
Körber Supply Chain DK A/S

Industrivej 8, DK-9510 Arden

Annual Report for 2023

CVR No. 61 62 87 11

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 19/6 2024

Andreas Gabriel
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Financial Highlights	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	10
Balance sheet 31 December	11
Statement of changes in equity	13
Cash Flow Statement 1 January - 31 December	14
Notes to the Financial Statements	15

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Körber Supply Chain DK 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 at 31 December 2023 of the Company and of the results of the Company operations and cash flows for 2023.

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.

Arden, 19 June 2024

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 2023 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 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 2023, 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, 19 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Lasse Berg

State Authorised Public Accountant

mne35811

Company information

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

Financial Highlights

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

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	477,477	474,956	480,176	261,282	281,218
Gross profit	173,005	180,063	129,130	89,542	96,372
Profit/loss of primary operations	43,612	31,429	3,219	-9,093	-4,874
Profit/loss of financial income and expenses	1,596	-1,206	-916	-524	-1,380
Net profit/loss for the year	42,425	30,410	2,303	-9,785	-15,660
Balance sheet					
Balance sheet total	313,062	285,504	234,835	163,279	127,586
Investment in property, plant and equipment	8,298	6,045	7,347	3,011	747
Equity	83,719	41,294	10,884	8,581	18,366
Cash flows					
Cash flows from:					
- investing activities	-31,237	-7,078	-3,584	-1,103	-1,351
Ratios					
Return on assets	13.9%	11.0%	1.4%	-5.6%	-3.8%
Solvency ratio	26.7%	14.5%	4.6%	5.3%	14.4%
Return on equity	67.9%	116.6%	23.7%	-72.6%	-59.8%

Management's review

Key activities and business model

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

During the year, market conditions have improved. The challenges from supply chain constraints resulting from the global delivery crisis are reduced. However, like last year, the global inflation has fueled increased supplier prices significantly in 2023. Largely, we have been able to mitigate or transfer the price increases in our sales contracts.

Business activity remained high throughout the year providing revenues and net profit slightly higher than last year, hence largely repeating our financial performance as expected. However, last year's expectation for 2023 of an intermediate suspension of our current growth prevailed. Compared to 2022, our order intake declined by 40% and the average number of employees also slightly dropped. Yet, the order intake pipeline simultaneously has increased by more than 20% promising a prosperous outlook for next year, cf. below section.

The business model of our project business has positively contributed to the company's cash flows from operating activities, and the solvency ratio has equally increased.

Except for the intermediate reduction of new orders, our expectations for 2023 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.

Management's review

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

Targets and expectations for the year ahead

The market expectations are very promising and the business synergies from being a part of an intra-logistics group prove increasingly rewarding.

April 2024 the company will migrate its ERP-system into SAP S4/Hana, which is the shared ERP system within the Körber group. The anticipation is that this will positively contribute to the future performance of the company, especially concerning closer cooperation with and combined offers from group entities, reduction of operational risks and continuous improvement of profitability.

The company has been very successful in maintaining close relationships with its customers and establishing cooperations with new customers, especially leveraging on economy-of-scale and combined value-propositions from the Körber group.

Accordingly, the outlook for 2024 is extra-ordinary promising. The order intake is expected to double, even potentially triple. This growth scenario requires a significant build-up of staff. The financial performance is expected to improve, both in terms of revenue and net profit.

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

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 2023 and the results of the activities and cash flows for the financial year 2023 have not been affected by any unusual events.

Subsequent events

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

Adjustment of material misstatements related to previous years

During preparation of the Financial Statement for 2023, we identified a material misstatement in the figures for 2022 regarding recognition of contract work in progress. The misstatements relate to an understatement of the percentage of completion based on incurred costs on projects.

A change would increase net profit for 2022 by TDKK 26,597. The value of contract work in progress, balance sheet total and equity as of 31 December 2022 would equally increase.

Management's review

The misstatement is adjusted in all comparative figures, cf. below:

TDKK	Adjusted figures	Original figures	Adjustment
Revenue 2022	474,960	448,364	26,596
Net profit/loss for the year	30,410	3,813	26,597
Balance sheet total	285,504	258,907	26,597
Equity	41,294	14,697	26,597
Solvency ratio	14.5%	5.7%	8.8%pt

Our sustainability promise

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.

Group Sustainability Report

The 'Sustainability Report' is annually prepared by Körber AG, Germany. The 2023 report was released 18 June 2024. The group sustainability report describes the group's governance regarding sustainability and, moreover, discloses its business model, strategy/politics, risks and targets as well as actions taken and planned. In accordance with the Danish Financial Statements Act, sec. 99a par. 7, the company refers to the report of the group.

The Report is disclosed and published at www.koerber.com/en/sustainability.

Gender equality

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 2023, and the target has therefore not been met.

At the beginning of 2023, the management team level of the company had 7 male and 1 female representatives. During the year, the team level added 1 female, interim totaling 7 males and 2 females. Due to organizational restructuring of the Business Unit within the Körber group, the recent addition was transferred to another group entity. Accordingly, the management team level remains at 7 male and 1 female representatives. No later than 2026, it is the intention to replace at least two of the male representatives, with females.

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

Management's review

Below table provides an overview. The table will be adjusted every year with actual figures at year-end.

		2023	2024	2025	2026	2027
Board of Directors	Total members	3				
	Under-represented gender	0,0%				
	Target	40,0%				
	Target achievement (year)	2026				
Next mgmt. level	Total members	8				
	Under-represented gender	12,5%				
	Target	40,0%				
	Target achievement (year)	2026				

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

Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Revenue	1	477,477	474,963
Other operating income		3,884	3,972
Expenses for raw materials and consumables		-249,129	-242,534
Other external expenses		-59,227	-56,338
Gross profit		173,005	180,063
Staff expenses	2	-126,566	-144,755
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-2,827	-3,879
Profit/loss before financial income and expenses		43,612	31,429
Financial income	4	2,421	490
Financial expenses	5	-825	-1,696
Profit/loss before tax		45,208	30,223
Tax on profit/loss for the year	6	-2,783	187
Net profit/loss for the year	7	42,425	30,410

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Completed development projects		807	1,488
Acquired patents		0	0
Goodwill		1,376	1,574
Development projects in progress		28,320	5,381
Intangible assets	8	30,503	8,443
Land and buildings		15,089	15,375
Plant and machinery		5,049	3,435
Other fixtures and fittings, tools and equipment		2,064	1,963
Prepayments for property, plant and equipment		14,708	9,788
Property, plant and equipment	9	36,910	30,561
Fixed assets		67,413	39,004
Raw materials and consumables		33,571	15,105
Finished goods and goods for resale		2,513	8,122
Prepayments for goods		6,864	6,214
Inventories		42,948	29,441
Trade receivables		57,525	59,221
Contract work in progress	10	29,351	37,612
Receivables from group enterprises		68,391	100,244
Other receivables		1,253	57
Prepayments	12	2,767	2,864
Receivables		159,287	199,998
Cash at bank and in hand		43,414	17,061
Current assets		245,649	246,500
Assets		313,062	285,504

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital	13	7,500	7,500
Revaluation reserve		1,378	1,477
Reserve for development costs		22,720	5,358
Retained earnings		52,121	26,959
Equity		<u>83,719</u>	<u>41,294</u>
Other provisions	14	8,190	11,539
Provisions		<u>8,190</u>	<u>11,539</u>
Trade payables		33,815	20,717
Contract work in progress	10	111,337	169,443
Payables to group enterprises		55,417	19,439
Corporation tax		2,772	0
Other payables		17,812	23,072
Short-term debt		<u>221,153</u>	<u>232,671</u>
Debt		<u>221,153</u>	<u>232,671</u>
Liabilities and equity		<u>313,062</u>	<u>285,504</u>
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	1,477	5,358	362	14,697
Net effect of correction of material misstatements	0	0	0	26,597	26,597
Adjusted equity at 1 January	7,500	1,477	5,358	26,959	41,294
Development costs for the year	0	0	17,362	-17,362	0
Depreciation, amortisation and impairment for the year	0	-99	0	99	0
Net profit/loss for the year	0	0	0	42,425	42,425
Equity at 31 December	7,500	1,378	22,720	52,121	83,719

Cash flow statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Result of the year		42,425	30,410
Adjustments	15	4,014	4,888
Change in working capital	16	-26,412	-27,704
Cash flow from operations before financial items		20,027	7,594
Financial income		2,421	490
Financial expenses		-825	-1,696
Cash flows from ordinary activities		21,623	6,388
Corporation tax paid		-11	187
Cash flows from operating activities		21,612	6,575
Purchase of intangible assets		-22,939	-2,160
Purchase of property, plant and equipment		-8,298	-4,918
Cash flows from investing activities		-31,237	-7,078
Repayment of payables to group enterprises		35,978	-1,011
Cash flows from financing activities		35,978	-1,011
Change in cash and cash equivalents		26,353	-1,514
Cash and cash equivalents at 1 January		17,061	18,575
Cash and cash equivalents at 31 December		43,414	17,061
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		43,414	17,061
Cash and cash equivalents at 31 December		43,414	17,061

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
1. Revenue		
Geographical segments		
Europe	211,935	209,288
Americas	237,431	218,834
Australia/pacific	23,537	41,768
Asia	2,680	5,027
Other	1,894	46
	<u>477,477</u>	<u>474,963</u>
Business segments		
OEM	337,684	348,568
Service	135,133	125,356
Other	4,660	1,039
	<u>477,477</u>	<u>474,963</u>
	2023	2022
	TDKK	TDKK
2. Staff Expenses		
Wages and salaries	113,953	133,563
Pensions	10,460	9,663
Other social security expenses	2,153	1,529
	<u>126,566</u>	<u>144,755</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
Average number of employees	<u>195</u>	<u>209</u>
	2023	2022
	TDKK	TDKK
3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	198	1,653
Depreciation of property, plant and equipment	2,629	2,226
	<u>2,827</u>	<u>3,879</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
4. Financial income		
Other financial income	1,799	302
Exchange adjustments	622	188
	<u>2,421</u>	<u>490</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
5. Financial expenses		
Interest paid to group enterprises	64	36
Other financial expenses	761	1,660
	<u>825</u>	<u>1,696</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
6. Income tax expense		
Current tax for the year	2,772	0
Adjustment of tax concerning previous years	11	-187
	<u>2,783</u>	<u>-187</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
7. Profit allocation		
Retained earnings	42,425	30,410
	<u>42,425</u>	<u>30,410</u>

Notes to the Financial Statements

8. Intangible fixed assets

	Completed development projects	Acquired patents	Goodwill	Develop- ment projects in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	7,848	28,281	3,660	5,381
Additions for the year	0	0	0	22,939
Disposals for the year	-2,199	0	0	0
Cost at 31 December	5,649	28,281	3,660	28,320
Impairment losses and amortisation at 1 January	6,361	28,281	2,086	0
Amortisation for the year	680	0	198	0
Reversal of impairment and amortisation of sold assets	-2,199	0	0	0
Impairment losses and amortisation at 31 December	4,842	28,281	2,284	0
Carrying amount at 31 December	807	0	1,376	28,320
Amortised over	3-5 years		5-18 years	

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	32,622	5,792	13,079	9,788
Additions for the year	721	217	381	6,979
Disposals for the year	-927	-1,728	-7,333	0
Transfers for the year	0	2,059	0	-2,059
Cost at 31 December	<u>32,416</u>	<u>6,340</u>	<u>6,127</u>	<u>14,708</u>
Revaluations at 1 January	5,052	0	0	0
Revaluations for the year	-126	0	0	0
Transfers for the year	-3,158	0	0	0
Revaluations at 31 December	<u>1,768</u>	<u>0</u>	<u>0</u>	<u>0</u>
Impairment losses and depreciation at 1 January	22,262	2,357	11,116	0
Depreciation for the year	881	662	280	0
Reversal of impairment and depreciation of sold assets	-890	-1,728	-7,333	0
Transfers for the year	-3,158	0	0	0
Impairment losses and depreciation at 31 December	<u>19,095</u>	<u>1,291</u>	<u>4,063</u>	<u>0</u>
Carrying amount at 31 December	<u>15,089</u>	<u>5,049</u>	<u>2,064</u>	<u>14,708</u>
Revaluation less amortisation, depreciation and impairment losses	1,768	0	0	0
Carrying amount at 31 December before revaluations	<u>13,321</u>	<u>5,049</u>	<u>2,064</u>	<u>14,708</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
10. Contract work in progress		
Selling price of work in progress	822,002	574,600
Payments received on account	-903,988	-706,431
	<u>-81,986</u>	<u>-131,831</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	29,351	37,612
Prepayments received recognised in debt	-111,337	-169,443
	<u>-81,986</u>	<u>-131,831</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
11. Deferred tax asset		
Deferred tax asset at 31 December	<u>0</u>	<u>0</u>
Intangible assets	-433	-592
Property, plant and equipment	1,037	1,790
Trade receivables	223	640
Tax loss carry-forward	2,286	8,458
Writedown	-3,113	-10,296
	<u>0</u>	<u>0</u>

12. Prepayments

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

13. Share capital

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

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
14. Other provisions		
General provisions is guarantee obligations concerning goods sold within sales and product sales which are delivered with one year's guarantee. The provisions are prepared based on previous years' experiences. Expectations are that the costs will be incurred within 12 months.		
Other provisions	8,190	11,539
	<u>8,190</u>	<u>11,539</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
15. Cash flow statement - Adjustments		
Financial income	-2,421	-490
Financial expenses	825	1,696
Depreciation, amortisation and impairment losses, including losses and gains on sales	2,827	3,869
Tax on profit/loss for the year	2,783	-187
	<u>4,014</u>	<u>4,888</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
16. Cash flow statement - Change in working capital		
Change in inventories	-13,507	-13,119
Change in receivables	40,711	-35,855
Change in other provisions	-3,346	-6,265
Change in trade payables, etc	-50,270	27,535
	<u>-26,412</u>	<u>-27,704</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
17. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Unrecognised rental and lease commitments	4,336	2,753

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
17. Contingent assets, liabilities and other financial obligations		
Other contingent liabilities		
The guarantor has provided a guarantee in connection with projects in progress. Guarantees amounts at the balance sheet date to:	55,781	27,842

18. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
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

	2023	2022
	TDKK	TDKK
19. Fee to auditors appointed at the general meeting		
PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab		
Audit fee	490	288
Tax advisory services	324	263
Non-audit services	144	83
	<u>958</u>	<u>634</u>

Notes to the Financial Statements

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 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in TDKK.

Correction of material misstatements

A material misstatements had been identified in the figures for 2022 regarding recognition of contract work in progress. The company has adjusted the material misstatement in the comparative figures.

The change has resulted in an increase in the result for 2022 of TDKK 26,597. In addition, it has increased the contract work in progress by TDKK 26,597, the total balance sheet total by TDKK 26,597 and equity has increased by TDKK 26,597 in 2022.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of , the Company has not prepared a cash flow statement.

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. 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.

Notes to the Financial Statements

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

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 Company.

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.

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.

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 5-18 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 3-5 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 liabilities

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 .

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

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$