Aabo-Ideal A/S

Industrivej 7, Vester Aaby, 5600 Faaborg

CVR no. 77 11 79 11

Annual report 2021/22

Approved at the Company's annual general meeting on 13 March 2023

Chair of the meeting:

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Knud Andersen

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Aabo-Ideal A/S for the financial year 1 October 2021 - 30 September 2022.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 30 September 2022 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 October 2021 - 30 September 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

Vester Aaby, 13 March 2023
Executive Board:

Gynter Graul Lorenzen CEO	Lars Hjortebjerg CFO

Board of Directors:

Knud Andersen Chair	Dan Højgaard Jensen	Thomas Petersen
Claus Aabo Andersen		

Independent auditor's report

To the shareholders of Aabo-Ideal A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Aabo-Ideal A/S for the financial year 1 October 2021 - 30 September 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2022, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 October 2021 - 30 September 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Independence

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Odense, 13 March 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised Public Accountant
mne31450

Management's review

Company details

Name	Aabo-Ideal A/S
Address, Postal code, City	Industrivej 7, Vester Aaby, 5600 Faaborg
CVR no.	77 11 79 11
Established	28 December 1984
Registered office	Faaborg-Midtfyn
Financial year	1 October 2021 - 30 September 2022
Website	www.aabo-ideal.com
Telephone	+45 62 61 61 25
Board of Directors	Knud Andersen, Chair Dan Højgaard Jensen Thomas Petersen Claus Aabo Andersen
Executive Board	Gynter Graul Lorenzen, CEO Lars Hjortebjerg, CFO
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Financial highlights for the Group

DKK'000	2021/22	2020/21	2019/20	2018/19	2017/18
Key figures					
Gross profit	93,216	76,778	52,918	66,332	65,832
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	11,430	9,182	-10,473	-3,856	7,970
Profit before interest and tax (EBIT)	7,932	6,028	-14,130	-7,064	4,958
Net financials	-4,507	-2,164	-373	110	617
Profit for the year	**2,832**	**3,211**	**-11,226**	**-5,259**	**5,368**
Total assets	155,722	144,380	97,028	130,777	117,781
Investments in property, plant and equipment	1,439	1,047	5,652	7,123	2,713
Equity	**11,577**	**16,347**	**20,033**	**43,591**	**48,871**
Financial ratios					
Return on assets	5.0%	4.6%	-12.4%	-5.7%	4.8%
Equity ratio	7.2%	10.9%	20.6%	33.3%	41.5%
Return on equity	22.7%	18.4%	-35.3%	-11.4%	14.2%
Average number of full-time employees	**129**	**127**	**119**	**140**	**122**

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

Management's review

Business review

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

Financial review

The consolidated result for Aabo-Ideal A/S amounts to DKK 2,8 million. The result is in the same level vs. previous year and this development is not considered satisfactory but mainly driven by the world uncertainty coming from the conflict between Russia and Ukraine. Lost revenues coming from these two countries alone, represents around -8,0 million DKK.

Apart from the negative impact of the above the result is mainly generated through improvement in project execution and overall project profitability. Further the result is, to some extent, still influenced negatively by the Covid-19 pandemic, primarily throughout 1. Half year, but as the travel restrictions and the overall reopening of the business world speeded up during 2022, the business of Aabo-Ideal also accelerated.

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

Knowledge resources

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

Financial risks and use of financial instruments

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

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

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

Impact on the external environment

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

Research and development activities

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

Events after the balance sheet date

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

Management's review

Outlook

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

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

Based on the budget for the financial year 2022/2023 and our strategic targets for the following years, combined with a growing and strong pipeline and order book of the company, management expects a revenue growth of around 23% compared to 2021/2022, an improved EBITDA line of around 140% and a group result around 8-10 mill. DKK.

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Income statement

		Group		Parent company	
Note	DKK	2021/22	2020/21	2021/22	2020/21
	Gross profit	93,215,840	76,778,292	69,988,522	71,456,156
2	Staff costs	-81,786,094	-67,576,573	-64,939,302	-61,187,078
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-3,497,449	-3,154,666	-2,413,011	-2,779,664
	Other operating expenses	0	-19,550	-3,609,618	-3,631,739
	Profit/loss before net financials	7,932,297	6,027,503	-973,409	3,857,675
	Income from investments in group enterprises	0	0	5,728,130	1,574,934
3	Financial income	305,110	170,947	284,206	141,404
4	Financial expenses	-4,812,535	-2,334,904	-3,007,020	-1,835,007
	Profit before tax	3,424,872	3,863,546	2,031,907	3,739,006
5	Tax for the year	-593,252	-653,043	1,024,999	-446,159
	Profit for the year	2,831,620	3,210,503	3,056,906	3,292,847
	Specification of the Group's results of operations:				
	Shareholders in Aabo-Ideal A/S	3,056,906	3,292,850		
	Non-controlling interests	-225,286	-82,347		
		2,831,620	3,210,503		

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Balance sheet

		Group		Parent company	
Note	DKK	2021/22	2020/21	2021/22	2020/21
	ASSETS				
	Fixed assets				
6	**Intangible assets**				
	Completed development projects	199,899	334,988	199,899	334,988
	Acquired intangible assets	5,087	60,246	5,087	60,246
	Goodwill	13,248,848	10,269,798	0	0
	Development projects in progress and prepayments for intangible assets	4,594,798	1,348,967	4,594,798	1,348,967
		18,048,632	12,013,999	4,799,784	1,744,201
7	**Property, plant and equipment**				
	Land and buildings	20,601,772	20,728,970	20,601,772	20,728,970
	Plant and machinery	5,077,544	6,366,112	4,949,452	6,197,251
	Fixtures and fittings, other plant and equipment	1,484,253	1,632,485	896,499	1,015,543
		27,163,569	28,727,567	26,447,723	27,941,764
8	**Investments**				
	Investments in group enterprises	0	0	29,681,740	24,244,811
	Deposits, investments	69,856	69,856	69,856	69,856
		69,856	69,856	29,751,596	24,314,667
	Total fixed assets	45,282,057	40,811,422	60,999,103	54,000,632
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	11,939,618	9,002,316	6,415,500	5,467,501
	Work in progress	7,238,620	8,236,719	6,580,959	7,194,392
	Finished goods and goods for resale	8,405,314	7,555,943	8,015,479	7,459,785
		27,583,552	24,794,978	21,011,938	20,121,678
	Receivables				
	Trade receivables	34,551,139	13,185,971	23,145,136	10,847,835
9	Construction contracts	18,382,502	19,697,223	15,198,496	16,671,320
	Receivables from group enterprises	6,477,203	7,051,996	6,698,842	7,230,113
12	Deferred tax assets	4,089,554	2,972,383	4,089,554	2,972,383
	Corporation tax receivable	459,372	158,949	61,687	31,158
	Other receivables	3,678,237	6,081,240	3,366,629	4,885,241
10	Prepayments	2,460,128	1,428,389	1,918,329	1,243,234
		70,098,135	50,576,151	54,478,673	43,881,284
	Cash	12,758,240	28,197,486	2,427,278	10,520,343
	Total non-fixed assets	110,439,927	103,568,615	77,917,889	74,523,305
	TOTAL ASSETS	155,721,984	144,380,037	138,916,992	128,523,937

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Balance sheet

		Group		Parent company	
Note	DKK	2021/22	2020/21	2021/22	2020/21
	EQUITY AND LIABILITIES				
	Equity				
11	Share capital	610,000	610,000	610,000	610,000
	Net revaluation reserve according to the equity method	0	0	5,621,801	3,880,627
	Reserve for development costs	0	0	3,739,960	1,313,494
	Translation reserve	-138,628	152,571	0	0
	Hedging reserve	-663,045	-336,251	-663,045	-336,251
	Retained earnings	9,506,847	8,349,943	6,458	3,308,391
	Dividend proposed	1,900,000	7,000,000	1,900,000	7,000,000
	Shareholders in Aabo-Ideal A/S' share of equity	11,215,174	15,776,263	11,215,174	15,776,261
	Non-controlling interests	361,641	570,464	0	0
	Total equity	11,576,815	16,346,727	11,215,174	15,776,261
	Provisions				
12	Deferred tax	170,575	182,825	0	0
	Total provisions	170,575	182,825	0	0
	Liabilities other than provisions				
13	**Non-current liabilities other than provisions**				
	Mortgage debt	3,985,139	4,709,040	3,985,139	4,709,040
	Bank debt	10,750,000	4,000,000	10,750,000	4,000,000
	Lease liabilities	2,511,031	3,253,396	2,511,031	3,253,396
	Other payables	9,072,536	11,840,861	9,072,536	11,840,861
		26,318,706	23,803,297	26,318,706	23,803,297
	Current liabilities other than provisions				
13	Short-term part of long-term liabilities	7,016,267	6,482,952	7,016,267	6,482,952
	Bank debt	29,847,173	21,435,831	29,840,029	21,360,527
9	Construction contracts	20,438,055	18,224,692	13,314,704	13,193,767
	Trade payables	41,004,212	30,485,073	32,712,750	24,685,442
	Payables to group enterprises	1	0	5,041,604	1,735,617
	Corporation tax payable	1,750,650	126,570	0	0
15	Other payables	17,599,530	27,292,070	13,457,758	21,486,074
		117,655,888	104,047,188	101,383,112	88,944,379
	Total liabilities other than provisions	143,974,594	127,850,485	127,701,818	112,747,676
	TOTAL EQUITY AND LIABILITIES	155,721,984	144,380,037	138,916,992	128,523,937

1 Accounting policies
16 Contractual obligations and contingencies, etc.
17 Collateral
18 Related parties
19 Appropriation of profit

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Statement of changes in equity

		Group							
Note	DKK	Share capital	Translation reserve	Hedging reserve	Retained earnings	Dividend proposed	Total	Non-controlling interests	Total equity
	Equity at 1 October 2020	610,000	-258,870	0	12,057,094	7,000,000	19,408,224	624,288	20,032,512
	Transfer through appropriation of profit	0	0	0	-3,707,151	7,000,000	3,292,849	-82,347	3,210,502
	Equity transfers to reserves	0	0	-431,087	0	0	-431,087	0	-431,087
	Adjustment of investments through forreign exchange adjustments	0	411,441	0	0	0	411,441	28,523	439,964
	Tax on equity transactions	0	0	94,836	0	0	94,836	0	94,836
	Dividend distributed	0	0	0	0	-7,000,000	-7,000,000	0	-7,000,000
	Equity at 1 October 2021	610,000	152,571	-336,251	8,349,943	7,000,000	15,776,263	570,464	16,346,727
	Transfer through appropriation of profit	0	0	0	1,156,904	1,900,000	3,056,904	-225,286	2,831,618
	Adjustment of investments through forreign exchange adjustments	0	-291,199	-418,966	0	0	-710,165	16,463	-693,702
	Tax on equity transactions	0	0	92,172	0	0	92,172	0	92,172
	Dividend distributed	0	0	0	0	-7,000,000	-7,000,000	0	-7,000,000
	Equity at 30 September 2022	610,000	-138,628	-663,045	9,506,847	1,900,000	11,215,174	361,641	11,576,815

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Statement of changes in equity (continued)

Note	DKK	Share capital	Net revaluation reserve according to the equity method	Reserve for development costs	Hedging reserve	Retained earnings	Dividend proposed	Total
		Parent company						
	Equity at 1 October 2020	610,000	1,894,253	510,890	0	9,393,081	7,000,000	19,408,224
19	Transfer, see "Appropriation of profit"	0	1,574,933	802,604	0	-6,084,690	7,000,000	3,292,847
	Adjustment of investments through forreign exchange adjustments	0	0	0	-431,087	0	0	-431,087
	Tax on equity transactions	0	411,441	0	94,836	0	0	506,277
	Dividend distributed	0	0	0	0	0	-7,000,000	-7,000,000
	Equity at 1 October 2021	610,000	3,880,627	1,313,494	-336,251	3,308,391	7,000,000	15,776,261
19	Transfer, see "Appropriation of profit"	0	2,032,373	2,426,466	0	-3,301,933	1,900,000	3,056,906
	Adjustment of investments through forreign exchange adjustments	0	-291,199	0	-418,966	0	0	-710,165
	Tax on equity transactions	0	0	0	92,172	0	0	92,172
	Dividend distributed	0	0	0	0	0	-7,000,000	-7,000,000
	Equity at 30 September 2022	610,000	5,621,801	3,739,960	-663,045	6,458	1,900,000	11,215,174

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Cash flow statement

Note	DKK	Group 2021/22	Group 2020/21
	Profit for the year	2,831,620	3,210,503
20	Adjustments	7,051,603	6,980,302
	Cash generated from operations (operating activities)	9,883,223	10,190,805
21	Changes in working capital	-17,315,008	1,207,855
	Cash generated from operations (operating activities)	-7,431,785	11,398,660
	Interest received, etc.	305,110	170,947
	Interest paid, etc.	-4,812,535	-2,334,904
	Corporation taxes paid	-294,595	-492,181
	Cash flows from operating activities	-12,233,805	8,742,522
	Additions of intangible assets	-3,245,831	-1,326,521
	Disposals of intangible assets	0	105,034
	Additions of property, plant and equipment	-1,439,099	-1,047,399
	Disposals of property, plant and equipment	715,178	195,000
22	Acquisition of companies and activities	-3,695,756	-6,936,349
	Additionals of deposit	0	-51,856
	Cash flows to investing activities	-7,665,508	-9,062,091
	Dividends distributed	-7,000,000	-7,000,000
	Changes in non-current liabilities	3,048,725	19,223,289
	Cash flows from financing activities	-3,951,275	12,223,289
	Net cash flow	-23,850,588	11,903,720
	Cash and cash equivalents at 1 October	6,761,655	-5,142,065
23	**Cash and cash equivalents at 30 September**	-17,088,933	6,761,655

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 Accounting policies

The annual report of Aabo-Ideal A/S for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

Reporting currency

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

Consolidated financial statements

Preparation of consolidated financial statements

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

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

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

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

Non-controlling interests

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

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

Intra-group business combinations

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

Foreign currency translation

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

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 **Accounting policies (continued)**

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

Foreign group entities

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

Derivative financial instruments

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

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

Income statement

Revenue

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

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

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

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

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

Gross profit

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

Other operating income and operating expenses

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

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 Accounting policies (continued)

Raw materials and consumables, etc.

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

Other external expenses

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

Staff costs

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

Amortisation/depreciation

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

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

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

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

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

Land is not depreciated.

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

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

The item includes dividend received from subsidiaries.

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

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

Tax

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

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

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

Balance sheet

Intangible assets

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

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

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

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

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

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

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

Property, plant and equipment

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

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 **Accounting policies (continued)**

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

Leases

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

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

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

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

Investments in subsidiaries

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

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

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

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

Dividend received is deduced from the carrying amount.

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

Impairment of fixed assets

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

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

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

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

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 **Accounting policies (continued)**

Inventories

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

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

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

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

Receivables

Receivables are measured at amortised cost.

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

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

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

Construction contracts

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

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

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

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

Prepayments

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

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 Accounting policies (continued)

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 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.

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries 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.

Proposed dividends

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

Provisions

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

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

Income taxes

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

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

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

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. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

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

Other liabilities are measured at net realisable value.

Lease liabilities

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

Cash flow statement

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

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

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

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

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

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

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

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

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

		Group		Parent company	
	DKK	2021/22	2020/21	2021/22	2020/21
2	**Staff costs and incentive programmes**				
	Wages/salaries	70,859,886	58,311,936	56,682,039	53,334,293
	Pensions	7,832,699	6,955,732	7,021,350	6,624,544
	Other social security costs	3,093,509	2,308,905	1,235,913	1,228,241
		81,786,094	67,576,573	64,939,302	61,187,078
	Average number of full-time employees	129	127	108	106
	Remuneration to members of Management:				
	Executive Board	0	0	3,328,006	4,250,859
	Board of Directors	0	0	300,009	225,000
		0	0	3,628,015	4,475,859

Parent company

Incentive programmes

In 2022, the group introduced an incentive plan aimed at members of The Executive Board. The incentive plan allows those eligible to subscribe for new shares for up to 4,38% of the current share capital in Aabo Ideal-Line Group ApS at a price calculated as the current net asset value plus interest of 9% per annum. A maximum of nom. DKK 10,441 shares can be subscribed for at a price of 1.68, corresponding to a total market price of DKK 1,752 thousand.

At present, there is no assessment of an obligation.

		Group		Parent company	
	DKK	2021/22	2020/21	2021/22	2020/21
3	**Financial income**				
	Interest receivable, group entities	184,019	130,198	184,019	132,300
	Other financial income	121,091	40,749	100,187	9,104
		305,110	170,947	284,206	141,404
4	**Financial expenses**				
	Interest expenses, group entities	0	0	117,491	24,180
	Other financial expenses	4,812,535	2,334,904	2,889,529	1,810,827
		4,812,535	2,334,904	3,007,020	1,835,007
5	**Tax for the year**				
	Estimated tax charge for the year	1,618,251	206,884	0	0
	Deferred tax adjustments in the year	-1,024,999	435,436	-1,024,999	435,436
	Tax adjustments, prior years	0	10,723	0	10,723
		593,252	653,043	-1,024,999	446,159

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

6 Intangible assets

	Group				
DKK	Completed development projects	Acquired intangible assets	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 October 2021	2,138,903	1,622,311	10,443,862	1,348,967	15,554,043
Additions	0	0	3,695,756	3,245,831	6,941,587
Cost at 30 September 2022	2,138,903	1,622,311	14,139,618	4,594,798	22,495,630
Impairment losses and amortisation at 1 October 2021	1,803,915	1,562,065	174,064	0	3,540,044
Amortisation for the year	135,089	55,159	716,706	0	906,954
Impairment losses and amortisation at 30 September 2022	1,939,004	1,617,224	890,770	0	4,446,998
Carrying amount at 30 September 2022	199,899	5,087	13,248,848	4,594,798	18,048,632

	Parent company			
DKK	Completed development projects	Acquired intangible assets	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 October 2021	2,138,903	1,622,311	1,348,967	5,110,181
Additions	0	0	3,245,831	3,245,831
Cost at 30 September 2022	2,138,903	1,622,311	4,594,798	8,356,012
Impairment losses and amortisation at 1 October 2021	1,803,915	1,562,065	0	3,365,980
Amortisation for the year	135,089	55,159	0	190,248
Impairment losses and amortisation at 30 September 2022	1,939,004	1,617,224	0	3,556,228
Carrying amount at 30 September 2022	199,899	5,087	4,594,798	4,799,784

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

7 Property, plant and equipment

	Group			
DKK	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Total
Cost at 1 October 2021	29,649,530	21,704,913	7,917,676	59,272,119
Foreign exchange adjustments	0	-104,784	-44,346	-149,130
Additions	464,300	117,352	857,447	1,439,099
Disposals	0	-231,790	-2,235,448	-2,467,238
Cost at 30 September 2022	30,113,830	21,485,691	6,495,329	58,094,850
Impairment losses and depreciation at 1 October 2021	8,920,560	15,338,801	6,285,191	30,544,552
Foreign exchange adjustments	0	-93,470	-34,591	-128,061
Depreciation	591,498	1,389,393	608,493	2,589,384
Reversal of accumulated depreciation and impairment of assets disposed	0	-226,577	-1,848,017	-2,074,594
Impairment losses and depreciation at 30 September 2022	9,512,058	16,408,147	5,011,076	30,931,281
Carrying amount at 30 September 2022	20,601,772	5,077,544	1,484,253	27,163,569
Property, plant and equipment include finance leases with a carrying amount totalling	0	3,384,410	0	3,384,410

Note 17 provides more details on security for loans, etc. as regards property, plant and equipment.

	Parent company			
DKK	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Total
Cost at 1 October 2021	29,649,530	20,141,063	4,862,596	54,653,189
Additions	464,300	106,000	538,178	1,108,478
Disposals	0	-28,438	-1,670,285	-1,698,723
Cost at 30 September 2022	30,113,830	20,218,625	3,730,489	54,062,944
Impairment losses and depreciation at 1 October 2021	8,920,560	13,943,812	3,847,053	26,711,425
Depreciation	591,498	1,348,586	282,709	2,222,793
Reversal of accumulated depreciation and impairment of assets disposed	0	-23,225	-1,295,772	-1,318,997
Impairment losses and depreciation at 30 September 2022	9,512,058	15,269,173	2,833,990	27,615,221
Carrying amount at 30 September 2022	20,601,772	4,949,452	896,499	26,447,723
Property, plant and equipment include finance leases with a carrying amount totalling	0	3,384,410	0	3,384,410

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

8 Investments

DKK	Parent company: Investments in group enterprises	Deposits, investments	Total
Cost at 1 October 2021	20,364,184	69,856	20,434,040
Additions	3,695,755	0	3,695,755
Cost at 30 September 2022	24,059,939	69,856	24,129,795
Value adjustments at 1 October 2021	3,880,627	0	3,880,627
Foreign exchange adjustments	-291,199	0	-291,199
Dividend received	-3,695,756	0	-3,695,756
Profit/loss for the year	6,444,836	0	6,444,836
Value adjustments for the year	-716,707	0	-716,707
Value adjustments at 30 September 2022	5,621,801	0	5,621,801
Carrying amount at 30 September 2022	29,681,740	69,856	29,751,596

Parent company

Subsidiaries

E-Coat Technology SE	SE	Czech Republic	80.00%
Ideal-Line s.r.o.	s.r.o.	Czech Republic	100.00%
Ideal Line Polske LLC	LLC	Poland	90.00%
Greiff Industrimiljö AB	AB	Sweden	100.00%

	Group		Parent company	
DKK	2021/22	2020/21	2021/22	2020/21
9 Construction contracts				
Selling price of work performed	230,122,835	186,908,403	172,684,051	183,882,500
Progress billings	-232,178,388	-185,435,872	-170,800,259	-180,404,947
	-2,055,553	1,472,531	1,883,792	3,477,553
recognised as follows:				
Construction contracts (assets)	18,382,502	19,697,223	15,198,496	16,671,320
Construction contracts (liabilities)	-20,438,055	-18,224,692	-13,314,704	-13,193,767
	-2,055,553	1,472,531	1,883,792	3,477,553

10 Prepayments

Group

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

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

DKK	Parent company 2021/22	Parent company 2020/21
11 Share capital		
Analysis of the share capital:		
61 A shares of DKK 10,000.00 nominal value each	610,000	610,000
	610,000	610,000

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

	Group		Parent company	
DKK	2021/22	2020/21	2021/22	2020/21
12 Deferred tax				
Deferred tax at 1 October	-2,789,558	-3,312,980	-2,972,383	-3,312,980
Additions on acquisition of group entity	0	182,825	0	0
Deferred tax adjustment from equity transactions	-92,172	-94,839	-92,172	-94,839
Deferred tax adjustment from profit/loss transactions	-1,024,999	435,436	-1,024,999	435,436
Foreign exchange adjustments	-12,250	0	0	0
Deferred tax at 30 September	-3,918,979	-2,789,558	-4,089,554	-2,972,383
Deferred tax relates to:				
Intangible assets	994,838	289,655	994,838	289,655
Property, plant and equipment	2,656,487	2,867,031	2,485,912	2,684,206
Inventories	128,375	145,568	128,375	145,568
Receivables	5,738,833	3,999,559	5,738,833	3,999,559
Provisions	-883,856	-1,231,700	-883,856	-1,231,700
Tax loss	-12,553,656	-8,859,671	-12,553,656	-8,859,671
	-3,918,979	-2,789,558	-4,089,554	-2,972,383
Analysis of the deferred tax				
Deferred tax assets	-4,089,554	-2,972,383	-4,089,554	-2,972,383
Deferred tax liabililties	170,575	182,825	0	0
	-3,918,979	-2,789,558	-4,089,554	-2,972,383

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

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

13 Non-current liabilities other than provisions

	Group			
DKK	Total debt at 30/9 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	4,709,040	723,901	3,985,139	1,794,140
Bank debt	13,550,000	2,800,000	10,750,000	550,000
Lease liabilities	3,253,397	742,366	2,511,031	0
Other payables	11,822,536	2,750,000	9,072,536	0
	33,334,973	7,016,267	26,318,706	2,344,140

	Parent company			
DKK	Total debt at 30/9 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	4,709,040	723,901	3,985,139	1,794,140
Bank debt	13,550,000	2,800,000	10,750,000	550,000
Lease liabilities	3,253,397	742,366	2,511,031	0
Other payables	11,822,536	2,750,000	9,072,536	0
	33,334,973	7,016,267	26,318,706	2,344,140

14 Derivative financial instruments

Forecast transactions

The Group uses forward exchange contracts to hedge expected currency risks relating to some construction contracts in the coming year for 7,412 TDKK. In relation to the hedged exchange rate on the balance sheet date, the contracts have a negative value of approx. 850 TDKK. The value adjustment is reconized in the equity.

	Group		Parent company	
DKK	2021/22	2020/21	2021/22	2020/21
15 Other payables				
Other accrued expenses	17,599,530	27,292,070	13,457,758	21,486,074
	17,599,530	27,292,070	13,457,758	21,486,074

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

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

16 Contractual obligations and contingencies, etc.

The Group's entities have entered into operating leases with an average monthly lease payment of DKK 11.3 thousand per contract and a remaining term of 6 - 60 months. The remaining nominal lease commitment totals DKK 3,343 thousand.

The Group has entered into a rental agreement which amounts to DKK 279 thousand.

Payment guarantees provided amounts to DKK 3,890 thousand. As part of general terms of trade, the company has guarantee obligations on delivered goods. Management is not aware that other cases that could affect the company's financial position are pending

The Company is jointly taxed with the Parent Company Aabo Ideal-Line Group ApS, CVR no. 39368994. The Company has unlimited joint and several liability, together with the Parent Company, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. The jointly taxed entities' total known net liability in respect of corporation taxes and withholding taxes payable ondividend, interest and royalties amounted to DKK 0 thousand at 30 September 2022. Any subsequent corrections ofincome subject to joint taxation and withholding taxes, etc., may entail that the entities' liability will increase. The Group as a whole is not liable to any third parties.

17 Collateral

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

As a security for Aabo-Ideal A/S' banking agreements, borrowings pursuant to these agreements are collateralized by all the assets of the company, except of shares in subsidiaries and property, however not exceeding DKK 20.0 million and mortgage deed of DKK 8.0 million in property. As of 30 September 2022 total drawings under the said agreements amounted to DKK 28.9 million.

Aabo-Ideal A/S has issued a joint and several guarantee against Greiff Industrimiljö AB's agreements with Sydbank and Danske Bank. As of 30 September 2022, these exposures show deposits of DKK 0 million and DKK 5 million, respectively.

18 Related parties

Related party transactions

DKK	2021/22	2020/21
Group		
Interest income from Aabo Ideal-Line Group ApS	184,019	130,198
Receiveables from Aabo Ideal-Line Group ApS	6,477,203	7,051,996
Parent Company		
Interest income other group entities	184,019	132,300
Interest expense from group entities	117,491	24,180
Management fee from group entities	1,864,347	308,966
Management fee to group entities	3,609,618	3,612,189
Receiveables from group entities	6,698,842	7,230,113
Payables to group entities	5,041,604	1,735,617

Consolidated financial statements and parent company financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

		Parent company	
	DKK	2021/22	2020/21
19	**Appropriation of profit**		
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	1,900,000	7,000,000
	Net revaluation reserve according to the equity method	2,032,373	1,574,933
	Distributions	2,426,466	802,604
	Retained earnings/accumulated loss	-3,301,933	-6,084,690
		3,056,906	3,292,847

		Group	
	DKK	2021/22	2020/21
20	**Adjustments**		
	Amortisation/depreciation and impairment losses	3,497,450	3,154,666
	Financial income	-305,110	-170,947
	Financial expenses	4,812,535	2,334,904
	Tax for the year	593,252	653,043
	Other adjustments	-1,546,524	1,008,636
		7,051,603	6,980,302
21	**Changes in working capital**		
	Change in inventories	-2,788,576	496,807
	Change in receivables	-18,006,423	-5,206,755
	Change in trade and other payables	3,898,957	6,348,890
	Other changes in working capital	-418,966	-431,087
		-17,315,008	1,207,855
22	**Acquisition of enterprises and activities**		
	Property, plant and equipment	0	499,696
	Inventories	0	4,546,450
	Receivables	0	7,691,370
	Cash	0	7,741,512
	Deferred tax	0	-184,941
	Trade payables	0	-2,858,753
	Other payables	0	-13,201,335
		0	4,233,999
	Goodwill	0	10,443,862
	Cost of acquisition	0	14,677,861
	Amount relating to cash	3,695,756	-7,741,512
	Cost of acquisition paid in cash	3,695,756	6,936,349
23	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	12,758,240	28,197,486
	Short-term debt to banks	-29,847,173	-21,435,831
		-17,088,933	6,761,655

Lars Hjortebjerg
Direktion
På vegne af: AaboIdeal AS
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IP: 82.134.xxx.xxx
2023-03-13 20:32:57 UTC
Mit ID

Gynter Graul Lorenzen
Direktion
På vegne af: AaboIdeal AS
Serienummer: d4b2e08b-e716-4211-8ac0-5b99c5656566
IP: 81.27.xxx.xxx
2023-03-14 08:19:34 UTC
Mit ID

Dan Højgaard Jensen
Bestyrelse
På vegne af: AaboIdeal AS
Serienummer: dea15dac-3a40-4272-8958-d8b77fea6ef6
IP: 87.49.xxx.xxx
2023-03-14 10:19:01 UTC
Mit ID

Thomas Petersen
Bestyrelse
På vegne af: AaboIdeal AS
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Mit ID

Claus Aabo Andersen
Bestyrelse
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Knud Andersen
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Mit ID

Knud Andersen
Bestyrelse
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Mit ID

Søren Smedegaard Hvid
Statsautoriseret revisor
På vegne af: EY Godkendt Revisionspartnerselskab
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IP: 145.62.xxx.xxx
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