Aabo-Ideal A/S

Industrivej 7, Vester Aaby, 5600 Faaborg

CVR no. 77 11 79 11

Annual report 2022/23

Approved at the Company's annual general meeting on 21 March 2024

Chair of the meeting:

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Knud Andersen

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Aabo-Ideal A/S for the financial year 1 October 2022 - 30 September 2023.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 30 September 2023 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 October 2022 - 30 September 2023.

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

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

Vester Aaby, 21 March 2024
Executive Board:

Gynter Graul Lorenzen CEO	Lars Hjortebjerg CFO

Board of Directors:

Knud Andersen Chairman	Dan Højgaard Jensen	Thomas Petersen
Claus Aabo Andersen	Christian Bruno Cordsen Nielsen	

Independent auditor's report

To the shareholders of Aabo-Ideal A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Aabo-Ideal A/S for the financial year 1 October 2022 - 30 September 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2023, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Independence

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- 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's review

Management is responsible for the Management's review.

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

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

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

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

Odense, 21 March 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised Public Accountant
mne31450

Management's review

Company details

Name	Aabo-Ideal A/S
Address, Postal code, City	Industrivej 7, Vester Aaby, 5600 Faaborg
CVR no.	77 11 79 11
Established	28 December 1984
Registered office	Faaborg-Midtfyn
Financial year	1 October 2022 - 30 September 2023
Website	www.aabo-ideal.com
Telephone	+45 62 61 61 25
Board of Directors	Knud Andersen, Chairman Dan Højgaard Jensen Thomas Petersen Claus Aabo Andersen Christian Bruno Cordsen Nielsen
Executive Board	Gynter Graul Lorenzen, CEO Lars Hjortebjerg, CFO
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Financial highlights for the Group

DKK'000	2022/23	2021/22	2020/21	2019/20	2018/19
Key figures					
Gross profit	96,813	93,149	76,778	52,918	66,332
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	14,372	11,430	9,182	-10,473	-3,856
Profit before interest and tax (EBIT)	9,534	7,932	6,028	-14,130	-7,064
Net financials	-3,376	-4,507	-2,164	-373	110
Profit for the year	4,050	2,832	3,211	-11,226	-5,259
Total assets	161,457	155,722	144,380	97,028	130,777
Investments in property, plant and equipment	3,478	1,439	1,047	5,652	7,123
Equity	15,716	11,577	16,347	20,033	43,591
Financial ratios					
Return on assets	5.7%	5.0%	4.6%	-12.4%	-5.7%
Equity ratio	9.5%	7.2%	10.9%	20.6%	33.3%
Return on equity	30.2%	22.7%	18.4%	-35.3%	-11.4%

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

Management's review

Business review

The Business foundation for Aabo-Ideal A/S is to produce and sell equipment and accessories for surface treatment.

Financial review

The consolidated result for Aabo-Ideal A/S amounts to app. DKK 4,1 million. The result is 1,2 million better vs. previous year and this development is considered merely satisfactory, given the world uncertainty coming from the conflict between Russia and Ukraine and the ongoing inflation.

The result is mainly generated through improvement in project execution and overall project profitability.

The strengthening of the organizational competences in the technical organization has continued during the year and the company is prepared for future growth.

Knowledge resources

It is important for the company to attract and retain highly qualified staff. Investments in education and training is made on a continuing basis. During 2022 we have rolled out a competence analyses for all staff in the Aabo-Ideal Group and education plans are currently initiated to cover competence gaps and secure continuous development of the Aabo-Ideal employees.

Financial risks and use of financial instruments

The main currencies of the company are USD, EUR and DKK. It is the policy of the company not to expose itself to any risk in connection with currency dispositions. No currency transactions are made on a speculative background.

The trade receivables from sale of goods are evaluated individually, and the necessary reservations are made to cover potential risks.

The main operational risk is linked to the ability to maintain and develop existing customers and to attract new customers.

Impact on the external environment

In line with the green agenda, several environmental improvements have been completed during the last year, both internally in the company and in the construction of the products. Furthermore, the company focuses on energy optimization in our complete solutions to the market.

Research and development activities

The research & development is mainly related to development of our way of working primarily in our way of production. The lean project in our production and technical departments, called "Top 5" is supporting our strategy of being a top 5 company worldwide within our industry. During the coming years we will continue to develop our products and way of working with focus on energy optimization and streamline our production to maintain and strengthen our competitive capabilities.

Events after the balance sheet date

No event has occurred, which in our opinion will change the evaluation of the Annual report and the company´s financial position.

Management's review

Outlook

As an order producing company, Aabo-Ideal A/S will often be exposed to significant fluctuations in the demands from the company´s customers. Both local and global factors, including the current conflict in eastern Europe, may have an impact on the market development and conditions.

By broadening both the geographical and technological span off business, we expect to improve the company's capability to absorb fluctuations in demands and further improve and stabilize our business model.

The expectation for 2022/23 was not realized mainly due to the world uncertainty coming from the conflict between Russia and Ukraine and the ongoing inflation.
Based on the budget for the financial year 2023/2024 and our strategic targets for the following years, combined with a growing and strong pipeline and order book of the company, management expects a revenue growth of around 20% compared to 2022/2023, an improved EBITDA line of around 170% and a group result around 19-24 mill. DKK.

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Income statement

		Group		Parent company	
Note	DKK	2022/23	2021/22	2022/23	2021/22
	Gross profit	96,812,966	93,149,182	72,858,847	69,921,864
2	Staff costs	-82,440,660	-81,719,436	-68,755,142	-64,872,644
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-4,838,077	-3,497,449	-3,666,445	-2,413,011
3	Other operating expenses	0	0	-3,875,009	-3,609,618
	Profit/loss before net financials	9,534,229	7,932,297	-3,437,749	-973,409
	Income from investments in group enterprises	0	0	10,185,619	5,728,130
4	Financial income	712,651	305,110	499,061	284,206
5	Financial expenses	-4,088,637	-4,812,535	-4,522,681	-3,007,020
	Profit before tax	6,158,243	3,424,872	2,724,250	2,031,907
6	Tax for the year	-2,108,042	-593,252	1,277,745	1,024,999
	Profit for the year	4,050,201	2,831,620	4,001,995	3,056,906
	Specification of the Group's results of operations:				
	Shareholders in Aabo-Ideal A/S	4,001,995	3,056,906		
	Non-controlling interests	48,206	-225,286		
		4,050,201	2,831,620		

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Balance sheet

		Group		Parent company	
Note	DKK	2022/23	2021/22	2022/23	2021/22
	ASSETS				
	Fixed assets				
8	**Intangible assets**				
	Completed development projects	3,468,674	199,899	3,468,674	199,899
	Acquired intangible assets	564	5,087	564	5,087
	Goodwill	12,968,874	13,248,848	0	0
	Development projects in progress	549,309	4,594,798	549,309	4,594,798
		16,987,421	18,048,632	4,018,547	4,799,784
9	**Property, plant and equipment**				
	Land and buildings	20,004,388	20,601,772	20,004,388	20,601,772
	Plant and machinery	3,987,028	5,077,544	3,870,177	4,949,452
	Fixtures and fittings, other plant and equipment	3,960,586	1,484,251	3,365,640	896,499
		27,952,002	27,163,567	27,240,205	26,447,723
10	**Investments**				
	Investments in group entities	0	0	33,535,595	29,681,740
	Deposits, investments	71,755	69,856	71,755	69,856
		71,755	69,856	33,607,350	29,751,596
	Total fixed assets	45,011,178	45,282,055	64,866,102	60,999,103
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	14,531,192	11,939,618	6,662,272	6,415,500
	Work in progress	5,999,902	7,238,620	5,999,902	6,580,959
	Finished goods and goods for resale	7,644,172	8,405,314	7,644,172	8,015,479
		28,175,266	27,583,552	20,306,346	21,011,938
	Receivables				
	Trade receivables	34,379,848	34,551,139	20,553,766	23,145,136
11	Construction contracts	17,218,871	18,382,502	12,591,040	15,198,496
	Receivables from group entities	7,641,612	6,477,203	8,210,720	6,698,842
14	Deferred tax assets	5,203,201	4,089,554	5,203,201	4,089,554
	Corporation tax receivable	242,479	459,372	95,056	61,687
	Other receivables	5,088,309	3,678,237	3,383,063	3,366,629
12	Prepayments	1,915,669	2,460,128	1,539,486	1,918,329
		71,689,989	70,098,135	51,576,332	54,478,673
	Cash	16,581,016	12,758,240	4,738,694	2,427,278
	Total non-fixed assets	116,446,271	110,439,927	76,621,372	77,917,889
	TOTAL ASSETS	161,457,449	155,721,982	141,487,474	138,916,992

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Balance sheet

		Group		Parent company	
Note	DKK	2022/23	2021/22	2022/23	2021/22
	EQUITY AND LIABILITIES				
	Equity				
13	Share capital	610,000	610,000	610,000	610,000
	Net revaluation reserve according to the equity method	0	0	8,197,045	5,621,801
	Reserve for development costs	0	0	3,134,114	3,739,960
	Translation reserve	-764,753	-138,628	0	0
	Hedging reserve	-81,244	-663,045	-81,244	-663,045
	Retained earnings	15,537,191	9,506,847	3,441,280	6,458
	Dividend proposed	0	1,900,000	0	1,900,000
	Shareholders in Aabo-Ideal A/S' share of equity	15,301,194	11,215,174	15,301,195	11,215,174
	Non-controlling interests	415,187	361,645	0	0
	Total equity	15,716,381	11,576,819	15,301,195	11,215,174
	Provisions				
14	Deferred tax	792,538	170,575	0	0
10	Provision, investments in group enterprises	0	0	72,661	0
	Total provisions	792,538	170,575	72,661	0
	Liabilities other than provisions				
15	**Non-current liabilities other than provisions**				
	Mortgage debt	3,285,261	3,985,139	3,285,261	3,985,139
	Bank debt	7,950,000	10,750,000	7,950,000	10,750,000
	Lease liabilities	1,749,570	2,511,031	1,749,570	2,511,031
16	Subordinate loan capital	3,750,000	3,750,000	3,750,000	3,750,000
	Other payables	5,467,632	5,322,536	5,467,632	5,322,536
		22,202,463	26,318,706	22,202,463	26,318,706
	Current liabilities other than provisions				
15	Short-term part of long-term liabilities	5,514,220	7,016,267	5,514,220	7,016,267
	Bank debt	28,248,733	29,847,173	28,248,733	29,840,029
11	Construction contracts	24,138,591	20,438,055	10,928,290	13,314,704
	Trade payables	43,064,296	41,004,206	34,760,861	32,712,750
	Payables to group entities	0	0	11,855,440	5,041,604
	Corporation tax payable	2,253,655	1,750,650	0	0
18	Other payables	19,526,572	17,599,531	12,603,611	13,457,758
		122,746,067	117,655,882	103,911,155	101,383,112
	Total liabilities other than provisions	144,948,530	143,974,588	126,113,618	127,701,818
	TOTAL EQUITY AND LIABILITIES	161,457,449	155,721,982	141,487,474	138,916,992

1 Accounting policies
7 Appropriation of profit
19 Contractual obligations and contingencies, etc.
20 Security and collateral
21 Related parties

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Statement of changes in equity

		Group							
Note	DKK	Share capital	Translation reserve	Hedging reserve	Retained earnings	Dividend proposed	Total	Non-controlling interests	Total equity
	Equity at 1 October 2021	610,000	152,571	-336,251	8,349,943	7,000,000	15,776,263	570,464	16,346,727
	Transfer through appropriation of profit	0	0	0	1,156,904	1,900,000	3,056,904	-225,286	2,831,618
	Adjustment of investments through forreign exchange adjustments	0	-291,199	-418,966	0	0	-710,165	16,463	-693,702
	Tax on equity transactions	0	0	92,172	0	0	92,172	0	92,172
	Dividend distributed	0	0	0	0	-7,000,000	-7,000,000	0	-7,000,000
	Equity at 1 October 2022	610,000	-138,628	-663,045	9,506,847	1,900,000	11,215,174	361,645	11,576,819
	Transfer through appropriation of profit	0	0	0	4,001,994	0	4,001,994	48,206	4,050,200
	Adjustment of investments through forreign exchange adjustments	0	-626,125	745,899	0	0	119,774	5,336	125,110
	Tax on equity transactions	0	0	-164,098	128,350	0	-35,748	0	-35,748
	Undistributed dividend	0	0	0	1,900,000	-1,900,000	0	0	0
	Equity at 30 September 2023	610,000	-764,753	-81,244	15,537,191	0	15,301,194	415,187	15,716,381

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Statement of changes in equity (continued)

		Parent company						
Note	DKK	Share capital	Net revaluation reserve according to the equity method	Reserve for development costs	Hedging reserve	Retained earnings	Dividend proposed	Total
	Equity at 1 October 2021	610,000	3,880,627	1,313,494	-336,251	3,308,391	7,000,000	15,776,261
7	Transfer, see "Appropriation of profit"	0	2,032,373	0	0	-875,467	1,900,000	3,056,906
	Adjustment of investments through forreign exchange adjustments	0	-291,199	0	-418,966	0	0	-710,165
	Tax on equity transactions	0	0	0	92,172	0	0	92,172
	Revaluations for the year	0	0	3,245,918	0	-3,245,918	0	0
	Depreciation in the year	0	0	-135,089	0	135,089	0	0
	Tax on items recognised directly in equity	0	0	-684,363	0	684,363	0	0
	Dividend distributed	0	0	0	0	0	-7,000,000	-7,000,000
	Equity at 1 October 2022	610,000	5,621,801	3,739,960	-663,045	6,458	1,900,000	11,215,174
7	Transfer, see "Appropriation of profit"	0	3,073,019	0	0	928,976	0	4,001,995
	Adjustment of investments through forreign exchange adjustments	0	-626,125	0	745,899	0	0	119,774
	Tax on equity transactions	0	128,350	0	-164,098	0	0	-35,748
	Revaluations for the year	0	0	665,941	0	-665,941	0	0
	Depreciation in the year	0	0	-1,442,665	0	1,442,665	0	0
	Tax on items recognised directly in equity	0	0	170,878	0	-170,878	0	0
	Undistributed dividend	0	0	0	0	1,900,000	-1,900,000	0
	Equity at 30 September 2023	610,000	8,197,045	3,134,114	-81,244	3,441,280	0	15,301,195

No funds relating to dividends expected to be received from the group entities are tied up in the net revaluation reserve according to the equity method as the Company applies a principle where no funds relating to dividends expected to be received from the group entities are tied up in the net revaluation reserve (in Danish: samtidighedsprincippet) according to which expected dividends are transferred from the net revaluation reserve to retained earnings under equity.

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Cash flow statement

Note	DKK	Group 2022/23	Group 2021/22
	Profit for the year	4,050,201	2,831,620
22	Adjustments	8,884,531	7,051,603
	Cash generated from operations (operating activities)	12,934,732	9,883,223
23	Changes in working capital	8,112,002	-17,315,008
	Cash generated from operations (operating activities)	21,046,734	-7,431,785
	Interest received, etc.	712,651	305,110
	Interest paid, etc.	-4,088,634	-4,812,535
	Corporation taxes paid	-1,885,692	-294,595
	Cash flows from operating activities	15,785,059	-12,233,805
	Additions of intangible assets	-665,948	-3,245,831
	Additions of property, plant and equipment	-3,434,709	-1,439,099
	Disposals of property, plant and equipment	36,391	715,178
24	Acquisition of companies and activities	-679,388	-3,695,756
	Additionals of deposit	-1,899	0
	Cash flows to investing activities	-4,745,553	-7,665,508
	Dividends distributed	0	-7,000,000
	Changes in non-current liabilities	-5,618,290	3,048,725
	Cash flows from financing activities	-5,618,290	-3,951,275
	Net cash flow	5,421,216	-23,850,588
	Cash and cash equivalents at 1 October	-17,088,933	6,761,655
25	**Cash and cash equivalents at 30 September**	-11,667,717	-17,088,933

The cash flow statement cannot be directly derived from the other components of the financial statements.

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

1 **Accounting policies**

The annual report of Aabo-Ideal A/S for 2022/23 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

Reporting currency

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

Consolidated financial statements

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual group entities' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of group entities are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is recognised.

Intra-group business combinations

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

Foreign currency translation

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

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

1 Accounting policies (continued)

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

Foreign group entities

Foreign subsidiaries are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Derivative financial instruments

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

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

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

Income statement

Revenue

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

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

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

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

1 **Accounting policies (continued)**

Gross profit

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

Other operating income

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

Raw materials and consumables

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Other external expenses

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

Staff costs

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

Amortisation/depreciation

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

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

Completed development projects	3-6 years
Acquired intangible assets	3-6 years
Goodwill	15-20 years
Buildings	10-50 years
Plant and machinery	3-10 years
Fixtures and fittings, other plant and equipment	3-10 years

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

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

Land is not depreciated.

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

1 **Accounting policies (continued)**

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

Profit/loss from investments in group entities

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares.

The proportionate share of the individual group entities' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

The item includes dividend received from group entities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, financial expenses relating to finance leases and exchange gains and losses.

Tax

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

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

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

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

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3 years and cannot exceed 6 years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight line basis over the remaining term of the patent, and licences are amortised over the term of the licence, but not exceeding 6 years.

Property, plant and equipment

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

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

Leases

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

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

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

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

1 **Accounting policies (continued)**

Investments in group entities

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in group entities are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in group entities measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

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

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

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

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

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

1 **Accounting policies (continued)**

Receivables

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

Receivables are measured at amortised cost.

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

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

Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

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

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in group entities and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

1 Accounting policies (continued)

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in group entities and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Hedging reserve

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

Proposed dividends

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

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

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

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

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

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

1 **Accounting policies (continued)**

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

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

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.

Fair value

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

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

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

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

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

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

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

1 **Accounting policies (continued)**

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

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

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial ratios

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

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax excl. non-controlling interests x 100}}{\text{Average equity excl. non-controlling interests}}$

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

		Group		Parent company	
	DKK	2022/23	2021/22	2022/23	2021/22
2	**Staff costs and incentive programmes**				
	Wages/salaries	70,405,713	70,780,224	59,589,190	56,602,377
	Pensions	10,558,711	7,832,699	7,772,091	7,021,350
	Other social security costs	1,476,236	3,106,513	1,393,861	1,248,917
		82,440,660	81,719,436	68,755,142	64,872,644
	Average number of full-time employees	132	129	106	108
	Remuneration to members of Management:				
	Executive Board	3,510,127	3,328,006	3,510,127	3,328,006
	Board of Directors	175,000	300,009	175,000	300,009
		3,685,127	3,628,015	3,685,127	3,628,015

Parent company

Incentive programmes

In 2022, the group introduced an incentive plan aimed at members of The Executive Board. The incentive plan allows those eligible to subscribe for new shares for up to 4,38% of the current share capital in Aabo Ideal-Line Group ApS at a price calculated as the current net asset value plus interest of 9% per annum. A maximum of nom. DKK 10,441 shares can be subscribed for at a price of 1.68, corresponding to a total market price of DKK 1.8 million.

In 2023, the group introduced an incentive plan aimed at members of The Executive Board and other executive officeres. The incentive plan can be used in the period 1 June 2029 to 30 June 2029 and allows those eligible to subscribe for new shares for up to 4,50% of the current share capital in Aabo Ideal-Line Group ApS at a price calculated as the market price whwn warrants are issued. A maximum of nom. DKK 10,727 shares can be subscribed for at a price of 2.52, corresponding to a total market price of DKK 2.7 million.

At present, there is no assessment of an obligation.

3 Other operating expenses

Other operating expenses consist af management fee paid to subsidiaries.

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

		Group		Parent company	
	DKK	2022/23	2021/22	2022/23	2021/22
4	**Financial income**				
	Interest receivable, group entities	308,811	184,019	308,811	184,019
	Other financial income	403,840	121,091	190,250	100,187
		712,651	305,110	499,061	284,206
5	**Financial expenses**				
	Interest expenses, group entities	0	0	751,133	117,491
	Other financial expenses	4,088,637	4,812,535	3,771,548	2,889,529
		4,088,637	4,812,535	4,522,681	3,007,020
6	**Tax for the year**				
	Estimated tax charge for the year	2,605,591	1,618,251	0	0
	Deferred tax adjustments in the year	-497,549	-1,024,999	-1,277,745	-1,024,999
		2,108,042	593,252	-1,277,745	-1,024,999

		Parent company	
	DKK	2022/23	2021/22
7	**Appropriation of profit**		
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	0	1,900,000
	Net revaluation reserve according to the equity method	3,073,019	2,032,373
	Retained earnings/accumulated loss	928,976	-875,467
		4,001,995	3,056,906

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

8 Intangible assets

	Group				
DKK	Completed development projects	Acquired intangible assets	Goodwill	Development projects in progress	Total
Cost at 1 October 2022	2,138,903	1,622,311	14,139,618	4,594,798	22,495,630
Additions	4,711,430	0	446,658	665,941	5,824,029
Disposals	0	0	0	-4,711,430	-4,711,430
Cost at 30 September 2023	6,850,333	1,622,311	14,586,276	549,309	23,608,229
Impairment losses and amortisation at 1 October 2022	1,939,004	1,617,224	890,770	0	4,446,998
Amortisation for the year	1,442,655	4,523	726,632	0	2,173,810
Impairment losses and amortisation at 30 September 2023	3,381,659	1,621,747	1,617,402	0	6,620,808
Carrying amount at 30 September 2023	3,468,674	564	12,968,874	549,309	16,987,421

	Parent company			
DKK	Completed development projects	Acquired intangible assets	Development projects in progress	Total
Cost at 1 October 2022	2,138,903	1,622,311	4,594,798	8,356,012
Additions	4,711,430	0	665,941	5,377,371
Disposals	0	0	-4,711,430	-4,711,430
Cost at 30 September 2023	6,850,333	1,622,311	549,309	9,021,953
Impairment losses and amortisation at 1 October 2022	1,939,004	1,617,224	0	3,556,228
Amortisation for the year	1,442,655	4,523	0	1,447,178
Impairment losses and amortisation at 30 September 2023	3,381,659	1,621,747	0	5,003,406
Carrying amount at 30 September 2023	3,468,674	564	549,309	4,018,547

Completed development projects and projects in progress

The research & development is mainly related to development of our way of working primarily in our way of production. The lean project in our production and technical departments, called “Top 5” is supporting our strategy of being a top 5 company worldwide within our industry.
During the coming years we will continue to develop our products and way of working with focus on energy optimization and streamline our production to maintain and strengthen our competitive capabilities.

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

9 Property, plant and equipment

DKK	Group Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Total
Cost at 1 October 2022	30,113,830	21,485,692	7,129,389	58,728,911
Foreign exchange adjustments	0	-66,297	2,740	-63,557
Additions	0	67,798	3,410,279	3,478,077
Disposals	0	-1,210,032	-1,181,632	-2,391,664
Cost at 30 September 2023	30,113,830	20,277,161	9,360,776	59,751,767
Impairment losses and depreciation at 1 October 2022	9,512,058	16,408,148	5,645,138	31,565,344
Foreign exchange adjustments	0	-59,595	13,471	-46,124
Depreciation	597,384	1,151,612	887,855	2,636,851
Reversal of prior year impairment losses	0	-1,210,032	-1,146,274	-2,356,306
Impairment losses and depreciation at 30 September 2023	10,109,442	16,290,133	5,400,190	31,799,765
Carrying amount at 30 September 2023	20,004,388	3,987,028	3,960,586	27,952,002
Property, plant and equipment include finance leases with a carrying amount totalling	0	2,569,888	0	2,569,888

DKK	Parent company Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Total
Cost at 1 October 2022	30,113,830	20,218,625	3,730,489	54,062,944
Additions	0	31,599	3,009,108	3,040,707
Disposals	0	-1,210,032	-1,167,929	-2,377,961
Cost at 30 September 2023	30,113,830	19,040,192	5,571,668	54,725,690
Impairment losses and depreciation at 1 October 2022	9,512,058	15,269,173	2,833,990	27,615,221
Depreciation	597,384	1,110,874	511,038	2,219,296
Reversal of prior year impairment losses	0	-1,210,032	-1,139,000	-2,349,032
Impairment losses and depreciation at 30 September 2023	10,109,442	15,170,015	2,206,028	27,485,485
Carrying amount at 30 September 2023	20,004,388	3,870,177	3,365,640	27,240,205
Property, plant and equipment include finance leases with a carrying amount totalling	0	2,569,888	0	2,569,888

Note 20 provides more details on security for loans, etc. as regards property, plant and equipment.

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

10 Investments

DKK	Parent company: Investments in group entities	Deposits, investments	Total
Cost at 1 October 2022	24,059,940	69,856	24,129,796
Additions	1,205,950	1,899	1,207,849
Cost at 30 September 2023	25,265,890	71,755	25,337,645
Value adjustments at 1 October 2022	5,621,800	0	5,621,800
Foreign exchange adjustments	-626,125	0	-626,125
Dividend received	-7,112,600	0	-7,112,600
Profit/loss for the year	10,912,251	0	10,912,251
Changes in equity	128,350	0	128,350
Value adjustments for the year	-726,632	0	-726,632
Value adjustments at 30 September 2023	8,197,044	0	8,197,044
Carrying amount at 30 September 2023	33,462,934	71,755	33,534,689

Carrying amount is specified as follows:	
Total Assets	33,535,595
Total Equity and Liabilities	-72,661
	33,462,934

Parent company

Name	Legal form	Domicile	Interest
E-Coat Technology SE	SE	Czech Republic	80.00%
Ideal-Line s.r.o.	s.r.o.	Czech Republic	100.00%
Ideal Line Polske LLC	LLC	Poland	90.00%
Greiff Industrimiljö AB	AB	Sweden	100.00%
Aabo-Ideal GmbH	GmbH	Germany	100.00%

DKK	Group 2022/23	Group 2021/22	Parent company 2022/23	Parent company 2021/22
11 Construction contracts				
Selling price of work performed	244,954,686	230,122,835	143,483,135	172,684,051
Progress billings	-251,874,406	-232,178,388	-141,820,385	-170,800,259
	-6,919,720	-2,055,553	1,662,750	1,883,792
recognised as follows:				
Construction contracts (assets)	17,218,871	18,382,502	12,591,040	15,198,496
Construction contracts (liabilities)	-24,138,591	-20,438,055	-10,928,290	-13,314,704
	-6,919,720	-2,055,553	1,662,750	1,883,792

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

12 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, mainly to insurance premiums, subscriptions, rent and leasing payments.

	Parent company	
DKK	2022/23	2021/22
13 Share capital		
Analysis of the share capital:		
61 A shares of DKK 10,000.00 nominal value each	610,000	610,000
	610,000	610,000

The parent's share capital has remained DKK 610,000 over the past 5 years.

	Group		Parent company	
DKK	2022/23	2021/22	2022/23	2021/22
14 Deferred tax				
Deferred tax at 1 October	-3,918,979	-2,789,558	-4,089,554	-2,972,383
Deferred tax adjustment from equity transactions	35,748	-92,172	164,098	-92,172
Deferred tax adjustment from profit/loss transactions	-497,548	-1,024,999	-1,277,745	-1,024,999
Foreign exchange adjustments	-29,884	-12,250	0	0
Deferred tax at 30 September	-4,410,663	-3,918,979	-5,203,201	-4,089,554
Deferred tax relates to:				
Intangible assets	851,575	994,838	851,575	994,838
Property, plant and equipment	3,821,340	2,656,487	3,028,802	2,485,912
Inventories	108,369	128,375	108,369	128,375
Receivables	6,630,147	5,738,833	6,630,147	5,738,833
Provisions	-743,532	-883,856	-743,532	-883,856
Tax loss	-15,078,562	-12,553,656	-15,078,562	-12,553,656
	-4,410,663	-3,918,979	-5,203,201	-4,089,554
Analysis of the deferred tax				
Deferred tax assets	-5,203,201	-4,089,554	-5,203,201	-4,089,554
Deferred tax liabililties	792,538	170,575	0	0
	-4,410,663	-3,918,979	-5,203,201	-4,089,554

Tax asset valuation is based on forecasts for the next 3 years. In addition, significant earnings are expected in subsequent years.

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

15 Non-current liabilities other than provisions

	Group			
DKK	Total debt at 30/9 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Mortgage debt	3,988,020	702,759	3,285,261	1,021,987
Bank debt	10,750,000	2,800,000	7,950,000	0
Lease liabilities	2,511,031	761,461	1,749,570	0
Subordinate loan capital	5,000,000	1,250,000	3,750,000	0
Other payables	5,467,632	0	5,467,632	0
	27,716,683	5,514,220	22,202,463	1,021,987

	Parent company			
DKK	Total debt at 30/9 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Mortgage debt	3,988,020	702,759	3,285,261	1,021,987
Bank debt	10,750,000	2,800,000	7,950,000	0
Lease liabilities	2,511,031	761,461	1,749,570	0
Subordinate loan capital	5,000,000	1,250,000	3,750,000	0
Other payables	5,467,632	0	5,467,632	0
	27,716,683	5,514,220	22,202,463	1,021,987

16 Subordinate loan capital

3 loans amounting to DKK 5 million are subordinated in relation to all other creditors. The loans are settled with half-yearly installments over a 2-year period, the first time on 30 September 2024. The interest is calculated and paid half-yearly on 30. June and 31 December.

17 Derivative financial instruments

Forecast transactions

The Group uses forward exchange contracts in US dollar to hedge expected currency risks relating to some construction contracts in the coming year.

Fair value disclosures

The Group has the following assets and liabilities measured at fair value:

DKK	Financial instruments
Parent Company	
Fair value at year end	2,524,819
Unrealised fair value adjustments for the year, recognised in hedging reserve	-104,154
Fair value level	2

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

		Group		Parent company	
	DKK	2022/23	2021/22	2022/23	2021/22
18	**Other payables**				
	Other accrued expenses	19,526,572	17,599,531	12,603,611	13,457,758
		19,526,572	17,599,531	12,603,611	13,457,758

Other debts consist of VAT and taxes due, staff-related debts, liabilities relating to final projects and other costs due.

19 Contractual obligations and contingencies, etc.

The Group's entities have entered into operating leases with an average monthly lease payment of DKK 10.4 thousand per contract and a remaining term of 6 - 60 months. The remaining nominal lease commitment totals DKK 3,101 thousand.

The Group has entered into a rental agreement which amounts to DKK 70 thousand.

Payment guarantees provided amounts to DKK 3,573 thousand. As part of general terms of trade, the company has guarantee obligations on delivered goods. Management is not aware that other cases that could affect the company's financial position are pending.

The Company is jointly taxed with the Parent Company Aabo Ideal-Line Group ApS, CVR no. 39368994. The Company has unlimited joint and several liability, together with the Parent Company, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. The jointly taxed entities' total known net liability in respect of corporation taxes and withholding taxes payable ondividend, interest and royalties amounted to DKK 0 thousand at 30 September 2023. Any subsequent corrections ofincome subject to joint taxation and withholding taxes, etc., may entail that the entities' liability will increase. The Group as a whole is not liable to any third parties.

20 Security and collateral

Mortgage deed has been registrated in property for nominal DKK 12.6 million and DKK 1.8 million.

As a security for Aabo-Ideal A/S' banking agreements, borrowings pursuant to these agreements are collateralized by all the assets of the company, except of shares in subsidiaries and property, however not exceeding DKK 20.0 million and mortgage deed of DKK 8.0 million in property. As of 30 September 2023 total drawings under the said agreements amounted to DKK 28 million.

Aabo-Ideal A/S has issued a joint and several guarantee against Greiff Industrimiljö AB's bank agreements. As of 30 September 2023, these exposures show deposits of DKK 9 million.

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

21 **Related parties**

Related party transactions

DKK	2022/23	2021/22
Group		
Interest income from Aabo Ideal-Line Group ApS	308,811	184,019
Receiveables from Aabo Ideal-Line Group ApS	7,641,611	6,477,203
Parent Company		
Sale of goods to group entities	832,914	0
Purchase of goods from group entities	16,931,413	1,851,125
Interest income other group entities	308,811	184,019
Interest expense from group entities	751,133	117,491
Management fee from group entities	7,595,892	1,864,347
Management fee to group entities	3,875,009	3,609,618
Receiveables from group entities	6,310,720	6,698,842
Payables to group entities	11,855,440	5,041,604

Parent company

Parties exercising control

Related party	Domicile	Basis for control
Aabo Ideal-Line Group ApS	Faaborg-Midtsfyn, Denmark	ovns 100% af the share capital

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Aabo Ideal-Line Group ApS	Faaborg-Midtfyn, Denmark	www.cvr.dk

Consolidated financial statements and parent company financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

		Group	
	DKK	2022/23	2021/22
22	**Adjustments**		
	Amortisation/depreciation and impairment losses	4,838,077	3,497,450
	Financial income	-712,651	-305,110
	Financial expenses	4,088,634	4,812,535
	Tax for the year	2,108,043	593,252
	Other adjustments	-1,437,572	-1,546,524
		8,884,531	7,051,603
23	**Changes in working capital**		
	Change in inventories	-591,715	-2,788,576
	Change in receivables	620,018	-18,006,423
	Change in trade and other payables	7,337,800	3,898,957
	Other changes in working capital	745,899	-418,966
		8,112,002	-17,315,008
24	**Acquisition of enterprises and activities**		
	Property, plant and equipment	43,368	0
	Receivables	414,186	0
	Cash	526,562	0
	Trade payables	-13,275	0
	Other payables	-211,549	0
		759,292	0
	Goodwill	446,658	0
	Cost of acquisition	1,205,950	0
	Amount relating to cash	-526,562	3,695,756
	Cost of acquisition paid in cash	679,388	3,695,756
25	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	16,581,016	12,758,240
	Short-term debt to banks	-28,248,733	-29,847,173
		-11,667,717	-17,088,933

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Dan Højgaard Jensen
Board of Directors
On behalf of: Aabo-Ideal A/S
Serial number: dea15dac-3a40-4272-8958-d8b77fea6ef6
IP: 87.52.xxx.xxx
2024-03-22 11:03:22 UTC

Claus Aabo Andersen
Board of Directors
On behalf of: Aabo-Ideal A/S
Serial number: f812180f-7a88-4c38-b0cc-cb3d2b716045
IP: 81.27.xxx.xxx
2024-03-22 11:11:57 UTC

Lars Hjortebjerg
CFO
On behalf of: Aabo-Ideal A/S
Serial number: 2d0e890a-2da6-443e-a7d5-8da7dccf8122
IP: 81.27.xxx.xxx
2024-03-22 11:17:42 UTC

Gynter Graul Lorenzen
CEO
On behalf of: Aabo-Ideal A/S
Serial number: d4b2e08b-e716-4211-8ac0-5b99c5656566
IP: 85.203.xxx.xxx
2024-03-22 11:40:51 UTC

Christian Bruno Cordsen Nielsen
Board of Directors
On behalf of: Aabo-Ideal A/S
Serial number: 4132017e-012c-4206-a88a-91d08e76db39
IP: 185.5.xxx.xxx
2024-03-22 15:24:09 UTC

Knud Andersen
Chair of the meeting
On behalf of: Aabo-Ideal A/S
Serial number: f6a469cf-8b88-48b5-b412-1539ddf21c2e
IP: 188.114.xxx.xxx
2024-03-23 12:32:42 UTC

Knud Andersen
Board of Directors
On behalf of: Aabo-Ideal A/S
Serial number: f6a469cf-8b88-48b5-b412-1539ddf21c2e
IP: 188.114.xxx.xxx
2024-03-23 12:32:42 UTC

Thomas Petersen
Board of Directors
On behalf of: Aabo-Ideal A/S
Serial number: e6336eb7-139e-4c0c-83f9-883d752c620b
IP: 87.52.xxx.xxx
2024-03-24 18:48:27 UTC

Søren Smedegaard Hvid
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: 679f8e4e-cbe2-40c1-8b8a-b3f72863eea1
IP: 188.182.xxx.xxx
2024-03-25 16:21:27 UTC