24	0	24	0
Other receivables		1,747	2,129	1,421	1,581
Prepayments	10	1,748	1,867	921	801
Receivables		**14,239**	**18,920**	**13,795**	**13,203**
Cash at bank and in hand		**8,642**	**7,995**	**2,234**	**6,220**
Current assets		**49,182**	**60,769**	**40,885**	**52,224**
Assets		**85,798**	**97,470**	**80,510**	**92,272**

Balance sheet 31 March 2024

Liabilities and equity

		Group		Parent company	
	Note	2023/24	2022/23	2023/24	2022/23
		TDKK	TDKK	TDKK	TDKK
Share capital		34,040	34,040	34,040	34,040
Revaluation reserve		4,336	4,420	4,336	4,420
Reserve for development costs		1,063	1,278	1,063	1,278
Reserve for exchange rate conversion		-297	-269	0	0
Retained earnings		-18,678	-21,213	-18,975	-21,482
Equity		**20,464**	**18,256**	**20,464**	**18,256**
Provisions relating to investments in group enterprises		0	0	204	337
Other provisions	11	2,137	2,073	1,577	1,889
Provisions		**2,137**	**2,073**	**1,781**	**2,226**
Mortgage loans		9,506	8,220	9,506	8,220
Other payables		4,569	4,586	4,569	4,586
Long-term debt	12	**14,075**	**12,806**	**14,075**	**12,806**
Mortgage loans	12	313	728	313	728
Credit institutions		2	0	0	0
Prepayments received from customers		9,010	11,683	5,329	8,366
Trade payables		13,754	16,957	12,584	16,262
Contract work in progress	9	4,989	6,085	4,989	6,085
Payables to group enterprises		13,322	15,168	14,893	16,809
Payables to associates		851	1,477	851	1,477
Other payables	12	6,315	11,914	4,665	8,934
Deferred income	13	566	323	566	323
Short-term debt		**49,122**	**64,335**	**44,190**	**58,984**
Debt		**63,197**	**77,141**	**58,265**	**71,790**
Liabilities and equity		**85,798**	**97,470**	**80,510**	**92,272**

Balance sheet 31 March 2024

Liabilities and equity

		Group		Parent company	
	Note	2023/24	2022/23	2023/24	2022/23
		TDKK	TDKK	TDKK	TDKK
Contingent assets, liabilities and other financial obligations	16				
Related parties	17				
Accounting Policies	18				

Statement of changes in equity

Group

	Share capital	Revaluation reserve	Reserve for developmen t costs	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 April	34,040	4,420	1,278	-269	-21,214	18,255
Exchange adjustments relating to foreign entities	0	0	0	-28	0	-28
Depreciation, amortisation and impairment for the year	0	-84	-215	0	299	0
Net profit/loss for the year	0	0	0	0	2,237	2,237
Equity at 31 March	**34,040**	**4,336**	**1,063**	**-297**	**-18,678**	**20,464**

Parent company

	Share capital	Revaluation reserve	Reserve for developmen t costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 April	34,040	4,420	1,278	-21,483	18,255
Exchange adjustments relating to foreign entities	0	0	0	-28	-28
Depreciation, amortisation and impairment for the year	0	-84	-215	299	0
Net profit/loss for the year	0	0	0	2,237	2,237
Equity at 31 March	**34,040**	**4,336**	**1,063**	**-18,975**	**20,464**

Cash flow statement 1 April 2023 - 31 March 2024

	Note	Group 2023/24	Group 2022/23
		TDKK	TDKK
Result of the year		2,237	6,586
Adjustments	14	4,107	3,353
Change in working capital	15	-31	-3,347
Cash flow from operations before financial items		**6,313**	**6,592**
Financial income		171	228
Financial expenses		-3,226	-2,357
Cash flows from operating activities		**3,258**	**4,463**
Purchase of intangible assets		-28	-28
Purchase of property, plant and equipment		-967	-3,843
Fixed asset investments made etc		0	-188
Cash flows from investing activities		**-995**	**-4,059**
Repayment of mortgage loans		-9,129	-812
Repayment of loans from credit institutions		0	-3
Repayment of payables to group enterprises		-1,846	-1,195
Repayment of payables to associates		-626	1,399
Repayment of other long-term debt		-17	0
Raising of mortgage loans		10,000	0
Raising of loans from credit institutions		2	0
Cash flows from financing activities		**-1,616**	**-611**
Change in cash and cash equivalents		**647**	**-207**
Cash and cash equivalents at 1 April		7,995	8,202
Cash and cash equivalents at 31 March		**8,642**	**7,995**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		8,642	7,995
Cash and cash equivalents at 31 March		**8,642**	**7,995**

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK

1. Staff Expenses

	Group 2023/24 TDKK	Group 2022/23 TDKK	Parent company 2023/24 TDKK	Parent company 2022/23 TDKK
Wages and salaries	51,060	55,720	43,206	48,935
Pensions	2,842	2,503	2,760	2,341
Other social security expenses	808	952	808	952
Other staff expenses	1,966	1,811	452	578
	56,676	**60,986**	**47,226**	**52,806**
Including remuneration to the Executive Board and Board of Directors	**1,641**	**2,087**	**1,641**	**2,087**
Average number of employees	**97**	**107**	**82**	**93**

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

	Group 2023/24 TDKK	Group 2022/23 TDKK	Parent company 2023/24 TDKK	Parent company 2022/23 TDKK
Amortisation of intangible assets	408	806	408	806
Depreciation of property, plant and equipment	672	414	575	318
	1,080	**1,220**	**983**	**1,124**

3. Financial expenses

	Group 2023/24 TDKK	Group 2022/23 TDKK	Parent company 2023/24 TDKK	Parent company 2022/23 TDKK
Interest paid to group enterprises	1,160	916	1,160	916
Other financial expenses	1,517	956	1,306	854
Exchange loss	549	483	549	483
	3,226	**2,355**	**3,015**	**2,253**

Notes to the Financial Statements

	Parent company	
	2023/24	2022/23
	TDKK	TDKK

4. Profit allocation

	2023/24 TDKK	2022/23 TDKK
Retained earnings	2,237	6,586
	2,237	**6,586**

5. Intangible fixed assets

	Group			Parent company		
	Completed develop-ment projects	Acquired licenses	Develop-ment projects in progress	Completed develop-ment projects	Acquired licenses	Develop-ment projects in progress
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 April	2,747	7,519	871	2,747	7,519	871
Additions for the year	0	27	0	0	27	0
Cost at 31 March	2,747	7,546	871	2,747	7,546	871
Impairment losses and amortisation at 1 April	1,109	7,281	871	1,109	7,281	871
Amortisation for the year	276	132	0	276	132	0
Impairment losses and amortisation at 31 March	1,385	7,413	871	1,385	7,413	871
Carrying amount at 31 March	**1,362**	**133**	**0**	**1,362**	**133**	**0**
Amortised over	3-10 years	3-5 years		3-10 years	3-5 years	
Interest expenses recognised as part of cost	26	0	0	26	0	0

During the year, initiatives have continued from the previous year, now with increased focus on selling the launched new products. In the coming year, new products will be launched, and the continued development of the sale of new products will be further intensified.

Finished development projects are transferred to completed development projects and are depreciated over a period of 3-10 years considering the individual product.

Notes to the Financial Statements

6. Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 April	44,743	12,656	7,512	3,296
Additions for the year	361	0	605	0
Transfers for the year	3,296	0	0	-3,296
Cost at 31 March	48,400	12,656	8,117	0
Revaluations at 1 April	25,255	0	0	0
Revaluations at 31 March	25,255	0	0	0
Impairment losses and depreciation at 1 April	39,197	12,465	6,975	0
Depreciation for the year	333	30	307	0
Impairment losses and depreciation at 31 March	39,530	12,495	7,282	0
Carrying amount at 31 March	**34,125**	**161**	**835**	**0**
Revaluation less amortisation, depreciation and impairment losses	5,559	0	0	0
Carrying amount at 31 March before revaluations	**28,566**	**161**	**835**	**0**
Amortised over	15-50 years	5-10 years	3-5 years	

Notes to the Financial Statements

Parent company

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 April	44,743	12,656	7,089	3,296
Additions for the year	361	0	187	0
Transfers for the year	3,296	0	0	-3,296
Cost at 31 March	48,400	12,656	7,276	0
Revaluations at 1 April	25,255	0	0	0
Revaluations at 31 March	25,255	0	0	0
Impairment losses and depreciation at 1 April	39,197	12,465	6,457	0
Depreciation for the year	333	30	212	0
Impairment losses and depreciation at 31 March	39,530	12,495	6,669	0
Carrying amount at 31 March	**34,125**	**161**	**607**	**0**
Revaluation less amortisation, depreciation and impairment losses	5,559	0	0	0
Carrying amount at 31 March before revaluations	**28,566**	**161**	**607**	**0**
Amortised over	15-50 years			

Management have prepared a valuation of Land and buildings using a net rental income model. The key assumptions of the model are based on the latest independent assessment of the market value performed in 2023. The key assumptions are as follows:

- Markent rent per square meter is estimated at DKK 316.
- Estimated cost of rental is based on an average of historical cost levels.
- Expected return is estimated at 8,5 %.

To account for any uncertainties Management has made a cut of 5 % in the calculated value, as they believe it is more prudent to act conservatively due to the current uncertainties in the real estate market.

Sensitivity analysis:
-If the expected return is changed by +-0,5 %-points, the calculated value of Land and buildings will change approximately DKK 2-2,3 million.
- If the assumption in market rent is changed +- DKK 25 per square meter (8 %), the calculated value of Land and buildings will change approximately DKK 3.5 million

Notes to the Financial Statements

	Parent company	
	2023/24	2022/23
	TDKK	TDKK
7. Investments in subsidiaries		
Cost at 1 April	8,397	8,397
Cost at 31 March	8,397	8,397
Value adjustments at 1 April	-7,616	-11,892
Exchange adjustment	-28	-188
Net profit/loss for the year	-757	4,464
Value adjustments at 31 March	-8,401	-7,616
Equity investments with negative net asset value amortised over receivables	3,037	2,134
Equity investments with negative net asset value transferred to provisions	204	337
Carrying amount at 31 March	**3,237**	**3,252**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
Westrup France S.A.	St Melaine, France	371.865	100%
Westrup Inc	USA	6.343	100%
Westrup Anlagenbau GmbH	Hamburg, Germany	185.933	100%

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
8. Inventories				
Raw materials and consumables	12,830	15,556	12,827	15,556
Work in progress	10,082	12,865	10,082	12,865
Finished goods and goods for resale	3,389	5,433	1,947	4,380
	26,301	**33,854**	**24,856**	**32,801**

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
9. Contract work in progress				
Selling price of work in progress	26,359	29,413	26,359	29,413
Payments received on account	-31,294	-35,390	-31,294	-35,390
	-4,935	**-5,977**	**-4,935**	**-5,977**
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	54	108	54	108
Prepayments received recognised in debt	-4,989	-6,085	-4,989	-6,085
	-4,935	**-5,977**	**-4,935**	**-5,977**

10. Prepayments

Prepayments are comprised of prepaid expenses regarding rent, insurance etc.

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK

11. Other provisions

The Company provides warranties of 1 to 5 years on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions have been recognised for expected warranty claims as follows:

Other provisions	2,137	2,073	1,577	1,889
	2,137	**2,073**	**1,577**	**1,889**
The provisions are expected to mature as follows:				
Provisions falling due after 5 years	0	0	0	0
	0	**0**	**0**	**0**

12. 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	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
Mortgage loans				
After 5 years	8,272	4,177	8,272	4,177
Between 1 and 5 years	1,234	4,043	1,234	4,043
Long-term part	9,506	8,220	9,506	8,220
Within 1 year	313	728	313	728
	9,819	**8,948**	**9,819**	**8,948**
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	4,569	4,586	4,569	4,586
Long-term part	4,569	4,586	4,569	4,586
Other short-term payables	6,315	11,914	4,665	8,934
	10,884	**16,500**	**9,234**	**13,520**

13. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

14. Cash flow statement - Adjustments

	Group	
	2023/24	2022/23
	TDKK	TDKK
Financial income	-171	-228
Financial expenses	3,226	2,355
Depreciation, amortisation and impairment losses, including losses and gains on sales	1,080	1,220
Exchange adjustments	-28	0
Other adjustments	0	6
	4,107	**3,353**

Notes to the Financial Statements

15. Cash flow statement - Change in working capital

	Group 2023/24 TDKK	Group 2022/23 TDKK
Change in inventories	7,553	-6,404
Change in receivables	4,681	6,641
Change in other provisions	64	483
Change in trade payables, etc	-12,329	-4,067
	-31	**-3,347**

16. Contingent assets, liabilities and other financial obligations

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
Charges and security				
The following assets have been placed as security with mortgage credit institutes:				
Land and buildings with a carrying amount of	34,125	30,802	34,125	30,802

Bank debt are secured by way of mortgage deed registered to the mortgagor on properties of TDKK 10.000 on properties.

The Group and Parent have signed the usual performance guarantees etc.

	Group 2023/24 TDKK	Group 2022/23 TDKK	Parent company 2023/24 TDKK	Parent company 2022/23 TDKK
The following assets have been placed as security with bankers:				
Mortgage deeds registered to the mortgagor totalling TDKK 10,000, providing security on land and buildings at a total carrying amount of:	34,125	30,802	34,125	30,802
Company charge amounting to TDKK 6,300 have been placed in simple claims, inventory of raw materials, work in progress and finished goods, other equipment and intellectual property rights with a carrying amount of	29,956	0	29,956	0

16. Contingent assets, liabilities and other financial obligations

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	1,021	966	492	387
Between 1 and 5 years	1,351	1,746	1,062	827
	2,372	**2,712**	**1,554**	**1,214**

Other contingent liabilities

The Parent Company has issued a letter of support towards the subsidiary Westrup Anlagenbau GmbH, whereby it undertakes an obligation provide the subsidiary with any cash neccesary for the subsidiary to meet its financial obligation or continue operating.

17. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of thevotes or at least 5% of the share capital:	Mahyco Private Limited, Mumbai India, owns 100 % of the shares of the Company

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.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Mahyco Private Limited	Mumbai India *The consolidated financial statements for Mahyco Private Limited can be obtained by contacting the Management of Westrup.*

Notes to the Financial Statements

18. Accounting policies

The Annual Report of Westrup ApS for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized 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 2023/24 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, Westrup 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.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

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

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies. If currency positions are considered to hedge future cash flows, value adjustments are recognized directly in equity.

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.

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 from the sale of services is recognised in the income statement when delivery is made to the buyer.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

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 and distribution as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

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 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 comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company'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 enterprise 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.

Other intangible fixed assets

Other intangible fixed assets are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Software licences are amortised over the period of the agreements, which is 3-5 years.

Property, plant and equipment

On acquisition land and buildings are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed properties comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and supsuppliers up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of properties are recognised in cost over the construction period.

After the initial recognition land and buildings are measured at fair value.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The fair value of land and buildings has been determined at 31 March 2024 by using a return-based model under which the expected future cash flows for the coming year combined with a rate of return form the basis of the fair value of the property. The calculations are based on property budgets for the coming years. The budget takes into account developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The budgeted cash flow is divided by the estimated rate of return to arrive at the fair value of the properties. See note 6 for details of the assumptions applied.

The estimates applied are based on historical information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

Other 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.

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

Production buildings	15-50 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-5 years

The residual values are estimated at the following percentage of the cost:

Production Buildings 40 %

The residual value of other fixed assets is determined at nil.

Land is not depreciated.

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.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

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, raw materials and consumables 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.

Impairment losses are recognised on slow-moving items.

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.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

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

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.

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructurings, etc. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is likely that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

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.

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

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

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