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# *Körber Supply Chain DK A/S*

Industrivej 8, DK-9510 Arden

## Annual Report for 2022

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CVR No. 61 62 87 11

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 17/3 2023

Palle Moldrup  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Körber Supply Chain DK A/S for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations and cash flows for 2022.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Arden, 17 March 2023

## Executive Board

Hans-Henrik Jensen  
CEO

## Board of Directors

Andreas Ebert  
Chairman

Oliver Aberle

Hans-Henrik Jensen

# Independent Auditor's report

To the shareholders of Körber Supply Chain DK A/S

## Opinion

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

We have audited the Financial Statements of Körber Supply Chain DK A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("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 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. 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 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 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.

# 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Trekantområdet, 17 March 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Jan Bunk Harbo Larsen

State Authorised Public Accountant

mne30224

Lasse Berg

State Authorised Public Accountant

mne35811

## Company information

<b>The Company</b>	Körber Supply Chain DK A/S Industrivej 8 DK-9510 Arden  CVR No: 61 62 87 11 Financial period: 1 January - 31 December Municipality of reg. office: Mariagerfjord
<b>Board of Directors</b>	Andreas Ebert, chairman Oliver Aberle Hans-Henrik Jensen
<b>Executive board</b>	Hans-Henrik Jensen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 7100 Vejle

# Financial Highlights

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

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	448,364	480,176	261,282	281,218	233,854
Gross profit/loss	153,466	129,130	89,542	96,372	82,260
Profit/loss before financial income and expenses	4,832	3,219	-9,093	-4,874	-4,378
Profit/loss of financial income and expenses	-1,206	-916	-524	-1,380	-187
Net profit/loss	3,813	2,303	-9,785	-15,660	-3,551
<b>Balance sheet</b>					
Balance sheet total	258,907	234,835	163,279	127,586	130,974
Investment in property, plant and equipment	6,045	7,347	3,011	747	1,352
Equity	14,697	10,884	8,581	18,366	34,027
<b>Cash flows</b>					
Cash flows from:					
- investing activities	-7,078	-8,487	-3,584	-1,103	-1,351
<b>Ratios</b>					
Return on assets	1.9%	1.4%	-5.6%	-3.8%	-3.3%
Solvency ratio	5.7%	4.6%	5.3%	14.4%	26.0%
Return on equity	29.8%	23.7%	-72.6%	-59.8%	-9.9%

# Management's review

## Key activities

Körber Supply Chain DK's focuses on developing, producing and distributing innovative quality products and automation solutions for the optimization of internal logistics in selected businesses.

We operate in three lines of businesses; Product Solutions, System Integration and Customer Services.

Our range of Product Solutions facilitate automating the entire process 'from pallet to tray'. With the 'Layer Picker' Robot, Hoist and Gantry, we have a solution for almost every application. Generally, customers are System Integrators.

Being general contractor in System Integration solutions ourselves, we help our customers in every stage of their automation journey; from selecting the perfect automation or material handling solution that is the right fit for all their operational requirements, through to system design, testing and implementation. Customers are end-users of the installation or 3PL operators.

Customer Services delivers lifecycle support of customers' supply chain automation installations comprising hotline services, critical spare parts, digital services, retrofitting installations as well as maintenance services and resident in-house technical support.

Components are primarily supplied from the European market; the company has no manufacturing facilities on its own. Product Solutions and Customer Services operate globally, whereas the company's System Integration business primarily focuses on the north-west European market.

## Development in the year

We are continuing our growth path. During 2022 order intake grew 18%. In general, project business has increased in both scope and complexity without compromising profitability during execution; on the contrary profitability improved. The order intake pipeline has decreased during the year, predominantly due to relatively large orders, that were either won during the year or redirected to relevant affiliated companies within the Körber Group.

The business model of our project business combined with increased order intake has positively contributed to the company's cash flows from operating activities.

One of the major challenges during the year has been supply chain constraints resulting from the global delivery crisis. The company suffered successive and significant delivery delays of components. Largely we have mitigated the risk by i.a. expanding own delivery promises towards our customers, building up stock of critical components or redesigning customer solutions.

The global delivery crisis – and in addition hereto the global energy crisis allegedly driven by the Russian/Ukrainian war – have fueled increased supplier prices significantly during 2022 (inflation). Largely, we have been able to mitigate or transfer the price increases in our sales contracts.

Our expectations for 2022 have been met. This is considered a very satisfactory development of the company.

## Capital resources

The company has adequate resources to secure its continued operations; both in relation to cash and financial borrowing facilities and IT/technical equipment. The current credit facilities are adequate to support next year's activity expectations.

Additionally, the company employs a variety of relevant competent employees and continuously onboards relevant key competences to ensure a balanced approach to the market expectations, cf. below.

To secure continued innovation of the company's product portfolio and processes, relevant R&D activities are organized and performed.



# Management's review

## Targets and expectations for the year ahead

The market expectations are promising and the business synergies from being a part of an intra-logistics group prove increasingly rewarding. However, considering the global economic situation and general concerns about risk of a global recession, for next year we have applied a more prudent approach to our expectations. Moreover, the global delivery crisis is still a challenge, and no improvements are currently in sight.

Next year we expect an intermediate suspension of our current growth; both in terms of order intake, number of employees, revenues and profitability. Accordingly, we expect to be able to largely repeat our financial performance of 2022 but do not foresee another year of continuous growth.

The company's outlook for its cash position is expected to be continuously satisfactory.

# Management's review

## Statement of corporate social responsibility

Our sustainability promise is holistic in scope and encompasses all three dimensions of sustainability: Environmental, society, and governance (ESG). The promise is articulated in politics and objectives for each dimension on group level, for the entire Körber Group. The articulation was made in 2021 and remain unchanged in 2022:

### Environmental

We are reducing CO2 emissions and energy consumption and thus helping to protect the climate. Our goal is a circular economy in which waste and pollution are avoided as far as possible, materials are reused, and natural resources are conserved.

#### Objectives:

- Wherever possible, we want to supply all locations with green electricity.
- We want to reduce our overall electricity and gas consumption and improve our energy efficiency
- We want to travel with a green conscience

### Society

We are a fair and attractive employer. The health and safety of our employees is our top priority. We enable diversity, equity, inclusion, and the compatibility of family and work. Our internal communications are frank and dialog oriented. And, as a company, we are an active member of society. We get involved with donations and encourage volunteering.

#### Objectives:

- We support remote working and new forms of collaboration
- We are creating a diverse, inclusive, and fair corporate culture
- We want to support the activities of employee representatives
- We want to continue living up to our social responsibility

### Governance

We rigorously align our business activities with ethical and moral standards. We ensure the security of our IT systems and the data that has been entrusted to us. We put our sustainability principles into practice in collaboration with our customers and our business partners. That is why we design our supply chains and the collaboration with our suppliers in an ethically, socially, and ecologically responsible manner.

#### Objectives:

- We want to further expand and strengthen our compliance culture
- We protect our data and yours
- We want to protect business operations against cyberattacks
- We want to be a reliable and trustworthy partner of our customers
- Security has top priority
- We make our supply chains sustainable

### Risk assessment

The 'GHG Protocol Corporate Standard' classifies emissions into three scopes. Scope 1 are direct emissions from owned or controlled sources. Scope 2 are indirect emissions from the generation of purchased energy. Scope 3 are all indirect emissions that occur in the value chain, both upstream and downstream. Emissions along the value chain (scope 3) represent the company's biggest environmental impacts, especially from manufacturing, shipping of components and travelling. The company's own (scope 1&2) environmental footprint is insignificant.

There are no significant risks pertaining to work environment, human rights or anti-corruption. The company conducts its business in thoroughly regulated markets, in which the authorities control the legal compliance of businesses and the stakeholders on the labor market ensure appropriate working condition. Accordingly, no specific politics have been articulated pertaining to human rights or anti-corruption.

# Management's review

Cyber security risks are generally increasing globally. The company's business model is significantly exposed to cyber-attacks if not mitigated by countermeasures.

## Activities during 2022

Since October 2022, Körber Group has been a member of the United Nations Global Compact, the world's largest voluntary initiative for sustainable and responsible corporate governance. Moreover, the group recently joined the SBTi organization, committing itself to target setting a netzero for scope 1&2 in 2030 and for scope 3 in 2040.

With the purpose of making our supply chains sustainable, a group-wide supplier evaluation system 'Integrity Next' has been rolled out. We have made this assessment for three major customers and has requested the assessment from approx. 200 suppliers.

Within scope 1&2 we are currently conducting a baseline analysis of our possibilities to reduce our energy consumption and switch to greener sources. Travelling activities are heavily reduced the recent years and remote cooperation is promoted. All corporate vehicles are currently running on fossil fuels or using PHEV technology, but as from 2022 it is decided (upon renewals) to switch all vehicles to electric cars where appropriate and available.

From 2022 the company offers all relevant employees the possibility of remote work from their home office, ensuring adequate equipment. Previously, such arrangements were individual.

The company cares about the wellbeing of its employees and in 2021 conducted a comprehensive survey with this focus. Largely, the results of the survey were very satisfactory, yet during 2022 we initiated different improvement activities. Next year a follow-up survey will be conducted.

In Körber Group donations are centralized and promoted through a fundraising campaign. On its own the company did no donations in 2022.

The group policy on information security is already in place; so is the team of the CISOs and a group-wide Information Security Management System. Every year and throughout the year, the company carries out mandatory cyber security awareness campaigns and data protection trainings. Moreover, mandatory compliance trainings against anti-corruption are performed.

## Key Figures on sustainability

On management level, the company currently does not report or operate its business using KPIs encompassing the above-mentioned objectives. Accordingly, no KPIs are disclosed in this Annual Report. However, the company occasionally provides the Körber Group's sustainability organization with data and information to support KPIs in the annual group-wide sustainability report disclosed and published at [www.koerber.com/en/sustainability](http://www.koerber.com/en/sustainability). The latest group-wide report covers 2021. The next report is expected in Autumn 2023.

# Management's review

## Statement on gender composition

We foster equal opportunities without discrimination based on ethnic background, gender, age, religion, national or social origin, physical impairment, marital status, sexual orientation or gender identity. For us, equal treatment also includes equal pay for equal work and the targeted promotion of equal representation of women as well as the inclusion of people with disabilities.

The Company's Articles stipulates a board consisting of 3-6 members. The current Board consist of 3 Directors and has no female representatives. Given the diversity objective of our recent social responsibility articulation, the target is to balance this, either by extending the number of directors with female representatives or by promoting at least one female appointment to the board. No later than 2026, our minimum target is to be compliant with the Danish Business Authority's stipulation of equality, applying a 40/60 split key. There has not been any changes in the board of directors during 2022, and the target has therefore not been met.

At the beginning of 2022, the management team level of the company had 5 male and 3 female representatives. During the year, however, two of the female representatives left the company and were replaced by their immediate male successors. After the balance sheet date, the team level added one female; hence, the current representation is managed by 7 males and 2 females. At the earliest convenience, it is the intention to replace at least one of the male representatives, with a female.

The company is currently investigating possible measures to improve the gender distribution among both the Board of Directors and the management team level.

## Statement on data ethics

The group's guidelines and directives for data protection are governed by Group Management through Data Protection Offices/officers and -coordinators appointed from each business area, including BA Supply Chain. The guidelines and directives stipulate codes-of-conduct and requirements for:

- concluding data processing agreements
- documentation records of processing activities for personal data
- data protection in daily work; including media files, exchange of contact data, data breach, confidentiality, and privacy-by-design.

Executives and employees are obliged to ensure compliance with data protection regulations and corporate and group guidelines. This includes participation in training courses in which these rules are taught. An essential duty is also the internal reporting of (possible) data protection breaches or breakdowns, as these may lead to a reporting obligation on the part of the company.

The group has published its privacy policy statement on its website. The statement is available at the following link: [www.koerber.com/en/privacy-policy](http://www.koerber.com/en/privacy-policy)

## Uncertainty relating to recognition and measurement

Uncertainties mainly relate to the recognition and measurement of contract work in progress and trade receivables.

The computation of the carrying amount of certain assets and liabilities requires assessments, estimates and assumptions regarding future events. The estimates used are based on historical experience and other factors which by management are assessed to be reliable, but which by nature are associated with uncertainty. The assumptions may be incomplete or incorrect, and unexpected events or circumstances may arise.

## Unusual events

The financial position on 31 December 2022 and the results of the activities and cash flows for the financial year 2022 have not been affected by any unusual events.

## Management's review

### Subsequent events

There are no subsequent events after the balance sheet date which affect the Financial Statements.

## Income statement 1 January - 31 December

	Note	2022	2021
		TDKK	TDKK
Revenue	1	448,364	480,176
Other operating income		3,972	0
Expenses for raw materials and consumables		-242,536	-298,139
Other external expenses		-56,334	-52,907
<b>Gross profit</b>		<b>153,466</b>	<b>129,130</b>
Staff expenses	2	-144,755	-121,618
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-3,879	-4,293
<b>Profit/loss before financial income and expenses</b>		<b>4,832</b>	<b>3,219</b>
Financial income	4	490	335
Financial expenses	5	-1,696	-1,251
<b>Profit/loss before tax</b>		<b>3,626</b>	<b>2,303</b>
Tax on profit/loss for the year	6	187	0
<b>Net profit/loss for the year</b>	7	<b>3,813</b>	<b>2,303</b>

## Balance sheet 31 December

### Assets

	Note	2022 TDKK	2021 TDKK
Completed development projects		1,488	2,313
Acquired patents		0	0
Goodwill		1,574	1,772
Development projects in progress		5,381	4,971
<b>Intangible assets</b>	8	<b>8,443</b>	<b>9,056</b>
Land and buildings		15,375	15,784
Plant and machinery		3,435	2,287
Other fixtures and fittings, tools and equipment		1,963	2,523
Prepayments for property, plant and equipment		9,788	6,145
<b>Property, plant and equipment</b>	9	<b>30,561</b>	<b>26,739</b>
<b>Fixed assets</b>		<b>39,004</b>	<b>35,795</b>
Raw materials and consumables		15,105	8,574
Finished goods and goods for resale		8,122	3,122
Prepayments for goods		6,214	4,626
<b>Inventories</b>		<b>29,441</b>	<b>16,322</b>
Trade receivables		59,221	49,447
Contract work in progress	10	11,015	13,444
Receivables from group enterprises		100,244	87,479
Other receivables		57	7,956
Prepayments	12	2,864	5,817
<b>Receivables</b>		<b>173,401</b>	<b>164,143</b>
<b>Cash at bank and in hand</b>		<b>17,061</b>	<b>18,575</b>
<b>Current assets</b>		<b>219,903</b>	<b>199,040</b>
<b>Assets</b>		<b>258,907</b>	<b>234,835</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2022	2021
		TDKK	TDKK
Share capital	13	7,500	7,500
Revaluation reserve		1,477	1,575
Reserve for development costs		5,358	5,681
Retained earnings		362	-3,872
<b>Equity</b>		<b>14,697</b>	<b>10,884</b>
Other provisions	14	11,539	17,804
<b>Provisions</b>		<b>11,539</b>	<b>17,804</b>
Trade payables		20,727	33,572
Contract work in progress	10	169,443	129,781
Payables to group enterprises		19,439	20,450
Other payables		23,062	22,344
<b>Short-term debt</b>		<b>232,671</b>	<b>206,147</b>
<b>Debt</b>		<b>232,671</b>	<b>206,147</b>
<b>Liabilities and equity</b>		<b>258,907</b>	<b>234,835</b>
Contingent assets, liabilities and other financial obligations	17		
Related parties	18		
Fee to auditors appointed at the general meeting	19		
Subsequent events	20		
Accounting Policies	21		



## Statement of changes in equity

	Share capital	Revaluation reserve	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	7,500	1,575	5,681	-3,872	10,884
Development costs for the year	0	0	-323	323	0
Depreciation, amortisation and impairment for the year	0	-98	0	98	0
Net profit/loss for the year	0	0	0	3,813	3,813
<b>Equity at 31 December</b>	<b>7,500</b>	<b>1,477</b>	<b>5,358</b>	<b>362</b>	<b>14,697</b>

## Cash flow statement 1 January - 31 December

	Note	2022 TDKK	2021 TDKK
Result of the year		3,813	2,303
Adjustments	15	4,888	5,209
Change in working capital	16	-1,107	45,918
<b>Cash flow from operations before financial items</b>		<b>7,594</b>	<b>53,430</b>
Financial income		490	335
Financial expenses		-1,696	-1,255
<b>Cash flows from ordinary activities</b>		<b>6,388</b>	<b>52,510</b>
Corporation tax paid		187	0
<b>Cash flows from operating activities</b>		<b>6,575</b>	<b>52,510</b>
Purchase of intangible assets		-2,160	-1,177
Purchase of property, plant and equipment		-4,918	-7,330
Sale of property, plant and equipment		0	20
Sale of fixed asset investments made etc		0	0
<b>Cash flows from investing activities</b>		<b>-7,078</b>	<b>-8,487</b>
Repayment of payables to group enterprises		-1,011	-43,966
<b>Cash flows from financing activities</b>		<b>-1,011</b>	<b>-43,966</b>
<b>Change in cash and cash equivalents</b>		<b>-1,514</b>	<b>57</b>
Cash and cash equivalents at 1 January		18,575	18,518
<b>Cash and cash equivalents at 31 December</b>		<b>17,061</b>	<b>18,575</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		17,061	18,575
<b>Cash and cash equivalents at 31 December</b>		<b>17,061</b>	<b>18,575</b>

# Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>1. Revenue</b>		
<b>Geographical segments</b>		
Europe	195,725	216,197
Americas	206,675	236,597
Australia/pacific	41,375	14,545
Asia	4,545	11,317
Other	44	1,520
	<u>448,364</u>	<u>480,176</u>
<b>Business segments</b>		
OEM	351,892	396,400
Service	95,435	81,025
Other	1,037	2,751
	<u>448,364</u>	<u>480,176</u>
	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>2. Staff Expenses</b>		
Wages and salaries	133,563	111,946
Pensions	9,663	7,858
Other social security expenses	1,529	1,814
	<u>144,755</u>	<u>121,618</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
<b>Average number of employees</b>	<u>209</u>	<u>195</u>

## Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment</b>		
Amortisation of intangible assets	1,653	2,153
Depreciation of property, plant and equipment	<u>2,226</u>	<u>2,140</u>
	<u><b>3,879</b></u>	<u><b>4,293</b></u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>4. Financial income</b>		
Other financial income	302	54
Exchange adjustments	<u>188</u>	<u>281</u>
	<u><b>490</b></u>	<u><b>335</b></u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>5. Financial expenses</b>		
Interest paid to group enterprises	36	0
Other financial expenses	<u>1,660</u>	<u>1,251</u>
	<u><b>1,696</b></u>	<u><b>1,251</b></u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>6. Income tax expense</b>		
Adjustment of tax concerning previous years	<u>-187</u>	<u>0</u>
	<u><b>-187</b></u>	<u><b>0</b></u>

## Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
<b>7. Profit allocation</b>		
Retained earnings	3,813	2,303
	<b>3,813</b>	<b>2,303</b>

## 8. Intangible fixed assets

	Completed development projects	Acquired patents	Goodwill	Develop- ment projects in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	7,218	28,281	3,660	4,972
Additions for the year	631	0	0	409
Cost at 31 December	7,849	28,281	3,660	5,381
Impairment losses and amortisation at 1 January	4,906	28,281	1,888	0
Amortisation for the year	1,455	0	198	0
Impairment losses and amortisation at 31 December	6,361	28,281	2,086	0
<b>Carrying amount at 31 December</b>	<b>1,488</b>	<b>0</b>	<b>1,574</b>	<b>5,381</b>

Development projects comprise costs related to software products.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it is available for use;
- management intends to complete or sell the software product;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during the development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred.

Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

# Notes to the Financial Statements

## 9. Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Prepayments for property, plant and equipment
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	32,057	4,119	12,915	6,145
Additions for the year	565	0	164	5,316
Transfers for the year	0	1,673	0	-1,673
Cost at 31 December	<u>32,622</u>	<u>5,792</u>	<u>13,079</u>	<u>9,788</u>
Revaluations at 1 January	5,052	0	0	0
Revaluations at 31 December	<u>5,052</u>	<u>0</u>	<u>0</u>	<u>0</u>
Impairment losses and depreciation at 1 January	21,324	1,832	10,390	0
Depreciation for the year	975	525	726	0
Impairment losses and depreciation at 31 December	<u>22,299</u>	<u>2,357</u>	<u>11,116</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b>15,375</b>	<b>3,435</b>	<b>1,963</b>	<b>9,788</b>
Revaluation less amortisation, depreciation and impairment losses	1,895	0	0	0
<b>Carrying amount at 31 December before revaluations</b>	<b>13,480</b>	<b>3,435</b>	<b>1,963</b>	<b>9,788</b>

2022

TDKK

2021

TDKK

## 10. Contract work in progress

Selling price of work in progress	548,003	416,730
Payments received on account	-706,431	-533,067
	<u>-158,428</u>	<u>-116,337</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	11,015	13,444
Prepayments received recognised in debt	-169,443	-129,781
	<u>-158,428</u>	<u>-116,337</u>

# Notes to the Financial Statements

## 11. Provision for deferred tax

There is a unutilised tax loss carry-forward of DKK 46,047k. There is still great uncertainty about whether the company will be able to use the loss within the coming years. which is not assessed to be utilised within the coming years.

## 12. Prepayments

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

## 13. Share capital

The share capital consists of 7,500,000 shares of a nominal value of TDKK 1,000 . No shares carry any special rights.

## 14. Other provisions

General provisions is guarantee obligations concerning goods sold within sales and product sales which are delivered with one year's quarantee. The provisions are prepared based on previous years' experiences. Expectations are that the costs will be incurred within 12 months.

	2022	2021
	TDKK	TDKK
Other provisions	11,539	17,804
	<u>11,539</u>	<u>17,804</u>

	2022	2021
	TDKK	TDKK
Financial income	-490	-335
Financial expenses	1,696	1,251
Depreciation, amortisation and impairment losses, including losses and gains on sales	3,869	4,293
Tax on profit/loss for the year	-187	0
	<u>4,888</u>	<u>5,209</u>

## 15. Cash flow statement - Adjustments

## Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
<b>16. Cash flow statement - Change in working capital</b>		
Change in inventories	-13,119	-4,545
Change in receivables	-9,258	-2,951
Change in other provisions	-6,265	8,119
Change in trade payables, etc	27,535	45,295
	<u>-1,107</u>	<u>45,918</u>

	2022	2021
	TDKK	TDKK
<b>17. Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with mortgage credit institutes:		
The following assets have been placed as security with bankers:		
The guarantor has provided a guarantee in connection with projects in progress. Guarantees amounts at the balance sheet date to DKK:	27,842	27,308
<b>Rental and lease obligations</b>		
Unrecognised rental and lease commitments	2,753	1,874

## 18. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
<b>Controlling interest</b>	
Körber Supply Chain GmbH	Holds all company shares and therefore has a controlling interest in 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:

<u>Name</u>	<u>Place of registered office</u>
Körber AG	Hamburg, Germany



## Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
<b>19. Fee to auditors appointed at the general meeting</b>		
<b>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab</b>		
Audit fee	288,000	290,500
Other assurance engagements	0	20,500
Tax advisory services	262,700	76,500
Non-audit services	82,516	142,674
	<u>633,216</u>	<u>530,174</u>

## 20. Subsequent events

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

# Notes to the Financial Statements

## 21. Accounting policies

The Annual Report of Körber Supply Chain DK A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 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.

### 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. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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.

### Segment information on revenue

Information on business segments and geographical segments is based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

## Income statement

### Net sales

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 Company.

# Notes to the Financial Statements

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 Company. 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.

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 revenue for the year.

## **Other external expenses**

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as the Company's administration, 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 expenses comprise wages and salaries as well as payroll expenses.

## **Amortisation, depreciation and impairment losses**

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

## **Other operating income and expenses**

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

## **Financial income and expenses**

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

## **Tax on profit/loss for the year**

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

# Notes to the Financial Statements

## Balance sheet

### Intangible fixed assets

#### *Goodwill*

Goodwill is amortised on a straight-line basis over the estimated useful life of 19 years, determined on the basis of Management's experience with the individual business areas.

#### *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.

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 15 years.

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

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is years. Software licences are amortised over the period of the agreement, which is 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 suppliers up until the time when the asset is ready for use.

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.

In Management's opinion the determination of fair value for the year was enabled through comparable market transactions and, consequently, valuation is based on the expected selling price of land and buildings.

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.

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

# Notes to the Financial Statements

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	30-50 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-13 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

## Impairment of fixed assets

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

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

## 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. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

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.

## 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 based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

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.

# Notes to the Financial Statements

## Provisions

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

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work. Provisions with an expected maturity exceeding 1 year from the balance sheet date are discounted at the average bond yield.

## Deferred tax assets and liabilities

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

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## Current tax receivables and liabilities

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

## Financial debts

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

## Cash Flow Statement

The cash flow statement shows the Company'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 Company'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.

# Notes to the Financial Statements

## 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	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$