

Approved at General Meeting May 23, 2024

Chairman of the General Meeting
Peter Alexander Foss

FOSS

ANNUAL REPORT 2023

N. Foss & Co. A/S, Nils Foss Allé 1, 3400 Hillerød, Denmark
CVR-No 87974618

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Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of N. Foss & Co. A/S for the financial year 1 January to 31 December 2023.

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

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

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

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

Hillerød, 14 March, 2024

Executive Board

Nils Christian Foss
Chief Executive Officer

Board of Directors

Peter Alexander Foss
Chairman

Pernille Foss
Vice Chairman

Nils Christian Foss

Peter Henrik Kürstein
Jensen

Independent auditor's report

To the shareholders of N. Foss & Co. A/S

Opinion

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 financial statements* section of this auditor's report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an

audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

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

Copenhagen, 14 March, 2024

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Kirsten Aaskov Mikkelsen
State-Authorised
Public Accountant
MNE No. 21358

Nikolaj Thomsen
State-Authorised
Public Accountant
MNE No. 33276

Management Commentary

Financial Highlights - Group

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	MDKK	MDKK	MDKK	MDKK	MDKK
Key Figures					
Income Statement					
Revenue	2.771	2.783	2.584	2.412	2.380
Operating Profit	573	535	582	542	408
Net financial items	299	-274	271	28	258
Profit for the year	659	183	657	433	503
Balance sheet					
Total Assets	4.753	4.186	4.047	3.556	3.232
Equity	3.896	3.342	3.170	2.858	2.574
Cash Flow					
Cash Flow from:					
- Operating activities	493	342	530	516	355
- Investment activities	-123	-50	-79	-48	-68
- hereof investments in tangible and intangible assets	-116	-50	-79	-48	-68
- financing activities	-93	-	-356	-160	-700
Net cash flow	277	292	95	308	-413
Number of employees, average	1.858	1.819	1.739	1.696	1.673
Ratios					
Operating profit for the year vs. Revenue	20,7%	19,2%	22,5%	22,5%	17,1%
Return on Investments	12,0%	12,8%	14,4%	15,2%	12,6%
Solvency ratio	82,0%	79,8%	78,3%	80,4%	79,7%
Return on equity	18,2%	5,6%	21,8%	15,9%	18,9%

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the Danish Society of Financial Analysts. Please refer to Accounting Principles.

Management Commentary

The FOSS Mission

FOSS contribute to the sustainable use of our planet's agricultural resources and thus to the nutrition and health of the people of the world.

FOSS provide analytics beyond measure to add value to our customers by improving quality and optimizing food and agricultural production.

The parent company's main activity is the ownership of the FOSS A/S group, Ibsen Photonics A/S, Au2mate A/S and management of the excess liquidity.

Subsidiaries and branches

The Group has companies worldwide with R&D, manufacturing and marketing companies in Denmark, Hungary and China and sales & service companies in most European countries, North and South America, Asia and Oceania.

The Group achieved 59% (61% in 2022) of the revenue outside of EU countries.

Research and Development Activities

The effort within Research & Development for generating new products and further development of existing products constitutes an important part of our values. In 2023 the Group spent 12% (10% in 2022) of its revenue on research and product development to ensure that our leading position is kept. Consequently, a number of product improvements are being developed whilst the product development constantly results in the introduction of new products to both new as well as existing customer segments.

Making sustainability a better business while improving food quality

FOSS creates solutions that secure and improve food quality and optimize production. From raw material to finished product. The analysis instruments refine measurements into information management that enables business to run intelligent data-driven productions with less waste and bigger yields.

FOSS world-leading analytical solutions makes a tangible difference for the food and agricultural industry and its use of the world's valuable natural resources – while at the same time improving product quality and saving time and money.

FOSS takes what used to be complex, time consuming, and expensive and makes it fast, dedicated, and easy-to-use. Our innovation renders elements such as manual registration, laboratory experts and the use of chemicals unnecessary, and replaces it with intelligent solutions that give you data to act on and the power to control, optimise and run a business based solely on high quality insights and cutting-edge innovation. This has made us a crucial companion in the development of the new food and protein sources of the future.

Ibsen Photonics produces and sells spectrometers, which are optical instruments that measure the color content of light. As part of this, Ibsen Photonics also produce grading for directing and separating light.

Au2mate develops and supplies automation and industrial IT solutions for the process industry in Denmark and abroad. Au2mate covers the entire range from complete automation and IT projects to consultancy services and advisory assistance.

External Environment

Our Group complies with local requirements and standards and most often at a higher standard than required. We currently do not have, nor in recent times have had, court cases related to environmental matters.

Our work in Sustainability

N. Foss & Co. is the holding company for FOSS A/S (FOSS), investments and portfolio companies. For a more detailed description of the business model of FOSS please refer to the Annual Report 2023 for FOSS A/S.

N. Foss & Co. has not developed separate group CSR policies for its subsidiaries or a separate formalized CSR policy for the financial investments at this point, since this has not been considered necessary considering the extent of the investment activities.

However, as part of the regular monitoring of the financial investments within N. Foss & Co., Management and the owner family set expectations of the portfolio companies acting and being in compliance with law and international conventions.

The principal CSR risks in the Group in terms of human rights, environment and climate protection, social and employee matters and anti-corruption are mainly related to the activities in FOSS.

N. Foss & Co. follows the progress through its active ownership and board participation in FOSS. The risk evaluation and mitigation procedures are described in the FOSS CSR Report as mentioned below.

Our Group complies with local requirements and standards and most often at a higher standard than required. FOSS currently does not have, nor in recent times has it had, court cases related to environmental matters. In addition to the sustainable benefits of our solutions FOSS believes in acting ethically and responsibly. FOSS is an active member of the UN Global Compact. As a member, we are committed to aligning strategies and operations with universal principles on human rights, labor, the environment and anti-corruption. Each year we produce a Communication on Progress (COP) report showing the practical actions we have taken to implement the Ten Principles in our company.

FOSS is also a member of the SEDEX initiative, the world's largest collaborative platform for sharing responsible sourcing data on supply chains, used by more than 60,000 members. As a member, our production facilities are audited by a third party to assess performance against the SEDEX best practice criteria in the areas of health & safety, labor, the environment and business integrity. We also support the UN Sustainable Development goals and report on how we contribute to goals 2, 3, 8 and 12.

Sustainability report 2023 and our Sustainability policy for FOSS Group can be found here: [Financial annual report for FOSS A/S](#)

A diverse and transparent work culture

At FOSS we believe that diversity and unity benefit our company in a number of ways: such as different perspectives and looking at challenges, insights into global markets, innovation, etc. Our policy is that we hire the best candidate for open positions based on merits and the profile for the position regardless of race, nationality, ethnic origin, gender, sexual orientation, marital status, disability, family status, age, or religion. As a company we will not tolerate discrimination in regard to recruitment, advancement, training or salary. We communicate this to both internal and external stakeholders. We also have a whistle-blower system where staff and other stakeholders can raise concerns, including discrimination. No issues around discrimination were raised over the last year.

Our equal opportunities position also extends to the board level. We select the best candidates based on their experience, knowledge, and the skills they can bring to the position regardless of race, gender, age, ethnicity, sexual orientation, etc. Our target is to have a board composition of minimum 25% of the underrepresented gender, which has been achieved.

For more information on equal opportunities please see our FOSS Sustainability report 2023 and our Sustainability policy, which can be found here:

[Financial annual report for FOSS A/S](#)

Data ethics statement

FOSS is a responsible employer and a trusted partner to our customers and business partners. We do our utmost to ensure that data is used in a safe and responsible manner.

We have taken a strategic approach to data ethics and have established an initial global Data Ethics Policy regarding use of data and new technologies.

The Data Ethics Policy is about responsible and sustainable use of data and new technologies and complements e.g., the principles of transparency and data minimization in FOSS' Global Data Protection Policy as well as rules on integrity and confidentiality. The policy also supplements policies on handling of personal data, use of cookies etc.

The FOSS Data Ethics Policy has been prepared as an overall framework and it applies to the FOSS Group. FOSS will continue its proactive work with data ethics based on the four principles set out in the Data Ethics Policy, which can be found here:

[Financial annual report for FOSS A/S](#)

Knowledge

Development, production and marketing of high technology analytical solutions demand highly skilled employees. In order to preserve the Group's ability to satisfy our global customers' demand for dedicated analytical solutions it is a prerequisite that we maintain the extensive specialist knowledge and other competencies which are deeply rooted in the organization. This is ensured through continued maintenance, education and recruiting of competent and dynamic employees on all levels. Considerable resources are used in order to make this possible. In addition focus on employer branding to attract and retain talent and experts is high.

Employees

The results achieved are to a high extent the result of dedicated effort and constructive attitude from all the employees. The employees in the entire Group are thanked for their excellent efforts.

On average the N. Foss & Co. A/S group had 1,858 employees in 2023 (1,819 in 2022).

Statutory report on gender diversity, cf. section 99b of the Danish Financial Statements Act This statement reports on gender diversity with respect to the Board of Directors of N. FOSS & Co. A/S, the parent company of N. FOSS & Co. A/S, and other management levels, as required by Section 99b of the Danish Financial Statements Act.

In accordance with the guidelines from the Danish Business Authority, equal representation has been achieved in the Board of Directors of N. FOSS & Co. A/S.

During 2023, N. FOSS & Co. A/S has employed fewer than 50 employees in 'Other management', and hence in accordance with the guidelines from the Danish Business

Authority, no policy for increasing the gender diversity in other management levels has been implemented.

For information about gender distribution in other companies within the Group required to report upon the underrepresented gender, cf. section 99b of the Danish Financial Statements Act, refer to the Management Review of the subsidiary in question.

Risk

Operating Risk

The main operating risk for the group concerns the ability to be strongly positioned in the market and at the cutting edge of the technological development for end-to-end solutions that secure and improve food quality.

The Company has reduced the usual operating risk by entering longer-term contracts with key suppliers for delivery of components that are a part of production in the aim of securing a stable supply and a higher predictability in price development.

In recent years our offering to the market contains more digital offerings as well as more online and interface connections within our IT infrastructure. It is our aim to continuously reduce our risk of being compromised and thus significant resources for improving the Groups IT infrastructure and security are being invested.

Financial risk

The financial risk is primarily related to changes in shares, currency exchange rates and interest level.

Investment of excess liquidity is mainly invested in shares and bonds according to a strategy determined by the Board of Directors. To be able to handle the elements of risk on shares and bonds certain limits for the individual investment groups are taken into account when acting on the markets. Furthermore, a breakdown within the groups has taken place in order to secure a spread on the exposure on time frame and geographical areas. Short term liquidity is placed on short term deposits or corresponding fast realizable instruments.

Credit risk

The main credit risk for the Group derives from ordinary customer transactions with restrictive guidelines for trade with new customers and customers located in zones of particular high credit risk while trade with known and credit rated customers are completed on accommodative conditions. These conditions have historically resulted in very few losses on debtors which is also due to the controlling of debtors on group and local level.

Development in activities and financial conditions

The group revenue has decreased with -0.4% to DKK 2,771 million in 2023 (DKK 2,783 million in 2022).

The N. Foss & Co. group's development and manufacturing activities are in Farum, Silkeborg and Hillerød (Denmark), Pécs (Hungary) and Suzhou (China).

Gross Profit for the Group has increased 4.6% to DKK 1,706 million (DKK 1,630 million in 2022).

Operating profit for the group has increased with 7.1% to DKK 573 million in 2023 (DKK 535 million in 2022).

Ordinary profit before tax for the group has increased with 233.3% to DKK 870 million in 2023 (DKK 261 million in 2022). The increase is mainly due to increase in financial items.

Operating profit in the parent company was in 2023 a loss of DKK 1 million (loss of DKK 1 million in 2022).

Profit for the year after tax amounts DKK 666 million, which is an increase of DKK 471 million compared to last year.

The result leads to a return on equity of 18.2% (5.9% in 2022) and a solvency ratio of 81.9% (79.8% in 2022).

Cash from operating activities amounts to DKK 495 million compared to DKK 342 million in 2023. Net investments in fixed assets amounts to DKK 116 million (DKK 50 million in 2022). Cash from operating and investment activities amounts to DKK 372 million (DKK 292 million in 2022).

Uncertainty relating to recognition and measurement

There is no significant uncertainty related to the annual report according to the management.

Unusual circumstances

The annual report is not impacted by any unusual circumstances.

Expected development

For the Group, investments in sales and distribution activities as well as product development activities will continue in 2024. For FOSS, Management expects this to strengthen FOSS' market position and contribute to fulfill the growth strategy for the Group in supplying high quality solutions for the increasing demand of food quality.

It is the expectation that N. FOSS & Co Group the coming year will derive growth in both revenue and profitability compared to 2023. It is expected that the organic revenue growth in 2024 will be 6-8%. Cost for a number of long-term strategic initiatives will be released in 2024 and a profit margin (gross profit) is expected to be at the level of 2023.

For the investment activities, the Group has a passive investment strategy that more or less resembles the development in the international financial markets yielding a long-term positive return.

Subsequent events

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

		<u>Group</u>		<u>Parent</u>	
	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		MDKK	MDKK	MDKK	MDKK
Revenue	1	2.771	2.783	-	-
Change in inventories of finished goods and work in progress		-24	59	-	-
Other operating income		19	-9	-	-
Other operating expenses		-4	-16	-	-
Cost of raw materials and consumables		-668	-814	-	-
Other external expenses		-388	-373	-1	-1
Gross Profit		1.706	1.630	-1	-1
Staff costs	2	-1.082	-1.025	-	-
Earnings before depreciation and interest		624	605	-1	-1
Depreciation, amortisation and impairment losses	3	-51	-70	-	-
Operating profit		573	535	-1	-1
Income from investments in group enterprises after tax	4	-	-	414	385
Income from investments in associated companies after tax		-2	-	-2	-
Other financial income	5	329	32	324	20
Other financial expenses	6	-30	-306	-	-277
Profit from ordinary activities before tax		870	261	735	127
Tax on profit for the year	7	-204	-66	-76	56
Profit before minority share		666	195	659	183
Minority interests after tax		-7	-12	-	-
Profit for the year	8	659	183	659	183

Balance Sheet

Assets

	<u>Notes</u>	<u>Group</u>		<u>Parent</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		MDKK	MDKK	MDKK	MDKK
Goodwill		9	15	-	-
Customer base		-	7	-	-
Software and patents		7	8	-	-
Intangible assets	9	16	30	-	-
Land and buildings		503	429	-	-
Plant and machinery		15	16	-	-
Other fixtures, fittings, tools and equipment		44	39	-	-
Leasehold improvements		5	5	-	-
Tangible assets	10	567	489	-	-
Investment in group enterprises	11	-	-	911	946
Investment in associated companies	12	5	-	5	-
Financial assets		5	-	916	946
Fixed assets		588	519	916	946
Inventories	13	422	476	-	-
Trade receivables		600	537	-	-
Contract work in progress	14	12	17	-	-
Receivables from group enterprises		-	-	330	359
Other short-term receivables	15	54	57	-	-
Income tax receivable		88	143	-	-
Receivables from joint taxation		-	-	77	136
Deferred tax asset	7, 16	65	74	-	-
Prepayments	17	19	25	-	-
Receivables		838	853	407	495
Other investments		2.555	1.884	2.555	1.884
Cash and cash equivalents		350	454	-	-
Current assets		4.165	3.667	2.962	2.379
Assets		4.753	4.186	3.878	3.325

Balance Sheet

Liabilities

	Notes	<u>Group</u>		<u>Parent</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		MDKK	MDKK	MDKK	MDKK
Contributed capital	18	5	5	5	5
Retained earnings		3.866	3.310	3.867	3.310
Minority interests		25	27	-	-
Equity		3.896	3.342	3.872	3.315
Provision for deferred tax	7, 19	40	34	-	-
Other provisions	20	42	44	-	-
Provisions		82	78	-	-
Non-current liabilities other than provisions	21	10	4	-	-
Other credit institutions		4	4	-	-
Prepayments received from customers		79	82	-	-
Trade payables		171	175	-	-
Income tax payable		112	114	-	-
Payables joint taxation		-	-	6	10
Other payables		213	216	-	-
Deferred income	22	186	171	-	-
Current liabilities other than provisions		765	762	6	10
Liabilities other than provisions		775	766	6	10
Equity and liabilities		4.753	4.186	3.878	3.325
Other adjustments	23				
Contingent assets and liabilities	24				
Fee to auditors appointed at the general meeting	25				
Related parties	26				
Ownership	27				
Subsequent events	28				

Statement of Changes in Equity

Group

Changes in Equity 2023	Contributed capital	Retained earnings	Total	Minority interests	Total
	MDKK	MDKK	MDKK	MDKK	MDKK
Equity beginning of year	5	3.310	3.315	27	3.342
Ordinary dividend paid	-	-	-	-9	-9
Extra ordinary dividend paid	-	-93	-93	-	-93
Exchange rate adjustments	-	-10	-10	-	-10
Other adjustments	-	-	-	-	-
Profit for the year	-	659	659	7	666
Equity end of year	5	3.866	3.871	25	3.896

Changes in Equity 2022	Contributed capital	Retained earnings	Total	Minority interests	Total
	MDKK	MDKK	MDKK	MDKK	MDKK
Equity beginning of year	5	3.140	3.145	25	3.170
Ordinary dividend paid	-	-	-	-10	-10
Extra ordinary dividend paid	-	-	-	-	-
Exchange rate adjustments	-	-15	-15	-	-15
Other adjustments	-	2	2	-	2
Profit for the year	-	183	183	12	195
Equity end of year	5	3.310	3.315	27	3.342

Statement of Changes in Equity

Parent Company

Changes in Equity 2023	Contributed capital	Retained earnings	Total
	MDKK	MDKK	MDKK
Equity beginning of year	5	3.310	3.315
Extra ordinary dividend paid	-	-93	-93
Exchange rate adjustments	-	-10	-10
Profit for the year	-	659	659
Equity end of year	5	3.866	3.871

Changes in Equity 2022	Contributed capital	Retained earnings	Total
	MDKK	MDKK	MDKK
Equity beginning of year	5	3.141	3.146
Extra ordinary dividend paid	-	-	-
Exchange rate adjustments	-	-14	-14
Profit for the year	-	183	183
Equity end of year	5	3.310	3.315

Consolidated Cash Flow Statement

		<u>Group</u>	
	<u>Notes</u>	<u>2023</u>	<u>2022</u>
		MDKK	MDKK
Operating profit		573	535
Depreciation, amortization and impairment losses	3	35	72
Other adjustments	23	5	-20
Cash flows from operating activities before changes in working capital		613	587
Change in inventories		54	-120
Change in trade receivables and other receivables		-54	-18
Change in trade payables and other debt		4	-20
Exchange rate adjustments		-5	-3
Change in working capital		-1	-161
Cash flows from operating activities before financial income and expenses and tax		612	426
Net financial items received / paid		7	3
Income taxes refunded / paid		-126	-87
Cash flows from operating activities		493	342
Acquisition, sales of intangible and tangible assets, net	9, 10	-116	-50
Acquisition of companies		-7	-
Cash flows from investments activities		-123	-50
Cash flows from operating and investment activities		370	292
Dividend paid		-93	-
Cash flows from financing activities		-93	-
Increase / decrease in cash and cash equivalents		277	292
Cash and Cash equivalents beginning of year		2.338	2.347
Currency translation adjustments of cash and cash equivalents		-5	-24
Unrealized gain / loss on shares and bonds		295	-277
Cash and Cash equivalents end of year		2.905	2.338

Notes to the Annual Report

	Group		Parent	
	2023	2022	2023	2022
	MDKK	MDKK	MDKK	MDKK
1 Revenue				
Geographical markets				
EU countries	1.140	1.098	-	-
Other countries	1.631	1.685	-	-
Total	2.771	2.783	-	-

The Group, pursuant to section 96 (1) of the Danish Financial statements Act, chooses not to disclose revenue on further segments.

2 Staff costs

Wages and salaries	950	903	-	-
Pensions	40	36	-	-
Other social security expenses	92	86	-	-
	1.082	1.025	-	-
Herof salaries and wages for Executive Board and Board of Directors				
Board of Directors	2	2	-	-
	2	2	-	-

Remuneration to the Board of Directors consist of salary from parent company as well as subsidiaries. Furthermore car has been provided for the Chairman of the Board.
No remuneration has been paid to the Executive Board for 2021 nor 2020.

Average number of employees	1.858	1.819	-	-
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Notes to the Annual Report

	Group		Parent	
	2023	2022	2023	2022
	MDKK	MDKK	MDKK	MDKK
3 Depreciation, amortization and impairment losses				
Goodwill	12	14	-	-
Customer base	7	6	-	-
Software and patents	6	8	-	-
Land and Buildings	18	16	-	-
Plant and Machinery	5	5	-	-
Other fixtures, fittings, tools and equipment	20	21	-	-
Leasehold improvements	2	2	-	-
Losses and gains from the sale of intangible and tangible assets	-17	-	-	-
	53	72	-	-
Transferred to raw materials and consumables	-2	-2	-	-
	51	70	-	-
4 Income from investments in group enterprises after tax				
Share of earnings from subsidiaries	-	-	430	405
Goodwill amortization	-	-	-16	-20
	-	-	414	385
5 Other financial Income				
Interest received	13	6	2	3
Interest received from affiliated companies	-	-	13	-
Exchange rate adjustment	8	13	1	4
Dividend income and gain on shares and bonds	308	13	308	13
	329	32	324	20
6 Other financial expenses				
Interest paid	-	3	-	-
Exchange rate adjustment	30	26	-	-
Losses on shares and bonds	-	277	-	277
	30	306	-	277

Notes to the Annual Report

	Group		Parent	
	2023	2022	2023	2022
	MDKK	MDKK	MDKK	MDKK
7 Tax on profit for the year				
Corporation tax for the year	180	58	76	-56
Deferred tax for the year	24	-4	-	-
Adjustments to previous years	-3	12	-	-
Dividend tax paid abroad	-	-	-	-
Tax for the year	201	65	76	-56
Specified on the following:				
Tax on profit for the year	204	66	76	-56
Tax for the year	204	66	76	-56
Deferred tax assets				
Deferred tax beginning of the year	74	66	-	-
Adjustments in Profit & Loss	-4	6	-	-
Adjustments in Equity	-5	2	-	-
Currency adjustments	-	-	-	-
Deferred tax end of year	65	74	-	-
Provisions for deferred tax				
Provisions for deferred tax beginning of the year	34	29	-	-
Adjustments in Profit & Loss	6	3	-	-
Adjustments in Equity	-	2	-	-
Provisions for deferred tax end of year	40	34	-	-
8 Proposed distribution of profit				
Retained earnings			659	183
			659	183

Notes to the Annual Report

9 Intangible Assets

Group	Goodwill	Customer base	Software and Patents
2023	MDKK	MDKK	MDKK
Cost beginning of year	107	32	93
Exchange adjustment	-	-	-
Additions for the year	6	-	5
Cost end of year	113	32	98
Amortization and impairment losses beginning of year	92	25	85
Amortization for the year	12	7	6
Amortization and impairment losses end of year	104	32	91
Carrying amount end of year	9	-	7

10 Tangible Assets

Group	Land and buildings	Plant and machinery	Other fixtures, fittings, tools and equipment	Leasehold improvements
2023	MDKK	MDKK	MDKK	MDKK
Cost beginning of year	618	68	233	17
Exchange adjustment	-	-	-3	-1
Additions for the year	94	4	32	2
Disposals for the year	-13	-	-11	-
Cost end of year	699	72	251	18
Depreciation and write down beginning of year	189	52	194	12
Exchange adjustment	-	-	-	-1
Depreciation for the year	18	5	20	2
Depreciation of sold assets for the year	-11	-	-7	-
Depreciation end of year	196	57	207	13
Carrying amount end of year	503	15	44	5

Notes to the Annual Report

	Parent		
	2023	2022	
	MDKK	MDKK	
11 Investments in group enterprises			
Cost beginning of year	1.028	1.025	
Additions for the year	-	3	
Cost end of year	<u>1.028</u>	<u>1.028</u>	
Revaluations beginning of year	-81	-7	
Exchange rate adjustment	-9	-14	
Dividend received	-441	-446	
Amortization on goodwill	-16	-20	
Profit for the year	430	406	
Revaluations end of year	<u>-117</u>	<u>-81</u>	
Carrying amount end of year	911	946	
Goodwill and Customer base included in the above amounts to	9	22	
Shares in subsidiaries:	Country	Ownership	Share capital
FOSS A/S	Denmark	100%	MDKK 98.0
Ibsen Photonics A/S	Denmark	88%	TDKK 6,857
Au2mate A/S	Denmark	51%	TDKK 3,000
NFCO 1 A/S	Denmark	100%	TDKK 1,200

	Group		Parent	
	2023	2022	2023	2022
	MDKK	MDKK	MDKK	MDKK
12 Investment in associated companies				
Cost beginning of year	-	-	-	-
Additions for the year	7	-	7	-
Cost end of year	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>
Revaluations beginning of year	-	-	-	-
Depreciation of goodwill	-2	-	-2	-
Shares of profit for the year	-	-	-	-
Revaluations end of year	<u>-2</u>	<u>-</u>	<u>-2</u>	<u>-</u>
Carrying amount end of year	3	-	3	-

Notes to the Annual Report

	Group		Parent	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	MDKK	MDKK	MDKK	MDKK
13 Inventories				
Raw materials and consumables	170	201	-	-
Work in progress	70	72	-	-
Manufactured goods and goods for resale	182	203	-	-
	422	476	-	-
14 Contract work in progress				
Selling price of work in progress	97	111	-	-
Payments received on account	-110	-113	-	-
	-13	-2	-	-
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	12	17	-	-
Prepayments received recognised in debt	-26	-20	-	-
	-14	-3	-	-
15 Other short-term receivables				
Deposits	13	11	-	-
Leasing receivables	-	9	-	-
Other receivables	41	37	-	-
	54	57	-	-

Notes to the Annual Report

	Group		Parent	
	2023	2022	2023	2022
	MDKK	MDKK	MDKK	MDKK
16 Deferred tax assets				
Fixed Assets	-	3	-	-
Inventories	49	50	-	-
Provisions	6	9	-	-
Prepayments and accruals	10	12	-	-
	65	74	-	-
17 Prepayments				
Other prepayments	19	25	-	-
	19	25	-	-
18 Contributed capital				
Contributed capital is composed as follows:				
<u>A-shares:</u>				
760,741 units of DKK 1				
460 units of DKK 1,000	1	1	1	1
<u>B-shares:</u>				
2,417,254 units of DKK 1				
1,840 units of DKK 1,000	4	4	4	4
	5	5	5	5

There has not been any capital changes the last 5 years.

Notes to the Annual Report

	Group		Parent	
	2023	2022	2023	2022
	MDKK	MDKK	MDKK	MDKK
19 Provisions for deferred tax				
Fixed assets	40	23	-	-
Inventories	6	7	-	-
Provisions	-6	4	-	-
	40	34	-	-
20 Other provisions				
Provisions for pensions etc	22	23	-	-
Provisions for warranty	20	21	-	-
	42	44	-	-
21 Non-current liabilities other than provisions				
All long term debt falls due between 1 and 5 years	10	4	-	-
22 Deferred income				
Service contracts	186	171	-	-
	186	171	-	-
23 Other adjustments				
Change in other provisions	-2	-		
Exchange adjustments	1	-5		
Change in long term debt	6	-15		
	5	-20		

Notes to the Annual Report

	<u>Group</u>		<u>Parent</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	MDKK	MDKK	MDKK	MDKK
24 Contingent assets and liabilities				
Contingent assets				
Value of non recognized tax losses carried forward	8	8	-	-
Value of non recognized tax losses carried forward on loss on properties	8	8	-	-
	16	16	-	-
Contingent liabilities				
Leases related to offices	36	31	-	-
Other lease commitments	26	32	-	-
Securities and guarantees	2	2	-	-
	64	65	-	-
Guarantees etc.:				
Purchase obligations for long-term delivery from suppliers do not exceed	115	158	-	-
Security concerning credit cards issued in subsidiaries	2	2	-	-

The Company and its Danish subsidiaries are a part of a Danish joint taxation and the Company is the administrative entity. The company is liable for potential obligations for withholding taxes on interest, royalties, dividends and company taxes within the joint taxation according to the company taxation law.

	MDKK	MDKK	MDKK	MDKK
25 Fee to auditors appointed at the general meeting				
Fee for statutory audit	3	3	-	-
Tax advice	2	1	-	-
Other services	1	1	-	-
Fee	6	5	-	-

26 Related parties

The members of the Executive Board and Board of Directors are considered related parties following their positions in the Company.

Transactions with related parties are based on market price (arm's length).

27 Ownership

Below stated shareholders hold more than 5% of the voting rights and/or of the contributed capital.

Dorte Grete Foss, Rudersdal, Denmark
 Nils Christian Foss, Gentofte, Denmark
 Pernille Foss, Fredensborg, Denmark
 Peter Alexander Foss, Gentofte, Denmark
 Clara Frederikke Foss, Copenhagen, Denmark

28 Subsequent events

No events have occurred after the balance sheet to this date, which would influence the evaluation of this annual report.

Accounting Principles

Basis of preparation

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

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

The annual report is prepared in DKK million.

Recognition and measurement

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

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

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

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise N. Foss & Co. A/S (Parent) and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates. Companies in which N. Foss & Co. A/S does not have determining influence but owns 50% are prorated line by line consolidated.

Basis of Consolidation

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

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

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortized goodwill and estimated divestment or winding-up expenses.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized 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.

When recognizing foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered as belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognized directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognizing foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate of the time of acquisition or the time of any subsequent revaluation or write-down. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

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 recognized under prepayments or deferred income.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognized asset or a recognized 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 transactions are classified directly in equity. When the

hedged transactions are realized, the accumulated changes are recognized as part of cost of the relevant financial statement items.

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

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are classified directly as equity.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognized in the income statement when delivery is made, and risk has passed to the buyer. Revenue is recognized net of VAT, duties and sales discounts and measured at fair value of the consideration fixed.

Revenue is recognized concurrently with the completion of the service, which the contract relates to by using the percentage of completion method, whereby the revenue corresponds to the selling price of the service performed during the year. The method is used when the total income and expenses of the service and the stage of completion can measure reliably and it is probable that the economic benefits relating to the sale will flow to the company. As stage of completion is applied hours spent in relation to the expected total hours spent on the service.

Other operating income and expenses

Other operating income and expenses comprise income and expenses of a secondary nature viewed in relation to the Group's primary activities, including subsidies, rental income, license income, etc.

Cost of raw materials and consumables

Cost of raw materials and consumables comprise of expenses that supports the revenue of the financial year. Included is the cost of goods sold for the financial year measured at cost price and adjusted for obsolescence.

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Other external expenses also include research costs, costs of development projects that do not meet the criteria for recognition in the balance sheet. In addition, provisions for loss on contract work in progress are recognized.

Staff costs

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

Other financial income and expenses

These items comprise interest income and expenses, realized and unrealized capital gains and losses on securities, payables and transactions in foreign currencies as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

The current tax payable or receivable is recognized in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognized on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered as current tax. Changes in deferred tax resulting from changed tax rates are recognized in the income statement.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized in the balance sheet at their estimated realizable value within 3-5 years, either as a set-off against deferred tax liabilities or as net tax assets.

The Parent is jointly taxed with all of its Danish subsidiaries. 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).

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognized based on a specific assessment of the purpose of the individual subsidiary.

Balance sheet

Goodwill and goodwill on consolidation

Goodwill is amortized straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The period of amortization is usually five years, however, it may be up to 10 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer period of amortization is considered to give a better reflection of the benefit from the relevant resources.

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

Customer base

On initial recognition, customer base identified from business combinations are recognized in the balance sheet at fair value. Subsequently, customer base are measured at fair value less accumulated amortization and impairment losses. Customer base are amortized over a period of 5 years using the diminishing balance method.

Other intangible assets

Other intangible assets comprise acquired intellectual property rights.

Acquired intellectual property rights in the form of patents and licenses are measured at cost less accumulated amortization and impairment losses. Patents are amortized over their remaining duration, and licenses are amortized over the term of the agreement, but over no more than 3 years.

Other intangible assets are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of other intangible assets are calculated as the difference between selling price less selling costs and the carrying amount at the time of sale. Profits or losses are recognized in the income statement as an adjustment to amortization and impairment losses, or under other operating income if the selling price exceeds original cost.

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 and impairment losses. 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.

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	20-50 years
Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	through the rental period

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognized in the income statement as adjustment to depreciation and impairment losses, or under other operating income if the selling price exceeds original cost.

Investments in subsidiaries and associates

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

The Parent's share of the enterprises' profits or losses after elimination of unrealized intra-group profits and losses and less or plus amortization of positive, or negative, goodwill is recognized in the income statement.

Subsidiaries and associates with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Parent's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the

remaining amount is recognized under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

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

The purchase method is applied in the acquisition of investments in subsidiaries and associates; see above description under consolidated financial statements.

Inventories

Inventories are measured at the lower of cost using the FIFO method or net realizable value.

Cost of goods for resale, raw materials and consumables consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labor costs as well as indirect production costs.

Indirect production costs comprise indirect materials and labor costs, costs of maintenance of and depreciation and impairment losses on machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

The net realizable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortized cost, usually equaling nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognized as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realizable value.

Expenses relating to sales work and the winning of contracts are recognized in the income statement as incurred.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

Securities recognized under current assets comprise listed bonds and investments measured at fair value (quoted price) at the balance sheet date.

Dividend

The proposed dividend for the financial year is disclosed as a separate item in equity.

Other provisions

Other provisions comprise anticipated warranty commitments, decided and published restructurings, etc.

Other provisions are recognized and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Warranty commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Lease commitments

Lease payments on operating leases are recognized on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are recognized at amortized cost which usually corresponds to nominal value.

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement of the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Group's cash and cash equivalents at the beginning and the end of the financial year. No separate cash flow statement has been prepared for the Parent because it is included in the consolidated cash flow statement.

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

Cash flows from investing activities comprise payments in connection with fixed asset investments as well as purchase and sale, etc of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise of debt raised and repayments of short and long term loans as well as payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.

Financial highlights

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

The financial ratios have been calculated as follows:

Operating profit for the year vs. revenue =		$\frac{\text{Operating Profit} \times 100}{\text{Revenue}}$
Return on Investments	=	$\frac{\text{Operating Profit} \times 100}{\text{Total Assets}}$
Solvency ratio	=	$\frac{\text{Equity at year end} \times 100}{\text{Total Assets}}$
Return on equity	=	$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$