

# Alfa Laval Copenhagen A/S

Maskinvej 5, 2860 Søborg

Company reg. no. 10 13 42 85

## Annual report

**1 January - 31 December 2024**

The annual report was submitted and approved by the general meeting on the 23 May 2025.



Per Lund Hansen  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## Management's statement

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Today, the Board of Directors and the Managing Director have approved the annual report of Alfa Laval Copenhagen A/S for the financial year 1 January - 31 December 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

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

We recommend that the annual report be approved at the Annual General Meeting.

Søborg, 23 May 2025

### Managing Director



Per Lund Hansen

### Board of directors



Henrik Guldbæk Welch

Chairman



John Pedersen



Per Lund Hansen



Anna Karin Margareta  
Mårtensson



Angela Marita Arndt-Jensen

## Independent auditor's report

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### To the Shareholder of Alfa Laval Copenhagen A/S

#### **Opinion**

We have audited the financial statements of Alfa Laval Copenhagen 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 accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

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

#### **Independence**

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

#### **Management's responsibilities for the financial statements**

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

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

## Independent auditor's report

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### **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 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

## Independent auditor's report

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### 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 23 May 2025

EY Godkendt Revisionspartnerselskab  
Company reg. no. 30 70 02 28



Søren Skov Larsen  
State Authorised Public Accountant  
mne26797



Allan Nørgaard  
State Authorised Public Accountant  
mne35501

## Company information

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### The company

Alfa Laval Copenhagen A/S  
Maskinvej 5  
2860 Søborg

Company reg. no. 10 13 42 85  
Financial year: 1 January - 31 December

### Board of directors

Henrik Guldbæk Welch, Chairman  
Per Lund Hansen  
Anna Karin Margareta Mårtensson  
John Pedersen  
Angela Marita Arndt-Jensen

### Managing Director

Per Lund Hansen

### Auditors

EY Godkendt Revisionspartnerselskab  
Dirch Passers Allé 36  
2000 Frederiksberg

## Financial highlights

DKK in thousands.	2024	2023	2022	2021	2020
<b>Income statement:</b>					
Revenue	1.330.703	1.256.225	1.065.108	883.456	911.067
Profit from operating activities	-10.457	22.625	-61.927	-50.802	-157.621
Net financials	-18.413	-17.060	-6.442	-5.768	-7.560
Net profit or loss for the year	-22.915	-66.422	-52.292	-43.104	-128.197
<b>Statement of financial position:</b>					
Balance sheet total	865.859	740.308	725.361	647.985	563.738
Investments in tangible fixed assets represent	11.666	13.000	26.192	13.455	13.975
Equity	49.447	32.362	60.815	83.223	86.208
<b>Employees:</b>					
Average number of full-time employees	531	500	450	452	480
<b>Key figures in %:</b>					
Profit margin (EBIT-margin)	-0,8	1,8	-5,8	-5,8	-17,3
Solvency ratio	5,7	4,4	8,4	12,8	15,3
Return on equity	-56,0	-142,6	-72,6	-50,9	-127,9

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

<b>Profit margin (EBIT margin)</b>	$\frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$
<b>Solvency ratio</b>	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$
<b>Return on equity</b>	$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$

## Management's review

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### **The below review concerns Alfa Laval as a global business**

The Alfa Laval Group is a global provider of technology, services, and digital solutions in areas such as heat transfer, separation, and hygienic fluid handling. Alfa Laval provides solutions for industries such as energy, marine and food manufacturing, as well as wastewater management, offering its expertise, products, and services to a wide range of customers worldwide. The company works to optimize processes, create responsible growth, and drive development – and always with the desire to go a little further to support customers in achieving their goals for their business and the sustainability of their operations.

Alfa Laval's innovative technologies are designed to clean, refine, and recycle materials, promoting a more responsible use of natural resources. The company's solutions contribute to improving energy efficiency, heat recovery, water consumption and wastewater management, as well as reducing CO2e emissions. In doing so, Alfa Laval creates success not only for its customers, but also for people and the planet.

Alfa Laval's Danish companies are owned by Alfa Laval Corporate AB, which is listed on Nasdaq OMX and is headquartered in Lund. Alfa Laval products are sold in over 100 countries, more than half of which have their own sales organizations.

Alfa Laval has seven companies in Denmark, primarily engaged in innovation, business development, production, engineering, marketing, sales, and global management of the business units. The companies in Denmark are home to several of the company's global knowledge centers and therefore play a central role in the company's development activities.

### **Development in activities and financial matters for Alfa Laval Copenhagen A/S**

Alfa Laval Copenhagen A/S is located in Søborg and is characterized by development, sales and delivery of process technology, decanter centrifuges and desalination plants. In addition, Alfa Laval's food and wastewater business has its global headquarters in Søborg, just as Alfa Laval also has its global innovation and test center for decanter centrifuges in Søborg. The company's primary activities relate to product development, production, marketing, and sales worldwide in relation to selected technologies, digital solutions and services for various industries related to the energy sector, the food industry and wastewater treatment.

## Management's review

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The 2024 income statement for Alfa Laval Copenhagen A/S shows a loss of DKK 23 m. and the company's balance sheet as of 31st of December 2024 shows an equity at DKK 49 m. The result before tax is a loss of DKK 29 m. in 2024 compared to a profit of DKK 6 m. in 2023. The profit before tax in 2024 is not satisfactory as it is impacted negatively by DKK 50 m due to extraordinary circumstances on one specific customer project. The result for 2024 is significantly below the expectation stated in last year's annual report, which anticipated a profit before tax in the range of DKK 5-10 m. Considering the activity in general without this special case, the realized gross profit on sales projects and royalty income booked in "other operating income" again this year represents a major improvement. Excluding the above-mentioned case the gross profit would have been DKK 284 m compared to DKK 244 m in 2023 and is in line with expectations. The reported Gross Profit amounts to DKK 234 m for the year. So, it can be noted that the business in general contributes significantly to the generation of profit and is in good development as expected. Investments made and a focused effort are now showing good results. We expect these efforts will continue to pay off.

The net invoicing increased to DKK 1,331 m mainly driven by sale to industries such as sludge treatment, municipal wastewater treatment, ethanol and meat by-product processing. A negative development was noted within the Brewery area which follows a global trend. Net invoicing increased 6% from 2023 to 2024. This is 2% above the expected Net invoicing of DKK 1,300 m as informed in the annual report for 2023. Focus on sustainable solutions and positive trends in the company's markets have supported this growth.

The invoicing is distributed geographically like this:

	2024	2023
	Share in %	Share in %
Europe	56	52
Americas	24	32
Asia, Oceania and Africa	20	16
	<b>100</b>	<b>100</b>

### Development in share capital

The company had a capital injection during the year because of a negative result. Additionally, the owner Alfa Laval Kolding A/S has made a statement of support in which full financial support is guaranteed including additional capital injections if needed, up until the publication of the company's annual report for 2026.

The management assesses that the available credit facilities in the Alfa Laval group and an expected positive operating income in the coming year will ensure the company's operations.

### Unusual risks

The management's assessment is that the company is not affected by special risks besides the ones that are of common occurrence in the industry and in companies that operate worldwide. Operationally, it can be noted that the biggest risks are within cancellation of contracts, product defects and the competitive environment.

## Management's review

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### Research and development activities

The company's products are developed continuously. This ongoing development and adjustment of products are made in accordance with the needs and development of the customers and industries. All expenses are booked as costs when they occur.

The company has acquired the patent within concentrated beer technology, called Revos, and has well established test facilities in place to demonstrate the technology. The innovative solution can help the beer industry to become more sustainable, but it is also a technology that can be used to take alcohol out of beer, wine etc. which represents a big market potential.

### Environmental circumstances

It is an important policy of the company to always comply fully with the environmental legislation as well as within the commonly acknowledged standards. The company does not have production that can be characterized as having a heavy impact on the environment.

Our most important contribution to a "greener" global environment spring from an increased use of our products. Our customers often use our products to reduce their environmental footprint. Moreover, we take care that our internal processes have less impact on the environment and at the same time are sustainable. We have a strong environmental focus and a systematic way of improving areas to gain maximum impact.

### Expected development 2025

The order backlog going into 2025 is at a very high level and there are good opportunities in many business areas. As mentioned, the customers spend more time deciding their investments. As Alfa Laval's products support the global sustainable transition and hold a strong market position it is a strong entry point for the future. Based on these assumptions the company expects a net invoicing for 2025 that is around DKK 1,700 m. The result before tax is expected to be around DKK 25 m.

### Events after the closing date

The global geopolitical situation represents big uncertainties that cause marked developments to fluctuate. The effect of tariffs in some countries and other elements is hard to predict. In addition, specific industries, customers and suppliers can be affected by sudden incidents around the world. The current situation seems stable in many areas, but just a few factors can impact on customer investments in production plants and thereby the demand for Alfa Laval equipment. There is a tendency among customers to use more time before deciding on new investments.

No other circumstances that may have a significant impact on the assessment of the company's financial position as of 31st of December 2024 have occurred.

### **Report on the Corporate social responsibility (CSR) according to section 99 a of the Danish Financial Statements Act**

Alfa Laval respects human rights of employees and the communities that we live in and deliver to. For our statutory report on corporate social responsibility, cf. section 99a, reference is made to: <https://www.alfalaval.com/about-us/sustainability/a-matter-of-trust/sustainability-reports/>

Moreover, reference is made to the consolidated financial statements of the Swedish parent company Alfa Laval AB.

### **Report on the company's policy on data ethics according to section 99 d of the Danish Financial Statements Act**

Alfa Laval Copenhagen A/S is working with data in alliance with the Alfa Laval Business Principles within the Compliance and Ethics Program valid for the Alfa Laval group. The headlines for working ethical around data in Alfa Laval are "Transparency" and "Trust". Working transparent and trustworthy with protection of personal data, safeguarding confidential business data, reporting financial data honestly and protection of Alfa Laval's assets. Policies and guidelines for working with data are in place.

Alfa Laval Copenhagen A/S works with several types of data such as personal data, confidential business information - such as technical, financial and data about employees, customers, and business partners. For Alfa Laval data is a valuable asset and treated in a secure and confidential way. Use of new technologies is only used if in line with internal principles, policies, and guidelines.

Employees are trained in working with data securely and in compliance with relevant legislation.

## Income statement 1 January - 31 December

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DKK thousand.

<u>Note</u>	<u>2024</u>	<u>2023</u>
1 Revenue	1.330.703	1.256.225
Production costs	<u>-1.096.456</u>	<u>-1.012.436</u>
<b>Gross profit</b>	<b>234.247</b>	<b>243.789</b>
Distribution costs	-414.312	-382.850
Administration costs	-89.396	-85.456
Other operating income	402.991	362.907
Other operating costs	<u>-143.987</u>	<u>-115.765</u>
<b>Operating profit or loss</b>	<b>-10.457</b>	<b>22.625</b>
3 Other financial income	2.277	3.950
4 Other financial costs	<u>-20.690</u>	<u>-21.010</u>
<b>Profit/loss before tax</b>	<b>-28.870</b>	<b>5.565</b>
5 Tax on net profit or loss for the year	<u>5.955</u>	<u>-71.987</u>
<b>6 Net profit or loss for the year</b>	<b><u>-22.915</u></b>	<b><u>-66.422</u></b>

## Balance sheet at 31 December

DKK thousand.

<b>Assets</b>		
<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Non-current assets</b>		
7 Licenses, trademarks, patents etc.	40.301	46.439
Total intangible assets	<u>40.301</u>	<u>46.439</u>
8 Land and property	58.662	66.825
8 Production plant and machinery	10.864	13.227
8 Other plants, operating assets, and fixtures and furniture	19.960	19.923
8 Property, plant, and equipment under construction and prepayments for property, plant, and equipment	<u>3.692</u>	<u>2.104</u>
Total property, plant, and equipment	<u>93.178</u>	<u>102.079</u>
<b>Total non-current assets</b>	<b><u>133.479</u></b>	<b><u>148.518</u></b>
<b>Current assets</b>		
Raw materials and consumables	86.686	32.485
Work in progress	3.115	7.648
Manufactured goods and goods for resale	<u>20.361</u>	<u>12.353</u>
Total inventories	<u>110.162</u>	<u>52.486</u>
Trade receivables	9.402	1.025
9 Contract work in progress	227.665	261.712
Receivables from group enterprises	334.468	243.753
10 Deferred tax assets	5.262	0
Other receivables	21.067	16.263
11 Prepayments	<u>24.234</u>	<u>16.551</u>
Total receivables	<u>622.098</u>	<u>539.304</u>
Cash	<u>120</u>	<u>0</u>
<b>Total current assets</b>	<b><u>732.380</u></b>	<b><u>591.790</u></b>
<b>Total assets</b>	<b><u>865.859</u></b>	<b><u>740.308</u></b>

## Balance sheet at 31 December

DKK thousand.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2024</u>	<u>2023</u>
<b>Equity</b>			
12	Share capital	74.010	74.009
	Retained earnings	-24.563	-41.647
	<b>Total equity</b>	<b>49.447</b>	<b>32.362</b>
<b>Provisions</b>			
	Provisions for deferred tax	0	1.171
13	Other provisions	90.768	52.058
	<b>Total provisions</b>	<b>90.768</b>	<b>53.229</b>
<b>Liabilities other than provisions</b>			
	Lease liabilities	11.562	19.149
14	Total long term liabilities other than provisions	11.562	19.149
14	Current portion of long term liabilities	9.622	9.293
	Bank debts	362	970
9	Prepayments received from customers concerning work in progress for the account of others	66.438	21.115
	Trade payables	77.366	62.117
	Payables to group enterprises	463.765	410.464
	Corporate tax	460	60.748
	Other payables	96.069	70.861
	Total short term liabilities other than provisions	714.082	635.568
	<b>Total liabilities other than provisions</b>	<b>725.644</b>	<b>654.717</b>
	<b>Total equity and liabilities</b>	<b>865.859</b>	<b>740.308</b>
2	Employee costs		
15	Guaranties and securities		
16	Contingencies		
17	Related parties		

## Statement of changes in equity

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DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2024	74.009	-41.647	32.362
Cash capital increase	1	39.999	40.000
Profit or loss for the year brought forward	0	-22.915	-22.915
	<u>74.010</u>	<u>-24.563</u>	<u>49.447</u>

## Notes

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DKK thousand.

	<u>2024</u>	<u>2023</u>
<b>1. Revenue</b>		
Proces Technology	1.192.498	1.224.540
Marine & Diesel	138.205	31.685
	<u><b>1.330.703</b></u>	<u><b>1.256.225</b></u>
Geographical areas		
Europe	604.405	629.633
America	383.253	382.348
Asia	225.716	183.960
Oceania & Africa	117.329	60.284
	<u><b>1.330.703</b></u>	<u><b>1.256.225</b></u>
<b>2. Employee costs</b>		
Salaries and wages	431.490	386.698
Pension costs	39.879	35.462
Other costs for social security	4.607	4.711
	<u><b>475.976</b></u>	<u><b>426.871</b></u>
Staff costs are recognised as follows in the income statement:		
Production costs	40.497	38.074
Distribution costs	370.411	336.229
Administration costs	65.068	52.568
	<u><b>475.976</b></u>	<u><b>426.871</b></u>
Average number of employees	<u>531</u>	<u>500</u>
Pursuant to section 98b(3)(ii) of the Danish Financial Statements Act, management remuneration is not disclosed. No remuneration has been paid to the supervisory board.		
<b>3. Other financial income</b>		
Interest, trade debtors	25	40
Interest, group enterprises	464	851
Other interest and exchange differences	1.788	3.059
	<u><b>2.277</b></u>	<u><b>3.950</b></u>

## Notes

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DKK thousand.

	<u>2024</u>	<u>2023</u>
<b>4. Other financial costs</b>		
Financial costs, group enterprises	15.407	14.366
Other financial costs	<u>5.283</u>	<u>6.644</u>
	<b><u>20.690</u></b>	<b><u>21.010</u></b>
<b>5. Tax on net profit or loss for the year</b>		
Tax of the results for the year	460	-234
Adjustment for the year of deferred tax	-6.433	1.494
Adjustment of tax for previous years	<u>18</u>	<u>70.727</u>
	<b><u>-5.955</u></b>	<b><u>71.987</u></b>
<b>6. Proposed distribution of net profit</b>		
Allocated from retained earnings	<u>-22.915</u>	<u>-66.422</u>
<b>Total allocations and transfers</b>	<b><u>-22.915</u></b>	<b><u>-66.422</u></b>
<b>7. Licenses, trademarks, patents etc.</b>		
Cost 1 January 2024	<u>61.384</u>	<u>61.384</u>
<b>Cost 31 December 2024</b>	<b><u>61.384</u></b>	<b><u>61.384</u></b>
Amortisation and writedown 1 January 2024	-14.945	-8.807
Amortisation for the year	<u>-6.138</u>	<u>-6.138</u>
<b>Amortisation and writedown 31 December 2024</b>	<b><u>-21.083</u></b>	<b><u>-14.945</u></b>
<b>Carrying amount, 31 December 2024</b>	<b><u>40.301</u></b>	<b><u>46.439</u></b>

## Notes

DKK thousand.

### 8. Property, plant and equipment

	Land and property	Production plant and machinery	Other plants, operating assets, and fixtures and furniture	Property, plant and equipment under construction
Cost 1 January 2024	157.102	25.252	45.235	2.104
Additions during the year	4.556	1.267	4.255	1.588
Disposals during the year	-1.864	-1.699	-5.588	0
<b>Cost 31. december 2024</b>	<b>159.794</b>	<b>24.820</b>	<b>43.902</b>	<b>3.692</b>
Revaluation of right-of-use assets 1 January 2024	3.500	0	0	0
<b>Revaluation of right-of-use assets 31. december 2024</b>	<b>3.500</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation and writedown 1 January 2024	93.777	12.025	25.312	0
Depreciation for the year	10.855	2.440	4.218	0
Depreciation, amortisation and writedown for the year, assets disposed of	0	-510	-5.588	0
<b>Depreciation and writedown 31. december 2024</b>	<b>104.632</b>	<b>13.955</b>	<b>23.942</b>	<b>0</b>
<b>Carrying amount, 31. december 2024</b>	<b>58.662</b>	<b>10.865</b>	<b>19.960</b>	<b>3.692</b>
Right of use assets are included with a carrying amount of	18.356		2.101	
Depreciation for the year on right of use assets	8.024		1.142	

## Notes

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DKK thousand.

	<u>31/12 2024</u>	<u>31/12 2023</u>
Depreciation and amortisation is distributed as follows		
Production	749	4.592
Distribution	11.646	6.568
Administration	11.256	10.954
	<u>23.651</u>	<u>22.114</u>
<b>9. Contract work in progress</b>		
Sales value of the production of the period	331.913	322.469
Progress billings	<u>-170.686</u>	<u>-81.872</u>
<b>Contract work in progress, net</b>	<u>161.227</u>	<u>240.597</u>
The following is recognised:		
Contract work in progress (Current assets)	227.665	261.712
Contract work in progress (Prepayments received)	<u>-66.438</u>	<u>-21.115</u>
	<u>161.227</u>	<u>240.597</u>
<b>10. Deferred tax assets</b>		
Deferred tax assets 1 January 2024	-1.171	323
Deferred tax of the results for the year	<u>6.433</u>	<u>-1.494</u>
	<u>5.262</u>	<u>-1.171</u>
The following items are subject to deferred tax:		
Intangible assets	-3.805	-3.254
Property, plant, and equipment	542	265
Current assets	-3.773	1.277
Provisions	12.105	330
Leases	193	211
	<u>5.262</u>	<u>-1.171</u>
<b>11. Prepayments</b>		
Prepayments consists of prepaid costs regarding 2025.		

## Notes

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DKK thousand.

	<u>31/12 2024</u>	<u>31/12 2023</u>
<b>12. Share capital</b>		
Share capital 1 January 2024	74.009	74.008
Cash capital increase	<u>1</u>	<u>1</u>
	<b><u>74.010</u></b>	<b><u>74.009</u></b>

The share capital consists of 74.010 shares, each with a nominal value of DKK 1.

Change in contributed capital last 5 years:

Capital increase 2024	1
Capital increase 2023	1
Capital increase 2022	1
Capital increase 2021	1
Capital increase 2020	1

	<u>31/12 2024</u>	<u>31/12 2023</u>
<b>13. Other provisions</b>		
Warranty obligations	21.740	21.496
Provision for losses on work in progress for the account of others	<u>69.028</u>	<u>30.562</u>
	<b><u>90.768</u></b>	<b><u>52.058</u></b>
 Maturity is expected to be:		
0-1 years	87.233	48.523
1-5 years	<u>3.535</u>	<u>3.535</u>
	<b><u>90.768</u></b>	<b><u>52.058</u></b>

## Notes

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DKK thousand.

### 14. Liabilities other than provisions

	Total payables 31 Dec 2024	Current portion of long term payables	Long term payables 31 Dec 2024	Outstanding payables after 5 years
Lease liabilities	21.184	9.622	11.562	0
	<b>21.184</b>	<b>9.622</b>	<b>11.562</b>	<b>0</b>

Leasing liabilities have a interest of 1,75 - 2,00 %.

### 15. Guaranties and securities

Guarantees have been provided to customers for security of payments and contractual execution of signed sales contracts of DKK 0,0 million (2023: DKK 6,5 million).

The company has entered into forward exchange contracts in foreign currency to hedge commercial currency allocations, corresponding to a purchase value of DKK -2,6 million (2023: DKK -7,1 million). At the balance sheet date, the contracts have a fair value before tax of DKK -2,6 million (2023: DKK 0,0 million). For the year a net loss after tax of DKK 0,5 thousand is recognized (2023: DKK 31 thousand)

### 16. Contingencies

#### Contingent liabilities

	31/12 2024 t.kr.	31/12 2023 t.kr.
Lease liabilities	533	1.383
<b>Total contingent liabilities</b>	<b>533</b>	<b>1.383</b>

Lease liabilities comprise of minor and short term lease.

The company has a risk amounting to DKK 31.3 m. connected to liquidated damages (late delivery) on a customer project. The company assesses that it is most likely that the cost will not materialize why the amount has not been incorporated in the profit and loss statement.

#### Joint taxation

With Alfa Laval Kolding A/S, company reg. no 30938011 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

## Notes

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DKK thousand.

### 16. Contingencies (continued)

#### Joint taxation (continued)

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

### 17. Related parties

#### Controlling interest

Related parties with controlling interest include the parent company Alfa Laval Kolding A/S, Albuen 31, Kolding, Denmark and ultimate parent Alfa Laval Corporate AB, Rudeboksvägen 1, Lund, Sweden. Other related parties are also consolidated entities in the Alfa Laval Group.

#### Transactions

In addition to the payment of ordinary executive fees, there have been no transactions with the company's management.

The company purchases a significant proportion of goods and services for the company's sales from other group entities. The company also sells a significant portion of its products through group entities.

Primary related group transactions:

	2024 t.kr.	2023 t.kr.
Sales to parent company	45	26
Sales to other group entities	1.257.175	1.116.430
Royalty	254.047	266.824
Purchases from parent company	25.384	72.889
Purchases from other group entities	593.186	709.583

#### Consolidated financial statements

Alfa Laval Copenhagen A/S is included in the consolidated financial statements of Alfa Laval AB, Sweden, which is the largest in which the company is a subsidiary. The consolidated annual report can be obtained at the group headquarters, Rudeboksvägen 1, Lund, Sweden or at [www.alfalaval.com](http://www.alfalaval.com).

## Accounting policies

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The annual report for Alfa Laval Copenhagen A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Pursuant to section 96(3) of the Danish Financial Statements Act, the financial statements do not disclose information about fees to the auditor appointed at the annual general meeting. The fees are disclosed in the consolidated financial statements of Alfa Laval Corporate AB, Lund, Sweden.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Alfa Laval Corporate AB, Lund, Sweden.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

## Accounting policies

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### Derivatives

At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they are measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the fair value of the hedged asset or the hedged liability.

### Income statement

### Segmental statement

Information on activity and geographical markets is provided. The segment information follows the accounting policies for the group, risks and internal financial controlling.

### Revenue

The company will be applying IFRS 15 as its basis of interpretation for the recognition of revenue.

The revenue is recognised when the control of the identifiable individual performance obligations has been performed in respect of the customer whereby the customer gains control of the asset or the service. Sales remunerations are allocated proportionally to the individual performance obligations in the agreement.

Revenue from service contracts is recognised on a linear basis over the period during which the service is performed.

Revenue is measured at fair value of agreed remunerations, less VAT and expenses. All forms of discount are recognised in revenue.

Revenue from contracts, including variable considerations such as quantity discounts and performance-related payments are recognised at the most probable consideration value. Revenue is not recognised until it is deemed most likely that changes in the estimated variable consideration will not subsequently result in the reversal of a material part of the amount, thus reducing revenue.

### Production costs

Production costs include the manufacturing and procurement costs incurred to achieve the revenue for the year. Direct and indirect manufacturing costs are recognized, including costs for raw materials and consumables, wages and salaries, energy consumption, maintenance, leasing and depreciation on production facilities, with adjustments for changes in finished goods inventories and work in progress.

## Accounting policies

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### **Distribution costs**

Distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year. Also, costs concerning sales staff, advertising and exhibitions costs, and amortisations.

### **Administration costs**

Administration costs comprise costs incurred during the year concerning management and administration, including expenses concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

### **Cost of sales**

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

### **Other operating income**

Other operating income comprises items of a secondary nature as regards the principal activities of the company, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

### **Other operating costs**

Other operating costs comprise items of secondary nature as regards the principal activities of the company, including losses on the disposal of intangible and tangible assets.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

### Statement of financial position

#### Intangible assets

##### Licenses, trademarks and similar rights

Licenses, trademarks and similar rights are measured at cost with deduction of accrued amortisation. Trademarks and similar rights are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

##### Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

Property is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

## Accounting policies

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The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life	Residual value
Buildings	10-40 years	20 %
Plant and machinery	7-15 years	0-20 %
Other fixtures and fittings, tools and equipment	3-15 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### Property, plant, and equipment under construction

Property, plant, and equipment under construction are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

### Right-of-use assets

The company will be applying IFRS 16 as its basis of interpretation for the recognition of classification and recognition of leases.

Leases pertaining to property, plant, and equipment for which the company has the right-of-use are recognised in the statement of financial position as right-of-use assets. The assets are, at initial recognition, measured at imputed cost, consisting of:

- The imputed lease liability
- Any lease payments paid prior to – or on – the starting date, less any lease incentives received
- Any direct start-up costs
- Any restoring costs

Hereafter, recognised leased assets are treated like the company's remaining property, plant, and equipment.

Lease liabilities are recognised in the statement of financial position as liabilities other than provision and are measured, at initial recognition, at the present value of lease payments payable over the lease term. This includes a purchase option in the event that the company expects to purchase the right-of-use asset. When determining the present value, the internal rate of return or, alternatively, the company's borrowing rate is applied as discount rate.

## Accounting policies

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Hereafter, the lease liability is treated like the remaining financial liabilities, i.e. at amortised cost.

The interest element of the lease payments is recognised in the income statement over the contractual term.

The following leases are not recognised as assets and liabilities in the statement of financial position:

- Leases with a duration of twelve months or less (short leases)
- Leases where the replacement value of the asset is less than DKK 30,000. (low-value assets)

For such leases, the lease payment is recognised in the income statement as an expense on a linear basis over the lease term.

### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

## Accounting policies

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In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

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

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses. Contract work in progress is characterised by the manufactured goods featuring a high level of individualisation in the design. Furthermore, it is a requirement that before work is commenced, a binding contract is to be entered into, implying penalty or damages in case of subsequent cancellation.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is determined on the basis of an evaluation of the work performed, usually determined as the ratio of the costs incurred to the total expected cost of the contract in question.

When it is probable that the total contract costs will exceed the total contract revenue, the expected contract loss is immediately recognised as costs and provisions.

If the results of a contract can not be estimated reliably, the selling price is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Contracts for which the selling price of the work performed exceeds invoicing on account and expected losses are recognised as trade debtors. Contracts for which invoicing on account and expected losses exceed the selling price are recognised as liabilities.

Prepayments from customers are recognised under liabilities.

Costs in connection with sales work and the achievement of contracts are recognised in the income statement when incurred.

## Accounting policies

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### Prepayments

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

### Cash

Cash comprise cash at bank and on hand.

### Equity

#### Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

#### Reserve for hedging transactions

The reserve for hedging transactions arises when hedging instruments are subject to fair value adjustments.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

#### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Alfa Laval Copenhagen A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

## Accounting policies

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Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### Other provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

### Liabilities

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.