Annual report

1 October 2022 –
30 September 2023




Bramidan A/S

Industrivej 69, 6740 Bramming
CVR-no. 82 11 61 17

Adopted at the Company's annual general meeting on 24 November 2023

Birgitte N Jørg

Birgitte Nygaard Jørgensen (chair of the meeting)

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 Bramidan A/S for the financial year 1 October 2022 - 30 September.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2023 and of the results of the Company's operations 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.

Esbjerg, 24 November 2023
Executive Board:

Henrik Helsinghof

Board of Directors:

Kurt Bering Sørensen Chair	Lars Stagaard Jensen	Birgitte Nygaard Jørgensen

Independent auditor's report

To the shareholders of Bramidan A/S

Opinion

We have audited the financial statements of Bramidan 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 Company. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2023, and of the results of the Company's operations 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 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 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.

Management's responsibilities for the financial statements

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

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

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:

- 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.

Independent auditor's report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement of 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.

Esbjerg, 24 November 2023
Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no 33 96 35 56

Mikael Grosbøl State Authorised Public Accountant mne 33707	Michael Albertsen State Authorised Public Accountant mne 49840

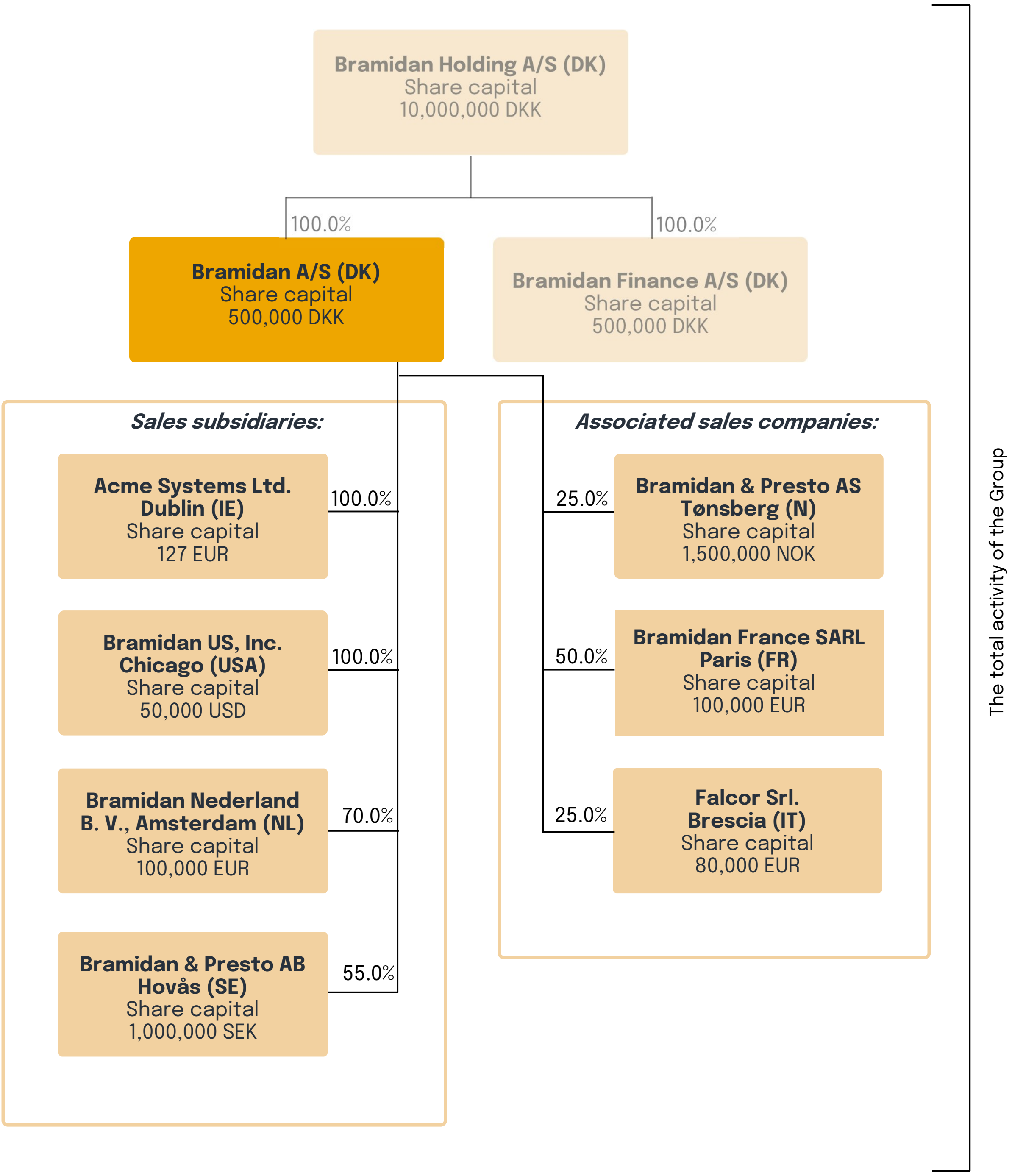
Management's review

Company details

Name	Bramidan A/S
Adress, Postal code, city	Industrivej 69 6740 Bramming
Telephone Website E-mail	75 17 32 66 www.bramidan.dk bramidan@bramidan.dk
CVR no Established Home municipality Financial year	82 116 117 27 June 1977 Esbjerg 1 Oktober – 30 September
Board of Directors	Kurt Bering Sørensen, chair Lars Stagaard Jensen Birgitte Nygaard Jørgensen
Executive Board	Henrik Helsinghof
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Dokken 8 6701 Esbjerg

Management's review

Group structure



Management's review

Financial highlights

DKK'000	**2022/23**	**2021/22**	**2020/21**	**2019/20**	**2018/19**
Key figures					
Gross profit	95,352	94,949	76,629	69,045	69,819
Operating profit	20,999	22,999	11,374	9,806	11,169
Net financials	-313	2,983	-2,128	-1,817	-472
Profit for the year	**19,500**	**26,574**	**11,039**	**8,021**	**9,089**
Total assets	151,450	165,913	151,495	116,445	105,690
Investments in property, plant and equipment	10,349	2,139	4,857	14,297	9,594
Equity	**70,831**	**65,540**	**48,818**	**47,968**	**42,462**
Financial ratios					
Return on equity	28.6	46.5	22.8	17.7	22.6
Equity ratio (solvency degree)	46.8	39.5	32.2	41.1	40.2
Average number of full-time employees	**125**	**129**	**112**	**107**	**105**

For terms and definitions, please see the accounting policies.

Managment's review

Report

Main activity

Bramidan A/S develops, produces, markets and services equipment for compaction of packaging waste. The equipment is sold to a wide range of companies within retail, industry, and the public sector. The company has a branch in Poland.

The company is an internationally oriented niche company, and the products are marketed through a well-developed dealer network consisting of both own sales companies and external partners.

Development of activities and financial standing

The profit for the year is in line with the expectations for the financial year and is considered to be satisfactory, given the general market conditions.

During the year, initiatives were launched to further expand the market position of the Group. The result for the year is therefore affected by a number of costs for strengthening and expanding the market position.

Expectations for the future

The company expects financial activities in the financial year of 2023/24 to be at the same level as in the financial year just ended, with continued focus on maintaining and expanding competitiveness and with earnings in line with the financial year just ended.

No events have occurred after the balance sheet date to significantly affect the financial position or outlook.

Risk considerations

General risks

In connection with the company's sale of machinery, a significant part of the activity consists of service income, hence earnings are considered stable in the medium term. No significant general risks are assessed, apart from the risk of operating in a competitive market and potential continued supply uncertainty.

Financial risks - currency and interest rate

The Group has transactions in a number of foreign currencies. Management continually assesses all major foreign exchange positions in connection with transactions in other currencies and hedges the associated risk.

The company is not exposed to significant interest rate risks.

Knowledge resources

The company has an experienced workforce and strives to actively develop its employees in order to maintain a high standard in all functions of the company.

Research and development activities

The company continuously invests in further development of existing product ranges and development of completely new products as well as streamlining production methods, processes and equipment.

Managment's review

Report

Environmental exposure

The company aims to design and produce all products with the least possible environmental impact on the internal and external environment within the given technical possibilities. This is achieved, among other things, by less consumption of raw materials, less consumption of chemicals, less consumption of natural resources, and less emission of process energy, thus reducing the product's overall environmental impact.

Furthermore, the company meets the applicable environmental and occupational health and safety requirements, and it is assessed that there are no other factors affecting the external environmental conditions in relation to the company's environmental impact.

Financial statements 1 October 2022 – 30 September 2023

Income statement

DKK'000	Note	2022/23	2021/22
Gross profit		**95,352**	**94,949**
Staff costs	2	-68,031	-65,771
Depreciation and impairment losses		-6,687	-6,179
Profit before net financials		20,634	22,999
Income from investments in group entities	7	1,787	4,521
Income from investments in associates	7	1,549	1,449
Financial income	3	2,179	4,360
Financial costs	4	-2,492	-1,377
Profit before tax		23,657	31,952
Tax for the year	5	-4,157	-5,378
Profit for the year		19,500	26,574

Financial statements 1 October 2022 – 30 September 2023

Balance sheet

DKK'000	Note	2022/23	2021/22
ASSETS			
Fixed assets			
Intangible assets	6		
Completed development costs		1,302	1,663
Patents and licenses		30	106
		1,332	1,769
Property, plant and equipment	7		
Land and buildings		20,327	17,420
Plant and machinery		18,853	16,351
Other fixtures and fittings, tools and equipment		470	569
Property, plant and equipment in progress		0	2,311
		39,650	36,651
Investments	8		
Investments in group entities		17,670	15,938
Receivables from group entities		1,044	1,951
Investments in associates		6,598	6,268
Other investments		0	3,209
		25,312	27,366
Total fixed assets		66,294	65,786
Current assets			
Inventories			
Raw materials and consumables		28,269	33,947
Manufactured goods and goods for resale		9,993	9,192
		38,262	43,139
Receivables			
Trade receivables		23,697	28,988
Receivables from group entities		7,537	17,025
Receivables from associates		8,306	6,726
Other receivables		3,203	3,606
Prepayments	9	341	110
		43,084	56,455
Cash		3,810	533
Current assets		85,156	100,127
TOTAL ASSETS		151,450	165,913

Financial statements 1 October 2022 – 30 September 2023

Balance sheet

DKK'000	Note	2022/23	2021/22
EQUITY AND LIABILITIES			
Equity			
Share capital	10	500	500
Net revaluation reserve according to the equity method		11,344	10,067
Reserve for foreign currency translation		38	-65
Reserve for hedging transactions		-570	-1,097
Reserve for development costs		1,016	1,296
Retained earnings		58,503	54,839
Total equity		70,831	65,540
Provisions			
Deferred tax	11	1,706	1,787
Other provisions	12	860	1,050
		2,566	2,837
Liabilities other than provisions			
Non-current liabilities other than provisions	13		
Mortgage debt		15,522	15,040
Bank loans		6,661	8,228
		22,183	23,268
Current liabilities other than provisions			
Current portion of long-term liabilities	13	2,118	2,100
Bank debt		86	17,103
Prepayments received from customers		802	325
Trade payables		32,856	31,437
Income tax payables		3,736	4,745
Other payables		16,272	18,558
		55,870	74,268
Total liabilities other than provisions		78,053	97,536
TOTAL EQUITY AND LIABILITIES		151,450	165,913

Accounting principles	1
Contractual obligations and contingencies, etc.	14
Assets charged and collateral	15
Related parties	16
Events after the balance sheet date	17
Appropriation of profit	18

Financial statements 1 October 2022 – 30 September 2023

Statement of changes in equity

DKK'000

	Note	Share capital	Net revaluation reserve according to the equity method	Reserve for foreign currentcy translation	Reserve for hedging transactions	Reserve for development costs	Retained earnings	Total equity
Equity at 1 October 2022		500	10,067	-65	-1,097	1,296	54,839	65,540
Dividend distributed extraordinary		0	0	0	0	0	-14,000	-14,000
Changes in derivative financial instruments		0	0	0	527	0	0	527
Exchange rate adjustment in foreign affiliates		0	-839	103	0	0	0	-736
Transfer through appropriation of profit	18	0	2,116	0	0	-280	17,664	19,500
Equity at 30 September 2023		500	11,344	38	-570	1,016	58,503	70,831

Financial statements 1 October 2022 – 30 September 2023

Notes to the financial statements

1 Accounting policies

The annual report of Bramidan A/S for 1 October 2022 – 30 September 2023 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.

The financial statements are presented in Danish kroner (DKK'000).

Omission of consolidated financial statements

With reference to section 112 (1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such entities. Comparative figures are not restated for acquisitions or disposals.

The date of acquisition is the date when the company actually obtains control over the acquiree.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of the acquired companies are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Deferred tax is recognised by the revaluations made.

Cost is measured at net present value of the agreed consideration with the addition of directly attributable costs. Conditional payments are recognised at the amount expected to be paid. Transactions costs incurred as part of the acquisition are recognised in the income statement as incurred.

Positive differences in amount (goodwill) between, on the one hand, cost of the acquired share and the value of the minority interests and, on the other hand, the total fair value of the assets and liabilities acquired are recognised under intangible assets as goodwill. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life, however, no more than 20 years.

Amortisation of goodwill is allocated in the consolidated financial statements to the functions to which the goodwill relates.

Positive and negative goodwill from acquired enterprises may be adjusted until the end of the year after the acquisition.

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.

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.

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

Financial statements 1 October 2022 – 30 September 2023

Notes to the financial statements

1 Accounting policies (continued)

When recognising foreign group entities that are independent entities, the income statements are translated at average exchange rates for the year. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign group entities' equity at the beginning of the year at the balance sheet date exchange rates are recognised directly in equity.

Derivative financial instruments

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

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future assets and liabilities are recognised as other receivables or other payables and in equity. If the future 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 expected future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged transaction affects the income statement.

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

Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign group entities or associates are recognised directly in equity.

Income statement

Gross profit

The items revenue, change in inventories of finished goods and goods in progress, other operating income, costs of raw materials and consumables and external expenses have been aggregated into one item in the income statement called gross prof it in accordance with section 32 of the Danish Financial Statements Act .

Revenue

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

Income from the sale of services, goods for resale and finished goods is recognised in revenue when delivery and transfer of risk have taken place and provided the income can be reliably measured and is expected to be received.

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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise costs of raw materials and consumables incurred generating the revenue for the year. This item include shrinkage and ordinary write-downs.

Financial statements 1 October 2022 – 30 September 2023

Notes to the financial statements

1 Accounting policies (continued)

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 etc.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for the company's staff.

Other operating income/expenses

Other operating income and expenses comprise items secondary to the company's activities, including gains on disposal of intangible assets and property, plant and equipment.

Income from investments in group entities

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of internal profits or losses.

Financial income and expenses

Financial income and expenses include interest, capital gains and losses on receivables, payables and transactions in foreign currencies, amortisation of financial assets and liabilities, income from other investments as well as surcharges and allowances under the tax prepayment scheme, etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year, joint taxation contributions for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company is jointly taxed with other Danish group entities. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intangible assets

Intangible assets include development projects and other acquired intangible rights, including software licences, trademark registration and productions rights.

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

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

Financial statements 1 October 2022 – 30 September 2023

Notes to the financial statements

1 Accounting policies (continued)

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable 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.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation periods used are 3 years.

Patents are amortised on a straight-line basis over the remaining patent period, whereas licenses are amortised over the license period up to a maximum of 5 years.

Gain and losses on the sale of patents and licenses are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Profits or losses are recognised in the income statement under other operating income and expenses, respectively.

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation. For assets produced in-house, cost comprises direct and indirect costs of materials, component, third-party suppliers and labour.

Where individuel components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10-30 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-10 years

The basis of depreciation is calculated taking into account the asset's residual value after the end of its useful life and is reduced by impairment losses.

Estimated useful lives and residual values are assessed at the time of the acquisition and reassessed annually. Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Gains or losses on the sales of property, plant and equipment 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.

Financial statements 1 October 2022 – 30 September 2023

Notes to the financial statements

1 Accounting policies (continued)

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".

Investments in group entities

Investments in group entities are measured in the parent company's financial statements according to the equity method. The parent company has opted to consider the equity method as the method of consolidation.

On initial recognition, investments in group entities are measured at cost. The cost is allocated in accordance with the acquisition method.

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

The cost is adjusted to reflect shares of profit/loss after tax calculated in accordance with the Group's accounting policies with the deduction or addition of 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.

Goodwill is calculated as the difference between on the one hand, cost of the acquired share and the value of the minority interests and, on the other hand, the total fair value of the assets and liabilities acquired which have been measured at fair value at the date of acquisition. The amortisation period for goodwill is determined to be twenty years because goodwill derives from strategically acquired enterprises with strong market positions and long-term earnings profiles.

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

Investments in associates

Investments in associates are recognised and measured according to the equity method.

On initial recognition, investments in associates are measured at cost. The cost is allocated in accordance with the acquisition method.

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

The cost is adjusted to reflect shares of profit/loss after tax calculated in accordance with the Group's accounting policies with the deduction or addition of pro rata 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.

Financial statements 1 October 2022 – 30 September 2023

Notes to the financial statements

1 Accounting policies (continued)

Dividend received is deduced from the carrying amount.

Investments in associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Other investments

Other investments including unlisted investments are measured at cost. Unlisted investments are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of fixed assets is analysed annually for evidence of impairment in addition to what is reflected by normal depreciation charges.

If there is evidence of impairment, each asset or group of assets is tested for impairment. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is written down to its recoverable amount.

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 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.

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.

Receivables

The company has chosen IAS 39 as interpretation for impairment 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.

In the event there is no objective evidence of individual impairment, receivables are tested for objective indications of impairment on a portfolio level. Portfolios are primarily based on debtors' registered office and credit ratings in accordance with the company's credit risk management policy. The objective indicators used for portfolios are fixed on the basis of historical loss experience.

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

Prepayments

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

Financial statements 1 October 2022 – 30 September 2023

Notes to the financial statements

1 **Accounting policies (continued)**

Cash

Cash comprises cash in hand and bank deposits.

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 subsidiaries 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 foreign currency translation

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 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.

Reserve for hedging transactions

The hedging reserve contains the accumulated net change in the fair value of hedging transactions that qualify as hedges of future cash flows and for which the hedged transaction has yet to be 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 hedge is no longer effective. As the reserve does not represent a legally binding amount, it may be negative.

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.

Corporation tax and deferred tax

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

Joint taxation contributions payable and receivable are recognised in the balance sheet as "receivables from group entities" or "payables to group entities", respectively.

Deferred tax is measured according with the balance sheet 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 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 assets are recognised at the expected value of their utilisation, either as a set-off against tax on future earnings or as a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is adjusted for eliminations of unrealized intra-group profits and losses.

Financial statements 1 October 2022 – 30 September 2023

Notes to the financial statements

1 Accounting policies (continued)

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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Provisions

Provisions are recognised when the company has a legal or constructive obligation that arises from past events and it is probable that an outflow of financial resources will be required to settle the obligation. Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Liabilities

The company has chosen IAS 39 as interpretation for recognition and measurement of 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.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared.

Financial ratios

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

Return on equity	$\frac{\text{Profit on ordinary activities after tax x 100}}{\text{Average equity}}$
Equity ratio (solvency degree)	$\frac{\text{Equity at year-end x 100}}{\text{Total equity and liabilities, year-end}}$

Financial statements 1 October 2022 – 30 September 2023

Notes to the financial statements

DKK'000		2022/23	2021/22
2	**Staff costs**		
	Wages and salaries	58,942	57,056
	Pension costs	7,887	7,538
	Other social security costs	1,202	1,177
		68,031	65,771
	Renumeration to Executive Board	0	1,539
	Renumeration to Board of Directors	0	350
	Total remuneration to Executive Board and Board of Directors*	1,965	0
	Remuneration to Executive Board and Board of Directors	1,965	1,889

* Remuneration to Executive Board and Board of Directors for 2022/23 is presented in total according to section 98b (3,1) of the Danish Financial Statements Act, as it otherwise will lead to a separate renumeration being shown for a single person.

	Average number of full-time employees	125	129
3	**Financial income**		
	Interest income concerning group entities	29	39
	Other financial income	2,150	4,321
		2,179	4,360
4	**Financial costs**		
	Interest costs concerning group entities	104	0
	Other financial costs	2,388	1,377
		2,492	1,377
5	**Tax for the year**		
	Current tax	4,386	5,377
	Change in deferred tax	-81	-188
		4,305	5,189
	The tax for the financial year is recognised as follows:		
	Tax on profit for the year	4,157	5,378
	Tax on equity entries for the year	148	-189
		4,305	5,189

Financial statements 1 October 2022 – 30 September 2023

Notes to the financial statements

6 Intangible assets

DKK'000	Completed develop-ment projects	Patents and licenses
Cost at 1 October 2022	4,195	1.471
Additions in the year	1,210	0
Cost at 30 September 2023	5,405	1.471
Depreciation and impairment losses at 1 October 2022	2,533	1,365
Depreciation for the year	1,570	76
Depreciation and impairment losses at 30 September 2023	4,103	1,441
Carrying amount at 30 September 2023	1,302	30

7 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 October 2022	35,372	39,987	12,606	2,311
Exchange rate adjustments	0	0	8	0
Additions in the year	4,069	3,876	93	0
Disposals in the year	0	-322	-158	0
Transfer of assets	0	2,311	0	-2,311
Cost at 30 September 2023	39,441	45,852	12,549	0
Depreciation and impairment losses at 1 October 2022	17,952	23,636	12,037	0
Exchange rate adjustments	0	0	7	0
Depreciation for the year	1,162	3,685	193	0
Depreciation of disposals in the year	0	-322	-158	0
Depreciation and impairment losses at 30 September 2023	19,114	26,999	12,079	0
Carrying amount at 30 September 2023	20,327	18,853	470	0
Hereof leased assets	0	9,854	0	0

Financial statements 1 October 2022 – 30 September 2023

Notes to the financial statements

8 Investments

DKK'000	Investments in group entities	Receivables from group entities	Investments in associates	Other investments
Cost at 1 October 2022	6,572	1,951	5,567	3,209
Transfer	3,120	0	-3,120	0
Additions in the year	329	0	0	0
Disposals in the year	0	-907	0	-3,209
Cost at 30 September 2023	10,021	1,044	2,447	0
Revaluations at 1 October 2022	9,366	0	701	0
Transfer	-3,120		3,121	0
Exchange rate adjustments	-839	0	0	0
Share of dividend distributed	0	0	-1,220	0
Share of profit/loss for the year	2,804	0	1,549	0
Adjustments of internal gains	-1,018	0	0	0
Revaluations at 30 September 2023	7,193	0	4,151	0
Write-down of receivables to cover negative net asset value	456	0	0	0
Carrying amount at 30 September 2023	17,670	1,044	6,598	0

Goodwill recognised in group entities amounts to DKK 0 thousand.

Investments in group entities can be specified as follows:

Name	Registered in	Share capital	Ownership
Bramidan US Inc.	Illinois, USA	50 tUSD	100.0%
Bramidan Nederland B.V.	Roelofarendsveen, Holland	100 tEUR	70.0%
Acme Systems Ltd.	Dublin, Irland	127 EUR	100.0%
Bramidan & Presto AB	Hovås, Sverige	1,000 tSEK	55.0%

Investments in associates can be specified as follows:

Name	Registered in	Share capital	Ownership
Bramidan France SARL	Fontenay Le Fleury Cedex, Frankrig	100 tEUR	50.0%
Bramidan & Presto AS	Tønsberg, Norge	1,500 tNOK	25.0%
Falcor SRL	Brescia, Italien	80 tEUR	25.0%

An overview of investments in group entities and associates is shown on page 6.

Financial statements 1 October 2022 – 30 September 2023

Notes to the financial statements

9 Prepayments

Prepayments include prepaid costs.

10 Share capital

The share capital consists of 500,000 shares with a nominal value of DKK 1 per share. There have been no changes in the share capital since the company was established. All shares rank equally.

11 Deferred tax

DKK'000	2022/23	2021/22
Deferred tax at 1 October 2022	1,787	1,975
Deferred tax adjustment for the year	-81	-188
	1,706	1,787

Deferred tax relates to intangible assets, property, plant and equipment, inventories and provisions.

12 Other provisions

Other provisions at 1 October 2022	1,050	750
Adjustment for the year	-190	300
	860	1,050

Expected maturity for other provisions:		
0-1 year	860	1,050
2-5 years	0	0
	860	1,050

As a general rule the company provides a 1 year warranty on products, for certain products a 2-3 year warranty, and thereby commits to repair or replace products, that do not function satisfactorily. Other provisions are recognised on the basis of experience from warranty work.

Financial statements 1 October 2022 – 30 September 2023

Notes to the financial statements

DKK'000		2022/23	2021/22
13	**Non-current liabilities other than provisions**		
	Mortgage debt		
	Due after more than 12 months	15,522	15,040
	Due within 12 months	551	561
		16,073	15,601
	Bank loans		
	Due after more than 12 months	6,661	8,228
	Due within 12 months	1,567	1,539
		8,228	9,767
	Total non-current liabilities other than provisions	24,301	25,368
	The liabilities are recognised in the balance sheet as follows:		
	Non-current liabilities other than provisions	22,183	23,268
	Current liabilities other than provisions	2.118	2,100
		24,301	25,368
	Hereof outstanding after 5 years	13,075	14,377
15	**Contractual obligations and contingencies, etc.**		
	Unrecognised lease commitments		
	Due after more than 12 months	2,792	2,245
	Due within 12 months	1,398	1,581
		4,190	3,826
	Hereof outstanding after 5 years	0	0

The total rental commitments amount to DKK 301 thousand (2021/22: DKK 423 thousand), whereof DKK 301 thousand (2021/22: DKK 380 thousand) are due withing 12 months. The remaining rental period is less than five years.

The company participates in a Danish joint taxation arrangement in which Bramidan Holding A/S serves as the administrative company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies.

Derivative financial instruments

Other payables include the negative fair value of forward exchange contracts of DKK 731 thousand. Foreign exchange contracts have been entered into to hedge the exchange rate risk of sales in USD for a total of USD 5,000 thousand (2021/22: USD 4,000 thousand). The forward exchange contracts have a maturity of maximum 12 months.

Financial statements 1 October 2022 – 30 September 2023

Notes to the financial statements

16 Assets charged and collateral

As collateral for mortgages, DKK 16,072 thousand (2021/22: 15,601 thousand) buildings have been provided. The carrying amount of assets provided as mortgaged totals DKK 29,659 thousand (2021/22: 25,316 thousand).

The company has provided an unlimited guarantee for group entitys' bank debt, which at 30 September 2023 amounts to DKK 58,190 thousand (2021/22: DKK 35,270 thousand).

The company has provided a guarantee for a group entity's bank debt, which at 30 September 2023 amounts to DKK 323 thousand (2021/22: DKK 341 thousand).

In connection with the sale of machines for rent via a group entity and an associate, the company has undertaken buyback guarantees totalling DKK 358 thousand (2021/22: 467 thousand).

In connection with the sale of machines for rent via a leasing company, the company has undertaken buyback guarantees and liabilities totalling DKK 164 thousand (2021/22: 214 thousand).

17 Related parties

	Basis for control
Parties exercising control	
Bramidan Holding A/S, Industrivej 69, 6740 Bramming	Parent company
Zefyr Invest III A/S, Torskekaj 1, 3., 6700 Esbjerg	Ultimative parent company

Zefyr Invest III A/S, Torskekaj 1, 3., 6700 Esbjerg prepares consolidated financial statements for the largest group.

Bramidan Holding A/S, Industrivej 69, 6740 Bramming prepares consolidated financial statements for the smallest group.

Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report according to section 98c(7) of the Danish Financial Statements Act. All transactions have been carried out on an arm's length basis.

18 Events after the balance sheet date

No events have occurred after the balance sheet date, which may materially affect the assessment of the Company's financial position.

19 Appropriation of profit

DKK'000	2022/23	2021/22
Net revaluation reserve according to the equity method	2,116	4,951
Reserve for development costs	-280	-292
Retained earnings	17,664	21,915
	19,500	26,574