

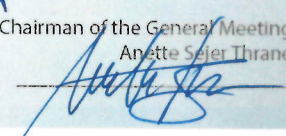
# Annual Report 2023



Envases Europe A/S  
Hedenstedvej 14  
8723 Loesning  
Central Business Registration No. 67 28 71 18

The Annual General Meeting adopted the annual report on  
**MAY 28, 2024**

Chairman of the General Meeting  
Anette Sejer Thrane



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## **Company details**

### **Company**

Envases Europe A/S  
Hedenstedvej 14  
8723 Loesning  
Central Business Registration No: 67 28 71 18  
Registered in: Hedensted, Denmark

### **Board of Directors**

Laura Josefina Zapata y Oscoz, Chairman  
Isaias Zapata Moran, Vice-chairman  
Dan Aggertoft Christensen  
Flemming Jakobsen, Employee representative  
Claus Due, Employee representative

### **Executive Management**

Dan Aggertoft Christensen, Chief Executive Officer  
Knud Christensen, Chief Financial Officer  
Mikkel Noergaard Dall, Chief Commercial Officer

### **Company auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower  
Vaerkmestergade 2  
DK-8000 Aarhus C

### **Consolidation**

Envases Europe A/S is included in the consolidated financial statements of Envases Universales de México, S.A.P.I de C.V.

## Statement by Management on the annual report

The Board of Directors and the Executive Management have today presented the annual report of Envases Europe A/S for the financial year 1 January to 31 December 2023.

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


In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2023 and of their financial performance and cash flow for the financial year 1 January to 31 December 2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Loesning, 18 April 2024


### Executive Management



Dan Aggertoft Christensen

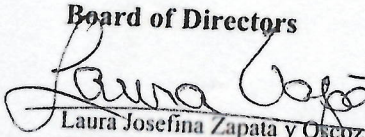


Knud Christensen

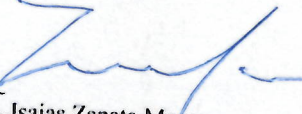


Mikkel Noergaard Dill

### Board of Directors



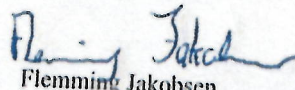
Laura Josefina Zapata y Oropz  
Chairman



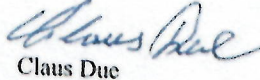
Isaias Zapata Moran  
Vice-chairman



Dan Aggertoft Christensen



Flemming Jakobsen  
Employee representative



Claus Due  
Employee representative

## **Independent auditor's report**

### **To the shareholder of Envases Europe A/S**

#### **Opinion**

We have audited the consolidated financial statements and the parent financial statements of Envases Europe A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's 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.

#### **Management's responsibilities for the consolidated financial statements and the parent financial statements**

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent'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 consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent'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 consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 18 April 2024

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56



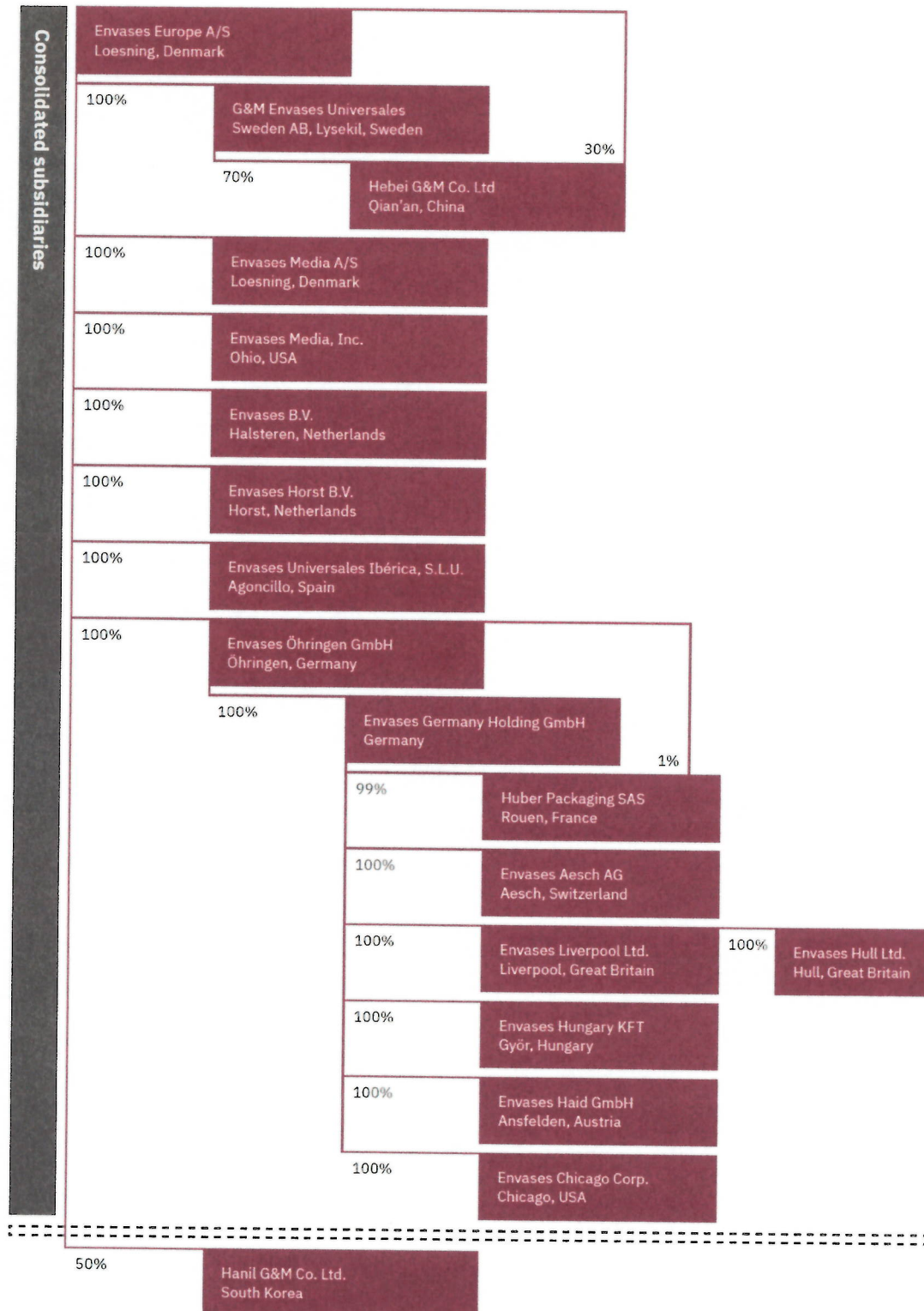
Henrik Vedel  
State-Authorised  
Public Accountant  
Identification No (MNE) mne10052



Mikael Møller  
State-Authorised  
Public Accountant  
Identification No (MNE) mne 47835

## Management review

### Group chart as per 31 December 2023





**Group financial highlights**

	2023	2022	2021	2020	2019
<b>Income statement in mDKK:</b>					
Revenue	5.127	4.729	3.703	2.125	2.063
Gross profit	843	1.040	669	305	268
Income before interests	328	588	433	109	73
Net financial income	-83	-22	-22	-22	-23
Income for the year	199	440	360	93	71
<b>Balance sheet in mDKK:</b>					
Balance sheet total	5.933	4.163	3.809	2.417	2.375
Equity	2.195	1.986	1.543	1.163	1.080
<b>Cash flow in mDKK:</b>					
Acquisition etc of property, plant and equipment	437	293	410	90	78
<b>Employees:</b>					
Average number of employees	2.642	2.029	1.868	1.113	1.125
<b>Key ratios:</b>					
Gross margin	17%	22%	18%	14%	13%
Net profit ratio	6%	12%	12%	5%	4%
Return on invested capital including goodwill	10%	23%	22%	8%	7%
Solvency ratio	37%	48%	41%	48%	45%
Return on equity	10%	25%	27%	8%	7%

Key ratios are defined and calculated in accordance with latest "Recommendations & Ratios" issued by the Danish Society of Financial Analysts, as specified in note 21.

## Management review

### Primary activities

The Group's primary activity is the manufacturing and sale of decorated metal packaging. Envases Europe products are primarily utilized in the production of foodstuffs, food products, beverages, paints and chemicals.

Envases Europe products are marketed at a global scale, with western Europe being the core market, and the Group employs 2.642 staff in total (of which 634 is in the former Domiberia Companies). We refer to our webpage, [www.envases.dk](http://www.envases.dk), for further information about our organisation

A chart of the Group's legal entities is provided on page 6.

### Development in activities and finances

The Envases Europe Group's revenue for 2023 comes to DKK 5,127m against DKK 4,729m for 2022, and income for the year is DKK 199m against last year's DKK 440m.

With effect from August 2023, the Group has acquired 100% of the shares in Domiberia S.L.U. in Spain and Domiberia Benelux B.V. in Holland. The company in Spain is operating 6 plants within metal packaging for food, technical chemicals and paints. The company in Holland is operating 1 plant within metal packaging for food. This acquisition has impacted both revenue and net income for 2023.

At the beginning of the year, we expected a revenue of DKK 4.700-5.000m., and a net income of DKK 250-275m. Group revenue in 2023, without Domiberia companies, comes to DKK 4,453m. Compared to last year this is a decrease of 6% in revenue and for net income we realized around 240 mDKK, without the impact of the Domiberia acquisition, which is estimated to have a negative effect in 2023 of around 40mDKK

We are satisfied with the net result due to the fact that we managed to keep the costs under control in a difficult market.

#### *Closure of subsidiary in China*

The Group's subsidiary in China (Hebei G&M Ltd.) has been under closure since 2015. At present, the company still owns the production building in China where the Company's activities have been located. The building is recognized at the estimated sales price at 31.12.2023, and provisions are made for estimated selling costs. Moreover, provisions have been made for other estimated costs until expected liquidation of the Company.

As in previous years the subsidiary Hebei G&M Ltd. is considered a discontinuing activity. Due to the fact that selling of the building so far has failed, we are alternatively working on a solution to lease out the building.

### Investments

Investments for the year total DKK 437m (including additions in right to use assets) and total ongoing investments are DKK 420m at year-end.

## Management review

### Financial risks

Due to its international activities, the Envases Europe Group is affected by exchange rate fluctuations relating to certain currencies. The Group aims to hedge commercial currency risks.

Movements in commodity prices can affect earnings and cash flow. It is Envases Europe's policy to ensure that significant risks related to raw materials are reduced through a combination of fixed price agreements with suppliers, active price adjustment and in some cases financial hedging.

The Group's interest-bearing net debt is financed by floating rate on loans with short-term maturity and both fixed and floating rates on loans with long-term maturity.

The Group's granting of credit when selling goods involves a risk, which the Group seeks to reduce through effective management and credit insurance.

### Intellectual capital resources

#### Research and development

The Group is focusing on strengthening its position by selling quality products in selected markets. Such efforts will be made continuously, being an important element of the strategy plan adopted.

With a Technology Department the Group has access to the resources of the competence centre which carries out research and development activities. These activities are not deemed to be entitled to capitalisation.

### Data ethics policy statement, cf. section §99 d of the Danish Financial Statements Act

Envases Europe A/S has not defined a separate "Data Ethics Policy". Envases Europe A/S has defined a policy for "General Data Protection Regulation" (GDPR) which defines rules on how data is managed and protected. Any violation of the policy or other internal procedures may be reported by employees through the Group's whistleblower system. No reports were filed in 2023.

### Corporate social responsibility

The CSR policies of Envases Europe A/S are described in our separate Corporate Social Responsibility Report for 2023, which is available at [https://www.envases.mx/media/11828/csr\\_report\\_2023\\_17-04-24.pdf](https://www.envases.mx/media/11828/csr_report_2023_17-04-24.pdf). This CSR Report comply with section 99a of the Danish Financial Statements Act.

### Gender diversity in the company's management

Envases Europe A/S is committed to promoting gender diversity within its management, because we believe that it creates the best work environment for our employees and generates value for our organisation.

Envases Europe A/S is required to report, set targets, and outline a policy for the share of the underrepresented gender in upper management - respectively the Board of Directors and other management levels (2 levels below our board of directors).

## Management review

As of 31 December 2023 the Board is comprised of one woman and two men, which is regarded as having equal gender representation under the Company Act in Denmark.

As of 31 December 2023 the other management levels are comprised of one woman and eight men, which means that we do not have equal gender representation on this management level. We strive at achieving a 20% gender representation in our other management levels by 2026.

	Share of the underrepresented gender (2023)		
	Share of the underrepresented gender		Target for the share of the underrepresented gender
	2022	2023	
Board of Directors	33.33% (1/3)	33.33% (1/3)	Not required
Upper management	12,5 (1/8)	11,11% (1/9)	Min. 20% by 2026

Our newly developed Gender policy focuses on equitable recruitment processes and fostering equal opportunities for personal and professional development. Furthermore, the policy focuses on biases and how to make gender neutral decisions. We are confident that our policy, and the actions specified in our policy, will make it possible to achieve our target and create a more balanced gender distribution within the management group at Envases Europe.

## Outlook

For 2024 we have the full year effects of the purchase of the Domiberia companies in our accounts and group revenue is expected to grow to DKK 5.800-6.100m.

For 2024 we anticipate intensified competition and market conditions. We expect a decrease in raw material prices, but foresee an increase in other costs due to inflation and rising labour costs. We anticipate pressure from the market on selling prices, and we do not anticipate that any potential decrease in overall costs will be enough to counterbalance the market pressure on prices.

At the moment we expect this to reduce our net income in 2024 to the range of DKK 100-140m.

In February 2024 we have started negotiations concerning rationalization of our plants in Montmelo and Miavalles. We are currently in discussions with our employees regarding the termination of their contracts, however, these negotiations have not yet been concluded. The potential impact of these negotiations has not been factored into our expected result for 2024 mentioned above.

## Accounting policies

The annual report of Envases Europe A/S and the consolidated financial statements have been prepared in accordance with the requirements of the Danish Financial Statements Act governing reporting class C (large) enterprises.

The accounting policies applied for the financial statements are consistent with those applied last year.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Group, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Group, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest rate over their term. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the accumulated amortisation of any difference between cost and the nominal amount.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement. Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Business combinations

The uniting-of-interests method is applied on mergers where the enterprises concerned are controlled by the Parent. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The comparative figures are restated.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Loans granted to group enterprises at the time of acquisition are also translated to Danish kroner using the exchange rate at the balance sheet date. Translation differences between the rates at the beginning and end of the year are adjusted directly on equity.

### **Consolidated financial statements**

The consolidated financial statements include the Parent Envases Europe A/S and the enterprises in which the Parent, directly or indirectly, holds the majority of the voting rights.

#### **Basis of consolidation**

The consolidated financial statements are prepared on the basis of the financial statements of Envases Europe A/S and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

In the consolidated financial statements the carrying amount of the Parent's investments in the consolidated subsidiaries are offset against its share of the subsidiaries' equity value calculated at the date when the group relation was established.

### **Derivative financial instruments**

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Value adjustments of derivative financial instruments concluded to hedge the fair value of recognised financial assets or liabilities are added to/deducted from the fair value of the hedged asset/liability.

Value adjustments of derivative financial instruments concluded to hedge estimated future cash flows are recognised in equity until the hedged transaction has been carried out. If the transaction results in an asset or a liability, the accumulated value adjustment will be recognised in cost of the asset or liability, and if the transaction results in income or expenses, the accumulated value adjustment will be recognised in the income statement together with the item hedged.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

### **Discontinuing activities**

Discontinued operations are material business areas or geographical areas in the process of being shut down and where the assets are held for sale.

The profit/loss from discontinued operations is presented in the income statement as a separate item consisting of operating profit/loss after tax for the relevant operation. Assets relating to discontinued operations are presented separately in the balance sheet under current assets. Liabilities directly related to discontinued operations are presented as current liabilities in the balance sheet.

### **Income statement**

#### **Revenue**

Revenue from sale of goods for resale and manufactured goods is recognised in the income statement when delivery has been made and risk has been transferred to the buyer before year-end and when the income can be calculated reliably and receipt is expected. Revenue is measured net of VAT, duties and sales discounts.

#### **Production costs**

Production costs comprise direct and indirect costs incurred to earn revenue. Production costs include cost of goods sold, wages and salaries to staff engaged in production as well as depreciation of production plant and other costs derived from production.

Production costs also include research and development costs that do not meet the criteria for capitalisation in the balance sheet as well as amortisation of development costs capitalised.

#### **Sales and distribution costs**

Sales and distribution costs include costs incurred for salaries to staff engaged in sale and distribution, advertising costs, freight costs and other types of related costs.

#### **Administrative expenses**

Administrative expenses include expenses for administrative staff, management and office premises, etc including depreciation and amortisation.

### **Depreciation and amortisation**

Intangible assets and property, plant and equipment are depreciated/amortised straight-line over the expected useful lives of the assets which represent:

Acquired patents and licences	5-20 years
Software licences	0-5 years
Goodwill	10 years
Buildings	25 years
Plant and machinery	3-10 years
Operating equipment, fixtures and fittings	3-10 years

Depreciation and amortisation as well as profits and losses on current replacement of fixed assets are recognised under production costs, sales and distribution costs as well as administrative expenses.

### **Other operating income and expenses**

Other operating income and expenses comprise items of a secondary nature to the Company's primary activities.

### **Financial income and expenses**

These items comprise interest income and expenses, realised and unrealised capital gains and losses on payables and transactions in foreign currencies, amortisation premium or allowance on mortgage debt, etc as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

Interest and other expenses relating to loans for financing the manufacture of intangible assets and property, plant and equipment and which relate to the manufacturing period are not included in cost.

### **Income taxes**

Envases Europe A/S is subject to the rules of national joint taxation with Envases Europe A/S as the administration company. Income taxes are allocated among the jointly taxed Danish companies (full allocation).

Tax for the year in the income statement consists of current tax for the year, adjustment of deferred tax for the year as well as adjustment relating to previous years. Tax for the year is recognised in the income statement by the portion attributable to profit/loss for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Deferred tax liabilities are recognised in the balance sheet as provisions. The deferred tax liability is recognised as tax on all temporary differences at the current tax rate. The value of prior years' tax losses is set off against deferred tax provided the tax losses are expected to be set off against future income.

### **Profit/loss from investments in group enterprises and associates**

The Parent's income statement includes the share of group enterprises' and associates profits/losses adjusted for change in non-realised internal profits.



## **Balance sheet**

### **Goodwill and goodwill on consolidation**

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life which is assessed to be 10 years, based on expected earning profile and benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

### **Development projects, software, acquired rights**

The cost of development projects and software comprises salaries, depreciation/amortisation and other expenses that are directly attributable to the Company's development activities or implementation of software.

Clearly defined and identifiable development projects, for which the technical rate of utilisation, adequate resources and a potential future market or a development possibility in the enterprise can be established, and where the intention is to manufacture, market or apply the project, are recognised as intangible assets provided that sufficient certainty exists that the value in use of future earnings can cover manufacturing costs, sales expenses, administrative expenses and development costs.

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

Capitalised development costs and software are measured at the lower of cost less accumulated amortisation and impairment losses and recoverable amount.

Capitalised development costs and software are amortised from the time of completion on a straight-line basis over the period in which it is expected to generate economic benefits.

Acquired rights are measured at the lower of cost, less accumulated amortisation and impairment losses, and recoverable amount.

### **Customer relationship, brand name etc.**

Customer relationship, brand name etc. are recognised at cost less depreciation and impairment losses.

Costs are amortised from the time of acquisition on a straight-line basis over a period of 3 years in which it is expected to generate economic benefits.

Customer relationship, brand name etc. are measured at the lower of cost, less accumulated amortisation and impairment losses, and recoverable amount.

### **Property, plant and equipment**

Property, plant and equipment are recognised at cost less depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

Cost for self-constructed part of assets comprises direct and indirect costs of materials, components, sub-suppliers and labour costs. Interest are expensed and not included in self-constructed assets.

The carrying amounts and the useful lives of property, plant and equipment are reviewed annually to determine any indications of impairment in addition to those reflected in depreciation. If there is an indication of impairment, an impairment test is performed to determine if the recoverable amount is lower than the carrying amount, and consequently the asset will be written down to such recoverable amount.

The recoverable amount of the asset is determined as the higher of net selling price and value in use. If it is not possible to fix a recoverable amount for the individual asset, all assets must be measured together in the smallest group of assets for which a reliable recoverable amount can be fixed by an overall valuation.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement as adjustment to depreciation and impairment losses.

#### **Investments in subsidiaries and associates**

Investments in subsidiaries and associates are recognised and measured under the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or less unamortised positive, or negative, goodwill and plus or less unrealised intra-group profits or losses.

The profit share in the foreign enterprise is translated into Danish kroner using average exchange rates whereas investments are translated into Danish kroner using the exchange rate at the balance sheet date. Translation differences between exchange rates at the beginning of the year, average exchange rates and exchange rates at the end of the year are adjusted directly on equity.

Subsidiaries with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Parent's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in subsidiaries and associates is transferred to reserve for net revaluation according to the equity method under equity.

#### **Inventories**

Inventories consist of goods, consumption materials and spare parts.

Inventories are measured at the lower of cost using the average cost formula and net realisable value.

Goods for resale as well as raw materials and consumables are measured at cost plus landing costs.

Cost of manufactured goods and work in progress consists of cost of materials and direct labour costs with addition of indirect production costs. Indirect production costs comprise indirect materials and labour costs, costs of maintenance, depreciation and impairment losses for machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

**Receivables**

Receivables are recognised at nominal value less writedown for bad debt on the basis of an individual assessment.

**Pension obligations**

Defined contribution plans are covered by insurance. Payments to the insurance are expensed in the financial year.

Defined benefit plans in relation to present and former employees are measured using actuarial methods. Actuarial gain and loss related to the defined benefit plan is recognized in equity. Service cost, calculated interests and other cost related to the financial year are recognised in the income statement.

**Cash flow statement**

The cash flow statement of the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Group's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the Parent's share capital and related costs as well as the raising of loans, inception of finance leases, installments on interest-bearing debt and payment of dividend.

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

## Income statement for the financial year 1 January to 31 December

Note	Parent		Group	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
1 Revenue	2.142.796	2.124.746	5.127.197	4.729.073
Production costs	-1.796.554	-1.728.197	-4.284.075	-3.689.057
<b>Gross profit</b>	<b>346.242</b>	<b>396.549</b>	<b>843.122</b>	<b>1.040.016</b>
Sales and distribution costs	-98.273	-92.925	-277.568	-238.916
Administrative expenses	-81.207	-73.513	-248.803	-216.698
2 Other income	21.559	13.559	17.079	3.705
Other costs	-9	0	-5.824	0
<b>Income before interests</b>	<b>188.312</b>	<b>243.670</b>	<b>328.006</b>	<b>588.107</b>
3 Income from investments in subsidiaries	78.772	250.136	0	0
Income from investments in associates	17.336	22.906	17.336	22.906
4 Financial income	23.411	11.126	10.530	16.158
5 Financial expenses	-75.139	-36.432	-93.563	-38.071
<b>Income before tax</b>	<b>232.692</b>	<b>491.406</b>	<b>262.309</b>	<b>589.100</b>
6 Tax on profit/loss for the year	-33.238	-49.975	-62.855	-147.669
<b>Income for the year - continuing activities</b>	<b>199.454</b>	<b>441.431</b>	<b>199.454</b>	<b>441.431</b>
7 Income after tax on discontinuing activities	-97	-1.060	-97	-1.060
<b>8 Income for the year</b>	<b>199.357</b>	<b>440.371</b>	<b>199.357</b>	<b>440.371</b>

## Balance sheet at 31 December

### Assets

Note	Parent		Group	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Acquired intangible assets	489	652	4.166	1.074
Intellectual property	0	0	10.949	14.508
Customer relationship, brand name etc.	0	0	113.426	79.435
Goodwill	0	0	233.093	109.755
<b>9 Intangible assets</b>	<b>489</b>	<b>652</b>	<b>361.634</b>	<b>204.772</b>
Land and buildings	332	373	916.702	557.449
Plant and machinery	277.666	290.395	853.414	455.454
Other fixtures and fittings, tools and equipment	113.165	107.177	146.570	135.197
Right of use assets	364.149	397.983	500.883	404.965
Fixed assets under construction and prepayments	139.677	127.340	419.751	270.363
<b>10 Tangible assets</b>	<b>894.989</b>	<b>923.268</b>	<b>2.837.320</b>	<b>1.823.428</b>
Investments in subsidiaries	2.375.912	1.332.679	0	0
Investments in associates	89.215	86.321	89.215	86.321
Receivables from related parties	374.144	298.125	4.728	19.696
Other long term receivables	31.557	31.466	36.955	31.711
<b>11 Fixed asset investments</b>	<b>2.870.828</b>	<b>1.748.591</b>	<b>130.898</b>	<b>137.728</b>
Deferred tax assets	0	0	13.673	6.289
<b>Fixed assets</b>	<b>3.766.306</b>	<b>2.672.511</b>	<b>3.343.525</b>	<b>2.172.217</b>
<b>12 Inventories</b>	<b>401.279</b>	<b>489.964</b>	<b>1.330.330</b>	<b>968.194</b>
Trade receivables	324.661	294.211	768.365	564.081
Receivables from related parties	176.132	38.807	21.571	37.516
Income tax receivable	0	5.801	4.649	5.801
<b>13 Other receivables</b>	<b>18.839</b>	<b>28.854</b>	<b>55.197</b>	<b>58.027</b>
Prepayments	6.026	1.895	7.750	2.388
<b>Receivables</b>	<b>525.658</b>	<b>369.568</b>	<b>857.532</b>	<b>667.813</b>
<b>Cash</b>	<b>170.035</b>	<b>8.346</b>	<b>393.114</b>	<b>345.392</b>
<b>7 Assets in discontinuing activities</b>	<b>0</b>	<b>0</b>	<b>8.635</b>	<b>9.220</b>
<b>Current assets</b>	<b>1.096.972</b>	<b>867.878</b>	<b>2.589.611</b>	<b>1.990.619</b>
<b>Assets</b>	<b>4.863.278</b>	<b>3.540.389</b>	<b>5.933.136</b>	<b>4.162.836</b>

## Balance sheet at 31 December

### Equity and liabilities

Note	Parent		Group	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Share capital	175.000	175.000	175.000	175.000
Net revaluation of investments in subsidiaries and associates	828.448	746.828	73.036	70.142
Reserve for currency translation	0	0	17.040	6.969
Retained earnings	1.191.997	1.064.529	1.930.369	1.734.246
<b>Equity</b>	<b>2.195.445</b>	<b>1.986.357</b>	<b>2.195.445</b>	<b>1.986.357</b>
Provision for pensions	0	0	82.535	81.071
14 Deferred tax liabilities	20.784	18.071	220.624	130.281
Other provisions	0	0	5.046	1.334
<b>Provisions</b>	<b>20.784</b>	<b>18.071</b>	<b>308.205</b>	<b>212.686</b>
Right of use asset liability	359.067	395.027	512.103	401.015
Credit institutions	1.208.332	297.704	1.267.947	323.384
Other payables	43.970	42.249	43.970	42.249
Deferred income	4.622	5.064	5.049	6.058
15 <b>Long-term liabilities other than provisions</b>	<b>1.615.991</b>	<b>740.044</b>	<b>1.829.069</b>	<b>772.706</b>
Current portion of long-term liabilities to credit institutions and right of use asset liability	121.009	140.804	232.851	176.482
Bank loans and overdrafts	286.283	78.214	336.384	78.214
Trade payables	194.256	315.858	569.881	609.904
Debt to related parties	222.261	154.666	0	0
Income tax payable	224	0	59.796	63.169
13 Other payables	207.025	106.375	397.439	259.045
<b>Short-term liabilities</b>	<b>1.031.058</b>	<b>795.917</b>	<b>1.596.351</b>	<b>1.186.814</b>
7 <b>Liabilities on discontinuing activities</b>	<b>0</b>	<b>0</b>	<b>4.066</b>	<b>4.273</b>
<b>Liabilities other than provisions</b>	<b>2.647.049</b>	<b>1.535.961</b>	<b>3.429.486</b>	<b>1.963.793</b>
<b>Equity and liabilities</b>	<b>4.863.278</b>	<b>3.540.389</b>	<b>5.933.136</b>	<b>4.162.836</b>

- 16 Staff costs
- 17 Assets charged and provided securities
- 18 Other commitments
- 19 Contingent liabilities
- 20 Fee to auditors appointed by the Company in general meeting
- 21 Events after balance sheet date
- 22 Transactions with related parties
- 23 Definition of financial key ratios

## Statement of changes in equity

The share capital consists of 175,000 shares at DKK 1,000.  
There has been no changes in share capital in the past five financial years.

### Parent

	Share capital	Net revaluation of investments in subsidiaries and associates	Retained earnings	Total
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Equity at 1 January 2022	175.000	456.280	912.028	1.543.308
Exchange adjustments of subsidiaries and associates		-2.731		-2.731
Fair value adjustments of hedging instruments		-29	-8.934	-8.963
Dividens received		-22.311	22.311	0
Net revaluation for the year		14.372		14.372
Retained earnings for the year		301.247	139.124	440.371
<b>Equity at 31 December 2022</b>	<b>175.000</b>	<b>746.828</b>	<b>1.064.529</b>	<b>1.986.357</b>
Equity at 1 January 2023	175.000	746.828	1.064.529	1.986.357
Exchange adjustments of subsidiaries and associates		5.707		5.707
Fair value adjustments of hedging instruments		-42	6.244	6.202
Dividens received		-80.810	80.810	0
Net revaluation for the year		-2.178		-2.178
Retained earnings for the year		158.943	40.414	199.357
<b>Equity at 31 December 2023</b>	<b>175.000</b>	<b>828.448</b>	<b>1.191.997</b>	<b>2.195.445</b>

## Statement of changes in equity

Group	Share capital	Net revaluation of investments in associates	Reserve for currency translation	Retained earnings	Total
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Equity at 1 January 2022	175.000	65.308	12.239	1.290.761	1.543.308
Exchange adjustments of subsidiaries and associates		2.539	-5.270		-2.731
Fair value adjustments of hedging instruments				-8.963	-8.963
Dividens received		-22.311		22.311	0
Net revaluation for the year		1.700		12.672	14.372
Retained earnings for the year		22.906		417.465	440.371
<b>Equity at 31 December 2022</b>	<b>175.000</b>	<b>70.142</b>	<b>6.969</b>	<b>1.734.246</b>	<b>1.986.357</b>
Equity at 1 January 2023	175.000	70.142	6.969	1.734.246	1.986.357
Exchange adjustments of subsidiaries and associates		-4.364	10.071		5.707
Fair value adjustments of hedging instruments				6.202	6.202
Dividens received		-10.429		10.429	0
Net revaluation for the year		351		-2.529	-2.178
Retained earnings for the year		17.336		182.021	199.357
<b>Equity at 31 December 2023</b>	<b>175.000</b>	<b>73.036</b>	<b>17.040</b>	<b>1.930.369</b>	<b>2.195.445</b>



## Group cash flow statement

<u>Note</u>	Group	
	2023	2022
	DKK 1.000	DKK 1.000
Income for the year	199.357	440.371
24 Adjustments	412.181	359.644
25 Working capital changes	126.448	-124.642
<b>Cash flow from income before interests</b>	<b>737.986</b>	<b>675.373</b>
Financial income received	10.530	16.158
Financial expenses paid	-93.563	-38.071
Income taxes paid	-54.227	-134.702
<b>Cash flow from operating activities</b>	<b>600.726</b>	<b>518.758</b>
Purchase of shares in subsidiaries	-1.022.423	-8.324
Dividends received from associates	8.865	18.965
Acquisition etc. of other long term receivables	-240	630
Acquisition etc. of intangible assets	-413	-983
Acquisition etc. of property, plant and machinery etc.	-436.933	-291.439
Sale of property, plant and machinery etc.	4.390	11.835
<b>Cash flows from investing activities</b>	<b>-1.446.754</b>	<b>-269.316</b>
Net long-term financing	1.136.324	-102.796
Net payment on liabilities on right of use assets	-60.301	-40.224
Installments on long-term liabilities	-168.064	-44.171
Changes in related parties outstanding accounts	28.303	37.315
<b>Cash flows from financing activities</b>	<b>936.262</b>	<b>-149.876</b>
Increase/decrease in cash and cash equivalents	90.234	99.566
Cash and equivalents aquired at purchase of subsidiaries	-257.625	930
Cash and equivalents at 1 January	314.377	213.881
<b>26 Cash and equivalents at 31 December</b>	<b>146.986</b>	<b>314.377</b>

## Notes

	Parent		Group	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
<b>1 Revenue</b>				
The Company's primary segments are geographic markets.				
Scandinavia	1.069.162	1.197.582	1.165.640	1.318.764
EU countries (excluding Denmark and Sweden)	579.288	470.296	3.158.098	2.589.791
Rest of the world	494.346	456.868	803.459	820.518
	<b>2.142.796</b>	<b>2.124.746</b>	<b>5.127.197</b>	<b>4.729.073</b>
<b>2 Other income</b>				
Rent	1.988	2.592	6.191	2.923
Other income	19.571	10.967	10.888	782
	<b>21.559</b>	<b>13.559</b>	<b>17.079</b>	<b>3.705</b>
<b>3 Income from investments in subsidiaries</b>				
Income from investments in subsidiaries	136.688	278.174	0	0
Depreciation on goodwill and re-evaluations on aquired subsidiaries	-57.916	-28.038	0	0
	<b>78.772</b>	<b>250.136</b>	<b>0</b>	<b>0</b>

## Notes

	Parent		Group	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
<b>4 Financial income</b>				
Financial income from group enterprises	16.841	7.179	1.784	2.790
Foreign exchange adjustments	1.504	3.400	1.935	12.211
Other financial income	5.066	547	6.811	1.157
	<b>23.411</b>	<b>11.126</b>	<b>10.530</b>	<b>16.158</b>
<b>5 Financial expenses</b>				
Financial expenses	51.906	8.971	67.153	13.125
Financial expenses on right of use assets	8.814	16.178	14.804	16.234
Financial expenses to group enterprises	7.332	3.098	0	0
Foreign exchange adjustments	4.844	6.223	9.161	6.450
Other financial expenses	2.243	1.962	2.445	2.262
	<b>75.139</b>	<b>36.432</b>	<b>93.563</b>	<b>38.071</b>
<b>6 Tax on profit/loss for the year</b>				
Current tax	31.388	52.448	73.117	144.002
Change in deferred tax	952	-5.658	-7.578	107
Tax on received dividend	1.564	3.347	1.564	3.347
Adjustment concerning tax in previous years	-666	-162	-4.248	213
	<b>33.238</b>	<b>49.975</b>	<b>62.855</b>	<b>147.669</b>

## Notes

### 7 Discontinuing activities

#### Income statement

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	DKK 1.000	DKK 1.000
Revenue	0	0
Production costs	0	0
<b>Gross profit</b>	<b>0</b>	<b>0</b>
Sales and distribution costs	0	0
Administrative expenses	-97	-1.060
<b>Income before interests and tax</b>	<b>-97</b>	<b>-1.060</b>
Financial items	0	0
Tax	0	0
<b>Income after tax on discontinuing activities</b>	<b>-97</b>	<b>-1.060</b>

#### Balance sheet

##### Assets

Intangible assets	3.410	3.616
Tangible assets	5.089	5.396
<b>Fixed assets</b>	<b>8.499</b>	<b>9.012</b>
Inventories	0	0
Receivables	0	0
Cash	136	208
<b>Current assets</b>	<b>136</b>	<b>208</b>
<b>Assets in discontinuing activities</b>	<b>8.635</b>	<b>9.220</b>

##### Liabilities

Trade payables	0	0
Other payables	4.066	4.273
<b>Liabilities in discontinuing activities</b>	<b>4.066</b>	<b>4.273</b>

#### Net equity discontinuing activities

	4.569	4.947
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#### Equity and liabilities in discontinuing activities

	8.635	9.220
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## Notes

### 8 Proposed distribution of income for the year

	<b>2023</b>
	DKK 1.000
<b>Parent</b>	
Transfer to reserve for net revaluation of subsidiaries and associates	158.943
Retained earnings	40.414
	<u>199.357</u>
<b>Group</b>	
Transfer to reserve for net revaluation of associates	17.336
Retained earnings	182.021
	<u>199.357</u>

### 9 Intangible assets

	<b>Acquired intangible assets</b>
	DKK 1.000
<b>Parent</b>	
Cost at 1 January	41.213
Additions	0
Cost at 31 December	<u>41.213</u>
Depreciation and impairment losses at 1 January	40.561
Depreciation for the year	163
Depreciation and impairment losses at 31 December	<u>40.724</u>
<b>Carrying amount at 31 December</b>	<u>489</u>

Amortisation and depreciation are recognised as follows in the income statement

	<b>2023</b>	<b>2022</b>
	DKK 1.000	DKK 1.000
Production costs	163	940
	<u>163</u>	<u>940</u>

## Notes

### 9 Intangible assets - continued

Group	Acquired intangible assets	Intellectual property	Customer relationship, brand name etc.	Goodwill
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Cost at 1 January	114.045	17.145	163.184	244.427
Additions from aquisition of subsidiaries	28.034	0	54.017	147.527
Foreign exchange adjustments	177	110	255	0
Additions	413	0	0	0
Disposals	0	0	0	0
Cost at 31 December	<u>142.669</u>	<u>17.255</u>	<u>217.456</u>	<u>391.954</u>
Depreciation and impairment losses at 1 January	112.971	2.637	83.749	134.672
Additions from aquisition of subsidiaries	23.957	0	0	0
Foreign exchange adjustments	177	6	116	0
Depreciation for the year	1.537	3.663	20.165	24.189
Reversals relating to disposals	-139	0	0	0
Depreciation and impairment losses at 31 December	<u>138.503</u>	<u>6.306</u>	<u>104.030</u>	<u>158.861</u>
<b>Carrying amount at 31 December</b>	<u><b>4.166</b></u>	<u><b>10.949</b></u>	<u><b>113.426</b></u>	<u><b>233.093</b></u>

Amortisation and depreciation are recognised as follows  
in the income statement

	2023	2022
	DKK 1.000	DKK 1.000
Production costs	28.788	21.416
Sales and distribution costs	20.165	16.787
Administrative expenses	601	765
	<u><b>49.554</b></u>	<u><b>38.968</b></u>

## Notes

### 10 Tangible assets

Parent	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Right of use assets	Fixed assets under construction
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Cost at 1 January	1.846	1.964.558	245.503	560.726	127.340
Additions	0	7.430	11.560	5.306	66.648
Transfers	0	46.791	7.520	0	-54.311
Re-evaluations	0	0	0	0	0
Disposals	0	-36.354	0	-1.480	0
Cost at 31 December	<u>1.846</u>	<u>1.982.425</u>	<u>264.583</u>	<u>564.552</u>	<u>139.677</u>
Depreciation and impairment losses at 1 January	1.473	1.674.163	138.326	162.743	0
Depreciation for the year	41	64.666	13.092	38.987	0
Reversals relating to disposals	0	-34.070	0	-1.327	0
Depreciation and impairment losses at 31 December	<u>1.514</u>	<u>1.704.759</u>	<u>151.418</u>	<u>200.403</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>332</u></b>	<b><u>277.666</u></b>	<b><u>113.165</u></b>	<b><u>364.149</u></b>	<b><u>139.677</u></b>

Amortisation and depreciation are recognised as follows in the income statement

	2023	2022
	DKK 1.000	DKK 1.000
Production costs	112.165	115.389
Sales and distribution costs	533	437
Administrative expenses	4.088	4.280
	<b><u>116.786</u></b>	<b><u>120.106</u></b>

## Notes

### 10 Tangible assets - continued

Group	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Right of use assets	Fixed assets under construction
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Cost at 1 January	839.484	3.268.580	554.099	575.993	276.526
Additions from acquisition of subsidiaries	410.362	787.818	12.949	55.124	26.763
Foreign exchange adjustments	8.223	9.462	908	-20	1.091
Additions	5.028	39.092	17.010	94.876	280.927
Transfers	6.097	134.879	12.987	0	-153.963
Disposals	-494	-81.868	-7.091	-3.569	-930
Cost at 31 December	<u>1.268.700</u>	<u>4.157.963</u>	<u>590.862</u>	<u>722.404</u>	<u>430.414</u>
Depreciation and impairment losses at 1 January	282.035	2.813.126	418.902	171.028	6.163
Additions from acquisition of subsidiaries	53.561	429.710	8.319	0	0
Foreign exchange adjustments	2.282	7.545	774	5	15
Depreciation and impairment for the year	14.120	130.374	23.378	53.905	4.485
Reversals relating to disposals	0	-76.206	-7.081	-3.417	0
Depreciation and impairment losses at 31 December	<u>351.998</u>	<u>3.304.549</u>	<u>444.292</u>	<u>221.521</u>	<u>10.663</u>
<b>Carrying amount at 31 December</b>	<b><u>916.702</u></b>	<b><u>853.414</u></b>	<b><u>146.570</u></b>	<b><u>500.883</u></b>	<b><u>419.751</u></b>

Amortisation and depreciation are recognised as follows in the income statement

	2023	2022
	DKK 1.000	DKK 1.000
Production costs	206.459	178.905
Sales and distribution costs	2.399	1.615
Administrative expenses	17.404	15.262
	<u>226.262</u>	<u>195.782</u>



## Notes

### 11 Fixed asset investments

Parent	Investments in subsidiaries	Investments in associates	Other long term receivables
	DKK 1.000	DKK 1.000	DKK 1.000
Cost at 1 January	590.557	16.179	31.466
Additions	1.022.423	0	91
Cost at 31 December	<u>1.612.980</u>	<u>16.179</u>	<u>31.557</u>
Net revaluation at 1 January	742.122	70.142	0
Foreign exchange adjustments	10.071	-4.364	0
Net share of profit/loss for the year	136.591	17.336	0
Dividends received	-70.381	-10.429	0
Depreciation on goodwill and re-evaluations on acquired subsidiaries	-57.916	0	0
Net revaluation for the year	-2.571	351	0
Net adjustments of investments having a negative equity value	5.016	0	0
Net revaluation at 31 December	<u>762.932</u>	<u>73.036</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>2.375.912</u></b>	<b><u>89.215</u></b>	<b><u>31.557</u></b>

Of this years investment in subsidiaries goodwill amounts to 147.527 tDKK as presented in note 9

## Notes

### 11 Fixed asset investments - continued

Group	Investments	Other long
	in associates	term
	DKK 1.000	DKK 1.000
Cost at 1 January	16.179	31.711
Foreign exchange adjustments	0	1
Additions from acquisition of subsidiaries		5.257
Additions	0	92
Disposals	0	-106
Cost at 31 December	<u>16.179</u>	<u>36.955</u>
Net revaluation at 1 January	70.142	0
Foreign exchange adjustments	-4.364	0
Net share of profit/loss for the year	17.336	0
Dividends received	-10.429	0
Net revaluation for the year	351	0
Net revaluation at 31 December	<u>73.036</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>89.215</u></b>	<b><u>36.955</u></b>

## Notes

### 11 Fixed asset investments - continued

Parent	Net profit in last annual report*	Equity in last annual report*	Share capital	Parent share of voting rights
<u>Subsidiaries</u>				
G&M Envases Universales Sweden AB Lysekil, Sweden	TSEK 31.508	TSEK 156.709	TSEK 3.706	100%
Envases Media A/S Løsning, Denmark	TDKK 12.001	TDKK 94.517	TDKK 1.000	100%
Envases Media Inc. Ohio, USA	TUSD 2.045	TUSD 17.327	TUSD 3.000	100%
Hebei G&M Co. Ltd Qian'an, China	TRMB -2.327	TRMB -36.322	TRMB 90.338	30%
Envases B.V. Halsteren, Netherlands	TEUR 8.535	TEUR 28.576	TEUR 477	100%
Envases Öhringen GmbH Öhringen, Germany	TEUR 16.612	TEUR 33.227	TEUR 30.618	100%
Envases Horst B.V. Horst, Netherlands	TEUR 2.935	TEUR 11.167	TEUR 10.818	100%
Envases Universales Ibérica, S.L.U. Agoncillo, Spain	TEUR 18.578	TEUR 61.368	TEUR 14.186	100%
<u>Associates</u>				
Hanil G&M Co. Ltd. Seoul, Korea	MKRW 3.966	MKRW 27.778	MKRW 5.000	50%
<b>Group</b>				
<u>Associates</u>				
Hanil G&M Co. Ltd. Seoul, Korea	MKRW 3.966	MKRW 27.778	MKRW 5.000	50%

\* 2022 annual report

## Notes

	Parent		Group	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
<b>12 Inventories</b>				
Raw materials and consumables	154.413	229.228	463.359	429.475
Goods in progress	189.908	199.207	501.219	387.423
Finished goods	56.958	61.529	365.752	151.296
	<b>401.279</b>	<b>489.964</b>	<b>1.330.330</b>	<b>968.194</b>

### 13 Other receivables / Other payables

Envases Europe has entered into financial contracts which are recognized at fair value in the following line items in the balance sheet.

*Other receivables:*

Foreign exchange contracts:

Sale of NOK, ending 01.01.2024 - 26.06.2024  
 Sale of USD, ending 01.01.2024 - 25.04.2024  
 Aluminium Swap contracts, due dates in 2024

**In other receivables**

*Other payables*

Sale of NOK, ending 01.01.2024 - 26.06.2024

**In other payables**

Parent	Group
2023	2023
DKK 1.000	DKK 1.000
-38	-38
422	422
1.397	1.397
<b>1.781</b>	<b>1.781</b>
0	50
<b>0</b>	<b>50</b>

## Notes

	Parent		Group	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
<b>14 Deferred tax liabilities</b>				
Intangible assets	0	0	14.513	4.648
Tangible assets	12.133	12.282	185.933	108.110
Inventories	15.082	14.272	15.757	18.877
Other items	-6.431	-8.483	-9.252	-7.643
	<b>20.784</b>	<b>18.071</b>	<b>206.951</b>	<b>123.992</b>
Deferred tax asset	0	0	-13.673	-6.289
Deferred tax liabilities	20.784	18.071	220.624	130.281
	<b>20.784</b>	<b>18.071</b>	<b>206.951</b>	<b>123.992</b>
Deferred tax at 1 January 2023	18.071		123.992	
Foreign exchange adjustments			96	
Deferred tax identified at acquisition of subsidiaries	0		90.778	
Change in deferred tax in income statement	952		-7.557	
Change in deferred tax in Equity	1.761		-578	
Adjustment of deferred tax in previous years	0		220	
<b>Deferred tax at 31 December 2023</b>	<b>20.784</b>		<b>206.951</b>	
<b>15 Long-term liabilities other than provisions</b>				
<i>Long-term liabilities due after more than 5 years:</i>				
Right of use asset liability	217.578		281.977	
Credit institutions (bank loans)	349.604		373.644	
Other payables (holiday payable obligation)	31.569		31.569	

## Notes

	<b>Parent</b> 2023 DKK 1.000	<b>Group</b> 2023 DKK 1.000
<b>16 Staff costs</b>		
Wages and salaries	424.933	961.625
Pension costs	43.056	59.794
Other social security costs	13.854	119.126
	<b>481.843</b>	<b>1.140.545</b>
Staff costs are recognised as follows in the income statement:		
Production costs	422.362	950.505
Sales- and distribution costs	19.694	64.077
Administrative expenses	39.787	125.963
	<b>481.843</b>	<b>1.140.545</b>
From this wages and salaries for executive management and board of directors make:		
Executive Management	8.858	8.858
Board of directors	200	200
	<b>9.058</b>	<b>9.058</b>
Average number of employees	<b>843</b>	<b>2.642</b>
<b>17 Assets charged and provided securities</b>		
The group has no assets charged or provided any securities.		
<b>18 Other commitments</b>		
Renting and lease payments due in 1 year	55	594
Renting and lease payments due in 2-5 years	23	835
Renting and lease payments due after 5 years	0	331
	<b>78</b>	<b>1.760</b>

## Notes

	Parent		Group	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
<b>19 Contingent liabilities</b>				
Guarantees for subsidiaries	14.503	14.715	0	0
Other contingent liabilities	20.218	16.031	198.141	142.057
	<b>34.721</b>	<b>30.746</b>	<b>198.141</b>	<b>142.057</b>

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

The Envases Europe Group has received compensation claims from a few customers. Provisions are made for expected claims to the extent found necessary by Management. The outcome of single cases may differ in positive as well as negative directions, and the accounting impact may be significant.

### 20 Fee to auditors appointed by the Company on general meeting

Statutory audit services	883	600	3.491	2.458
Other assurance engagements	6	163	6	163
Tax services	159	0	206	25
Other services	0	0	23	22
	<b>1.048</b>	<b>763</b>	<b>3.726</b>	<b>2.668</b>

### 21 Events after balance sheet date

In February 2024 we have started negotiations concerning rationalization of our plants in Montmelo and Miavalles. We are currently in discussions with our employees regarding the termination of their contracts, however, these negotiations have not yet been concluded. The potential impact of these negotiations has not been factored into our expected result for 2024 mentioned above. Besides that, no significant events have occurred after the balance sheet date to this date which would influence the evaluation of the consolidated and parent financial statements.

## Notes

### 22 Transactions with related parties

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. Such transactions have not been conducted in the financial year.

### 23 Definition of financial highlights

Key ratios are defined and calculated in accordance with latest "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

#### Ratios Calculation formula

$$\text{Gross margin (\%)} = \frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

$$\text{Net profit ratio (\%)} = \frac{\text{Income before interest} \times 100}{\text{Revenue}}$$

$$\text{Return on invested capital incl goodwill (\%)} = \frac{\text{EBITA} \times 100}{\text{Average invested capital incl goodwill}}$$

$$\text{Solvency ratio(\%)} = \frac{\text{Equity}}{\text{Total assets}}$$

$$\text{Return on equity (\%)} = \frac{\text{Income for the year} \times 100}{\text{Average equity}}$$

#### Ratios reflect

##### Return on invested capital incl goodwill

The return generated by the enterprise on the investors' funds.

EBITA (Earnings Before Interest, Tax and Amortisation) is defined as operating profit plus the year's amortisation of goodwill. The year's impairment losses on goodwill are not added.

Invested capital including goodwill is defined as net working capital plus the carrying amount of property, plant and equipment and intangible assets as well as accumulated amortisation of goodwill, and minus other provisions and other long-term operating liabilities. Accumulated impairment losses on goodwill are not added.

Net working capital is defined as inventories, receivables and other operating current assets net of trade payables and other short-term operating liabilities. Income tax receivable and payable as well as cash are not included in net working capital.



## Notes

	Group	
	2023	2022
	DKK 1.000	DKK 1.000
<b>24 Adjustments</b>		
Depreciation and losses on tangible and intangible assets	275.817	227.844
Gain/losses on sale of tangible and intangible assets	2.733	6.907
Changes in provision for pensions	1.464	-19.311
Changes in other provisions	-707	397
Income from investments in subsidiaries	-17.336	-22.906
Financial income received	-10.530	-16.158
Financial expenses paid	93.563	38.071
Taxes on profit/loss for the year	62.856	147.669
Other adjustments	4.321	-2.869
	<b>412.181</b>	<b>359.644</b>
<b>25 Working capital changes</b>		
Changes in inventories	284.436	-301.356
Changes in trade receivables	87.909	-49.853
Changes in other receivables and prepayments	5.650	23.288
Changes in trade payables	-326.719	174.232
Changes in other payables and deferred income	75.172	29.047
	<b>126.448</b>	<b>-124.642</b>
<b>26 Cash and equivalents</b>		
Cash	146.850	314.169
Cash in discontinuing activities	136	208
	<b>146.986</b>	<b>314.377</b>