Cabinplant A/S

Roesbjergvej 9, 5683 Haarby

CVR no. 76 16 53 19

Annual report for 2023

This annual report has been adopted at the annual general meeting on 14.06.24

Jan Helskov Hansen

Chairman of the meeting

STATE AUTHORIZED
PUBLIC ACCOUNTANTS

We are an independent member of the global advisory and accounting network

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Limited Partnership Company
CVR no. DK 32 89 54 68

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Group information etc.

The company

Cabinplant A/S
Roesbjergvej 9
5683 Haarby
Tel.: 63 73 20 20
Website: www.cabinplant.com
Registered office: Assens
CVR no.: 76 16 53 19
Financial year: 01.01 - 31.12

Executive Board

CEO Lars Ryholl
CFO Jan Helskov Hansen

Board of Directors

Robert Stephen Janek
Marc Frederick Plastow
CFO Jan Helskov Hansen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Cabinplant A/S.

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

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.23 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Haarby, June 14, 2024

Executive Board

Lars Ryholl CEO	Jan Helskov Hansen CFO

Board of Directors

Robert Stephen Janek	Marc Frederick Plastow	Jan Helskov Hansen CFO

Independent auditor's report

To the Shareholders of Cabinplant A/S

Opinion

We have audited the consolidated financial statements and financial statements of Cabinplant A/S for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31.12.23 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.01.23 - 31.12.23 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and financial statements" section of our report. We are independent of the group and 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 the management's review

Management is responsible for the management's review.

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

In connection with our audit of the consolidated financial statements and financial statements, it is our responsibility to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or parent company 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, we conclude that the management's review is in accordance with the consolidated financial statements and 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's review.

Management's responsibilities for the consolidated financial statements and financial statements

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

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and 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 consolidated financial statements and financial statements unless management either intends to liquidate the group and the company 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 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 consolidated financial statements and 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 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 consolidated financial statements and 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and financial statements, including the disclosures, and whether the consolidated financial statements and 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.

Odense, June 14, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Henrik Welinder

State Authorized Public Accountant
MNE-no. mne23366

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2023	2022	2021	2020	2019
Profit/loss					
Revenue	417,868	401,846	379,259	317,868	388,918
Gross profit	119,300	121,274	82,175	52,944	67,348
Operating profit	47,781	49,625	47,119	25,885	28,855
Total net financials	-1,749	-2,464	222	-4,937	-2,381
Profit for the year	36,836	36,526	36,619	16,217	20,197
Balance					
Total assets	353,726	348,245	305,914	307,318	191,767
Investments in property, plant and equipment	4,832	549	5,083	31,368	15,067
Equity	213,032	175,676	137,778	100,718	85,079

Ratios

	2023	2022	2021	2020	2019
Profitability					
Return on equity	19%	23%	31%	17%	27%
Gross margin	29%	30%	22%	17%	17%
Equity ratio					
Solvency ratio	60%	50%	45%	33%	44%
Others					
Number of employees (average)	286	286	282	288	309

Ratios definitions

Return on equity: $\dfrac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Gross margin: $\dfrac{\text{Gross result x 100}}{\text{Revenue}}$

Solvency ratio: $\dfrac{\text{Equity, end of year x 100}}{\text{Total assets}}$

Primary activities

The group's activities is to engage in the development, production and sales of machines and high-tech processing and weighing/packing lines for the food processing industry.

The solutions are sold domestically and worldwide directly from the parent company and its sales subsidiaries in Poland, Germany, USA and Spain as well as from a network of sales agents in more than 35 countries.

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit of DKK 36,836,414 against DKK 36,526,313 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 213,031,536.

The group has experienced a satisfactory development during the year within its activities.

The earnings expectations for 2023 were a net profit of DKK 30-35 mill. The realized net profit is in this perspective satisfactory.

In 2023 the result has been positively affected by several big projects within the vegetable segment.

Outlook

The group expects a profit before tax on DKK 53 mill. in 2024. The present international market conditions may affect the expected result.

Knowledge resources

The group has developed considerable knowhow on the development and production of machines and hightech processing and weighing/packing lines for the food processing industry. To a great extent, such intellect resources are anchored in employees with a high level of education. It is the company's clear policy to maintain and accumulate the intellect of its employees.

Financial risks

Due to its operations, investments and financing, the group is exposed to financial risks. The group's policy is not to speculate actively in financial risks. None of the below-mentioned risks are seen to have a material influence on ongoing operations and results.

Price risks

The group is exposed to commodity price risks, as the group's products contain various raw materials which are subject to fluctuating prices, primarily steel and aluminium. Commodity price risks are not hedged. Previously, the impact on the group's results has been limited, as price fluctuations of the most important raw materials used are primarily passed on to the group's selling prices.

Foreign currency risks

The group is exposed to foreign currency risks primarily from EUR, GBP, NOK and USD due to purchase and sales transactions that are settled in currencies other than DKK.

Interest rate risks

The group has a large proportion of variable-rate assets and liabilities and is therefore exposed to interest rate risks.However will even larger changes in interest rates not have any material effect upon the results.

Credit risks

The group's primary credit risk relates to trade receivables. The Group has considerable focus on the credit risks in relation to the customers and the total credit risk is therefore considered low.

Liquidity risks

The group is exposed to liquidity risks due to its ongoing activities and repayment agreements for loan finance.

Research and development activities

Product research activities proceeded satisfactorily during the past year. Product research was implemented particularly for the weighing/packing segments resulting in new market leading solusions.

Subsequent events

No important events have occurred after the end of the financial year to this date which would influence the evaluation of this annual report.

Corporate social responsibility

Business model

Precise by nature sums up the heart and soul of Cabinplant. The nature of our brand. The way we work with constant care. Our reason d'être.

We believe precision is key when it comes to exploiting the full potential in food processing by optimizing yield, throughput, and product quality. And we believe that our industry knowhow is the enabler.

We've been pioneering food processing since 1969. With more than 50 years of experience, our track record is a testament to our expertise. We know our customers, their raw materials, and their markets. This enables us to deliver tailormade products and solutions with builtin knowhow, stateoftheart technology, and superior precision.

We constantly strive to innovate new things and drive market standards across the international food industry. We're passionate team workers, and we're truly dedicated when it comes to engineering industryleading solutions with clients from all around the world.

The group wishes to develop its core business and meet its strategic challenges in a financially and socially responsible way. This means that the group complies with legislation in the countries and local communities in which it operates, and that the group implements voluntary activities and commitments of a socially responsible character to attain the strategic objects.

Principal risks

The group is aware that the manufacturing of machinery is related to a negative impact on the environment and climate due to the CO2 emission related to it. The group always try to find ways to minimize the CO2 emission related to its production.

The management has not identified any significant negative risk regarding the environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters.

Environmental matters

The group manufactures machinery primarily composed of steel and metal, resulting in CO2 emissions during processing and transportation. The group is constantly engaged in optimization of resource application to continuously minimize the main environmental impacts. The group focuses on optimizing their products in terms of energy and productivity.

The management expect a continued reduction of emissions yearbyyear, at present, there has been no commencement of a comprehensive data collection regarding environmental, climate, and CO2 emissions.

Social and employee matters

The majority of the company is run in Denmark, where the social and employee conditions are highly regulated by legislation and norms that ensure good conditions for all employees. We employ people with a professional attitude and respect cultural differences.

At Cabinplant we recognize that we are an international company, and that our business affects the world around us. In the light of this, we want to take our responsibility seriously. When talking about corporate social responsibility we find it natural to take our responsibilities further than legal obligations. We recognize that as a company employing several hundred people across the globe, we hold a unique position in relation to our employees, environment and surroundings.

At Cabinplant, we perceive education to be an investment in the future, which is why we rely on and entrust our apprentices, trainees and interns with meaningful tasks in our daily work.

We acknowledge that people are different and that some have challenges in having a job, be it physical or psychological. Thus, we aim to have openings for employees who cannot usually be employed on normal conditions, by securing and maintaining an open and good working-environment, with room for everyone.

We feel that it is of benefit to the employee, to the company and to the society as a whole that companies offer this possibility for more people to be active members of the workforce.

Cabinplant has a working environment policy which includes employee satisfaction and security governed by a local work environment committee. In 2023 no employee satisfaction measurement were performed, but is expected to be conducted in 2024. In connection with the upcoming employee satisfaction measurement, there will be a follow-up on the results and any necessary measures where needed. The company's working environment group continually monitors sick days and any injuries. All incidents throughout the year are handled in accordance with workplace safety legislation.

We have a goal of no major injuries and this goal has been reached in 2023, at present, there has not been an actual commencement of data collection concerning social and personnel matters.

Respect for human rights

We support the protection of human rights, and it is an integral part of our General Company Employer Policies.

Cabinplant wants to live up to human rights as described by the UN, the EU and in Danish legislation. No violents were found in 2023.

Since the implementation of the group's whistleblower scheme in 2021, there have been no reported incidents, which also aligns with our expectations for 2024.

Anti-corruption and bribery matters

Management does not accept corruption, bribery or extortion in any form. Being part of the BerkshireHathaway group means that Cabinplant is applying the highest standards and code of conduct in regards to ethical and legal business performance.

Cabinplants policy is to comply with US OFAC & FCPA regulations as well as similar EU and UN sanctions embargoes.

If any customers, suppliers, or partners violate international sanction regulations, the group will terminate the collaboration in accordance with the group's code of conduct. There have been no exclusions throughout the year.

Gender composition of the management

Supreme management body

According to Danish Financial Statements Act §99b (Årsregnskabsloven) we are reporting following goals for gender diversity:

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Number of members	3	*)	*)	*)	*)
Underrepresented sex (%)	0%	*)	*)	*)	*)
Target (%)	33%	*)	*)	*)	*)
Target figures expected to be met in year	2027	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Update on meeting targets

The company's Board of Directors currently consists of 0 female board members out of a total of 3 board members (0%), which is unchanged from last year.

Significant actions taken during the financial year to achieve the target

In the recruitment process of new members for the group´s Board of Directors we will promote diversity irrespectively of gender, age etc. If possible we will seek to have at least one qualified candidate of each gender and we will demand recruiters to present at least one suitable candidate of each gender among the qualified candidates.

Accounting policies

The gender diversity ratio in the supreme management body is calculated as the proportion of female board members on the Board of Directors. It only includes board members elected by the general meeting. Employee representatives are not included.

Other management levels

Other levels of management include the Executive Board, and people with responsibility for personnel who report directly to the Executive Board.

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Number of managers	14	*)	*)	*)	*)
Underrepresented sex (%)	21%	*)	*)	*)	*)
Target (%)	40%	*)	*)	*)	*)
Target figures expected to be met in year	2029	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Update on meeting targets

The company’s other levels of management currently consist of 3 female managers out of a total of 14 managers (21%), which is unchanged from last year.

Description of material content of the policy

The group's policy and goal are to create a workplace with a diverse workforce at all levels of management that promotes equal opportunities irrespective of background, culture, religion, gender, etc. Management has adopted a policy to increase the proportion of the underrepresented gender at the other management levels, including the company’s department managers and team leaders.

The company has set a target for the underrepresented sex at other management levels of 40%. The company is working towards achieving the target before the end of 2029.

Significant actions taken during the financial year to achieve the target

Development initiatives contain:

- Staff policy to promote equal career opportunities for both genders
- Recruitment procedures that help ensure uniform recruitment opportunities for both genders

It is Cabinplant´s policy to employ more employees of the underrepresented gender, whenever qualified candidates are available.

Accounting policies

The gender diversity ratio at other management levels is calculated as the proportion of female managers with responsibility for personnel out of the total number of managers with responsibility for personnel at the other management levels.

Data ethics

Statement on data ethics can be found on the website of the company www.cabinplant.com/about-us/personal-data-handling/ .

Income statement

Note		Group 2023 DKK	Group 2022 DKK	Parent 2023 DKK	Parent 2022 DKK
1	**Revenue**	**417,868,238**	**401,845,962**	**406,427,328**	**388,760,044**
	Production costs	-298,568,001	-280,571,634	-307,827,627	-291,162,164
	Gross profit	**119,300,237**	**121,274,328**	**98,599,701**	**97,597,880**
	Distribution costs	-38,390,381	-42,207,714	-33,055,640	-34,820,059
	Administration costs	-33,464,841	-29,643,663	-29,138,238	-26,629,392
	Other operating income	335,721	202,164	0	0
	Operating profit	**47,780,736**	**49,625,115**	**36,405,823**	**36,148,429**
	Income from equity investments in group enterprises	0	0	9,787,721	10,390,968
4	Financial income	14,683,060	3,831,653	14,866,876	3,849,951
5	Financial expenses	-16,431,694	-6,296,147	-16,625,758	-6,644,461
	Profit before tax	**46,032,102**	**47,160,621**	**44,434,662**	**43,744,887**
	Tax on profit for the year	-9,195,688	-10,634,308	-7,598,248	-7,218,575
	Profit for the year	**36,836,414**	**36,526,313**	**36,836,414**	**36,526,312**

6 Proposed appropriation account

Balance sheet

ASSETS

Note		Group 31.12.23 DKK	Group 31.12.22 DKK	Parent 31.12.23 DKK	Parent 31.12.22 DKK
	Completed development projects	12,171,639	17,978,318	12,166,803	17,969,374
	Development projects in progress	5,350,331	2,236,574	5,350,331	2,236,574
7	**Total intangible assets**	**17,521,970**	**20,214,892**	**17,517,134**	**20,205,948**
	Land and buildings	49,867,823	49,852,217	39,447,099	39,871,731
	Plant and machinery	2,896,395	1,982,817	2,464,589	1,598,874
	Other fixtures and fittings, tools and equipment	1,990,374	2,769,448	966,138	1,486,767
	Property, plant and equipment under construction	2,782,825	433,068	2,364,938	0
8	**Total property, plant and equipment**	**57,537,417**	**55,037,550**	**45,242,764**	**42,957,372**
9	Equity investments in group enterprises	0	0	49,057,395	37,754,890
10	Deposits	51,816	51,816	51,816	51,816
	Total investments	**51,816**	**51,816**	**49,109,211**	**37,806,706**
	Total non-current assets	**75,111,203**	**75,304,258**	**111,869,109**	**100,970,026**
	Raw materials and consumables	42,599,358	41,120,077	37,408,439	37,199,146
	Manufactured goods and goods for resale	12,913,016	11,775,539	12,913,016	11,775,539
	Total inventories	**55,512,374**	**52,895,616**	**50,321,455**	**48,974,685**
11	Work in progress for third parties	16,867,167	42,987,945	16,867,167	42,987,945
	Trade receivables	72,755,235	70,356,266	66,393,590	67,841,723
	Receivables from group enterprises	0	1,261,292	6,720,759	5,271,371
	Income tax receivable	2,255,464	1,333,483	370,593	1,187,629
	Other receivables	5,173,145	7,877,041	4,152,959	6,419,057
12	Prepayments	10,065,827	2,338,300	9,865,965	2,064,298
	Total receivables	**107,116,838**	**126,154,327**	**104,371,033**	**125,772,023**
	Cash	**115,985,425**	**93,890,524**	**99,846,468**	**81,147,709**
	Total current assets	**278,614,637**	**272,940,467**	**254,538,956**	**255,894,417**
	Total assets	**353,725,840**	**348,244,725**	**366,408,065**	**356,864,443**

Balance sheet

EQUITY AND LIABILITIES

Note		Group 31.12.23 DKK	Group 31.12.22 DKK	Parent 31.12.23 DKK	Parent 31.12.22 DKK
13	Share capital	1,050,000	1,050,000	1,050,000	1,050,000
	Reserve for net revaluation according to the equity method	0	0	34,561,320	29,769,678
	Reserve for development costs	0	0	13,663,365	15,760,640
	Foreign currency translation reserve	0	0	892,138	132,067
	Cash flow hedging reserve	1,476,429	1,717,370	1,476,429	1,717,370
	Retained earnings	210,505,107	172,908,622	161,388,284	127,246,237
	Total equity	**213,031,536**	**175,675,992**	**213,031,536**	**175,675,992**
14	Provisions for deferred tax	12,261,630	14,432,658	12,587,014	14,492,132
	Total provisions	**12,261,630**	**14,432,658**	**12,587,014**	**14,492,132**
15	Mortgage debt	7,976,032	8,866,993	7,907,983	8,645,369
15	Other payables	12,902,971	12,502,484	12,902,971	12,502,484
	Total long-term payables	**20,879,003**	**21,369,477**	**20,810,954**	**21,147,853**
15	Short-term part of long-term payables	1,250,080	1,336,766	1,057,382	1,174,246
11	Prepayments received from work in progress for third parties	25,425,777	67,504,669	25,425,777	68,729,385
	Prepayments received from customers	2,488,624	2,398,010	0	0
	Trade payables	56,740,761	47,984,361	55,996,153	45,649,239
	Payables to group enterprises	40,927	0	21,213,454	16,403,288
	Other payables	21,607,502	17,542,792	16,285,795	13,592,308
	Total short-term payables	**107,553,671**	**136,766,598**	**119,978,561**	**145,548,466**
	Total payables	**128,432,674**	**158,136,075**	**140,789,515**	**166,696,319**
	Total equity and liabilities	**353,725,840**	**348,244,725**	**366,408,065**	**356,864,443**

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Statement of changes in equity

Figures in DKK	Share capital	Reserve for net revaluation according to the equity method	Reserve for development costs	Foreign currency translation reserve	Cash flow hedging reserve	Retained earnings
Group:						
Statement of changes in equity for 01.01.23 - 31.12.23						
Balance as at 01.01.23	1,050,000	0	0	0	1,717,370	172,908,622
Foreign currency translation adjustment of foreign enterprises	0	0	0	0	0	760,071
Fair value adjustment of hedging instruments	0	0	0	0	-308,899	0
Tax on changes in equity	0	0	0	0	67,958	0
Net profit/loss for the year	0	0	0	0	0	36,836,414
Balance as at 31.12.23	1,050,000	0	0	0	1,476,429	210,505,107

Figures in DKK	Share capital	Reserve for net revaluation according to the equity method	Reserve for development costs	Foreign currency translation reserve	Cash flow hedging reserve	Retained earnings
Parent:						
Statement of changes in equity for 01.01.23 - 31.12.23						
Balance as at 01.01.23	1,050,000	29,769,678	15,760,640	132,067	1,717,370	127,246,237
Foreign currency translation adjustment of foreign enterprises	0	0	0	760,071	0	0
Total depreciation, amortisation, impairment losses and write-downs during the year	0	0	-2,097,275	0	0	2,097,275
Fair value adjustment of hedging instruments	0	0	0	0	-308,899	0
Tax on changes in equity	0	0	0	0	67,958	0
Net profit/loss for the year	0	4,791,642	0	0	0	32,044,772
Balance as at 31.12.23	1,050,000	34,561,320	13,663,365	892,138	1,476,429	161,388,284

Consolidated cash flow statement

Note		Group 2023 DKK	Group 2022 DKK
	Profit for the year	**36,836,414**	**36,526,313**
22	Adjustments	19,108,523	21,788,876
	Change in working capital:		
	Inventories	-2,616,759	-12,387,332
	Receivables	19,959,471	-4,044,393
	Trade payables	8,756,401	6,105,280
	Other payables relating to operating activities	-39,923,123	5,539,650
	Cash flows from operating activities before net financials	**42,120,927**	**53,528,394**
	Interest income and similar income received	14,683,060	3,831,653
	Interest expenses and similar expenses paid	-16,431,695	-6,296,147
	Income tax paid	-9,806,000	-7,719,045
	Cash flows from operating activities	**30,566,292**	**43,344,855**
	Purchase of intangible assets	-2,024,736	-2,454,080
	Purchase of property, plant and equipment	-4,831,950	-548,634
	Sale of property, plant and equipment	223,746	218,768
	Cash flows from investing activities	**-6,632,940**	**-2,783,946**
	Repayment of mortgage debt	-999,553	-3,851,362
	Repayment of lease commitments	29,970	-3,796,763
	Arrangement of payables to group entreprises	0	1,261,292
	Repayment of payables to group entreprises	-1,261,292	0
	Repayment of other long-term payables	392,424	217,336
	Cash flows from financing activities	**-1,838,451**	**-6,169,497**
	Total cash flows for the year	**22,094,901**	**34,391,412**
	Cash, beginning of year	93,890,524	59,499,112
	Cash, end of year	**115,985,425**	**93,890,524**
	Cash, end of year, comprises:		
	Cash	115,985,425	93,890,524
	Total	**115,985,425**	**93,890,524**

	Group		Parent	
	2023 DKK	2022 DKK	2023 DKK	2022 DKK

1. Revenue

Information about the distribution of revenue by activities and geographical markets is provided below. The segment information is prepared in accordance with the company's accounting policies and follows the company's internal financial management.

Revenue comprises the following activities:

	2023 DKK	2022 DKK	2023 DKK	2022 DKK
Revenue, activity	417,868,238	401,845,962	406,427,328	388,760,044

Revenue comprises the following geographical markets:

	2023 DKK	2022 DKK	2023 DKK	2022 DKK
Revenue, Denmark	13,666,392	16,133,842	13,666,392	16,133,842
Revenue, rest of Europe	252,416,950	211,569,441	233,656,357	211,179,727
Revenue, other countries	151,784,896	174,142,679	159,104,579	161,446,475
Total	417,868,238	401,845,962	406,427,328	388,760,044

2. Employee aspects

	2023 DKK	2022 DKK	2023 DKK	2022 DKK
Wages and salaries	143,884,888	136,175,184	126,719,713	120,901,063
Pensions	10,867,940	9,565,917	10,579,575	9,509,168
Other social security costs	5,872,381	5,001,114	2,287,841	2,048,837
Other staff costs	5,393,338	4,804,884	4,917,584	4,344,050
Total	166,018,547	155,547,099	144,504,713	136,803,118
Average number of employees during the year	286	286	223	224

Remuneration for the management:

	2023 DKK	2022 DKK	2023 DKK	2022 DKK
Salaries for the Executive Board	4,608,775	3,233,073	4,851,825	3,233,073
Pension for the Executive Board	243,050	0	0	0
Remuneration for the Board of Directors	0	0	0	0
Remuneration for the Executive Board and Board of Directors	4,851,825	3,233,073	4,851,825	3,233,073

	Group		Parent	
	2023 DKK	2022 DKK	2023 DKK	2022 DKK

3. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	337,535	294,939	268,535	237,400
Other services	268,750	37,775	268,750	37,775
Total	606,285	332,714	537,285	275,175

4. Financial income

Interest, group enterprises	0	0	209,412	332,505
Other interest income	2,399,803	467,215	2,374,207	153,008
Foreign exchange gains	12,283,257	3,361,559	12,283,257	3,361,559
Other financial income	0	2,879	0	2,879
Other financial income	14,683,060	3,831,653	14,657,464	3,517,446
Total	14,683,060	3,831,653	14,866,876	3,849,951

5. Financial expenses

Interest, group enterprises	0	0	520,175	431,999
Other interest expenses	298,245	639,849	287,059	637,823
Foreign exchange losses	14,848,382	4,448,543	14,566,559	4,448,543
Other financial expenses	1,285,067	1,207,755	1,251,965	1,126,096
Other financial expenses total	16,431,694	6,296,147	16,105,583	6,212,462
Total	16,431,694	6,296,147	16,625,758	6,644,461

6. Proposed appropriation account

Reserve for net revaluation according to the equity method	0	0	4,791,642	10,621,506
Retained earnings	36,836,414	36,526,313	32,044,772	25,904,806
Total	36,836,414	36,526,313	36,836,414	36,526,312

7. Intangible assets

Figures in DKK	Completed development projects	Goodwill	Development projects in progress
Group:			
Cost as at 01.01.23	61,816,609	2,273,782	2,236,574
Additions during the year	0	0	2,024,736
Disposals during the year	-9,214	0	0
Transfers during the year to/from other items	-1,089,021	0	1,089,021
Cost as at 31.12.23	60,718,374	2,273,782	5,350,331
Amortisation and impairment losses as at 01.01.23	-43,838,291	-2,273,782	0
Amortisation during the year	-4,717,636	0	0
Reversal of amortisation of and impairment losses on disposed assets	9,192	0	0
Amortisation and impairment losses as at 31.12.23	-48,546,735	-2,273,782	0
Carrying amount as at 31.12.23	12,171,639	0	5,350,331
Parent:			
Cost as at 01.01.23	61,372,380	0	2,236,574
Additions during the year	0	0	2,024,736
Transfers during the year to/from other items	-1,089,021	0	1,089,021
Cost as at 31.12.23	60,283,359	0	5,350,331
Amortisation and impairment losses as at 01.01.23	-43,403,006	0	0
Amortisation during the year	-4,713,550	0	0
Amortisation and impairment losses as at 31.12.23	-48,116,556	0	0
Carrying amount as at 31.12.23	12,166,803	0	5,350,331

Development and production of machines and high-tech processing and weighing/packing line for the food processing industry. Especially software and control systems. Ongoing development projects are following the timeframe and resource planning.

8. Property, plant and equipment

Figures in DKK	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction
Group:				
Cost as at 01.01.23	88,024,951	18,785,057	15,894,708	433,068
Foreign currency translation adjustment of foreign enterprises	1,092,075	420,887	317,440	20,613
Additions during the year	1,133,517	1,333,495	0	2,364,938
Disposals during the year	0	0	-484,663	-35,794
Cost as at 31.12.23	90,250,543	20,539,439	15,727,485	2,782,825
Depreciation and impairment losses as at 01.01.23	-38,172,734	-16,802,239	-13,125,260	0
Foreign currency translation adjustment of foreign enterprises	-224,979	-255,564	-31,464	0
Depreciation during the year	-1,985,007	-585,241	-877,098	0
Reversal of depreciation of and impairment losses on disposed assets	0	0	296,711	0
Depreciation and impairment losses as at 31.12.23	-40,382,720	-17,643,044	-13,737,111	0
Carrying amount as at 31.12.23	49,867,823	2,896,395	1,990,374	2,782,825
Parent:				
Cost as at 01.01.23	73,337,963	13,631,182	13,102,220	0
Additions during the year	1,133,517	1,333,495	0	2,364,938
Cost as at 31.12.23	74,471,480	14,964,677	13,102,220	2,364,938
Depreciation and impairment losses as at 01.01.23	-33,466,232	-12,032,307	-11,615,454	0
Depreciation during the year	-1,558,149	-467,781	-520,628	0
Depreciation and impairment losses as at 31.12.23	-35,024,381	-12,500,088	-12,136,082	0
Carrying amount as at 31.12.23	39,447,099	2,464,589	966,138	2,364,938
Carrying amount of assets held under finance leases as at 31.12.23	0	0	61,421	0

9. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Parent:	
Cost as at 01.01.23	7,853,145
Additions during the year	5,743,152
Cost as at 31.12.23	13,596,297
Revaluations as at 01.01.23	29,901,745
Foreign currency translation adjustment of foreign enterprises	760,071
Net profit/loss from equity investments	4,799,282
Revaluations as at 31.12.23	35,461,098
Carrying amount as at 31.12.23	49,057,395

Name and registered office:	Ownership interest	Equity DKK	Net profit/loss for the year DKK	Recognised value DKK
Subsidiaries:				
Cabinplant Deutschland GmbH, Hermsdorf	100%	17,342,178	4,451,641	17,342,178
Cabinplant Sp. Z.o.o., Katy Wroclawskie	100%	12,118,847	-1,342,742	12,118,847
Cabinplant SL, Barcelona	100%	-589,072	-745,703	0
Cabinplant Inc., Georgia, USA	100%	19,596,370	7,425,525	19,596,370

10. Other non-current financial assets

Figures in DKK	Deposits
Group:	
Cost as at 01.01.23	51,816
Cost as at 31.12.23	51,816
Carrying amount as at 31.12.23	51,816
Parent:	
Cost as at 01.01.23	51,816
Cost as at 31.12.23	51,816
Carrying amount as at 31.12.23	51,816

11. Work in progress for third parties

	Group		Parent	
	31.12.23 DKK	31.12.22 DKK	31.12.23 DKK	31.12.22 DKK
Work in progress for third parties	89,782,775	108,312,737	89,782,775	108,312,737
On-account invoicing	-98,341,385	-132,829,461	-98,341,385	-134,054,177
Total work in progress for third parties	-8,558,610	-24,516,724	-8,558,610	-25,741,440
Work in progress for third parties	16,867,167	42,987,945	16,867,167	42,987,945
Prepayments received from work in progress for third parties, short-term payables	-25,425,777	-67,504,669	-25,425,777	-68,729,385
Total	-8,558,610	-24,516,724	-8,558,610	-25,741,440

	Group		Parent	
	31.12.23 DKK	31.12.22 DKK	31.12.23 DKK	31.12.22 DKK

12. Prepayments

	Group 31.12.23 DKK	Group 31.12.22 DKK	Parent 31.12.23 DKK	Parent 31.12.22 DKK
Prepaid insurance premiums	1,281,075	455,141	1,281,075	455,141
Prepaid membership fees and subscriptions	0	127,640	0	0
Prepaid suppliers	6,642,962	581,664	6,443,100	435,302
Other prepayments	2,141,790	1,173,855	2,141,790	1,173,855
Total	10,065,827	2,338,300	9,865,965	2,064,298

13. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK
Share capital	1,050	1,050,000

	Group		Parent	
	31.12.23 DKK	31.12.22 DKK	31.12.23 DKK	31.12.22 DKK

14. Deferred tax

	Group 31.12.23 DKK	Group 31.12.22 DKK	Parent 31.12.23 DKK	Parent 31.12.22 DKK
Deferred tax as at 01.01.23	14,432,657	13,180,336	14,492,132	13,453,634
Deferred tax recognised in the income statement	-2,171,027	1,252,321	-1,905,117	1,038,498
Deferred tax as at 31.12.23	12,261,630	14,432,657	12,587,015	14,492,132
Deferred tax is recognized in the balance sheet as:				
Provisions for deferred tax	12,261,630	14,432,658	12,587,014	14,492,132

15. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.23	Total payables at 31.12.22
Group:				
Mortgage debt	877,718	4,129,426	8,853,750	9,853,304
Lease commitments	232,751	0	232,751	202,781
Other payables	139,611	10,543,300	13,042,582	12,650,158
Total	1,250,080	14,672,726	22,129,083	22,706,243
Parent:				
Mortgage debt	856,350	4,129,426	8,764,333	9,610,520
Lease commitments	61,421	0	61,421	61,421
Other payables	139,611	10,543,300	13,042,582	12,650,158
Total	1,057,382	14,672,726	21,868,336	22,322,099

16. Fair value information

Figures in DKK	Derivative financial instruments
Group:	
Fair value as at 31.12.23	127,297
Unrealised changes of fair value recognised in equity for the year	-308,899
Parent:	
Fair value as at 31.12.23	127,297
Unrealised changes of fair value recognised in equity for the year	-308,899

17. Derivative financial instruments

Parent:

The Board of Directors lays down the framework for the conclusion of contracts for derivative financial instruments. The company concludes contracts for the sole purpose of hedging the currency risk on the future payment of variable interest on mortgage debt.

The company has entered into an interest rate swap to hedge future interest payments on a variable-rate mortgage loan. The principal of the interest rate swap is DKK 9,806k with a term of ten years for expiry on 30.06.2032. The interest rate swap is recognised a fair value, amounting to DKK 129k at the balance sheet date. The change in fair value has been recognised directly on the equity. The interest rate swap has been concluded with a Danish finansial institution.

18. Contingent assets

Group:

The group has no contingent assets.

Parent:

The company has no contingent assets.

19. Contingent liabilities

Group:

Lease commitments

The company has concluded lease agreements with terms to maturity of 1-48 months and total lease payments of DKK 3,211k.

Parent:

Lease commitments

The company has concluded lease agreements with terms to maturity of 1-48 months and total lease payments of DKK 3,211k.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and is liable for income taxes on a pro rata basis and must comply with any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly or indirectly by the ultimate parent. The total tax liability for the jointly taxed companies at the balance sheet date has not yet been determined. For further information, please see the financial statements of the management company CTB Denmark Holding ApS.

20. Charges and security

Group:

Land and buildings with a carrying amount of DKK 49,868k have been provided as security for mortgage debt of DKK 8,764k. As security for bank engagements a letter of indemnity of DKK 10,000k is registrated.

Parent:

Land and buildings with a carrying amount of DKK 39,447k have been provided as security for mortgage debt of DKK 8,764k. As security for bank engagements a letter of indemnity of DKK 10,000k is registrated.

The company has provided security for group enterprises' facilities to credit institutions. The amount is PLN 45k.

21. Related parties

Controlling influence	Basis of influence
CTB Denmark Holding ApS, København	Ownership
Berkshire Hathaway Inc., Omaha, Nebraska, USA	Ownership

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

Remuneration for the management is specified in note 2. Employee aspects.

The company is included in the consolidated financial statements of the parent CTB Denmark Holding ApS, København.

22. Adjustments for the cash flow statement

	Group	
	2023 DKK	2022 DKK
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	8,164,200	8,690,074
Financial income	-14,683,060	-3,831,653
Financial expenses	16,431,695	6,296,147
Tax on profit or loss for the year	9,195,688	10,634,308
Total	19,108,523	21,788,876

23. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

23. Accounting policies - continued -

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition, derivative financial instruments are measured at cost. Subsequently, they are measured at fair value and recognised under other receivables and other payables, respectively.

Fair value adjustment of derivative financial instruments classified as and meeting the criteria for hedging future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. In the event that the hedged transaction results in the recognition of an asset or a liability, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be included in the cost of the asset or the liability. In the event that the hedged transaction results in the recognition of an income or an expense, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be recognised together with the

23. Accounting policies - continued -

hedged income or expense.

If the hedged transaction is no longer expected to occur, the cash flow hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument is transferred to other net financials in the income statement. If the hedged transaction is still expected to occur, but the criteria for cash flow hedging are no longer met, the hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument remains in equity until the transaction occurs.

Fair value adjustments of derivative financial instruments that do not meet the criteria for hedge accounting treatment are recognised under other net financials in the income statement on an ongoing basis.

LEASES

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

GRANTS

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

23. Accounting policies - continued -

INCOME STATEMENT

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as revenue according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

Production costs

Costs incurred, directly or indirectly, to generate the revenue for the year, including raw materials and consumables, wages and salaries and lease of and depreciation, amortisation and impairment losses on the fixed assets used in the production process, are recognised under production costs.

Distribution costs

Costs for the distribution of goods sold during the year and sales campaigns etc., including wages and salaries for sales staff, advertising and exhibition costs etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used in the distribution and sales activity, are recognised under distribution costs.

Administrative expenses

Expenses incurred during the year for management and administration, including wages and salaries for administrative staff and management as well as office premise expenses, office expenses, bad debts etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used for administration, are recognised under administrative expenses.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

23. Accounting policies - continued -

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Completed development projects	5	0
Goodwill	5	0
Buildings	20-30	0
Plant and machinery	10-20	0
Other plant, fixtures and fittings, tools and equipment	3-8	0

Land is not depreciated.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Income from equity investments in group entreprises

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Amortisation of capital losses and borrowing costs relating to financial liabilities is recognised on an ongoing basis as financial expenses.

23. Accounting policies - continued -

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Completed development projects and development projects in progress

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly or indirectly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

23. Accounting policies - continued -

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of intangible assets

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Property, plant and equipment under construction

Property, plant and equipment under construction are measured at cost. Costs incurred on property, plant and equipment under construction are transferred to the relevant asset category when the asset is ready for use.

23. Accounting policies - continued -

Gains and losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Equity investments with a negative carrying amount are measured at DKK 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised to the extent that the parent has a legal or constructive obligation to cover the liabilities of the enterprise in question.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 5 years for equity investments in subsidiaries. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

23. Accounting policies - continued -

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The cost of manufactured finished goods and work in progress is determined as the value of direct and indirect material and labour costs. Production overheads include indirect material and labour costs as well as maintenance and depreciation of machinery, buildings and equipment used in the production process as well as the costs of factory administration and management. Interest on loans arranged to finance production is not included in the cost.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

23. Accounting policies - continued -

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on-account invoicing made for each piece of work in progress.

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

23. Accounting policies - continued -

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

Unrealised gains and losses on financial instruments classified as and meeting the criteria for hedging of future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. The reserve is measured less deferred tax. The reserve is dissolved when the hedged transaction occurs, or it is no longer expected to occur.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

23. Accounting policies - continued -

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables. Cash flows from financing activities also comprise finance lease payments.

Cash and cash equivalents at the beginning and end of the year comprise cash and short-term payables to credit institutions.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.