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# *Food Equipment Group A/S*

Mineralvej 6, DK-9220 Aalborg

## Annual Report for 2024

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CVR No. 39 89 39 32

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 11/6 2025

Jeppe Bager Nørgaard  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Food Equipment Group A/S for the financial year 1 January - 31 December 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aalborg, 27 May 2025

## Executive Board

Hugo Holst Dissing  
CEO

## Board of Directors

Denis Viet-Jacobsen  
Chairman

Michael Pontoppidan Frost

Johan Olof Cervin

# Independent Auditor's report

To the shareholders of Food Equipment Group A/S

## Opinion

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 31 December 2024 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Food Equipment Group A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

## Basis for Opinion

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

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## 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.

# Independent Auditor's report

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

# Independent Auditor's report

Hellerup, 27 May 2025

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Jacob F Christiansen

State Authorised Public Accountant

mne18628

Daniel Mogensen

State Authorised Public Accountant

mne45831

## Company information

<b>The Company</b>	Food Equipment Group A/S Mineralvej 6 DK-9220 Aalborg  CVR No: 39 89 39 32 Financial period: 1 January - 31 December Municipality of reg. office: Aalborg
<b>Board of Directors</b>	Denis Viet-Jacobsen, chairman Michael Pontoppidan Frost Johan Olof Cervin
<b>Executive Board</b>	Hugo Holst Dissing
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

# Group Chart

<b>Company</b>	<b>Residence</b>	<b>Ownership</b>
<b>Food Equipment Group A/S</b>	<b>Denmark, Aalborg</b>	
Food Equipment HoldCo A/S	Denmark, Aalborg	100
Carsoe Seafood ApS	Denmark, Aalborg	100
Carsoe Norge AS	Norway, Tromsø	100
Carsoe US Inc.	USA, Seattle	100
Carsoe ApS	Denmark, Aalborg	100
Carsoe PE1 ApS	Denmark, Aalborg	100
QUPAQ ApS	Denmark, Brønderslev	100
Damgaard Automatik A/S	Denmark, Pandrup	100
Intech International GmbH	Germany, Handewitt	100
Intech International Norge AS	Norway, Ålesund	100

# Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	<b>Group</b>				
	2024	2023	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK 15 months	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	595,519	690,275	958,642	564,548	689,124
Gross profit	205,390	274,613	314,312	208,787	251,919
Profit/loss of primary operations	-67,295	-7,844	-122,147	-15,754	-873
Profit/loss of financial income and expenses	-25,137	-14,086	-24,414	-12,826	-5,519
Net profit/loss for the year	-86,778	-17,944	-122,686	-23,097	-9,342
<b>Balance sheet</b>					
Balance sheet total	695,099	823,470	949,176	672,718	705,810
Investment in property, plant and equipment	1,819	3,418	0	4,121	14,228
Equity	254,625	337,529	361,392	240,579	261,715
<b>Cash flows</b>					
Cash flows from:					
- operating activities	-11,720	22,021	-38,362	-1,135	10,048
- investing activities	-7,698	230	-254,252	32,035	-19,867
- financing activities	14,234	-81,544	295,977	24,260	-1,241
Change in cash and cash equivalents for the year	-5,184	-59,293	3,363	72,862	0
Number of employees	366	394	410	311	366
<b>Ratios</b>					
Gross margin	34.5%	39.8%	32.8%	37.0%	36.6%
Profit margin	-11.3%	-1.1%	-12.7%	-2.8%	-0.1%
Return on assets	-9.7%	-1.0%	-12.9%	-2.3%	-0.1%
Solvency ratio	36.6%	41.0%	38.1%	35.8%	37.1%
Return on equity	-29.3%	-5.1%	-40.8%	-9.2%	-3.5%

# Management's review

## Key activities

At the heart of Food Equipment Group's business model lies a commitment to innovation and specialization within the seafood and food processing industries. Through comprehensive product development, precise manufacturing processes, and reliable solutions, Food Equipment Group delivers equipment and services to its global clientele. From initial installation to ongoing maintenance and support, the Group ensures that its customers receive market leading solutions fit to their operational requirements.

Food Equipment Group is split into two independent operating units: Carsoe Seafood (also referred to as Carsoe) and QUPAQ. This enables the Group to strategically and operationally target diverse market segments with tailored solutions.

Carsoe is a leading global supplier of complete seafood processing plants installed on fishing vessels. In addition, the company offers a range of niche standard seafood processing products, automated contact freezing solutions, palletizing systems, and lifting and unloading equipment to both onboard and on-land customers (primarily within the food industry). Carsoe is headquartered in Aalborg and has two subsidiaries in USA and Norway.

QUPAQ is a trusted supplier to the food industry, delivering reliable and hygienic tray denesting and handling solutions to producers, integrators, and resellers worldwide. Our solutions enable safe, simple, and profitable operations. With market-leading technology and deep application expertise, we support our customers in reducing manual labor through automation. QUPAQ is represented in Chicago, USA, and headquartered in Brønderslev.

## Development in the year

Carsoe Seafood continued to supply customers globally with our market leading solutions in 2024. Carsoe Seafood managed to win several new large and medium-sized green-field contracts. The contracts are geographically diverse and in line with the core offering of Carsoe. Besides the new, large contracts, Carsoe Seafood has successfully continued to grow its aftersales segment and strengthened sales of its standard product portfolio.

Carsoe has further consolidated its operational footprint and focused on strengthening core business operations. This includes strengthening supply chain resilience, engineering efficiency, product standardisation and innovation. In addition, the data foundation has been strengthened for improved financial transparency and operational planning.

Throughout 2024, QUPAQ has continued to leverage the strong brand recognition and marketing value of its legacy solutions, Anytray and Inray, which remain important assets in the company's commercial positioning. At the same time, QUPAQ has introduced a more structured approach to project evaluation by implementing a risk-based categorization model. This initiative aims to ensure a balanced and strategically aligned product mix across the project portfolio, supporting long-term profitability and operational focus.

In 2024, QUPAQ maintained a strong presence at leading international trade fairs within the food industry. The company actively participated in Pack Expo in Chicago, one of the largest events for packaging and processing technologies, as well as Anuga FoodTec in Cologne, a key global platform for innovations in food and beverage production. These events provided valuable opportunities to showcase QUPAQ's latest automation solutions, strengthen relationships with existing partners, and engage with new customers across global markets.

## The past year and follow-up on development expectations from last year

Past years expectation to 2024 result was in the range of MDKK 10-20.

The income statement of the Group for 2024 shows a loss of TDKK 86,778. On 31 December 2024 the balance sheet of the Group shows a positive equity of TDKK 254,625.

In Carsoe 2024 was negatively impacted by one-off costs related to the closure of the production facility in Kristiansund, Norway, and the opening of our new service site in Tromsø, one of the largest Seafood landing ports globally. Going forward palletizing and elevator equipment will be engineered and produced in Aalborg.

# Management's review

In QUPAQ expectations for 2024 included improved profitability, which was realized through a net profit increase of tDKK 2,608. However, the result fell short of initial projections due to elevated costs associated with an extraordinary project investment. While this initiative was expected to generate long-term returns through similar future projects, the specific market segment in question is characterized by intense competition and low margins. As such, the product is not ideally suited for resale, which has impacted on its short-term profitability.

## Special risks - operating risks and financial risks

### Operating risks

The Group's most significant operating risks relate to its ability to gain and retain client relations, key employees and always to be at the forefront of technological development within the Group's business areas. Refer to the sections Knowledge resources and Research and development activities below for information on how Food Equipment Group work with knowledge and development.

### Financial risks

The Group does not hedge the currency rate between Danish Krone (DKK) and the Euro (EUR) as this rate is fixed. For Carsoe exposure to other currencies is limited, as euro is used as the main contract currency. However, QUPAQ's policy is to hedge commercial exchange rate risks when assessed significant. This is primarily done through foreign exchange contracts based on forecasted sales and purchases.

Currency adjustments of investments in subsidiaries which are independent entities are recognized directly in equity. As a main rule, currency risks related to the investment in subsidiaries are not hedged, as Carsoe Seafood regards these as long-term strategic investments that are not affected by short term fluctuations in currency rates. Carsoe Seafood's worldwide activities imply a credit risk in connection with sales to customers. We take measures to hedge our exposure, for instance by introducing letters of credit.

### Targets and expectations for the year ahead

In 2025, Food Equipment Group will continue investing in and executing on its profitable growth plan, while improving its operations to increase long-term margins. The Group expects the EBITDA for 2025 to be in the range of MDKK 50-60.

Carsoe Seafood has a proven ability to grow into new markets and offer new sought-after solutions to its customers. Carsoe expects to continue strengthening its position in the consolidating market for onboard turnkey seafood processing solutions, including through a stronger aftermarket offering, while expanding its presence within new niche segments and actively selling its products standalone

In QUPAQ a year-over-year improvement in profitability is anticipated, supported by a continued focus on developing and refining the product portfolio, expanding market reach, and attracting and retaining skilled employees. While the outlook remains positive, QUPAQ acknowledges that certain external factors—such as evolving trade relations between the European Union and the United States—may introduce a degree of uncertainty in the global market landscape. The company remains attentive to these developments and is prepared to adapt its strategy accordingly to safeguard long-term growth.

### Research and development

Research and development activities are primarily carried out at the head offices in Denmark. Development activities include the development of equipment and solutions within Carsoe and QUPAQ's business areas.

For Carsoe focus will still be on standardisation, automation, and leveraging the inhouse competences across all product capabilities. While research and development activities at QUPAQ has focused on a development project that significantly departs from the company's standard product portfolio. The project is expected to be officially launched at a major industry trade fair in 2025 and is anticipated to set a new benchmark within its category.

# Management's review

## Intellectual capital resources

Carsoe Seafood and QUPAQ are both dedicated to leveraging extensive knowledge resources and expertise to drive innovation and growth in their respective sectors. This demands a wealth of knowledge resources, including the expertise of employees and fine-tuned business practices, with focus on engineering, project management, and aftermarket services.

## Statement of corporate social responsibility

Corporate social responsibility is an integral part of Food Equipment's business strategy, and we remain committed to and focused on all aspects, from environment, employee satisfaction, human rights, anticorruption, and our role in society in general.

The group wants to act responsibly in relation to customers, employees, business partners and the outside world. We are aware that there may be several opportunities and risks concerning corporate social responsibility in relation to our business.

## Circularity and maximizing performance to reduce CO2 Footprint

In 2024, we have increased our focus on extending the lifespan of our machines and production lines through strategic initiatives in servicing, repairs, and retrofit solutions. This work is central to our ESG strategy, where we aim to reduce resource consumption and CO2 emissions.

By analysing the total service potential in the market and mapping Carsoe's installed base, we have gained a solid overview of the opportunities to target our resources and offer the best solutions to our customers. This includes everything from repairs and upgrades to tailored service agreements and the supply of spare parts. Retrofit solutions and servicing directly contribute to a sustainable future by:

- Extending the lifespan of equipment, thus reducing the need for extracting and producing new materials.
- Increasing the efficiency of existing machines, which reduces energy and resource consumption as well as emissions.

For our customers, this approach means enhanced operational reliability, reduced costs, and improved productivity.

With our software Carsoe Insights, we have created a platform designed to ensure maximum performance and uptime for our customers' production facilities and minimize the CO2 footprint. With Carsoe Insights, we enable our customers to maximize their production while supporting their goals of reducing environmental impact.

## Corruption and bribery

The group maintains a strict zero-tolerance policy against corruption and bribery, and we take all necessary measures to prevent such risks in our business relationships. Any suspected violations of this policy are thoroughly investigated.

To ensure compliance with our core values and Code of Ethics, the group has developed written compliance guidelines and policies that contains our anti-corruption policies, as well as policies related to Supplier Code of Conduct, money laundering, export control, and international trade sanctions.

Throughout the financial year 2024, management remained vigilant, diligently monitoring for any signs of non-compliance. No breaches of the stringent compliance rules were detected, affirming the effectiveness of the established procedures and controls. The group is poised to uphold its reputation for integrity while navigating evolving regulatory landscapes with confidence and integrity, securing anti-corruption and bribery is top of mind in all business affairs.

Food Equipment Group does not foresee any material risks related to corruption and bribery and processes as policies have been calibrated to mitigate these concerns effectively, aligning with our commitment to compliance with rules and regulations.

# Management's review

## Human rights

Our Code of Ethics requires employees to act with integrity and uphold acceptable ethical standards for human rights

To mitigate risks associated with our business partners, the group has a Supplier Code of Conduct that sets out the same requirements for our suppliers of goods and services. If a supplier violates our rules, we will work closely with them to help improve business standards and employee well-being. However, the group reserve the right to terminate contracts with suppliers who intentionally violate our rules and refuse to cooperate in implementing planned improvements.

In the 2023 period, we did not identify any breaches of our Code of Ethics or Supplier Code of Conduct, and we are committed to maintaining our current procedures in the future.

## Employees

The achievement of the groups strategic and financial objectives is intrinsically linked to the capabilities and dedication of our employees. Considering the increasing complexity of the global business environment, intensifying competition, and the accelerating impact of digital transformation, the demand for skilled professionals and effective leadership has never been greater. As such, securing and retaining top talent remains a key priority. Several strategic initiatives were implemented in 2024 to support this objective.

The company's policy for working with Social and Personnel Affairs is maintained and communicated through both the company's personnel handbook and its compliance policy. The group's strategy includes developing young talents through apprenticeship programs and actively engaging in dialogues with youth and vocational schools to serve as an active partner and an integral part of the surrounding community.

## Fostering an Inclusive and Engaging Workplace

Establishing an inclusive, supportive, and engaging workplace is essential for long-term growth and the well-being of our employees. In 2024, we reaffirmed our commitment to our workforce by launching initiatives aimed at reducing turnover, enhancing onboarding, supporting professional development, and promoting employee health and well-being.

## Reducing Turnover Through Enhanced Onboarding and Cultural Focus

In 2024, the group placed significant emphasis on employee retention through a series of targeted initiatives. A key focus was the improvement of our onboarding process, ensuring a strong foundation for new employees. Additionally, we implemented structured exit interviews to gain insights into employee experiences and departmental dynamics.

These exit interviews highlighted areas of strength—including a strong sense of community, professional growth opportunities, and high engagement levels—as well as areas for improvement, such as better resource allocation, enhanced competency development, and improved internal communication. Based on these findings, several initiatives have already been launched to improve the employee experience. We plan to continue conducting exit interviews in 2025 to further support a stable and engaged workforce.

# Management's review

## ESG Performance

Our ESG effort focus on three key areas: People, Planet and Product.

Under People, our goals focus on expanding workforce competencies, nurturing the next generation of specialists, and enhancing the safety of our products for end users. For Planet, our objectives include transitioning to renewable electricity, mapping Scope 3 emissions and commit to the Science-Based Targets initiative (SBTi). Finally, our Products pillar emphasizes reducing resource consumption, such as energy, water, and materials by improving the efficiency of our equipment and focusing on circularity to extend the lifespan of our solutions.

By embedding our People, Planet, and Products strategy into every aspect of our operations and our overall strategy, we ensure that sustainable practices shape our everyday decisions and future direction. With a solid foundation in place, our ESG strategy is well-positioned for further growth and adaptation as we navigate the rapidly evolving ESG landscape.

## Statement on gender composition

	2024	2023
<b>Top management</b>		
Total number of members	3	6
Underrepresented gender %	0%	33%
Target figure %	25%	25%
Year for meeting target	2026	2026
<b>Other management levels</b>		
Total number of members	1	1

Both Carsoe and QUPAQ believe that diversity among employees, including equal distribution of gender, contributes positively to the work environment and strengthens business performance and competitiveness.

Food Equipment Group is working to increase the number of female managers in the Group and has set specific targets for the share of the underrepresented gender in the Group's management in general. The Group has a target that 25% of the management positions in Food Equipment Group should be held by women by the end of 2026. To meet the gender diversity target in 2024, the Group have reviewed our procedures and initiated measures aimed at supporting a more balanced gender distribution at the leadership level.

Food Equipment Group has, as of the balance sheet date, 1 member at the company's other management levels, which exempts Food Equipment Group from the obligation to set a target due to the number of employees. Reference: Section 99b, subsection 2 of the Danish Financial Statements Act.

## Statement on data ethics

Food Equipment Group is responsible for processing customer information that is provided to us or collected about our customers. We treat customer information with the utmost respect for confidentiality and privacy. We have a clear corporate policy in place that governs how we use personal information to protect the privacy of our employees, customers, and other stakeholders. This policy is designed to ensure compliance with the Data Protection Act and the Data Protection Regulation.

## Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

# Management's review

## Unusual events

The financial position at 31 December 2024 of the Group and the results of the activities and cash flows of the Group for the financial year for 2024 have not been affected by any unusual events.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income statement 1 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Revenue	1	595,519	690,275	2,072	2,035
Other operating income		5,391	23,728	0	0
Expenses for raw materials and consumables		-289,504	-347,068	0	0
Other external expenses		-106,016	-92,322	-832	-4,348
<b>Gross profit</b>		<b>205,390</b>	<b>274,613</b>	<b>1,240</b>	<b>-2,313</b>
Staff expenses	2	-215,826	-213,345	-2,768	-3,717
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-56,859	-69,112	0	0
<b>Profit/loss before financial income and expenses</b>		<b>-67,295</b>	<b>-7,844</b>	<b>-1,528</b>	<b>-6,030</b>
Income from investments in subsidiaries		0	0	-84,310	-13,818
Financial income	4	2,311	4,261	3,435	2,024
Financial expenses	5	-27,448	-18,347	-5,185	-1,284
<b>Profit/loss before tax</b>		<b>-92,432</b>	<b>-21,930</b>	<b>-87,588</b>	<b>-19,108</b>
Tax on profit/loss for the year	6	5,654	4,894	810	1,164
<b>Profit/loss of continuing activities</b>		<b>-86,778</b>	<b>-17,036</b>	<b>-86,778</b>	<b>-17,944</b>
Discontinuing activities	8	0	-908	0	0
<b>Net profit/loss for the year</b>	7	<b>-86,778</b>	<b>-17,944</b>	<b>-86,778</b>	<b>-17,944</b>

## Balance sheet 31 December

### Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Completed development projects		6,927	5,038	0	0
Acquired other similar rights		75,192	88,467	0	0
Goodwill		381,626	410,184	0	0
<b>Intangible assets</b>	9	<b>463,745</b>	<b>503,689</b>	<b>0</b>	<b>0</b>
Land and buildings		0	0	0	0
Plant and machinery		2,117	3,757	0	0
Other fixtures and fittings, tools and equipment		4,939	6,130	0	0
Leasehold improvements		3,871	8,382	0	0
<b>Property, plant and equipment</b>	10	<b>10,927</b>	<b>18,269</b>	<b>0</b>	<b>0</b>
Investments in subsidiaries	11	0	0	262,085	342,521
Deposits	12	3,911	4,655	0	0
<b>Fixed asset investments</b>		<b>3,911</b>	<b>4,655</b>	<b>262,085</b>	<b>342,521</b>
<b>Fixed assets</b>		<b>478,583</b>	<b>526,613</b>	<b>262,085</b>	<b>342,521</b>
Raw materials and consumables		60,267	77,294	0	0
Work in progress		4,579	11,337	0	0
Finished goods and goods for resale		20,358	24,887	0	0
Prepayments for goods		11,343	13,139	0	0
<b>Inventories</b>		<b>96,547</b>	<b>126,657</b>	<b>0</b>	<b>0</b>
Trade receivables		70,010	87,446	0	0
Contract work in progress	13	8,274	10,678	0	0
Receivables from group enterprises		0	0	58,840	45,923
Other receivables	14	20,535	32,416	57	22
Deferred tax asset	15	14	18,123	2,891	2,852
Corporation tax		668	0	0	0
Corporation tax receivable from group enterprises		0	0	6	0
Prepayments	16	8,720	4,605	0	0
<b>Receivables</b>		<b>108,221</b>	<b>153,268</b>	<b>61,794</b>	<b>48,797</b>

## Balance sheet 31 December

### Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Cash at bank and in hand		<b>11,748</b>	<b>16,932</b>	<b>17</b>	<b>4,540</b>
Current assets		<b>216,516</b>	<b>296,857</b>	<b>61,811</b>	<b>53,337</b>
Assets		<b>695,099</b>	<b>823,470</b>	<b>323,896</b>	<b>395,858</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Share capital	17	48,911	48,911	48,911	48,911
Reserve for hedging transactions		0	1,067	0	0
Reserve for exchange rate conversion		7,885	3,124	0	0
Retained earnings		197,829	284,427	205,714	288,618
<b>Equity</b>		<b>254,625</b>	<b>337,529</b>	<b>254,625</b>	<b>337,529</b>
Provision for deferred tax	15	0	18,824	0	0
Other provisions	18	1,759	2,830	0	0
<b>Provisions</b>		<b>1,759</b>	<b>21,654</b>	<b>0</b>	<b>0</b>
Credit institutions		83,698	104,334	0	0
Payables to group enterprises		67,954	56,853	67,954	56,853
Other payables		9,340	10,220	1,067	1,067
<b>Long-term debt</b>	19	<b>160,992</b>	<b>171,407</b>	<b>69,021</b>	<b>57,920</b>
Credit institutions	19	125,377	99,442	0	0
Lease obligations		28	76	0	0
Prepayments received from customers		2,682	0	0	0
Trade payables		67,208	65,100	250	280
Contract work in progress	13	49,387	81,337	0	0
Corporation tax		0	12,764	0	129
Other payables	19	33,041	34,161	0	0
<b>Short-term debt</b>		<b>277,723</b>	<b>292,880</b>	<b>250</b>	<b>409</b>
<b>Debt</b>		<b>438,715</b>	<b>464,287</b>	<b>69,271</b>	<b>58,329</b>
<b>Liabilities and equity</b>		<b>695,099</b>	<b>823,470</b>	<b>323,896</b>	<b>395,858</b>
Contingent assets, liabilities and other financial obligations	22				
Related parties	23				
Fee to auditors appointed at the general meeting	24				
Subsequent events	25				
Accounting Policies	26				

## Statement of changes in equity

### Group

	Share capital	Reserve for hedging transactions	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	48,911	1,067	3,124	284,427	337,529
Exchange adjustments relating to foreign entities	0	0	4,761	0	4,761
Fair value adjustment of hedging instruments, beginning of year	0	-1,135	0	0	-1,135
Tax on adjustment of hedging instruments for the year	0	248	0	0	248
Transfers, reserves	0	-180	0	180	0
Net profit/loss for the year	0	0	0	-86,778	-86,778
<b>Equity at 31 December</b>	<b>48,911</b>	<b>0</b>	<b>7,885</b>	<b>197,829</b>	<b>254,625</b>

### Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	48,911	288,618	337,529
Exchange adjustments relating to foreign entities	0	4,761	4,761
Other equity movements	0	-887	-887
Net profit/loss for the year	0	-86,778	-86,778
<b>Equity at 31 December</b>	<b>48,911</b>	<b>205,714</b>	<b>254,625</b>

## Cash flow statement 1 January - 31 December

	Note	Group	
		2024	2023
		TDKK	TDKK
Result of the year		-86,778	-17,944
Adjustments	20	79,972	75,016
Change in working capital	21	27,230	-16,096
<b>Cash flow from operations before financial items</b>		<b>20,424</b>	<b>40,976</b>
Financial income		2,311	4,271
Financial expenses		-26,210	-18,523
<b>Cash flows from ordinary activities</b>		<b>-3,475</b>	<b>26,724</b>
Corporation tax paid		-8,245	-4,703
<b>Cash flows from operating activities</b>		<b>-11,720</b>	<b>22,021</b>
Purchase of intangible assets		-6,685	-435
Purchase of property, plant and equipment		-1,757	665
Fixed asset investments made etc		744	0
<b>Cash flows from investing activities</b>		<b>-7,698</b>	<b>230</b>
Repayment of mortgage loans		-1,238	-726
Repayment of loans from credit institutions		5,299	-99,404
Reduction of lease obligations		-48	-133
Repayment of payables to group enterprises		11,101	26,253
Repayment of other long-term debt		-880	-7,534
<b>Cash flows from financing activities</b>		<b>14,234</b>	<b>-81,544</b>
<b>Change in cash and cash equivalents</b>		<b>-5,184</b>	<b>-59,293</b>
Cash and cash equivalents at 1 January		16,932	76,225
<b>Cash and cash equivalents at 31 December</b>		<b>11,748</b>	<b>16,932</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		11,748	16,932
<b>Cash and cash equivalents at 31 December</b>		<b>11,748</b>	<b>16,932</b>

# Notes to the Financial Statements

	<b>Group</b>		<b>Parent company</b>	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>1. Revenue</b>				
<b>Geographical segments</b>				
Europe	429,953	473,427	2,072	2,035
Other countries	165,566	216,848	0	0
	<b>595,519</b>	<b>690,275</b>	<b>2,072</b>	<b>2,035</b>
<b>Business segments</b>				
Onshore	271,149	223,413	2,072	2,035
Offshore	324,370	466,862	0	0
	<b>595,519</b>	<b>690,275</b>	<b>2,072</b>	<b>2,035</b>
	<b>Group</b>		<b>Parent company</b>	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>2. Staff expenses</b>				
Wages and salaries	185,164	183,558	2,768	3,717
Pensions	18,725	19,618	0	0
Other social security expenses	7,225	9,181	0	0
Other staff expenses	4,712	988	0	0
	<b>215,826</b>	<b>213,345</b>	<b>2,768</b>	<b>3,717</b>
<b>Including remuneration to the Executive Board and Board of Directors</b>	<b>2,970</b>	<b>3,717</b>	<b>2,970</b>	<b>3,717</b>
<b>Average number of employees</b>	<b>366</b>	<b>394</b>	<b>1</b>	<b>1</b>

The company has established an Incentive Programme for the Executive Board and the Board of Directors as well as selected key employees. The participants have purchased shares and warrants at fair market value. The participants has furthermore the opportunity to obtain warrants in the future at fair market value.

## Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment</b>				
Amortisation of intangible assets	46,629	57,161	0	0
Depreciation of property, plant and equipment	10,230	11,951	0	0
	<b>56,859</b>	<b>69,112</b>	<b>0</b>	<b>0</b>

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>4. Financial income</b>				
Interest received from group enterprises	0	0	3,398	2,010
Other financial income	1,004	2,469	37	14
Exchange adjustments	1,237	1,792	0	0
Exchange gains	70	0	0	0
	<b>2,311</b>	<b>4,261</b>	<b>3,435</b>	<b>2,024</b>

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>5. Financial expenses</b>				
Impairment losses on financial assets	251	0	0	0
Other financial expenses	23,176	18,347	5,185	1,284
Exchange adjustments, expenses	3,984	0	0	0
Exchange loss	37	0	0	0
	<b>27,448</b>	<b>18,347</b>	<b>5,185</b>	<b>1,284</b>

## Notes to the Financial Statements

	<b>Group</b>		<b>Parent company</b>	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>6. Income tax expense</b>				
Current tax for the year	4,210	7,437	-6	0
Deferred tax for the year	-11,623	-13,702	-715	-1,164
Adjustment of tax concerning previous years	-9,155	1,371	-765	0
Adjustment of deferred tax concerning previous years	10,914	0	676	0
	<b>-5,654</b>	<b>-4,894</b>	<b>-810</b>	<b>-1,164</b>

	<b>Parent company</b>	
	2024	2023
	TDKK	TDKK
<b>7. Profit allocation</b>		
Retained earnings	-86,778	-17,944
	<b>-86,778</b>	<b>-17,944</b>

## Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>8. Discontinuing activities</b>				
Revenue	0	28,117	0	0
Other operating income	0	9	0	0
Expenses for raw materials and consumables	0	-16,214	0	0
Other external expenses	0	-3,926	0	0
<b>Gross profit/loss</b>	<b>0</b>	<b>7,986</b>	<b>0</b>	<b>0</b>
Staff expenses	0	-8,023	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	0	-433	0	0
<b>Profit/loss before financial income and expenses</b>	<b>0</b>	<b>-470</b>	<b>0</b>	<b>0</b>
Financial income	0	10	0	0
Financial expenses	0	-176	0	0
<b>Profit/loss before tax</b>	<b>0</b>	<b>-636</b>	<b>0</b>	<b>0</b>
Tax on profit/loss for the year	0	-272	0	0
<b>Net profit/loss for the year of discontinuing activities</b>	<b>0</b>	<b>-908</b>	<b>0</b>	<b>0</b>
Cash flows from operating activities		3,723		
Cash flows from investing activities		-183		
Cash flows from financing activities		-3,355		
<b>Cash flows relating to discontinuing activities</b>	<b>0</b>	<b>185</b>	<b>0</b>	<b>0</b>

# Notes to the Financial Statements

## 9. Intangible fixed assets

### Group

	Completed development projects	Acquired other similar rights	Goodwill
	TDKK	TDKK	TDKK
Cost at 1 January	12,641	202,396	526,026
Exchange adjustment	-266	-7	0
Additions for the year	4,370	2,769	0
Cost at 31 December	16,745	205,158	526,026
Impairment losses and amortisation at 1 January	7,603	113,929	115,842
Exchange adjustment	-196	-8	0
Impairment losses for the year	0	155	0
Amortisation for the year	2,411	15,890	28,558
Impairment losses and amortisation at 31 December	9,818	129,966	144,400
<b>Carrying amount at 31 December</b>	<b>6,927</b>	<b>75,192</b>	<b>381,626</b>
Amortised over	5 years	5 years	10-20 years

Completed development projects comprises development etc. of machinery, equipment and software within the Group's business areas. As of 31 December 2024 the carrying amount of completed development projects amounts to DKK 6,927k. The amortisation period for completed development projects is set to 5 years.

Development projects relates to optimization and streamlining of previously similarly sold plants.

Acquired intangible assets comprises cost from development of a new ERP-system. A significant part of costs from development of a new ERP-system are internal costs in the form of direct wages, materials and services, which is registered in the Company's internal project management module.

Acquired intangible assets also comprises of identified contracts from business combinations.

# Notes to the Financial Statements

## 10. Property, plant and equipment Group

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	TDKK	TDKK	TDKK
Cost at 1 January	17,167	17,068	40,371
Exchange adjustment	776	84	130
Additions for the year	371	1,147	301
Disposals for the year	-304	-1,276	0
Cost at 31 December	<u>18,010</u>	<u>17,023</u>	<u>40,802</u>
Impairment losses and depreciation at 1 January	13,410	10,938	31,989
Exchange adjustment	691	91	123
Depreciation for the year	2,071	2,151	5,718
Reversal of impairment and depreciation of sold assets	-279	-1,096	0
Reversal for the year of previous years impairment losses	0	0	-899
Impairment losses and depreciation at 31 December	<u>15,893</u>	<u>12,084</u>	<u>36,931</u>
Carrying amount at 31 December	<u>2,117</u>	<u>4,939</u>	<u>3,871</u>
Amortised over	<u>3-7 years</u>	<u>3-7 years</u>	<u>5-10 years</u>

# Notes to the Financial Statements

	Parent company	
	2024	2023
	TDKK	TDKK
<b>11. Investments in subsidiaries</b>		
Cost at 1 January	509,712	509,712
Cost at 31 December	509,712	509,712
Value adjustments at 1 January	-167,191	-147,451
Exchange adjustment	4,761	-4,160
Net profit/loss for the year	-84,310	-13,818
Other equity movements, net	-887	-1,762
Value adjustments at 31 December	-247,627	-167,191
<b>Carrying amount at 31 December</b>	<b>262,085</b>	<b>342,521</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Food Equipment HoldCo A/S	Aalborg	TDKK 25,427	100%

## 12. Other fixed asset investments Group

	Deposits
	TDKK
Cost at 1 January	4,655
Exchange adjustment	-17
Additions for the year	108
Disposals for the year	-584
Cost at 31 December	4,162
Impairment losses at 1 January	0
Impairment losses for the year	251
Impairment losses at 31 December	251
<b>Carrying amount at 31 December</b>	<b>3,911</b>

## Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>13. Contract work in progress</b>				
Selling price of work in progress	443,061	385,731	0	0
Payments received on account	-484,174	-456,390	0	0
	<b>-41,113</b>	<b>-70,659</b>	<b>0</b>	<b>0</b>
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	8,274	10,678	0	0
Prepayments received recognised in debt	-49,387	-81,337	0	0
	<b>-41,113</b>	<b>-70,659</b>	<b>0</b>	<b>0</b>

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>14. Derivative financial instruments</b>				

Derivative financial instruments contracts in the form of interest rate swaps have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

Assets	0	1,136	0	0
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## Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>15. Deferred tax asset</b>				
Deferred tax asset at 1 January	-701	-20,177	2,852	1,688
Amounts recognised in the income statement for the year regarding previous years	-10,908	0	-676	0
Amounts recognised in the income statement for the year	11,623	13,702	715	1,164
Amounts recognised in equity for the year	0	5,774	0	0
<b>Deferred tax asset at 31 December</b>	<b>14</b>	<b>-701</b>	<b>2,891</b>	<b>2,852</b>
Recognised in the balance sheet as follows:				
Assets	14	18,123	2,891	2,852
Provisions	0	-18,824	0	0
	<b>14</b>	<b>-701</b>	<b>2,891</b>	<b>2,852</b>

## 16. Prepayments

Prepayments comprises of prepaid expenses such as software license, lease payments, insurance and other prepaid expenses.

## 17. Share capital

The share capital consists of 489,114,453 shares of a nominal value of TDKK 0. No shares carry any special rights.

## Notes to the Financial Statements

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK

### 18. Other provisions

The Group provides warranties of on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of TDKK 1,759 (2023: TDKK 2.830) have been recognised for expected warranty claims.

Other provisions	1,759	2,830	0	0
	<b>1,759</b>	<b>2,830</b>	<b>0</b>	<b>0</b>

The provisions are expected to mature as follows:

Provisions falling due after 5 years	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK

### 19. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

#### Credit institutions

After 5 years	0	0	0	0
Between 1 and 5 years	83,698	104,334	0	0
Long-term part	83,698	104,334	0	0
Within 1 year	25,000	30,000	0	0
Other short-term debt to credit institutions	100,377	69,442	0	0
	<b>209,075</b>	<b>203,776</b>	<b>0</b>	<b>0</b>

#### Payables to group enterprises

After 5 years	0	0	0	0
Between 1 and 5 years	67,954	56,853	67,954	56,853
Long-term part	67,954	56,853	67,954	56,853
Within 1 year	0	0	0	0
	<b>67,954</b>	<b>56,853</b>	<b>67,954</b>	<b>56,853</b>

## Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>19. Long-term debt</b>				
Other payables				
After 5 years	8,272	1,325	0	0
Between 1 and 5 years	1,068	8,895	1,067	1,067
Long-term part	9,340	10,220	1,067	1,067
Other short-term payables	33,041	34,161	0	0
	<b>42,381</b>	<b>44,381</b>	<b>1,067</b>	<b>1,067</b>

	Group	
	2024	2023
	TDKK	TDKK
<b>20. Cash flow statement - Adjustments</b>		
Financial income	-2,311	-4,271
Financial expenses	27,448	18,523
Depreciation, amortisation and impairment losses, including losses and gains on sales	55,728	69,545
Tax on profit/loss for the year	-5,654	-4,622
Exchange adjustments	4,761	-4,159
	<b>79,972</b>	<b>75,016</b>

	Group	
	2024	2023
	TDKK	TDKK
<b>21. Cash flow statement - Change in working capital</b>		
Change in inventories	30,110	19,465
Change in receivables	27,606	-5,614
Change in other provisions	-1,071	-4,734
Change in trade payables, etc	-28,280	-22,953
Fair value adjustments of hedging instruments	-1,135	-2,260
	<b>27,230</b>	<b>-16,096</b>

## Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>22. Contingent assets, liabilities and other financial obligations</b>				
<b>Charges and security</b>				
The following assets have been placed as security with bankers:				
Bank loans are secured by way of a mortgage in investments in group enterprises. The carrying amount of mortgage investments in group enterprises is	0	0	262,085	342,521
Bank debt of TDKK 69,416 is secured by floating charge of TDKK 30,000k. The carrying amount of charged assets is	530	4,649	0	0
Bank debt of TDKK 225 is secured by floating charge of TDKK 10,000. The carrying amount of charged assets is	102,232	132,577	0	0
Bank debts are secured by way of floating charge of nominal TDKK 25,000 on unsecured claims from trade receivables, plant and machinery, other fixtures and fittings, tools and equipments as well as inventories. The bank debt amounts to TDKK 0 at 31.12.2024.				
<b>Rental and lease obligations</b>				
Liabilities under rental or lease agreements until maturity in total	143,553	75,958	0	0
<b>Other contingent liabilities</b>				
The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.				

# Notes to the Financial Statements

## 23. Related parties and disclosure of consolidated financial statements

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Plemont Co-Investment No.1 Seperate Limited Partnership	Jersey, Great Britain

The Group Annual Report of Plemont Co-Investment No.1 Seperate Limited Partnership may be obtained at the following address:

11 Seaton Place  
St Helier Jersey  
Great Britain

Group	
2024	2023
TDKK	TDKK

## 24. Fee to auditors appointed at the general meeting

### PricewaterhouseCoopers

Audit fee	1,043	1,163
Tax advisory services	50	0
Non-audit services	150	0
	<b>1,243</b>	<b>1,163</b>

## 25. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

# Notes to the Financial Statements

## 26. Accounting policies

The Annual Report of Food Equipment Group A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024 are presented in TDKK.

### Correction of material misstatements

In the annual report for 2023 some accounts were presented as expenses for raw materials and consumables but should have been presented as staff expenses. The changed presentation is incorporated in the annual report for 2024.

The total net effect on the comparative figures is an increase in expenses for raw materials and consumables of TDKK 55,422 and a decrease in staff expenses of TDKK 55,422. The balance sheet and cash flow of the group have not been affected.

In the annual report for 2023 some accounts were presented as other payables but should have been presented as payables to group enterprises. The changed presentation is incorporated in the annual report for 2024.

The total net effect on the comparative figures is an increase in payables to group enterprises of TDKK 58,853 and a decrease in other payables of TDKK 58,853. The income statement and cash flow of the group have not been affected.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Food Equipment Group A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

# Notes to the Financial Statements

## Business combinations

### *Business acquisitions carried through on or after 1 July 2018*

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

### *Business acquisitions carried through before 1 July 2018*

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

# Notes to the Financial Statements

## *Pooling of interests*

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

## **Leases**

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

## **Translation policies**

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

## **Derivative financial instruments**

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

# Notes to the Financial Statements

## Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

## Segment information on revenue

Information on business segments and geographical segments is based on the Group's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

## Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

## Income statement

### Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

# Notes to the Financial Statements

## Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

## Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

## Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

## Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

## Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

## Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

## Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with all Danish group enterprises. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

# Notes to the Financial Statements

## Balance sheet

### Intangible fixed assets

#### *Goodwill*

Goodwill is amortised on a straight-line basis over the estimated useful life of 10-20 years, determined on the basis of Management's experience with the individual business areas. The amortization period is determined based on an evaluation of the acquired company's market position, revenue generation capabilities, and industry-specific conditions.

#### *Development projects*

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

#### *Other intangible fixed assets*

Licences and rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Software licences and rights are amortised over the period of the agreements, which is 5 years and 5 years, respectively.

### Property, plant and equipment

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans are not recognised in cost during construction and reconstruction periods.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings	50 years
Plant and machinery	3-7 years
Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	5-10 years

The fixed assets' residual values are determined at nil.

# Notes to the Financial Statements

Depreciation period and residual value are reassessed annually.

## Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

## Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

## Other fixed asset investments

Other fixed asset investments consist of deposits.

## Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

## Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

# Notes to the Financial Statements

## 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 recognised 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 realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

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

## Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

## Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

## Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

# Notes to the Financial Statements

## Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

## Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

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

### *Cash flows from operating activities*

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

### *Cash flows from investing activities*

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

### *Cash flows from financing activities*

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

### *Cash and cash equivalents*

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

## Financial Highlights

### Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$