

Kramp Danmark A/S

Kobbervej 6, 6900 Skjern

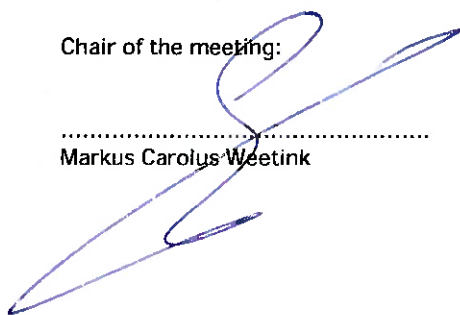
CVR no. 45 80 39 10

Annual report 2023

Approved at the Company's annual general meeting on 12 June 2024

Chair of the meeting:

.....
Markus Carolus Weetink

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Kramp Danmark A/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Skjern, 12 June 2024

Executive Board:



Stefan Garsdal



Markus Carolus Weetink

Board of Directors:



Peter Søgaard
Chairman



Stefan Garsdal



Markus Carolus Weetink



Jan Anlers Hansen



Lars Emil Pedersen

Independent auditor's report

To the shareholder of Kramp Danmark A/S

Opinion

We have audited the financial statements of Kramp Danmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for opinion

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the 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 Company's internal control.

Independent auditor's report

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Herning, 12 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Jesper Stier
State Authorised Public Accountant
mne42245


Niels Gjøel Jensen
State Authorised Public Accountant
mne49103

Management's review

Company details

Name	Kramp Danmark A/S
Address, Postal code, City	Kobbervej 6, 6900 Skjern
CVR no.	45 80 39 10
Established	4 April 1945
Registered office	Ringkøbing-Skjern
Financial year	1 January - 31 December
Website	www.kramp.com
Board of Directors	Peter Søgaard, Chairman Stefan Garsdal Markus Carolus Weetink Jan Ahlers Hansen Lars Emil Pedersen
Executive Board	Stefan Garsdal Markus Carolus Weetink
Auditors	EY Godkendt Revisionspartnerselskab Dalgasgade 27, 3. sal, 7400 Herning, Denmark

Management's review

Financial highlights

DKK'000	2023	2022	2021	2020	2019
Key figures					
Gross profit	116,978	119,301	119,921	109,477	114,306
Operating profit/loss	11,114	14,353	15,134	12,663	10,902
Net financials	2,979	-1,535	-3,038	-342	-544
Profit before tax	14,152	12,818	12,268	11,934	12,327
Profit for the year	10,940	9,470	9,528	9,286	9,585
Balance sheet					
Total assets	181,837	168,566	176,735	185,016	184,886
Investments in property, plant and equipment	3,188	1,119	983	3,062	3,588
Share capital	20,000	20,000	20,000	20,000	20,000
Equity	88,009	86,969	83,745	83,125	82,879
Non-current liabilities	21,132	26,160	28,099	36,472	43,302
Current liabilities	72,696	55,437	64,891	65,419	58,705
Financial ratios					
Return on assets	6.3%	8.3%	8.4%	6.8%	5.0%
Current ratio	128.2%	136.0%	120.6%	124.2%	123.9%
Equity ratio	48.4%	51.6%	47.4%	44.9%	44.8%
Return on equity	12.5%	11.1%	11.4%	11.2%	9.8%
Employees					
Average number of full-time employees	175	185	190	181	195

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	$\frac{\text{Profit/loss before net financials +/- Other operating income and other operating expenses}}{\text{Average assets}} \times 100$
Return on assets	$\frac{\text{Profit/loss from operating activities}}{\text{Average assets}} \times 100$
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}} \times 100$
Equity ratio	$\frac{\text{Equity, year-end}}{\text{Total equity and liabilities, year-end}} \times 100$
Return on equity	$\frac{\text{Profit/loss after tax}}{\text{Average equity}} \times 100$

Management's review

Business review

Kramp Danmark A/S' principal activity is sales of spare and wearing parts, technical articles and accessories for agriculture and industry and owned by Kramp Group B.V, the largest specialist in the agricultural industry. With more than 500.000 products available online of which 330.000 products can be delivered immediately, 12 distribution centers and 24 sales offices throughout Europe, Kramp is an essential partner for our customers and supplier.

Financial review

2023 was yet another challenging year for the global economy. Many indicators are showing never seen before growth in wealth potential, offset by many factors being offset by geo-political tensions. Inflation remained at a high level - especially at the first half of the year. More locally, rising uncertainty about ESG driven regulations across Europe are also becoming to be tangible in Denmark. New tractor and machinery registrations are under pressure, as well as more long term investments. Consolidation of the market is trend here to stay: scale is the key to success.

Kramp Danmark A/S generated a gross profit of DKK 117 mill (Expected 123 million) a decrease of 5% compared to expected. Profit for the year amounted to DKK 10,9 million (Expected DKK 9,8 million) an increase of 16% vs 2022 and is considered satisfactory based considering external factors and in line with expectations. Kramp Denmark is a financially sound company, ready to continue serving its loyal customer base in 2024 and beyond.

Knowledge resources

Being a commercial and service business, the company's most important resources are the knowledge and know-how of employees. It is therefore of the utmost importance to maintain and develop employee skills in terms of products and the market, but also to maintain and develop managerial skills.

Through the Kramp Academy, Kramp Danmark A/S provides an internal and external training program covering all employee groups in the company. In addition, here to, individual training and development is being prioritized.

Financial risks and use of financial instruments

To the Management's discretion, no special risks apart from any generally occurring risks are incumbent on the company.

Impact on the external environment

The company has no environmental heavy production, and therefore no special environmental measures have been implemented. However, as a commercial and service company, Kramp Danmark A/S is aware of the natural footprint on the climate through its business activities. The company strives to minimize its climate impact by optimizing its energy efficiency and reducing CO2 emissions from own operations.

Research and development activities

Since the company is predominantly selling commercial items, no actual research and development activities take place, but the company's range of products is being updated.

Foreign branches

The company has no foreign branches.

Events after the balance sheet date

The management is not aware of events occurring after the balance sheet date, which are expected to have material impact on the company's financial position or outlook.

Management's review

Outlook

ESG regulations will play a vital role in the 2024 and years to come in financial planning of many of Kramp's stakeholders. Kramp is there to support its dedicated suppliers and loyal customer base and to jointly navigate through these sometimes uncertain as well as exciting times. Kramp has confidence in the agricultural, F&G and Construction sectors and specifically in the solutions Kramp can offer. We look to the future positively and optimistically. With the constant focus on new web technologies, a further developed value proposition for our customers, Kramp's never ending focus on serving the customer even more smooth and through the appropriate channel - we're certain that 2024 will be a significant and important year for laying the foundation for future growth with all of our stakeholders.

For 2024, we expect a steady development in market share with a gross profit DKK 117 million and profit of the year of DKK 11 million.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
	Gross profit	116,978	119,301
3	Staff costs	-95,508	-95,225
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-10,297	-9,723
	Profit before net financials	11,173	14,353
4	Financial income	4,921	1,324
5	Financial expenses	-1,942	-2,859
	Profit before tax	14,152	12,818
6	Tax for the year	-3,212	-3,348
	Profit for the year	10,940	9,470

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Non-current assets		
8	Intangible assets		
	Acquired intangible assets	0	300
	Goodwill	2,515	3,132
		<u>2,515</u>	<u>3,432</u>
9	Property, plant and equipment		
	Land and buildings	74,802	76,357
	Plant and machinery	6,180	9,974
	Fixtures and fittings, other plant and equipment	722	311
	Property, plant and equipment under construction	1,338	0
		<u>83,042</u>	<u>86,642</u>
10	Financial assets		
	Deposits	3,109	3,109
		<u>3,109</u>	<u>3,109</u>
	Total non-current assets	<u>88,666</u>	<u>93,183</u>
	Current assets		
	Receivables		
	Trade receivables	62,234	70,676
	Receivables from group enterprises	29,533	3,373
	Other receivables	299	3
11	Prepayments	1,019	642
		<u>93,085</u>	<u>74,694</u>
	Cash	86	689
	Total current assets	<u>93,171</u>	<u>75,383</u>
	TOTAL ASSETS	<u>181,837</u>	<u>168,566</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	20,000	20,000
	Hedging reserve	-302	-402
	Retained earnings	58,311	57,371
	Dividend proposed	10,000	10,000
	Total equity	88,009	86,969
	Liabilities		
13	Non-current liabilities		
14	Deferred tax	9,426	10,044
	Mortgage debt	11,706	16,116
	Total non-current liabilities	21,132	26,160
	Current liabilities		
13	Mortgage debt	4,448	4,367
	Bank debt	21,341	0
	Trade payables	24,118	30,961
	Payables to group enterprises	416	0
	Corporation tax payable	795	710
	Other payables	21,578	19,399
	Total current liabilities	72,696	55,437
	Total liabilities	93,828	81,597
	TOTAL EQUITY AND LIABILITIES	181,837	168,566

- 1 Accounting policies
- 2 Events after the balance sheet date
- 7 Appropriation of profit
- 16 Contractual obligations and contingencies, etc.
- 17 Security and collateral
- 18 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Hedging reserve	Retained earnings	Dividend proposed	Total
		20,000	-2,156	57,901	8,000	83,745
7	Equity at 1 January 2022	0	0	-530	10,000	9,470
	Transfer, see "Appropriation of profit"	0	1,754	0	0	1,754
	Adjustment of hedging instruments at fair value	0	0	0	-8,000	-8,000
	Dividend distributed					
	Equity at 1 January 2023	20,000	-402	57,371	10,000	86,969
7	Transfer, see "Appropriation of profit"	0	0	940	10,000	10,940
	Adjustment of hedging instruments at fair value	0	100	0	0	100
	Dividend distributed	0	0	0	-10,000	-10,000
	Equity at 31 December 2023	20,000	-302	58,311	10,000	88,009

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Kramp Danmark A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company KRAMP Groep B.V.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Intra-group business combinations

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

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

Income from the sale of goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of non-current assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	3-5 years
Goodwill	7 years
Buildings	25-50 years
Plant and machinery	5-10 years
Fixtures and fittings, other plant and equipment	3-7 years
Installations	7-10 years

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

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

Land is not depreciated.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

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

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 7 years.

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deposits

Deposits consists of a long term cash deposit related to the company's mortgage. Deposits are measured at cost.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

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

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

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

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

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes of value.

Equity

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes and deferred tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Fair value

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

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

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

DKK'000	2023	2022
3 Staff costs		
Wages/salaries	86,887	87,429
Pensions	7,244	6,940
Other social security costs	1,377	856
	<u>95,508</u>	<u>95,225</u>
Average number of full-time employees	<u>175</u>	<u>185</u>
Remuneration to members of Management:		
Executive Board	2,390	3,514
Board of Directors	0	0
	<u>2,390</u>	<u>3,514</u>
4 Financial income		
Interest receivable, group entities	626	0
Other financial income	4,295	1,324
	<u>4,921</u>	<u>1,324</u>
5 Financial expenses		
Interest expenses, group entities	0	9
Other financial expenses	1,942	2,850
	<u>1,942</u>	<u>2,859</u>
6 Tax for the year		
Estimated tax charge for the year	3,859	4,008
Deferred tax adjustments in the year	-647	-1,223
Tax adjustments, prior years	0	563
	<u>3,212</u>	<u>3,348</u>
7 Appropriation of profit		
Recommended appropriation of profit	10,000	10,000
Proposed dividend recognised under equity	940	-530
Retained earnings/accumulated loss	<u>10,940</u>	<u>9,470</u>

Financial statements 1 January - 31 December

Notes to the financial statements

8 Intangible assets

DKK'000	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2023	47,085	4,313	51,398
Disposals	-7,367	0	-7,367
Cost at 31 December 2023	39,718	4,313	44,031
Impairment losses and amortisation at 1 January 2023	46,785	1,181	47,966
Amortisation for the year	300	617	917
Reversal of accumulated amortisation and impairment of assets disposed	-7,367	0	-7,367
Impairment losses and amortisation at 31 December 2023	39,718	1,798	41,516
Carrying amount at 31 December 2023	0	2,515	2,515

9 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2023	134,580	143,745	15,991	0	294,316
Additions	1,615	0	235	1,338	3,188
Disposals	0	-865	-9,256	0	-10,121
Cost at 31 December 2023	136,195	142,880	6,970	1,338	287,383
Impairment losses and depreciation at 1 January 2023	58,223	133,771	15,680	0	207,674
Depreciation	3,170	6,015	196	0	9,381
Reversal of accumulated depreciation and impairment of assets disposed	0	-3,086	-9,628	0	-12,714
Impairment losses and depreciation at 31 December 2023	61,393	136,700	6,248	0	204,341
Carrying amount at 31 December 2023	74,802	6,180	722	1,338	83,042

Note 17 provides more details on security for loans, etc. as regards property, plant and equipment.

10 Financial assets

DKK'000	Deposits
Cost at 1 January 2023	3,109
Cost at 31 December 2023	3,109
Carrying amount at 31 December 2023	3,109

Deposits regards deposited cash as collateral for financial instruments that are not readily liquidable on short notice.

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Notes to the financial statements

11 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including, insurance policies, leasing, licenses, etc.

DKK'000	<u>2023</u>	<u>2022</u>
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12 Share capital

Analysis of the share capital:

20,000 shares of DKK 1,000.00 nominal value each	<u>20,000</u>	<u>20,000</u>
	<u>20,000</u>	<u>20,000</u>

All shares are ranked equally.

The Company's share capital has remained DKK 20,000 thousand over the past 5 years.

13 Non-current liabilities

DKK'000	<u>Total debt at 31/12 2023</u>	<u>Short-term portion</u>	<u>Long-term portion</u>	<u>Outstanding debt after 5 years</u>
Deferred tax	9,426	0	9,426	0
Mortgage debt	16,154	4,448	11,706	0
	<u>25,580</u>	<u>4,448</u>	<u>21,132</u>	<u>0</u>

14 Deferred tax

Deferred tax at 1 January	10,044	10,773
Adjustment for the year of deferred tax	<u>-618</u>	<u>-729</u>
Deferred tax at 31 December	<u>9,426</u>	<u>10,044</u>

The provision for deferred tax primarily relates to timing differences in respect of intangible assets and property, plant and equipment.

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15 Derivative financial instruments

Interest rate risks

The Group hedges interest rate risks through interest rate swaps whereby floating interest payments are rescheduled into fixed interest payments.

Interest rate risks

DKK'000			2023			Time to maturity months
	Receiving interest	Paying interest	Notional principal amount	Value adjustment recognised in equity	Fair value	
Interest swap	CIBOR 6M	Fixed, 4,81 %	13,519	100	-387	36

Fair value level: 2

16 Contractual obligations and contingencies, etc.

Other financial obligations

Lease liabilities include operating leases for cars, totalling DKK 2.819 thousand, with remaining contract terms of 1-5 years. DKK 1,516 thousand is due within a year from the balance date.

Lease liabilities also include property lease, totalling DKK 83 thousand, all due within a year from the balance date.

17 Security and collateral

As security for the Company's debt to mortgage, Land and buildings at a carrying amount of DKK 83,042 thousand at 31 December 2023 have been put up as security for debt to mortgage credit institutions, totalling DKK 16,154 thousand.

The company has provided a guarantee of payment for Kramp Groep B.V.'s bank engagement limited to EUR 0 thousand.

As security for the Company's debt to banks including derivative financial instruments, totalling DKK 387 thousand at 31 December 2023, the Company has provided security or other collateral in its assets with a carrying amount of DKK 3,173 thousand.

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18 Related parties

Kramp Danmark A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Kramp Groep B.V.	Breukelaarweg 33, NL-7050 AA Varsseveld, Netherlands	Ultimate parent company

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Kramp Groep B.V.	Breukelaarweg 33, NL-7050 AA Varsseveld, Netherlands	For the consolidated financial statement contact KRAMP Danmark A/S

Related party transactions

Kramp Danmark A/S was engaged in the below related party transactions:

<u>DKK'000</u>	<u>2023</u>	<u>2022</u>
Purchase of goods from group enterprises	-270,564	-275,396
Fees paid to group enterprises	-40,106	-41,758
Financial income received from group enterprises	626	0
Financial expenses paid to group enterprises	0	9
Payables to group enterprises	416	0
Receivables from group enterprises	29,533	3,373