20240611121601

OPIDO PLAST AKTIEBOLAG
Org nr 556214-0862

Årsredovisning för räkenskapsåret 2023

Styrelsen och verkställande direktören avger följande årsredovisning.

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Om inte annat särskilt anges, redovisas alla belopp i kronor (SEK). Uppgifter inom parentes avser föregående år.

Undertecknad styrelseledamot och VD i OPIDO PLAST AKTIEBOLAG intygar, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultaträkningen och balansräkningen fastställts på årsstämma den 2024-03-21.

Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.

Lagan den 2024-04-08

Andreas Lagestig

20240611121602

OPIDO PLAST AKTIEBOLAG
Org nr 556214-0862

Årsredovisning för räkenskapsåret 2023

Styrelsen och verkställande direktören avger följande årsredovisning.

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20240611121603

Förvaltningsberättelse

Information om verksamheten

Föremål för bolagets verksamhet är att bedriva plastvarutillverkning.
Företaget har sitt säte i Ljungby kommun.

Ägarförhållanden

Bolaget är ett helägt dotterbolag till Plexx AS, Fredikstad, Norge, se vidare not 2.

Viktiga förhållanden och väsentliga händelser

Bolaget har fortsatt hög efterfrågan på sina produkter både hos nya och befintliga kunder.

Flerårsjämförelse

Bolagets ekonomiska utveckling i sammandrag.

		2023	2022	2021	2020	2019
Nettoomsättning	tkr	117 326	122 729	114 625	84 975	93 831
Resultat efter finansiella poster	tkr	10 330	11 629	15 778	6 133	10 360
Balansomslutning	tkr	107 716	118 913	111 763	94 086	61 880
Soliditet	%	73	59	55	52	70
Antal anställda		36	39	40	38	37

Resultatet av bolagets verksamhet, samt den ekonomiska ställningen vid räkenskapsårets utgång framgår i övrigt av efterföljande resultaträkningar och balansräkningar med noter.

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Förändring av eget kapital

	2023-12-31	2022-12-31
Bundet eget kapital		
Aktiekapital		
Belopp vid årets ingång	100 000	100 000
Belopp vid årets utgång	100 000	100 000
Reservfond		
Belopp vid årets ingång	20 000	20 000
Belopp vid årets utgång	20 000	20 000
Summa bundet eget kapital	120 000	120 000
Fritt eget kapital		
Belopp vid årets ingång	51 756 949	44 300 607
Årets vinst	8 249 600	7 456 342
Summa fritt eget kapital	60 006 549	51 756 949

Miljöpåverkan

Bolaget bedriver anmälningspliktig verksamhet enligt miljöbalken. Verksamhetskod 25.30 avseende anläggning för att genom ytterligare polymerisation tillverka produkter av plast samt verksamhetskod 25.50 avseende anläggning för produktion av plastdetaljer som inte innebär ytterligare polymerisaton.

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Förväntad framtida utveckling och väsentliga riskfaktorer

Under 2022 inledde Ryssland ett anfallskrig mot Ukraina och kriget pågår fortfarande. Bolaget har en mycket begränsad exponering mot Ryssland och Ukraina och bolagets bedömning är att effekterna i kund- och leverantörled är små. Bolaget ser fortsatt en hög efterfrågan på bolagets produkter. I fråga om råvarupriser, valutakurser, kassaflöden, mm, ser bolaget inga större förändringar jämfört med föregående år.

Förslag till vinstdisposition

Till årsstämmans förfogande står följande vinstmedel:

Balanserade vinstmedel		51 756 949
Årets vinst		8 249 600
	kronor	60 006 549

Styrelsen och verkställande direktören föreslår att vinstmedlen disponeras så att

i ny räkning överförs		60 006 549
	kronor	60 006 549

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Resultaträkning	Not	2023	2022
Rörelsens intäkter	2		
Nettoomsättning		117 326 440	122 728 902
Övriga rörelseintäkter	3	1 863 472	421 172
		119 189 912	123 150 074
Rörelsens kostnader			
Råvaror och förnödenheter		-49 565 020	-47 021 117
Övriga externa kostnader	4, 5	-26 260 635	-30 828 477
Personalkostnader	6	-26 873 743	-27 688 643
Avskrivningar av materiella anläggningstillgångar		-6 001 219	-5 808 813
Summa rörelsens kostnader		-108 700 617	-111 347 050
Rörelseresultat		10 489 295	11 803 024
Resultat från finansiella poster			
Resultat från andelar i dotterföretag	7	5 000 000	-
Nedskrivning av aktier i dotterföretag	8	-5 000 000	-
Ränteintäkter		652 159	260 674
Räntekostnader		-811 456	-434 432
Resultat efter finansiella poster		10 329 998	11 629 266
Bokslutsdispositioner	9	156 869	-2 631 027
Skatt på årets resultat	10	-2 237 267	-1 541 897
Årets vinst		8 249 600	7 456 342

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Balansräkning	**Not**	**2023-12-31**	**2022-12-31**
Tillgångar			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Programvara	11	410 200	493 600
Materiella anläggningstillgångar			
Byggnader, markanläggningar och mark	12	7 177 814	7 461 793
Maskiner och andra tekniska anläggningar	13	20 161 516	20 676 677
Inventarier och fordon	14	507 713	442 002
Förbättringsutgifter på annans fastighet	15	698 828	574 546
Förskott avseende materiella anläggningstillgångar	16	-	1 867 852
		28 545 871	31 022 870
Finansiella anläggningstillgångar			
Andelar i koncernföretag	17	22 038 430	27 038 430
Summa anläggningstillgångar		50 994 501	58 554 900

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Balansräkning	**Not**	**2023-12-31**	**2022-12-31**
Omsättningstillgångar			
Varulager			
Råvaror och förnödenheter		14 918 527	16 093 514
Varor under tillverkning		3 250 896	4 463 841
Färdiga varor		2 454 060	3 411 559
		20 623 483	23 968 914
Kortfristiga fordringar			
Kundfordringar		11 684 114	10 358 223
Fordringar koncernföretag		23 391 935	25 228 811
Aktuella skattefordringar		415 688	293 021
Övriga fordringar		72 340	114 702
Förutbetalda kostnader och upplupna intäkter	18	533 530	393 937
		36 097 607	36 388 694
Summa omsättningstillgångar		56 721 090	60 357 608
Summa tillgångar		107 715 591	118 912 508

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Balansräkning	**Not**	**2023-12-31**	**2022-12-31**
Eget kapital och skulder			
Eget kapital	19, 20, 21		
Bundet eget kapital			
Aktiekapital		100 000	100 000
Reservfond		20 000	20 000
		120 000	120 000
Fritt eget kapital			
Balanserad vinst		51 756 949	44 300 606
Årets vinst		8 249 600	7 456 342
		60 006 549	51 756 948
Summa eget kapital		60 126 549	51 876 948
Obeskattade reserver	22	23 498 382	23 655 251
Avsättningar			
Uppskjutna skatter	23, 24	553 581	504 062
Summa avsättningar		553 581	504 062
Långfristiga skulder	25		
Skulder till koncernföretag		7 500 000	24 489 752
Summa långfristiga skulder		7 500 000	24 489 752
Kortfristiga skulder			
Leverantörsskulder		7 169 345	10 151 141
Övriga skulder		3 001 700	1 647 887
Upplupna kostnader och förutbetalda intäkter	26	5 866 034	6 587 467
Summa kortfristiga skulder		16 037 079	18 386 495
Summa eget kapital och skulder		107 715 591	118 912 508

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Kassaflödesanalys	**2023**	**2022**
Den löpande verksamheten		
Rörelseresultat före finansiella poster	10 489 295	11 803 024
Justeringsposter som ej ingår i kassaflödet:		
Avskrivningar	6 001 219	5 808 813
Utdelningar	5 000 000	-
Erhållen ränta	652 159	260 674
Erlagd ränta	-811 456	-434 432
Betald skatt	-2 310 414	-2 251 173
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital	19 020 803	15 186 906
Ökning-/minskning+varulager	3 345 431	-5 291 083
Ökning-/minskning+rörelsefordringar	413 754	-4 388 470
Ökning+/minskning-rörelseskulder	-2 349 416	-2 272 064
Kassaflöde från den löpande verksamheten	20 430 572	3 235 289
Investeringsverksamheten		
Investeringar i immateriella anläggningstillgångar	-50 000	-288 000
Investeringar i materiella anläggningstillgångar	-3 390 820	-2 697 289
Kassaflöde från investeringsverksamheten	-3 440 820	-2 985 289
Kassaflöde efter investeringar	16 989 752	250 000
Finansieringsverksamheten		
Förändring av skulder till kreditinstitut	-	-250 000
Förändring av skulder till koncernföretag	-16 989 752	-
Kassaflöde från finansieringsverksamheten	-16 989 752	-250 000
Årets kassaflöde	0	0
Likvida medel vid årets början	-	-
Likvida medel vid årets slut	0	0

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Noter

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen upprättas med tillämpning av årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Koncernredovisning
Med stöd av 7 kap 2§ i årsredovisningslagen upprättar bolaget inte koncernredovisning. Moderföretaget i den minsta koncern där Opido Plast AB är dotterföretag och koncernredovisning upprättas är Plexx AS, org nr 980699560, Fredrikstad, Norge.

Intäkter
Försäljning av varor redovisas vid leverans av produkter till kunden, i enlighet med försäljningsvillkoren. Försäljning redovisas netto efter moms.

Utländska valutor
Monetära tillgångs- och skuldposter i utländsk valuta värderas till balansdagens kurs.

Varulager
Varulagret värderas, med tillämpning av först-in först-ut principen. Bolaget tillämpar individuell nedskrivning av anskaffningsvärdet och det verkliga värdet på balansdagen.

Anskaffningsvärdet för egentillverkade hel- och halvfabrikat har beräknats till varornas tillverkningskostnader inklusive skälig andel av indirekta tillverkningskostnader.

Anläggningstillgångar
Materiella anläggningstillgångar avskrivs systematiskt över den bedömda nyttjandetiden. Härvid tillämpas följande avskrivningstider:

<u>Industribyggnad</u>	
Stommar	75 år
Stomkompletteringar och innerväggar	50 år
Värme och sanitet	40 år
Fasad	33 år
Takbeklädnad	33 år
Elsystem	40 år
Restpost	33 år
<u>Övrigt</u>	
Markanläggningar	20 år
Industrihall	10 år
Maskiner, inventarier och fordon	5-10 år
Immateriella tillgångar	5 år
Förbättringsutgifter på annans fastighet	5-20 år

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Andelar i koncernföretag
Andelar i koncernföretag redovisas enligt anskaffningsvärdemetoden och aktiverar kostnader som är hänförliga till förvärv. Tilläggsköpeskillingar redovisas till sannolikt utfall. Eventuellt framtida justeringar kommer att påverka bokfört värde på andelar i koncernföretag.

Finansiella instrument
Bolaget redovisar och värderar finansiella instrument till anskaffningsvärde. Kundfordringar och övriga kortfristiga fordringar redovisas till det lägsta av anskaffningsvärde och det belopp varmed de beräknas bli reglerade, det vill säga med avdrag för befarade förluster.
Leverantörskulder och övriga kortfristiga skulder redovisas till det belopp varmed de förväntas regleras. Långfristiga fordringar och långfristiga skulder värderas efter första redovisningen till upplupet anskaffningsvärde.

Leasingavtal
Samtliga leasingavtal, oavsett om de är finansiella eller operationella, redovisas som operationell leasing, dvs leasingavgifter kostnadsförs löpande.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekt redovisas i eget kapital.
Aktuell skatt:
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.
Uppskjuten skatt:
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.
Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån beslutad skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats.
Uppskjutna skattefordringar reduceras till den del det inte är sannolikt att den underliggande skattefordran kommer att kunna reduceras inom en överskådlig framtid. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Avsättningar
En avsättning redovisas när det finns ett aktuellt legalt eller informellt åtagande som en följd av en inträffad händelse och det är sannolikt att en kostnad kommer att uppstå för att reglera åtagandet och en tillförlitlig uppskattning kan göras av åtagandets belopp. Det belopp som redovisas som en avsättning är den bästa uppskattningen av den kostnad som krävs för att reglera det aktuella åtagandet per balansdagen.

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Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medför in- och utbetalningar. Cashpoolen i bolaget hanteras i kassaflödet som koncernmellanhavande.

Uppskattningar och bedömningar
Upprättandet av bokslut och tillämpning av redovisningsprinciper baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och bedömningar ses över regelbundet.

Inga väsentliga källor till osäkerhet i uppskattningar och antaganden på balansdagen bedöms kunna innebära en betydande risk för en väsentlig justering av redovisade värden för tillgångar och skulder under nästa räkenskapsår.

Not 2 Transaktioner med närstående

Uppgifter om moderföretaget
Moderföretag i den översta koncern där Opido Plast AB är dotterföretag och koncernredovisning upprättas är SP Group AS, Söndersö, Danmark, org nr VCR 15701315.

Inköp och försäljning mellan koncernföretag
Nedan anges andelen av årets inköp och försäljning avseende koncernföretag.

	2023	2022
Inköp	7 590 055	10 366 823
Försäljning	31 047 063	40 911 534

Vid inköp och försäljning mellan koncernföretag tillämpas samma principer för prissättning som vid transaktioner med externa parter.

Inköp av varor och tjänster från närstående

Inköp av varor		
Plexx AS	193 811	537 792
Summa	193 811	537 792
Inköp av tjänster		
Plexx AS	5 869 928	8 457 269
SPG Fastigheter AB	1 526 315	1 371 762
Summa	7 396 243	9 829 031

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	2023	2022
Försäljning av varor och tjänster till närstående		
Försäljning av varor		
Plexx AS	25 004 669	34 682 973
Nycopac AB	6 042 394	6 228 561
Summa	31 047 063	40 911 534

	2023	2022
Rörelsefordringar/-skulder avseende närstående		
Fordringar hos närstående	23 391 936	25 228 811
Summa	23 391 936	25 228 811

Not 3 Övriga rörelseintäkter

	2023	2022
Elstöd	1 622 407	-
Övrigt	241 065	421 172
	1 863 472	421 172

Not 4 Ersättning till revisorerna

	2023	2022
Ernst & Young AB		
Revisionsuppdraget	122 458	120 000
Summa	122 458	120 000

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Not 5 Leasingkostnader

Opido Plast AB hyr lokaler och personbilar. Avtalen avser ej uppsägningsbara operationella leasingavtal. Avtalen har olika villkor, indexklausuler och rätt till förlängning. Villkoren är marknadsmässiga vad avser såväl priser som avtalslängd.

Värdet av framtida leasing/hyresavgifter, avseende icke uppsägningsbara avtal fördelar sig enligt följande:

Förfaller till betalning inom ett år	1 724 tkr
Förfaller till betalning senare än ett men inom fem år	1 984 tkr
Förfaller till betalning senare än fem år	0 tkr

Totala kostnader avseende operationella leasing/hyresavtal uppgår till 2 571 tkr (f år 2 240 tkr).

Not 6 Löner, andra ersättningar och sociala kostnader

	2023	2022
Medelantalet anställda		
Kvinnor	6	5
Män	30	34
Totalt	36	39
Löner ersättningar, sociala avgifter och pensionskostnader		
Löner och ersättningar till verkställande direktör	2 133 600	2 233 440
Löner och ersättningar uppgår till övriga anställda	16 011 165	16 447 541
Totala löner och ersättningar	18 144 765	18 680 981
Sociala avgifter enligt lag och avtal	5 868 057	5 996 625
Pensionskostnader för verkställande direktör	369 800	331 027
Pensionskostnader för övriga anställda	1 150 005	1 339 016
Totalt	25 532 627	26 347 649

Med verkställande direktör har avtal träffats om avgångsvederlag uppgående till en årslön.

Styrelseledamöter och ledande befattningshavare:

	2023 Antal på balansdagen	varav män
Styrelseledamöter	4	100 %
Företagsledare och andra ledande befattningshavare	3	66 %

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Not 7 Resultat från andelar i dotterföretag

	2023	2022
Utdelningar	5 000 000	-
Summa	5 000 000	0

Not 8 Nedskrivning av aktier i dotterföretag

	2023	2022
Nedskrivning av aktier i Nycopac AB	-5 000 000	-
Summa	-5 000 000	0

Not 9 Bokslutsdispositioner

	2023	2022
Skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	-1 101 131	-207 027
Återföring från periodiseringsfond	1 258 000	551 000
Avsättning till periodiseringsfond	-	-2 975 000
Summa	156 869	-2 631 027

Not 10 Skatt på årets resultat

	2023	2022
Aktuell skatt	-2 187 748	-1 839 139
Skattereduktion inventarieinköp	-	347 025
Uppskjuten skatt	-49 519	-49 783
Summa	-2 237 267	-1 541 897

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	2023	2022
Avstämning av effektiv skatt		
Redovisat resultat före skatt	10 486 867	8 998 239
Skatt enligt gällande skattesats	-2 160 294	-1 853 636
Ej avdragsgilla kostnader	-7 886	-17 043
Skatterfria intäkter	509	-
Schablonränta periodiseringsfond	-54 047	-11 433
Uppräknat belopp periodiseringsfond	-15 549	-6 810
Investeringsavdrag	-	347 025
Redovisad effektiv skatt 21,3 % (f å 17,1%)	-2 237 267	-1 541 897

Not 11 Programvara

	2023-12-31	2022-12-31
Ingående anskaffningsvärde	617 000	329 000
Inköp	50 000	288 000
Utgående anskaffningsvärden	667 000	617 000
Årets avskrivningar	-133 400	-123 400
Utgående ackumulerade avskrivningar	-256 800	-123 400
Utgående restvärde enligt plan	410 200	493 600

Not 12 Byggnader, markanläggningar och mark

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	14 953 171	14 953 171
Utgående anskaffningsvärden	14 953 171	14 953 171
Ingående avskrivningar	-7 491 378	-7 205 313
Årets avskrivningar	-283 979	-286 065
Utgående ackumulerade avskrivningar	-7 775 357	-7 491 378
Utgående restvärde enligt plan	7 177 814	7 461 793
Taxeringsvärde för byggnad	4 768 000	4 768 000

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	2023-12-31	2022-12-31
Taxeringsvärde för mark	491 000	491 000
Summa taxeringsvärde	5 259 000	5 259 000

Not 13 Maskiner och andra tekniska anläggningar

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	50 734 541	50 602 721
-Under året genomförd omfördelning	1 867 852	-
-Inköp	2 869 124	666 419
-Försäljningar och utrangeringar	-57 691	-534 599
Utgående ackumulerade anskaffningsvärden	55 413 826	50 734 541
Ingående avskrivningar	-30 057 864	-25 468 495
-Försäljningar och utrangeringar	57 691	534 599
-Avskrivningar	-5 252 137	-5 123 968
Utgående ackumulerade avskrivningar	-35 252 310	-30 057 864
Utgående restvärde enligt plan	20 161 516	20 676 677

Not 14 Inventarier och fordon

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	1 397 679	1 772 953
-Inköp	269 346	-
-Försäljningar och utrangeringar	-	-375 274
Utgående ackumulerade anskaffningsvärden	1 667 025	1 397 679
Ingående avskrivningar	-955 677	-1 140 587
-Försäljningar och utrangeringar	-	375 274
-Avskrivningar	-203 635	-190 364
Utgående ackumulerade avskrivningar	-1 159 312	-955 677
Utgående restvärde enligt plan	507 713	442 002

20240611121619

Not 15 Förbättringsutgifter på annans fastighet

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	1 081 018	918 000
-Inköp	252 350	163 018
Utgående ackumulerade anskaffningsvärden	1 333 368	1 081 018
Ingående avskrivningar	-506 472	-421 456
Årets avskrivningar	-128 068	-85 016
Utgående ackumulerade avskrivningar	-634 540	-506 472
Utgående restvärde enligt plan	698 828	574 546

Not 16 Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar

	2023-12-31	2022-12-31
Belopp vid årets ingång	1 867 852	-
Under året genomförd omfördelning	-1 867 852	-
Förskott till leverantör	-	1 867 852
Belopp vid årets utgång	0	1 867 852

Not 17 Andelar i koncernföretag

	2023-12-31	2022-12-31
Ingående ackumulerade anskaffningsvärden	27 038 430	27 038 430
Nedskrivning	-5 000 000	-
Utgående ackumulerade anskaffningsvärden	22 038 430	27 038 430
Utgående redovisat värde	22 038 430	27 038 430

20240611121620

	2023-12-31	2022-12-31
SPG Fastigheter AB		
Eget kapital 2023-12-31: 4 635 tkr		
Resultat efter finansiella poster 2023: 254 tkr		
Nycopac AB		
Eget kapital 2023-12-31: 5 519 tkr		
Resultat efter finansiella poster 2023: 2 026 tkr		

	Org nr	Säte	Kapital-andel (%)
SPG Fastigheter AB	556837-4416	Ljungby	100
Nycopac AB	556741-7794	Nyköping	100

	Kapital-andel %	Rösträtts-andel %	Antal aktier	Bokfört värde 23-12-31	Bokfört värde 22-12-31
SPG Fastigheter AB	100	100	500	2 548 678	2 548 678
Nycopac AB	100	100	5 000	19 489 752	24 489 752
Summa				22 038 430	27 038 430

Not 18 Förutbetalda kostnader och upplupna intäkter

	2023-12-31	2022-12-31
Förutbetalda leasingkostnader	92 382	68 633
Övriga poster	441 148	325 304
Summa	533 530	393 937

Not 19 Bundet eget kapital

	2023-12-31	2022-12-31
Aktiekapital, 1 000 aktier med kvotvärde 100	100 000	100 000

20240611121621

Not 20 Förslag till disposition av resultatet

	2023-12-31
Till årsstämmans förfogande står följande vinstmedel:	
Balanserade vinstmedel	51 756 949
Årets vinst	8 249 600
	60 006 549
Styrelsen föreslår att vinstmedlen disponeras så att	
i ny räkning överförs	60 006 549
	60 006 549

Not 21 Förändring av eget kapital

	2023-12-31	2022-12-31
Bundet eget kapital		
Aktiekapital		
Belopp vid årets ingång	100 000	100 000
Belopp vid årets utgång	100 000	100 000
Reservfond		
Belopp vid årets ingång	20 000	20 000
Belopp vid årets utgång	20 000	20 000
Summa bundet eget kapital vid årets utgång	120 000	120 000
Fritt eget kapital		
Belopp vid årets ingång	51 756 949	44 300 607
Årets vinst	8 249 600	7 456 342
Belopp vid årets utgång	60 006 549	51 756 949

20240611121622

Not 22 Obeskattade reserver

	2023-12-31	2022-12-31
Ackumulerad skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	11 232 382	10 131 251
Periodiseringsfond besk. år 2017	-	1 258 000
Periodiseringsfond besk. år 2018	2 275 000	2 275 000
Periodiseringsfond besk. år 2019	1 959 000	1 959 000
Periodiseringsfond besk. år 2020	1 407 000	1 407 000
Periodiseringsfond besk. år 2021	3 650 000	3 650 000
Periodiseringsfond besk. år 2022	2 975 000	2 975 000
Summa	23 498 382	23 655 251

Not 23 Avsättningar

	2023-12-31	2022-12-31
Avsättningar för uppskjuten skatt		
Avsättning vid periodens ingång	504 062	454 279
Periodens avsättningar	49 519	49 783
Avsättning vid periodens utgång	553 581	504 062

Not 24 Uppskjuten skatt

	2023-12-31	2022-12-31
Uppskjuten skatteskuld	553 581	504 062
Temporär skillnad 2 577 295 (f. år 2 336 910)		

Not 25 Långfristiga skulder

För skulder till kreditinstitut har pantförskrivits fastighets- och företagsinteckningar om sammanlagt 15 565 tkr (f. år 15 565 tkr).
Bolaget har inga långfristiga skulder, med undantag för skulder till koncernföretag.

20240611121623

Not 26 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	2022-12-31
Upplupna löner	1 308 000	1 673 000
Upplupna semesterlöner	3 016 833	2 873 740
Upplupna sociala avgifter	1 441 201	1 848 182
Övriga poster	100 000	192 545
Summa	5 866 034	6 587 467

Not 27 Ställda säkerheter

	2023-12-31	2022-12-31
Ställda säkerheter		
Avseende skulder till kreditinstitut		
Fastighetsinteckningar	10 565 000	10 565 000
Företagsinteckningar	5 000 000	5 000 000
Summa ställda säkerheter	15 565 000	15 565 000

Not 28 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser efter räkenskapsårets slut förekommer.

20240621 081624

Lagan 2024-02-26

Arild S. Johnsen
Ordförande

David Bourghardt

Frank Gad

Lars Bering

Andreas Lagestig
Verkställande direktör

Vår revisionsberättelse har lämnats 2024-03-21.

Ernst & Young AB

Kristina Skärström
Auktoriserad revisor

Fotokopiorna överensstämmer med originalet intygas

20240611121625

Revisionsberättelse

Till bolagsstämman i OPIDO Plast Aktiebolag, org.nr 556214-0862

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för OPIDO Plast Aktiebolag för räkenskapsåret 2023-01-01 – 2023-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av OPIDO Plast Aktiebolags finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till *OPIDO Plast Aktiebolag enligt god revisorssed i Sverige* och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta *en årsredovisning som inte innehåller några väsentliga felaktigheter*, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa riskei och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som *avser sådana händelser eller förhållanden som kan leda till betydande* tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehålle i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också *informera om betydelsefulla iakttagelser under revisionen, däribland de* eventuella betydande brister i den interna kontrollen som vi identifierat.

20240611121626

EY

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av OPIDO Plast Aktiebolag för räkenskapsåret 2023-01-01 – 2023-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till OPIDO Plast Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisioner av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

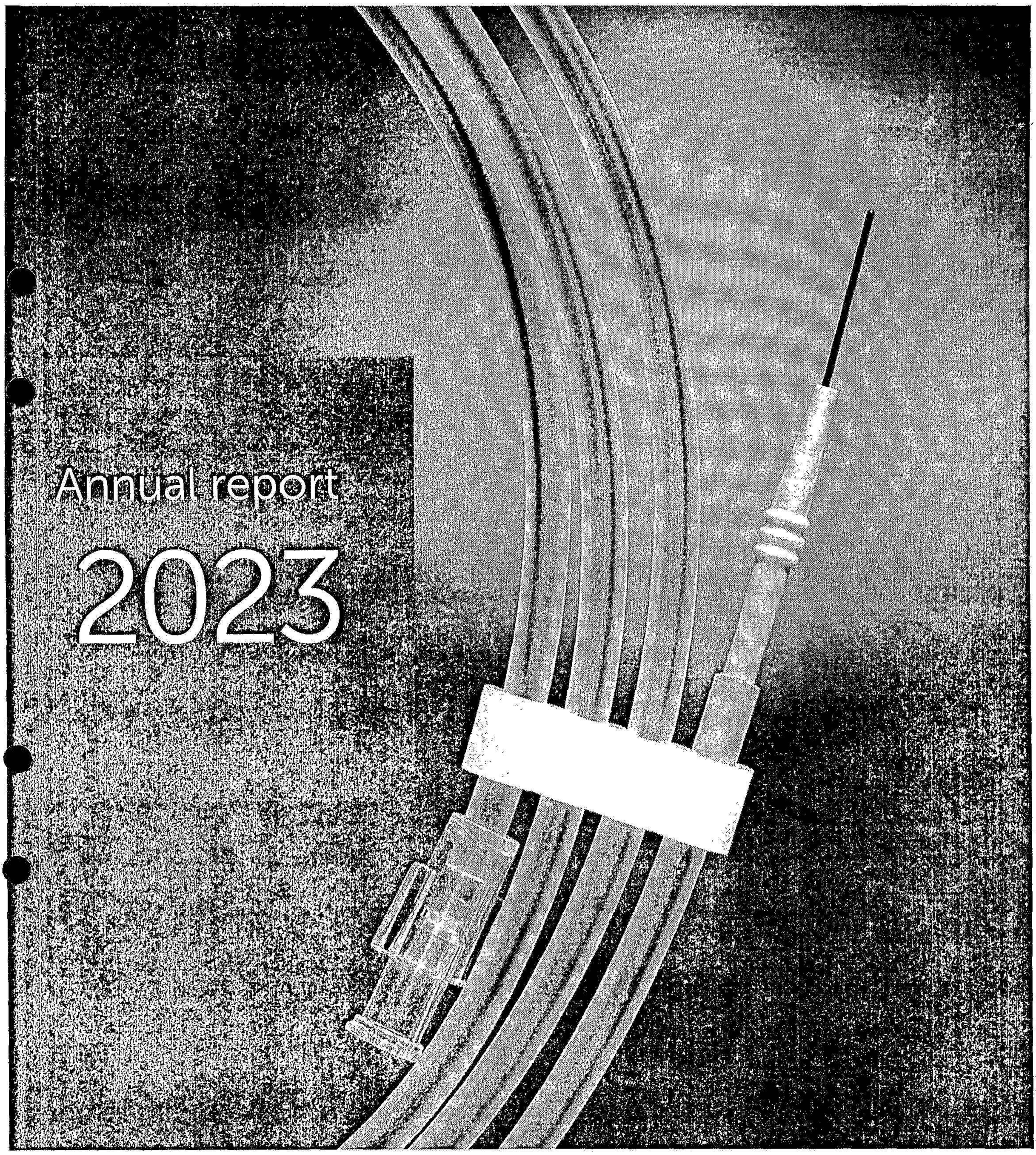
Värnamo den 21 mars 2024

Ernst & Young AB

Kristina Skärström
Auktoriserad revisor

Fotokopians överensstämmelse med originalet intygas:

SP Group



Innovative solutions in plastics,
composites and coatings

SP Group A/S Snavevej 6-10 DK-5471 Søndersø CVR no. 15 70 13 15

Company details

20240807000097

Company details

Company
SP Group A/S
Snavevej 6-10
DK-5471 Søndersø
Telephone: +45 70 23 23 79

CVR no.: 15 70 13 15
Financial year: 1 January – 31 December
Registered office: Municipality of Northern Funen
Website: www.sp-group.dk
E-mail: info@sp-group.dk

Board of Directors

Hans Wilhelm Schur (chairman)
Erik Preben Holm (vice chairman)
Hans-Henrik Eriksen
Bente Overgaard
Marie Bakholdt Lund

Executive Board

Frank Gad, CEO
Søren Ulstrup, Executive Vice President
Lars Ravn Bering, Executive Vice President

Audit

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg

Annual general meeting

The annual general meeting will be held on 25 April 2024 at 12.00 o'clock
at MedicoPack A/S, Industrivej 6, 5550 Langeskov

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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The picture on the front page shows SP Medicals' unique Poseidon guide wire for cardiology, which is developed with a super elastic core and a surface coating with extremely low friction

SP Group in brief

20240807000098

Headquarters in Denmark

established in 1972

Products are marketed and sold in

98 countries

Subsidiaries in

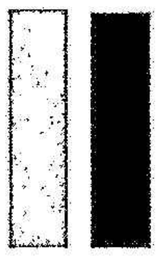
12 countries on 3 continents

Average number of employees decreased in 2023 from 2,485 to

2,351 committed employees

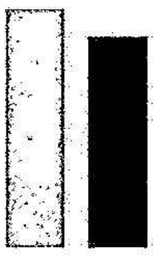
In 2023, revenue decreased by 1.9 % to

DKK 2,606 million



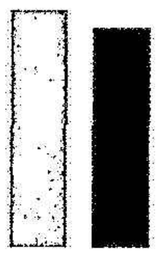
In 2023, revenue from own trademarks decreased by 12.0% to

DKK 620 million



In 2023, EBITDA decreased by 7.8% to

DKK 441 million



In 2023, EPS decreased by 25.4% to

DKK 13.04

Group chart

Activities

SP Group manufactures moulded plastic and composite components and performs coatings on plastic and metal components.

SP Group is a leading supplier of plastic-manufactured products to the manufacturing sector and has increasing sales and growing production from own factories in Denmark, China, the USA, Latvia, Slovakia, Sweden, Finland, Poland and Thailand. In addition, SP Group has sales and service companies in Sweden, Norway, the Netherlands and Canada. SP Group is listed on NASDAQ Copenhagen, employed 2,336 people at year-end 2023 and had approx. 4,200 registered shareholders.

SP Group A/S

Surface solutions	Plastic solutions			
Coatings	3D Printing and Machining Operations	Polyurethane (PUR) and Composite	Vacuum forming and Rotational moulding	Injection moulding and Blow moulding
Accoat A/S	**DAVINCI 3D A/S**	**Tinby A/S**	**Gibo Plast A/S**	**SP Moulding A/S**
Jollmax Coating Oy	**Bovil ApS**	Tinby Sp. z o o Tinby Co., Ltd. Tinby Denmark A/S Tinby Inc. Tinby SIA	Gibo Danmark A/S Gibo Sp. z o.o Gibo Inc Gibo Plast Co., Ltd.	SP Moulding Denmark A/S SP Moulding Poland Sp. z o o SP Moulding (Suzhou) Co., Ltd. Sander Tech ApS
	Kodaň Plast s.r.o.	**Ergomat A/S**	**Plexx AS Opido AB**	**Ulstrup Plast A/S**
		Ergomat Sweden AB Ergomat Inc. Ergomat Canada Inc. Ergomat Sp z o o.	PlexxOpido Sp. z o.o.	Ulstrup Plast s r.o
		TPI Polytechniek B.V.	**Dan-Hill-Plast A/S**	**Coreplast Laitila Oy**
		TPI Polytechnics Inc TPI Polytechnics Co , Ltd	**Nycopac AB**	**SP Medical A/S**
		Bröderna Bourghardt AB		SP Medical Poland Sp. z o.o
		Baltic Rim Ltd. SEA Radomes Company Ltd.		**MedicoPack A/S**
		MM Composite A/S		**Neptun Plast A/S**
		MM Composite Inc.		**Atlantic Floats Denmark A/S**
				Meditec Plaststøbning A/S

We act as an innovative, reliable and competitive partner for our customers

SP Group is engaged in the following activities: Plastic and composite solutions as well as surface solutions:

Coatings: This segment develops and produces fluoroplastic coatings (Teflon®), PTFE and other refined materials for a number of customers' products and production plants. The customers are primarily in the healthcare, cleantech and food-related industries. In addition, Water printing is offered, Electromagnetic Shielding (EMS) and several other coatings.

Plastic and composite solutions: This segment offers solutions using one or more of the following technologies: Reaction injection moulding (Polyurethane and Telene), vacuum forming, extrusion, injection moulding, rotational moulding and blow moulding – all described in further detail below.

- **Polyurethane (PUR):** Manufacturing of moulded products in solid, foamed, flexible and light-foam PUR for a number of industries, including the cleantech industry. Add to this ventilation equipment, ergonomic mats and striping products.
- **Vacuum and Extrusion:** Via traditional vacuum forming, High-pressure and Twinsheet, manufacturing of thermo-formed plastic components for refrigerators and freezers, cars, buses and other rolling stock (automotive) and the cleantech and medical device industries, etc.
- **Injection moulding:** Manufacturing of injection-moulded plastic precision components for a wide range of industries. The business area also produces FDA-registered products for customers in the medical device industry.
- **Rotational moulding:** Manufacturing of rotational-moulded precision components for a wide range of industries. Add to this fenders and buoys to the maritime industry.
- **Blow moulding:** Manufacturing of blow-moulded plastic precision components for customers in the medical device industry. The business area also manufactures packaging for FDA-registered products in the pharmaceutical and medical industry.
- **Composite:** Solutions where several raw materials are included, typically glass fibre or carbon fibre combined with other materials.
- **3D Printing and Machining Operations**

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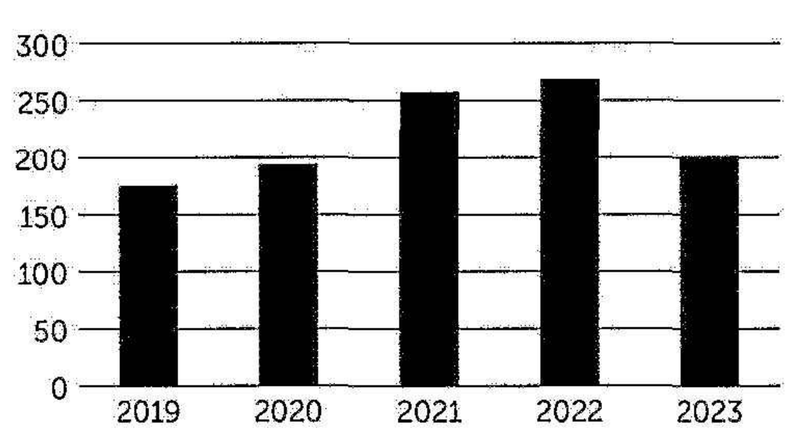
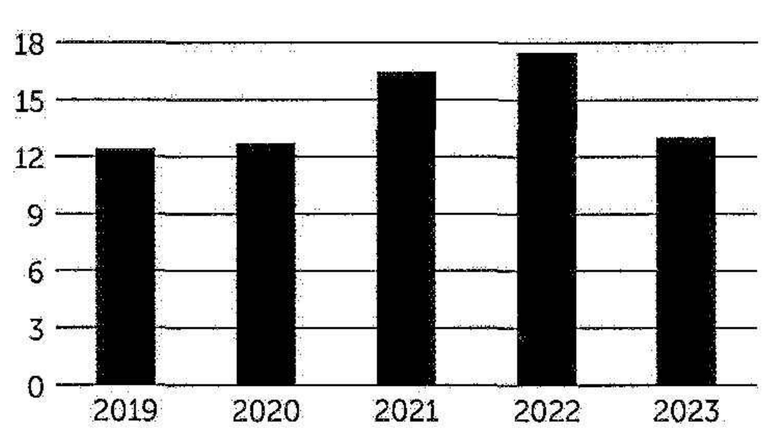
In 2023, profit/loss before tax decreased by 25.1% to DKK 201.1 million

DKKm



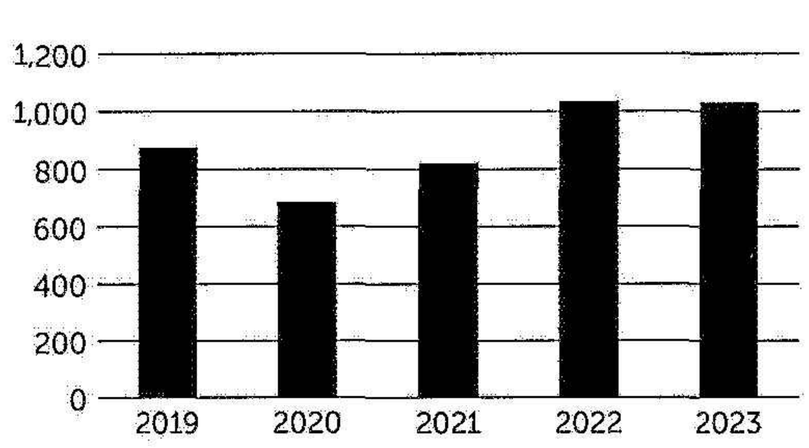
EPS, diluted, decreased by 25.4% to DKK 13.04 per share

DKK



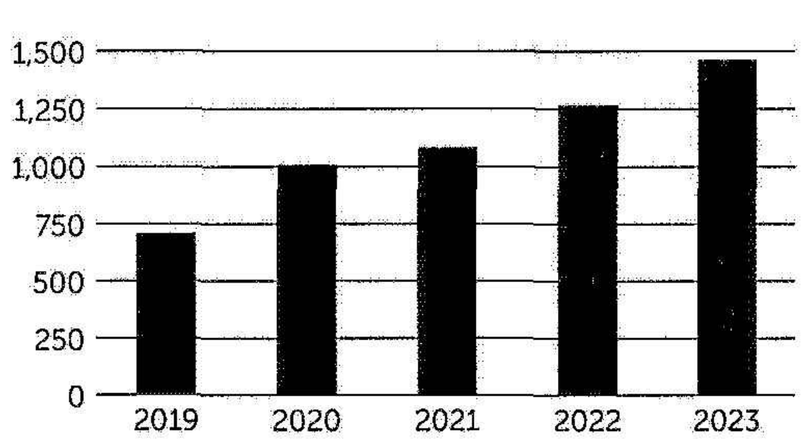
Net interest-bearing debt (NIBD) decreased by DKK 3.9 million to DKK 1,030.6 million

DKKm

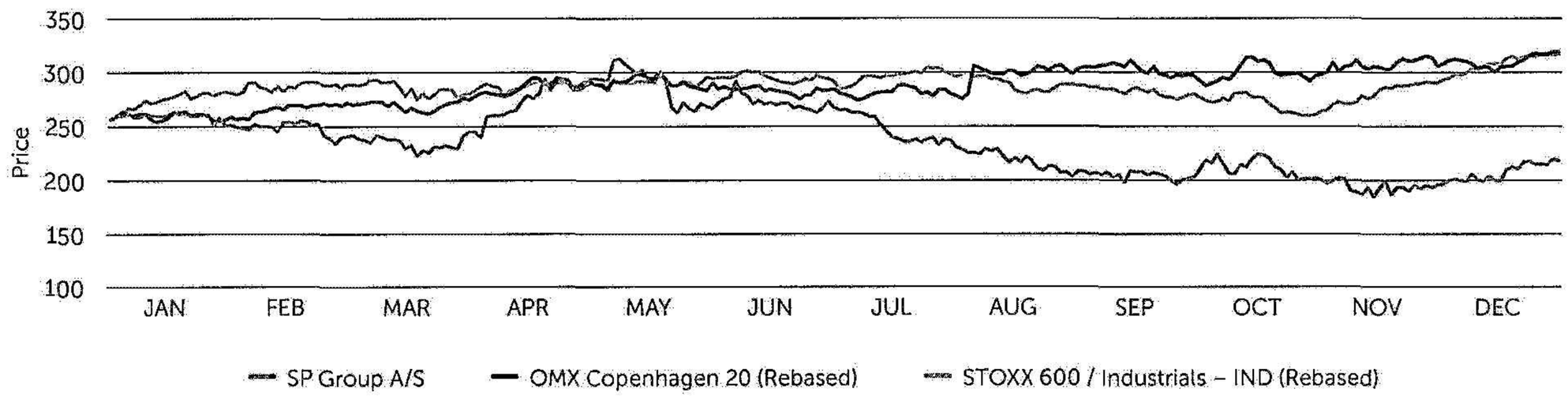


Equity increased by DKK 197 million to DKK 1,463.6 million.

DKKm



Development in the share price in 2023



Financial highlights for the Group

DKK '000	2023	2022	2021	2020	2019
INCOME STATEMENT					
Revenue	2,606,322	2,656,342	2,480,869	2,178,189	2,012,932
Profit/loss before depreciation and amortisation (EBITDA)	440,990	478,445	422,912	356,381	307,510
Depreciation, amortisation and impairment losses	-199,754	-182,315	-153,848	-141,550	-129,681
Profit/loss before net financials (EBIT)	241,236	296,130	269,064	214,831	177,829
Net financials	-40,176	-27,599	-11,290	-21,064	-2,436
Profit/loss before tax	201,060	268,531	257,774	193,767	175,393
Profit/loss for the year	159,222	213,443	203,217	150,841	140,269
Earnings per share, DKK per share (EPS)	13 04	17.49	16.63	12.85	12 57
Diluted earnings per share, DKK per share (EPS diluted)	13.04	17 49	16 44	12 75	12.46
BALANCE SHEET					
Non-current assets	1,839,621	1,762,928	1,470,872	1,332,107	1,218,274
Total assets	3,019,634	2,961,902	2,530,017	2,264,875	2,058,615
Equity, including non-controlling interests	1,463,570	1,266,102	1,084,022	1,007,379	710,402
Investments in property, plant and equipment, excluding acquisitions	210,995	245,365	198,107	143,378	154,997
Working capital (NWC)	785,757	696,320	545,924	453,525	491,614
CASH FLOW STATEMENT					
Cash flows from operating activities	360,372	264,491	237,701	320,435	158,630
Cash flows from investing activities, incl acquisitions	-187,461	-320,927	-221,930	-203,392	-180,202
Cash flows from financing activities	-216,058	67,697	-56,300	-43,057	8,836
Changes in cash and cash equivalents	-43,147	11,261	-40,529	73,986	-12,736
FINANCIAL RATIOS					
Net interest-bearing debt (NIBD)	1,030,599	1,034,548	821,986	686,142	875,677
NIBD/EBITDA	2.3	2 2	1.9	1.9	2 8
Operating income (EBITDA margin), %	16 9	18 0	17.0	16 4	15 3
Profit margin (EBIT margin), %	9 3	11.1	10.8	9 9	8 8
Profit before tax and non-controlling interests in % of revenue	7.7	10 1	10.4	8.9	8 7
Return on invested capital, incl. goodwill, %	9.5	13 3	14.2	12.3	11 8
Return on invested capital, excl. goodwill, %	10.9	15.2	16 1	14 0	13 5
Return on equity (ROE), excluding non-controlling interests, %	11.6	18.2	19 4	17.6	21.1
Equity ratio, excl non-controlling interests, %	48.3	42 6	42.7	44.4	34 4
Equity ratio, incl. non-controlling interests, %	48 5	42.7	42.8	44 5	34 5
Gearing ratio	0.7	0 8	0 8	0.7	1.2
Cash flow per share, DKK	29.64	21 73	19.27	27.10	14 10
Total dividend for the year per share, DKK	3.00	3 00	3 00	5.00	0.00
Market price, DKK per share, end of year	218.50	256.50	441 00	271 00	242 00
Equity value per share, DKK per share, end of year	120.49	103.77	88.77	82 35	63 51
Market price/ equity value per share, end of year	1.81	2.47	4.97	3.29	3 81
Average number of employees	2,351	2,485	2,380	2,214	2,114
Number of shares, end of year	12,490,000	12,490,000	12,490,000	12,490,000	11,390,000
Hereof treasury shares, end of year	377,561	321,663	310,761	286,430	242,594

Financial ratios are calculated in accordance with the accounting policies on page 96

A year of slowdown

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Dear shareholders and other stakeholders

2023 was characterised by geopolitical tensions, war, inflation, high interests and financial challenges. It has been very demanding for governments, companies and investors and in particular for the people in Ukraine. The war has started a painful new self-perception in Western Europe. We must be able to defend our democracy and be financially independent of Russia and other totalitarian regimes.

The war in Ukraine has triggered an energy crisis in Europe, which will last for several years. We must now expand the European energy infrastructure and in the long run, Europe should be self-sufficient in energy. The war has sparked increasing energy prices, an inflationary pressure and a shift in the European monetary policy leading to increasing interests.

At the same time, the USA faces economic challenges. A lack of labour force has led to inflation and necessitated a significant tightening of the monetary policy. Consequently, interest rates have been increasing.

Thirdly, China has been affected by a very large housing bubble in 2023. The housing bubble will leave its traces and weaken China's growth rate.

We underestimated the impact of rising interest rates, which caused economic activity in the world to decline. Customers reduced their stocks and postponed new projects. Investments were postponed. Our own interest expenses increased more than expected.

Our revenue decreased by 1.9 % instead of growing by 5-15% as expected.

This resulted in an EBT (profit before tax) of 7.7% of revenue, whereas at the beginning of the year we expected 9-12%.

The fight against global warming has receded into the background. But the major climate investments will soon be back on the agenda and will give the global economy a solid boost to growth.

Due to amazing efforts from the entire organisation, we managed to keep all of our factories in operation and to service our customers from the factories and sales offices throughout the year.

All this can also be seen in our results in 2023.

Total revenue amounted to DKK 2,606 million, which is down by 1.9% compared to 2022. Organic growth amounted to -2.6% in local currencies. In Q4, the growth rate was 0.7% relating exclusively to organic growth. Measured in DKK, there was a positive currency effect in Q4 as USD and RMB decreased against DKK. Organic growth measured in local currencies was 1.4%.

Sales of our own brands decreased by 12.0% and now account for 23.8% of revenue. The customers postponed investments in the working environment, which had an adverse effect on the sale of ergonomic solutions.

Sales to our international customers decreased by 3.3% and now account for 71.2% of total sales.

We saw the highest growth in Australia accounting for 9.0%, in Europe (exclusive of Denmark) 1.8% and Africa 1.1%. Unfortunately, we saw a decline in sales to Americas and Asia.

Revenue in Denmark increased by 1.7%.

EBITDA decreased by 7.8% to DKK 441,0 million. EBITDA margin decreased from 18.0% to 16.9%. EBIT decreased by 18.5% to DKK 241.2 million.

Profit before tax decreased by 25.1% to DKK 201.1 million.

Diluted earnings per share decreased by 25.4% to DKK 13.04 per share.

Cash flows from operating activities were positive by DKK 360.4 million, which is a new record.

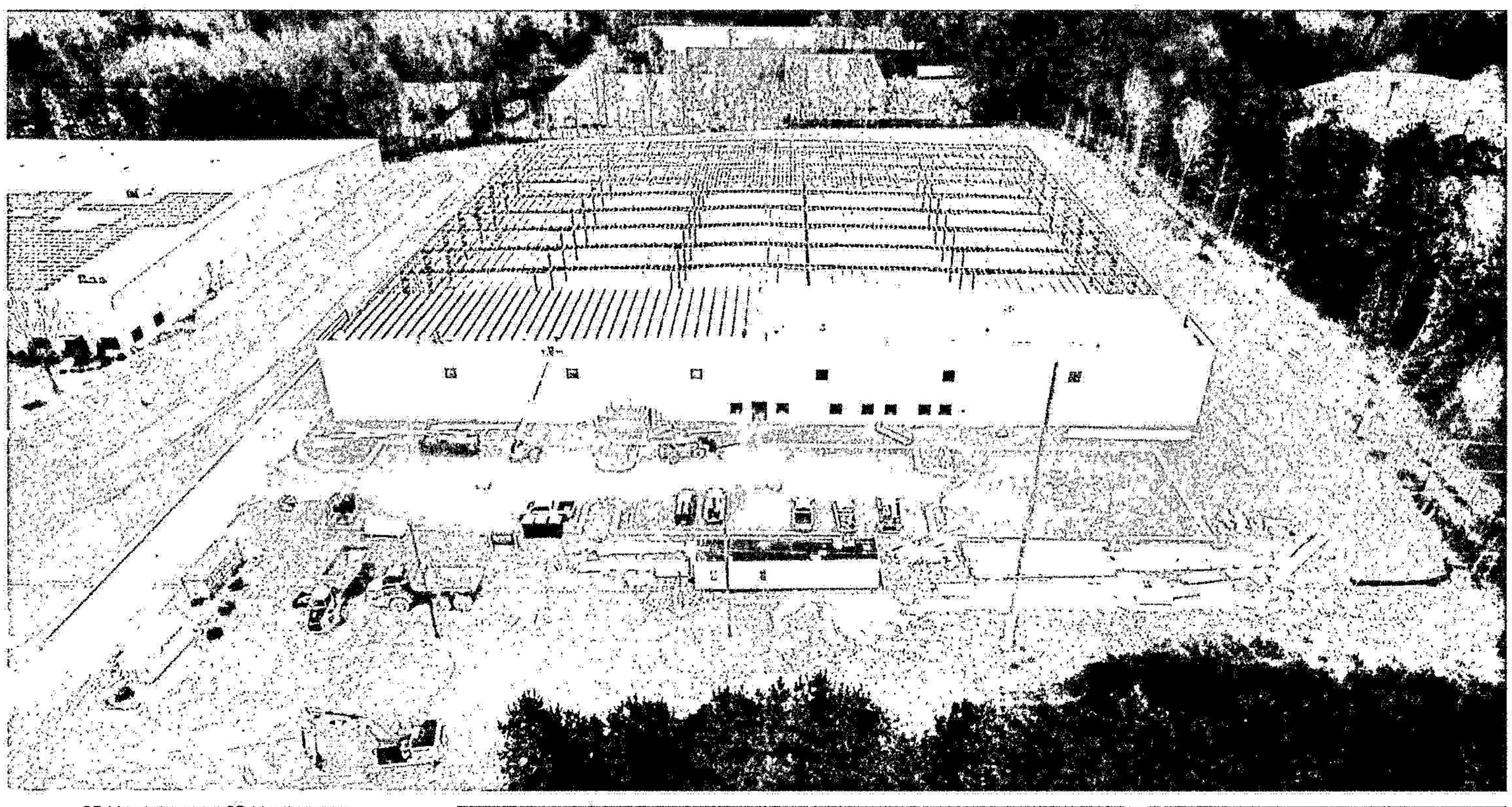
Net interest-bearing debt decreased by DKK 3.9 million to DKK 1,030.6 million at the end of 2023, which corresponds to 2.3 times EBITDA for the year against 2.2 in 2022.

In Poland, politicians continued to raise the minimum wage in the labour market much faster than productivity can keep up with. This causes concern for our competitiveness. From March 2023, the exchange rate (PLN) also started to rise against the EUR, despite narrowing interest rate spreads. We therefore decided to close some of our forward exchange contracts in October. We thereby obtained a profit of DKK 69.8 million, which had a positive impact on equity and profit for the year before tax totalling DKK 16.5 million, as we assess that our activities in Poland in the coming years will be lower than previously planned, which is why part of our hedging was no longer efficient. The remaining part of the profit will be recognised in profit for the year in 2024-2026 when the contracts expire.

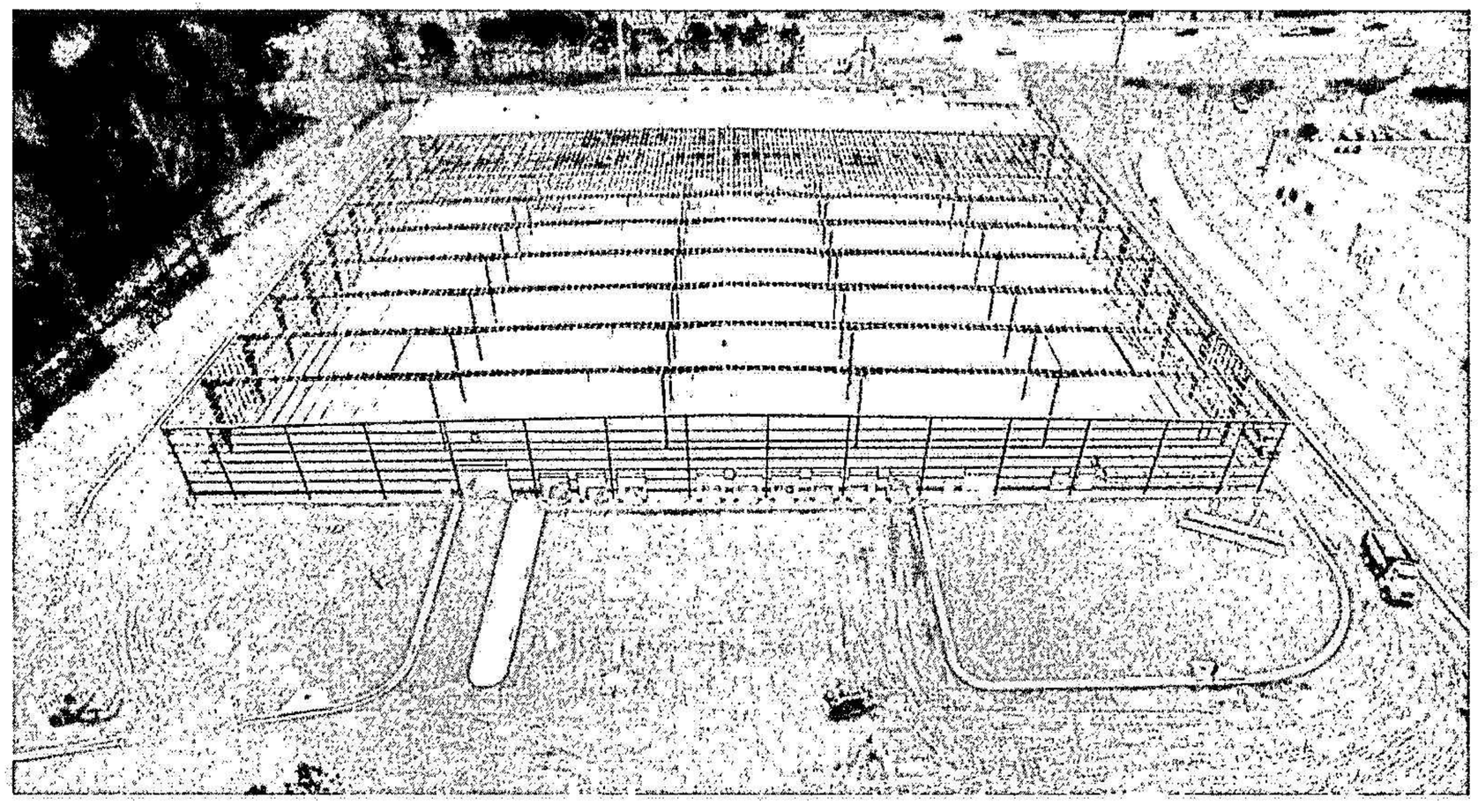
We hope that the new Polish Government will pursue a responsible economic policy and restore Poland's competitiveness in the long term.

2023 was an eventful year where:

- Our sales to the healthcare industry decreased by 3.3% and now account for 33.3% of revenue
- Our sales to the cleantech industry increased by 8.0% and now account for 30.9% of revenue
- Our sales to the food-related industry decreased by 12.9% and now account for 12.2% of revenue
- Our sales to the automotive industry decreased by 5.4% and now account for 5.4% of revenue
- Our sales to 'other demanding industries' decreased by 4.8% and now account for 18.1% of revenue
- We entered into a number of contracts and partnership agreements holding a good potential for the future
- We aspire to be an innovative, reliable and competitive partner for our customers, also when they decide to outsource their own production
- Unfortunately, we had to reduce the number of employees by 144 in the year under review to adapt to decreasing demand, so that by the end of the year we are 2,336 employees in the SP Group. The largest changes were made in Poland (87 less), in Latvia (39 less), in Denmark (33 less) and in Finland (13 less) In Slovakia, the number of employees increased by 17
- In Denmark, we entered into a PPA (Power Purchase Agreement) on the purchase of power from 2 wind turbines and a solar park covering part of our power consumption in 2023-2027
- We did not succeed in acquiring new companies in 2023, but we are still interested in acquiring sound companies with skilled managements – and preferably with their own products – that can fit into SP Group
- SP Group has refinanced Danish properties with mortgage loans, which has increased the maturity of the debt and generated net proceeds of DKK 3.8 million
- At the beginning of 2023, Ergomat moved into a new and larger building in Poland. Thereby, the framework is in place for future growth driven by new innovative products and a dedicated team in close interaction with the customers
- In Iowa, USA, MM Composite, Tinby, TPI Polytechnics and Gibo Plast slowly developed



SP Moulding and SP Meditec Inc
782 Highway 74, South St
Peachtree City 30269 GA
USA



- In Cleveland, USA, Ergomat developed new mats that can be recycled after years of use. The customers have welcomed the concept as they want to contribute to the circular economy. This is expected to contribute to growth in 2024 and in the years ahead
- In Atlanta, USA, we started building a new large injection moulding factory that will be operational by the end of 2024. The factory will serve existing customers with local production in the US
- In China, the production of vacuum-formed parts at Gibo's new 11,244 m^2 factory has grown throughout the year. The factory commenced local production at the end of 2020 and now runs as desired. In 2021, the factory was expanded with new production lines for rotational moulding. The factory will be further expanded in 2024. The factory saw a sound influx of new customers in 2023
- In Suzhou, China, SP Moulding and Tinby saw a modest influx of new customers. In Suzhou, SP Moulding moved its entire factory to the same site as Tinby. Thereby, a more efficient solution is created as basis for profitable growth. The relocation did not cause any inconvenience to the customers
- In Finland, Coreplast and Jollmax invested in a number of new machines, which increase capacity and further improve our quality and established a solar park next to Coreplast's factory
- In Funen, MM Composite and Tinby adjusted their organisations to fit the increasing demand, but also to become a more value-creating partner to our customers. MedicoPack obtained a handsome growth in the sale of state-of-the-art packaging for medicine. MedicoPack also

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invested in many new machines to increase capacity and to further improve the quality
- In Poland, all the companies performed well. We completed yet another factory of approx. 11,000 m², which was operational in Q1 2023 and have optimised the entire set-up by moving around many production lines and making room for rational growth
- In Thailand, we established a new factory, which is named SEA Radomes. SEA Radomes manufactures radomes for satellite communication
- In Slovakia Ulstrup Plast and Kodaň Plast performed well and saw a sound influx of new customers and projects
- We won a number of new major customers and did not lose any major customers in 2023
- We launched a number of new and improved products in 2023 (guide wires, ergonomic mats, industrial standard components, medical device packaging, fenders and farm ventilation equipment). Moreover, we have developed new products to be launched in 2024. We further developed our medical device expertise in Denmark, Poland, Slovakia, Finland, the USA and China
- We made net investments of DKK 211.0 million in new equipment, land and properties, which are high and give us good prospects for the future
- We sold more new moulds to our customers than ever before
- During the year, the SPG share was traded at prices between 320 and 183. The price closed at 219 in 2023 and opened at 256.5 on 2 January 2023. The capital loss thus totalled -14.6%. Including the dividend of DKK 3.00 per share, return from 1 January 2023 to 31 December 2023 was -13.5%, which is somewhat below the market
- In the period from 1 January 2010 to 31 December 2023, the SPG share yielded a total return of 2,793%, which is the third highest among listed Danish shares
- Last, but not least, we got many new shareholders: almost 25% more than at the beginning of 2023

These are the results on which we will base our future activities.

The Board of Directors recommends dividend distribution of DKK 3.00 per share for 2023 to the annual general meeting.

SP Group has no factories, sales offices or other direct investments in Russia, Belarus or Ukraine. We have no employees or suppliers in those three countries. We have no investors or creditors in those three countries. Our direct trade with customers in those three countries accounted for approx. DKK 1 million in 2021, however, our indirect sales through our other customers were, naturally, higher. We have had no sales to Russia and Belarus in 2022 and 2023. In 2023, we had modest sales to Ukraine.

We have been and will no doubt continue to be negatively affected by high interest levels, high energy prices and weaker growth of global economy. We urgently need to invest in more wind turbines, solar cells and other equipment so that Europe can become independent of Russian gas and oil. SP Group supports EU's decision to quickly expand the generation of electricity from land-based wind turbines and offshore wind turbines.

In 2023, our tax expenses amounted to DKK 41.8 million, corresponding to an effective tax rate of 20.8%. We pay tax in the country where the income is earned in accordance with national and international transfer pricing rules, and it is our goal to act as a responsible member of society in all areas where we operate. Our tax policy is available on the website www.sp-group.dk. In 2023, we paid tax in all countries in which we have permanent establishments, except for Latvia where corporation tax is 0 when no dividend is distributed. We therefore make long-term investments in Latvia and expand our facilities and activities. Note 13 discloses the calculated tax in the individual countries. We did not pay any taxes in Thailand as the company is in a start-up phase and generated a loss.

A reduction of the corporation tax rate and taxation of shareholders in Denmark should be prioritised in the interests of Denmark's future.

We will continue to adjust our capacity, improve efficiency – and pursue new opportunities in the healthcare industry, the cleantech industry (green transition) and food-related industries – and move labour-intensive production from Western Europe to Poland, Slovakia and Latvia as well as make massive investments in people and technology in Europe, USA and China to enable us to be a global, innovative, reliable, sustainable and competitive partner for our customers.

We will also continue our focus on minimising our environmental impact, electricity consumption, water consumption, increasing recycling of by-products from production and – in cooperation with our customers – developing and manufacturing more products made from "low carbon plastic" (recycled plastics or biobased plastics) for the benefit of the environment. It is our ambition to purchase all our electricity from renewable energy sources (wind, sun and water) before 2030, and we will invest in the production of renewable energy.

Together with two partners, we have established the company, Juelsmindehalvøens Solar A/S, which will build a solar park on the peninsula, Juelsminde, with a capacity of 60 million kWh, corresponding to SP Group's global power consumption. We are under an obligation to acquire 50% of the production, and our two partners acquire the other 50%. On 28 February 2024, the City Council of Hedensted Municipality adopted the district plan for the planned solar park on the Juelsminde Peninsula. Once the solar park is productive in 2025, it will cover our entire power consumption in Denmark. We have invested in local solar cell installations on our roofs in Poland, Slovakia and Finland. These installations went into operation in 2021 and 2022 and more were added in 2023. In 2023, we established a new solar park next to Coreplast's factory in Finland. We acquired the site in 2022.

In 2023, we purchased only certified green power in Poland, Slovakia and Denmark. These efforts have contributed to reducing our carbon footprint in Scope 2. In Finland, we also buy certified power in 2024.

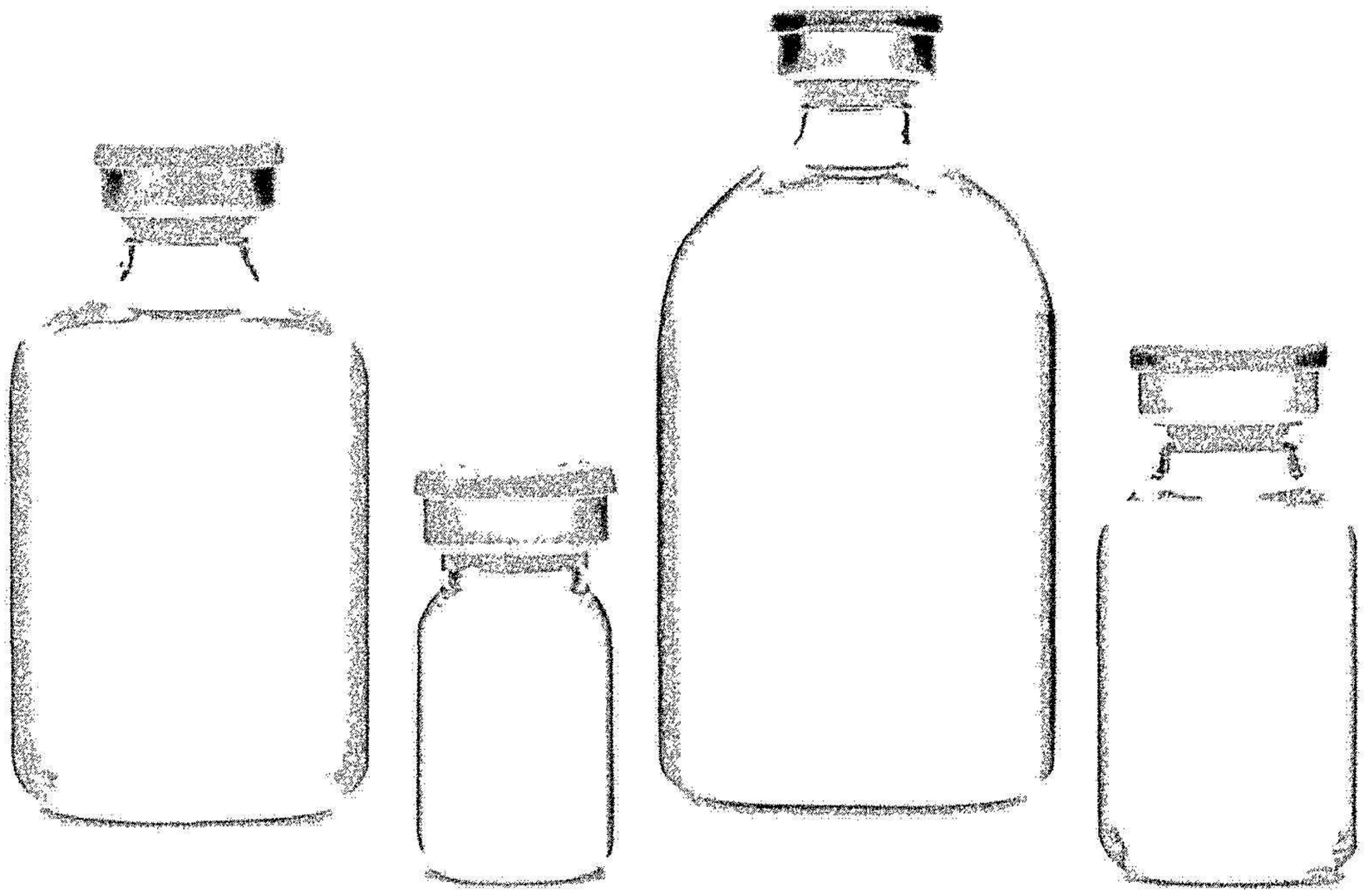
Again in 2023, we have strived to help our customers create value. We have invested significant amounts in improving our competencies, getting more and even better coherent technologies, even better local presence and more energy-efficient capacity, so that we can serve our customers even better in future.

Plastic is the material of the future, and only our own lack of creativity sets the limits to the application of plastic in society in future.

We want to thank our many good and loyal customers and other business partners. Thank you to shareholders and lenders for backing us up. Also, thank you to our employees for their committed contribution and readiness to change. We will continue to put all our creativity into further improving our solutions for the benefit of our customers, shareholders, employees and the planet.

Frank Gad
CEO

ClearVial™



ClearVial™
MedicoPacks ClearVial™ is a transparent alternative to glass for both liquid and freeze-dried pharmaceuticals.

ClearVial™ Ready To Use

The year in outline

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2023 in outline

The Group's revenue decreased by 1.9% to DKK 2,606.3 million from DKK 2,656.3 million in 2022. The change is primarily due to lower prices on power and raw materials. The organic growth in local currencies amounted to -2.6%. Exchange rate fluctuations (decline in RMB and USD) have reduced revenue by approx. DKK 23 million. The currency effect amounts to approx. 0.9 % of the decline in revenue of 1.9 %. Acquired activities and businesses account for 1.6%.

International sales decreased by 3.3% and now account for 71.2% of revenue (72.2% in 2022). Growth has been reported in Europe, Africa and Australia. Sales in Asia and North America showed a slight decrease. Sales outside Europe decreased from 25.3% to 22.6% of revenue.

Sales to our Danish customers increased by 1.7%.

Sales to the healthcare industry decreased by 3.3%. Sales to the healthcare industry now account for 33.3% of our sales (against 33.8% in 2022).

Sales of own property products decreased by 12.0%. Sales of ventilation components, guide wires, medical packaging and industrial standard components increased. Sales of ergonomic products decreased. The declining sales of own trademarks contributed to the reduced earnings. Own trademarks now account for 23.8% of the Group's total sales.

The Group's operating income – EBITDA – decreased by 7.8% to DKK 441,0 million. The EBITDA margin came in at 16.9%, representing a decrease of 1.1 percentage points relative to 2022. During the year, considerable resources were dedicated to the relocation of factories and to the commissioning of new production facilities, adversely impacting operating profit.

At the end of the year, we had 2,336 employees. Investments in property, plant and equipment amounted to DKK 211.0 million, net, including leased assets.

Depreciation, amortisation and impairment losses amounted to DKK 199.8 million, which is an increase of DKK 17.4 million on 2022.

EBIT amounted to DKK 241.2 million, corresponding to 9.3% of revenue. EBIT decreased by DKK 54.9 million relative to 2022.

The Group's financial net expenses increased by DKK 12.6 million from 2022 to 2023 and represented a net expense of DKK 40.2 million. The net expense was affected by foreign exchange adjustments, forward contracts and a higher level of interest. Lending margins remained largely unchanged. Liabilities were at the same level as last year.

Diluted earnings per share amounted to DKK 13.04, which is a decrease of 25.4% compared to 2022.

At the end of 2023, interest-bearing debt can be specified by currency as follows:

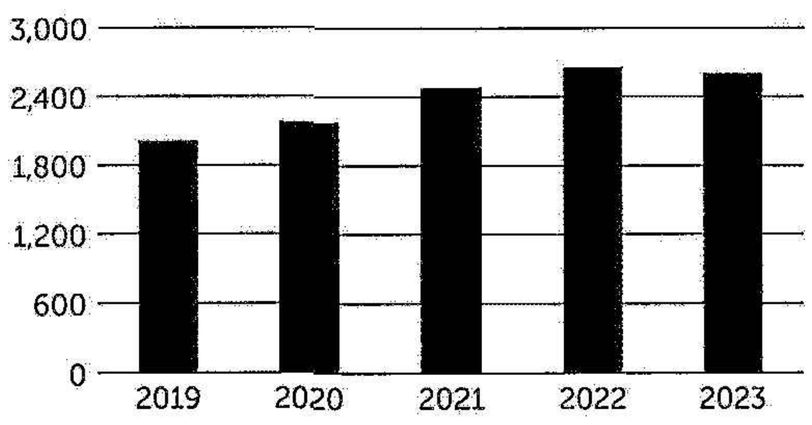
		According to IFRS 16	Before IFRS 16
DKK	DKK	-678 million	-669 million
EUR	DKK	-278 million	-237 million
PLN	DKK	-68 million	6 million
USD	DKK	36 million	36 million
NOK	DKK	4 million	5 million
SEK	DKK	-18 million	-17 million
THB	DKK	0	1 million
RMB	DKK	-29 million	-1 million
	DKK	**-1,031 million**	**-876 million**

Cash flows

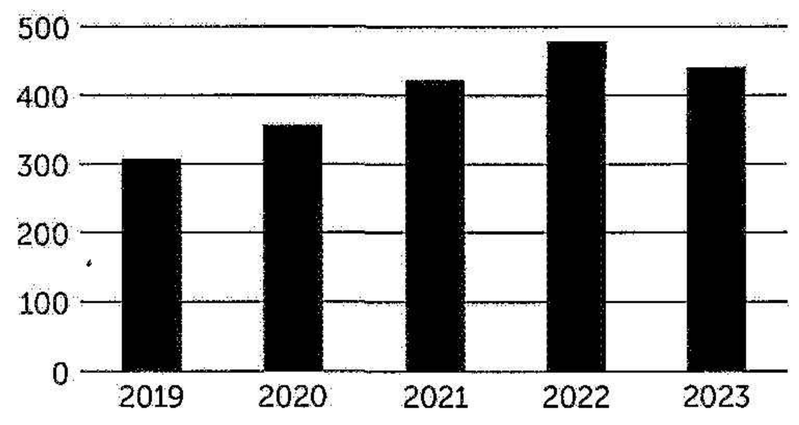
Cash flows from operating activities increased to DKK 360.4 million (against DKK 264.5 million in 2022), primarily due to a decreased need to tie up money in net working capital.

Cash flows from investing activities amounted to DKK 187.5 million relating to capacity and skills development within healthcare (approx. DKK 66 million), cleantech (approx. DKK 35 million), food-related industries (approx. DKK 9 million), automotive (approx. DKK 2 million), other (ap-

Consolidated revenue 2019-2023 (DKKm)



Operating profit (EBITDA) 2019-2023 (DKKm)



prox. DKK 12 million) and investments in properties, solar cells and land (DKK 64 million).

DKK 183.9 million was repaid on long-term debt. Loans were paid in full in the amount of DKK 28.6 million. New loans were raised in the amount of DKK 34.1 million in cash as well as lease liabilities totalling DKK 39.2 million.

Dividends totalling DKK 36.3 million were distributed to the shareholders, and treasury shares were acquired for DKK 11.5 million, net. No new shares were issued in 2023.

The change in short-term bank debt had an adverse effect on liquidity totalling DKK 43.1 million.

Balance sheet

The balance sheet total increased from DKK 2,961.9 million to DKK 3,019.6 million, which is attributable to the acquisition of new machinery, properties and land and an decrease in the gross working capital and cash and cash equivalents.

Equity increased from DKK 1,266.1 million to DKK 1,463.6 million.

Net interest-bearing debt (NIBD) decreased to DKK 1,030.6 million from DKK 1,034.5 million and amounted to 2.3 times the year's EBITDA.

It is Management's opinion that the Company still has adequate capital resources and sufficient liquidity to finance the Company's plans and operations. The Company has enjoyed a long-term and fruitful working relationship with its financial business partners, which is expected to continue.

The capital structure changed in the year, meaning that the current interest-bearing debt has increased from 15.1% to 16.2% of the balance sheet total, and that the long-term interest-bearing debt has decreased from 23.0% to 19.6% of the balance sheet total. The equity interest increased from 42.7% to 48.5%, and non-interest-bearing debt's share of the balance sheet total decreased from 19.2% to 15.7%.

Net interest-bearing debt decreased from 34.9% to 34.1% of the balance sheet total.

In 2023, equity is negatively affected by the acquisition of treasury shares at a net amount of DKK 11.5 million. Value adjustments of financial instruments held to hedge future cash flows, primarily forward contracts (PLN against EUR), had a positive effect on comprehensive income and, thus equity in the amount of DKK 69.6 million. Foreign exchange adjustments of the foreign entities had a positive effect on equity in the amount of DKK 11.6 million. Equity was negatively affected by DKK 36.3 million due to the dividend distribution.

Q4 2023

In Q4 2023, SP Group's sales totalled DKK 653.2 million, which is 0.7% higher than in the same period the year before. 1.4% relates to organic growth measured in local currencies. There was a negative currency effect of -0.8%.

EBITDA amounted to DKK 117.1 million, which is down 5 7% on the same period the year before. EBIT totalled DKK 69.4 million, which is down DKK 6.1 million on the same period the year before.

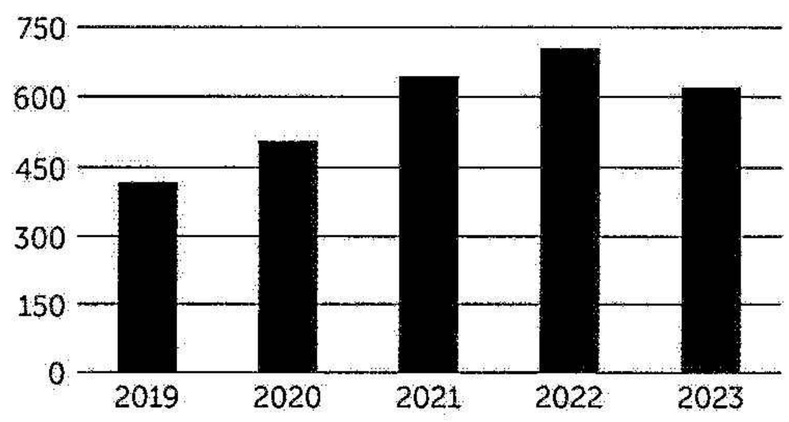
Profit before tax amounted to DKK 62.0 million, which is a decrease of DKK 3.6 million compared to the same period the year before. The EBITDA margin in the quarter totalled 17.9%, and profit before tax amounted to 9.5% of revenue.

Amortisation, depreciation and impairment losses totalled DKK 47.7 million, which is DKK 0.9 million lower than the same period the year before.

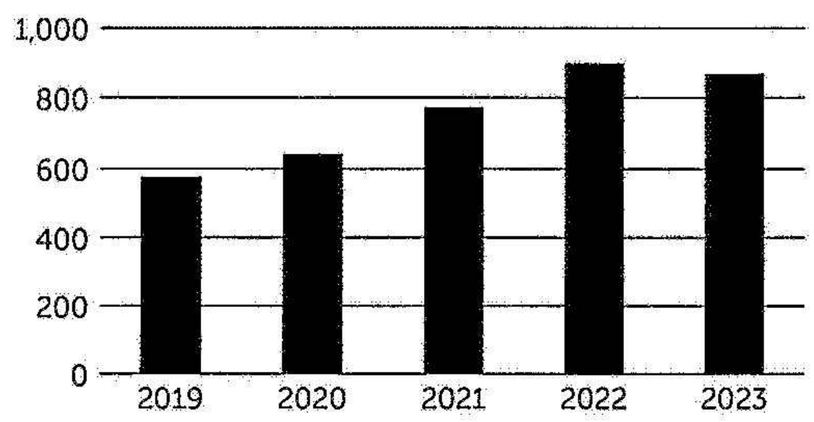
In Q4, cash flows from operating activities amounted to DKK 71.8 million (2022: DKK 54.3 million). Cash flows from investing activities were negative by DKK 67.3 million (2022: negative by DKK 122.3 million). Cash flows from financing activities were negative by DKK 27.1 million (2022: positive by DKK 87.5 million). Accordingly, the change in liquidity was negative by DKK 22.6 million (2022: positive by DKK 19.5 million).

Q4 was characterised by many market challenges. However, we finally obtained positive organic growth again measured in local currencies after several quarters with negative growth although it was below our expectations after Q3. The product mix was not quite as good as in the same quarter the year before, but still up on the past two quarters.

Revenue under own brands 2019-2023 (DKKm)



Revenue from healthcare products 2019-2023 (DKKm)



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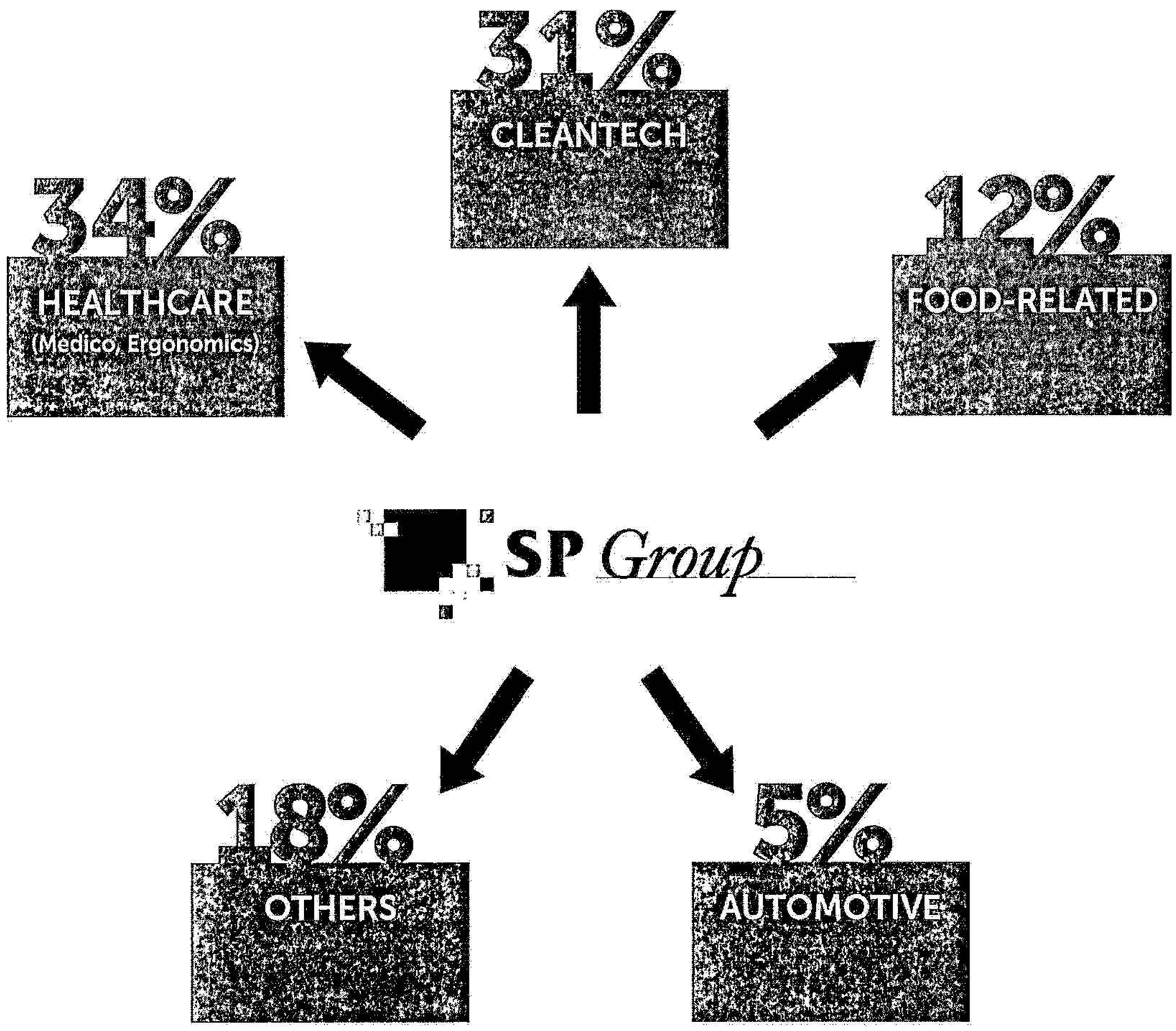
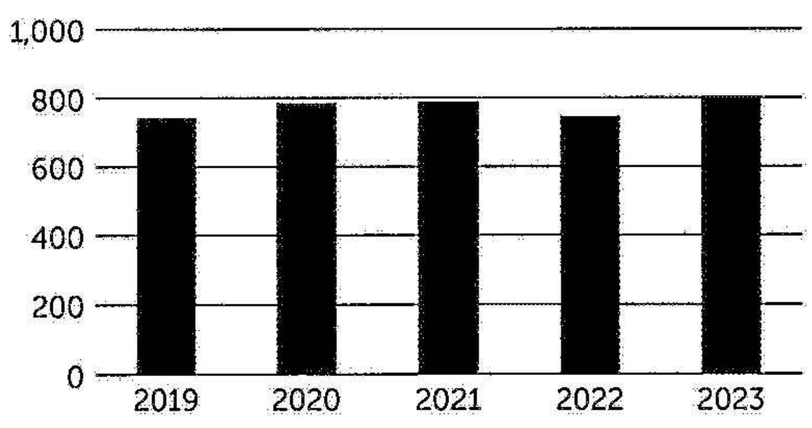
SP Group's sales in 2023 broken down by customer group:

Our Purpose =
Value Creation for
our Customers

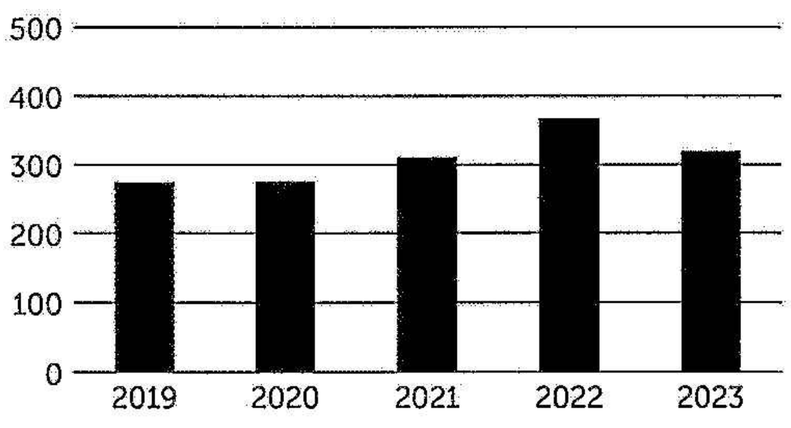


- More than 1,000 customers in total
- The largest customer accounts for 12.6% (2022: below 10%)
- The 10 largest customers account for 46% (2022: 48%)
- The 20 largest customers account for 56% (2022: 57%)

Revenue from cleantech products 2019-2023 (DKKm)



Revenue from food-related industries 2019-2023 (DKKm)



Follow-up on previously announced expectations

Revenue for the year of DKK 2,606.3 million and profit before tax of DKK 201.1 million, more or less correspond to the expectations announced on 15 November 2023 as to revenue growth in the range of 0-10% (realised growth of -1.9%), EBITDA margin of 16-18% (realised 16.9%) and an EBT margin of 7-10% (realised 7.7%). Sales in Q4 was below expectations.

Previously announced expectations in 2023:

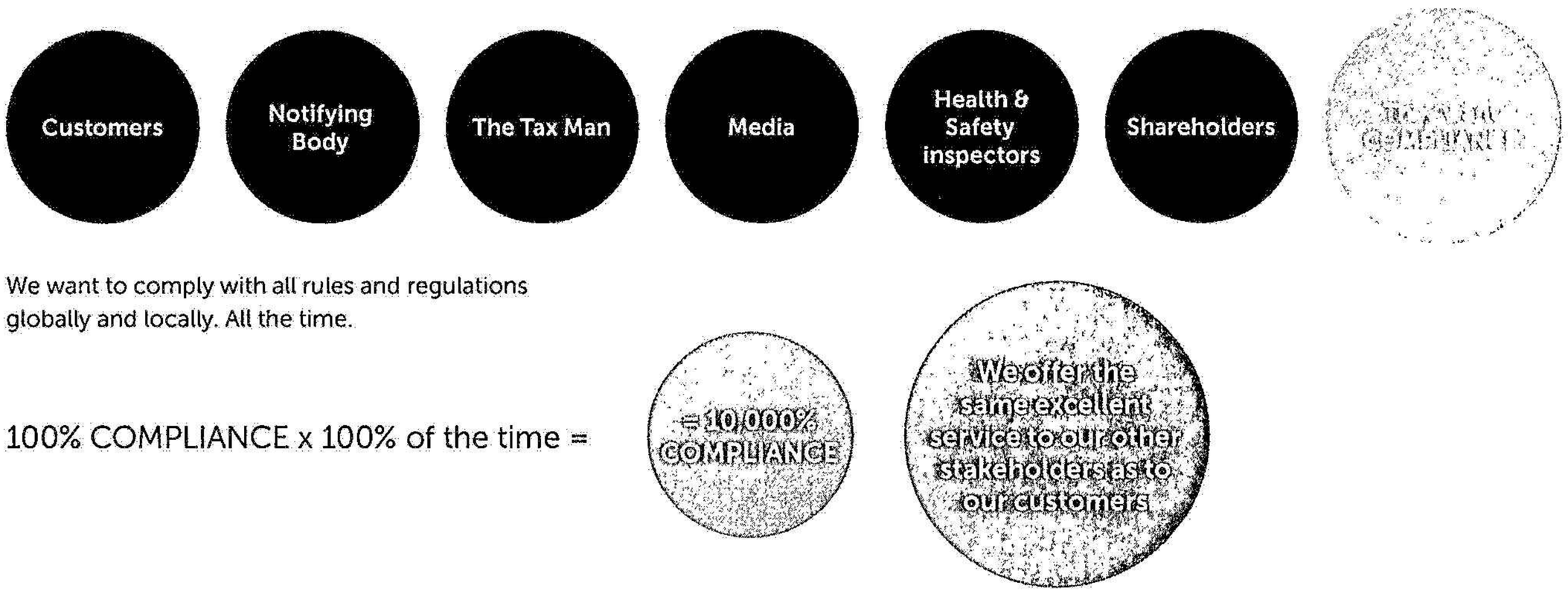
24 March:	High inflation, increasing interest, the energy crisis, the war in Ukraine, the spread of the coronavirus as well as government response cause considerable uncertainty as to the level of our activities and cash flows in the coming months. At present, we expect to realise revenue growth in the range of 5-15% with an EBITDA margin of 16-19% and an EBT margin of 9-12%.
24 May:	The same as 24 March 2023.
23 August:	Now, we expect a growth in revenue in the range of 0-10% with an EBITDA margin of 16-19% and an EBT margin of 7-10%, however, given the high inflation, higher interests, the energy crisis and the war in Ukraine, our level of activity and cash flows are subject to material uncertainty in the coming months.
15 November:	The same as 23 August 2023.

Events after the balance sheet date

No significant events have occurred after the balance sheet date until the publication of this annual report that have not already been incorporated in this annual report and that significantly change the assessment of the Group's and the Company's financial position.

Employees from Ergomat in Poland have been to the USA for training purposes in connection with the installation of mats From the left to the right. Dominik Kosecki, Łukasz Rakowski, Gabriel Gotkowicz, Adrian Niedzwiedzki, Tomasz Guzikowski

Compliance



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Outlook for 2024

Hopefully, the global economy will grow in 2024, but it is still fragile and marked by political and economic uncertainty. The neighbouring markets in Europe have grave government budget deficits and high indebtedness.

Russia's invasion of Ukraine can still have considerable adverse effects on the global economy and on our customers and suppliers – and thus on the development in SP Group.

Trade barriers between USA and the EU and between USA and China may have a strong negative impact on the global economy and thus on the development in SP Group. A potentially increased interest rate level will also have an adverse effect on the development in SP Group.

Interest rates in Europe and the USA are still much higher than in 2022, which has a considerable adverse effects on the global economy and on our customers and suppliers – and thus on the development in SP Group. Hopefully, inflation will soon come down to a lower level, so that central banks dare to cut interest rates again.

We will launch a number of new products and solutions for our customers, particularly in the healthcare, cleantech and food-related industries. These new solutions are expected to contribute to growth and earnings.

We are well positioned for contributing with advanced solutions for the green transition, and we expect that the wind turbine industry will again report growth in the coming years.

We are pleased to note positive growth in Q4 2023 and that the order intake continuously improves. Therefore, we believe that we can create profitable growth in the coming quarters.

Through our acquisitions of Bovil and DAVINCI 3D in 2022 we are even better positioned for servicing our customers from the very product launch to full-scale production.

Through our acquisition of Meditec in 2022, we have increased our qualifications within healthcare even further.

A high investment level will be maintained in 2024. The most significant investment is expected to be made in our healthcare activities with a new factory in Atlanta, USA. At this factory, we are able to service our customers at three continents with a wide variety of our production technologies.

Depreciation and amortisation are expected to be realised at a slightly higher level than in 2023, among other things due to the heavy investments made in 2023.

Financial expenses are expected to be realised at the same level as in 2023.

Combined with strict cost control and early capacity adjustment as well as continued strong focus on risk management, cash management and capital management, this contributes to creating a sound basis for the Group going forward.

Due to inflation, higher interests, volatile energy prices and the wars in Ukraine and Gaza our level of activities and cash flows in the coming months are subject to great uncertainty. At present, we expect to realise revenue growth in the range of 5-15% with an EBITDA margin of 16-19% and an EBT margin of 9-12%.

Up to 2024 Ambition

Based on the results realised in the period 2010-2015, we drafted our 2020 ambition, which was revenue of approx. DKK 2 billion and an EBITDA margin in the range of 14-15% in 2020. Profit before tax should reach 8-10% of revenue up from the 6.1% realised in 2015.

With the results in 2018 (revenue of DKK 2.0 billion, an EBITDA margin of 14.5% and profit before tax of 10.2% of revenue), we had met our 2020 goals as soon as in 2018. Therefore, we launched our 2022 ambition. The low growth rates in 2018 and 2019 and the coronavirus outbreak in 2020 delayed the realisation of our ambitions. We thought that we would be delayed by 2 years and renamed our 2022 ambitions to 2024 ambitions, primarily due to the coronavirus outbreak.

"Up to 2024, it is our ambition to generate revenue in the range of DKK 3.3-4.0 billion through continued customer focus and organic growth combined with acquisitions ("buy and build" strategy, preferably companies with own products and trademarks).

By increasing the share of own products in total sales from the current 23.8% to 28-30% in 2024, continuing the internationalisation and increasing efficiency further as well as by making massive investments in new technologies and people, it is our ambition to improve the EBITDA margin to 16-19% by 2024 (or more) and increase profit before tax to 10-12% of revenue, as the share of own products and advanced solutions is expected to increase more relative to the rest of revenue.

In respect of subsupplier tasks, the goal is still to generate profit before tax corresponding to 5% of revenue. It is therefore our ambition to increase profit before tax to approx. DKK 400 million by 2024 (12% of DKK 3.3 billion). This assumes that the markets we operate in are generally well-working and that acquisition opportunities at fair prices are available."

We have built an organisation that has the skills and the capacity to deliver on our 2024 Ambition in 2024. However, it is doubtful whether we will be able to obtain the orders required. So far, we have increased the top line, but less than desired, we have increased the EBITDA margin, and we have increased the equity ratio.

We still have the ambitions and conclude on the "2024 Ambition" in a year.

It is Management's goal to realise a ratio of net interest-bearing debt to EBITDA of 2-3.5 and to maintain this level. This goal leaves room for more activities than planned. SP Group will continue to reduce its net interest-bearing debt by strengthening cash flows from operating activities and by selling non-value-creating assets in order to release capital.

The equity ratio (including non-controlling interests' share of equity) will be maintained at 25-45%. Should the equity ratio decrease due to a higher level of activity, the Company will consider asking the shareholders for additional capital. If, on the other hand, the equity ratio increases, any excess capital is expected to be transferred back to the shareholders unless it is in the interest of the Company to increase the equity ratio.

SP Group aims at providing its shareholders with a fair return through increases in the share price. It is the ambition that earnings per share (EPS) should increase by an average of 20% annually over a five-year period.

In recent years, dividends distributed have totalled 15-20% of the profit after tax. Every year before the annual general meeting, Management assesses whether the level is adequate. The proposed dividend for 2023 corresponds to 23.5% of profit after tax.

Customers

A service level adapted to the individual customer's requirements and expectations is essential if we are to be regarded as a competitive, innovative, reliable and decent supplier.

Customers' requirements and expectations are constantly growing, as the general development offers more and more options, and a number of areas seem increasingly complex. Therefore, customers benefit from SP Group's expertise when they make decisions on plastic and composite solutions as well as surface coatings.

SP Group's offers to its customers are based on the ambition of being the best local partner within plastics, composites and coatings in relation to product supply, competitiveness, availability and value creation. Often, SP Group succeeds in accommodating customers' global needs through local presence or by coming up with a globally competitive solution from one factory. In 2010, Tinby's local presence was established in China. Our sales and service activities in North America were expanded with production activities in 2013.

With the acquisition of Bröderna Bourghardt AB in 2014, we increased our local presence in Sweden and Latvia where we now have both sale, development and production of Telene products and composite solutions. In 2022, Bröderna Bourghardt set up operations in Thailand to get closer to the customers in southeast Asia.

In 2015, we increased our local presence in Slovakia through the acquisition of Ulstrup Plast A/S, involving production, assembly and sale of injection-moulded components and solutions. In 2018, we expanded further with our investment in Kodaň Plast s.r.o., which makes machined plastic components. With the acquisition of Kodaň Plast s.r.o., we improved our product range within prototypes and low volume production (machined plastic components).

In 2016, we increased our local presence in Norway and Sweden through the acquisition of Plexx AS / Opido AB.

Plexx AS / Opido AB also brought new competences in the form of
- Laser cutting in acrylic
- Bending in acrylic
- The composite technology ORS (Opido Reinforced System).

Furthermore, we added blow moulding to our product range through the acquisition of MedicoPack A/S in 2016.

With the acquisition of Tinby Skumplast A/S and MM Composite A/S in 2017, we expanded our product range with 'block foaming' in PUR and PIR and a number of advanced composite solutions. Our local presence in the USA has been expanded with composite production and was further expanded in 2019 with the production of vacuum-formed plastics and sale of farm ventilation components.

In 2019, local presence in Finland was expanded by the acquisition of Coreplast, which is a state-of-the-art injection-moulding company. It is our ambition that Coreplast can also sell a number of our other services in Finland. In 2021, local presence in Finland was expanded by the acquisition of Jollmax, which offers state-of-the-art coating solutions such as water printing that can add decorative surfaces to plastic, which is a new technology for SP Group. Jollmax Coating also performs EMS (Electro Magnetic Shielding).

In China, Tinby moved to new and larger premises in 2018. Activities have been expanded since then. In 2023, we brought together SP Moulding's and Tinby's activities in China on the same address.

DAVINCI 3D exhibited at the HI fair in October 2023

In northern China (Tianjin), Gibo established a 11,244 m^2 sales and logistics centre, which was expanded with vacuum-formed plastics production in 2020. With the acquisition of Dan-Hill-Plast in 2020, we now also offer rotational moulding to our customers; typically tanks, containers, ventilating ducts and other hollow plastic components. In the coming years, we will establish rotational moulding in other markets close to the customers. This happened in 2021 in China where two production lines are now operating and in 2022 Poland where three production lines are operating at the moment.

Advisory services within plastics, composites and surface treatment are becoming increasingly important, and SP Group is using the Group's expertise and technologies to create value for its customers. In 2022, SP Group acquired DAVINCI 3D A/S, which adds strong qualifications to SP Group within Advanced Additive Manufacturing and plastic construction, and Bovil ApS, which is an expert in CNC-processed plastic components of high quality. In 2023, co-operation with leading universities in the EU was extended and so was co-operation with a number of suppliers' research centres and laboratories. Among our suppliers are the world's leading chemical groups.

In 2023, we initiated the erection of an injection-moulding factory in the USA to service our current customers in North America even better and to reduce our carbon footprint from transportation.

Sales under own trademarks should be further increased. In a number of global niches, SP Group controls a large part of the value chain with own products that have higher margins than many of the products that SP Group manufactures as a subsupplier. Total sales of ventilation equipment from TPI, ergonomic workplace equipment from Ergomat, guide wires under the SP Medical trademark, own products from MedicoPack, fenders from Dan-Hill-Plast and industrial standard components from other parts of the Group have quadrupled over the past ten years, so that own trademarks have increased from approx. 16% to 23.8% of revenue. We have developed a number of new products that will be launched in 2024. In addition to increasing the sale of the existing products, the Group will continue to develop and acquire new products under own brands. In 2021, we acquired Neptun Plast A/S and Atlantic Floats Denmark A/S, which develop, manufacture and sell floats, baskets, cod end rings, bobbins and baskets for the fishing industry. In 2022, we acquired Meditec Plaststøbning A/S, which among other things manufactures and sells swab kits.

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Growth must also be generated from customers and growth industries. An obvious example is the healthcare industry. Sales to this industry totalled DKK 868 million in 2023. Growth in healthcare sales will be further increased with the committed business units SP Medical, Meditec, MedicoPack and Ergomat as the primary drivers. The figure on page 11 shows the development in total healthcare sales, which accounted for 33.3% of revenue in 2023. Sales to the healthcare industry decreased by 3.3% in 2023.

SP Group has also established an international position as a supplier of cleantech solutions, a position that we plan to strengthen in order to support the green transition.

The figure on page 12 shows the development in sales to the cleantech industry, which accounted for 30.9% of revenue in 2023. Sales to the cleantech industry increased by 8.0% in 2023.

A number of our customers are food manufacturers or suppliers to food manufacturers. This area is called "food-related industries". Sales to food-related industries accounted for 12.2% of revenue in 2023 and amounted to DKK 319.2 million. Trends in sales to food-related industries are shown on page 12. In 2023, sales to food-related industries decreased by 12.9%.

The healthcare, cleantech and food-related industries accounted for approx. 76% of total revenue in 2023.

Sales to the automotive industry decreased by 5.4% to DKK 141.4 million and now account for 5.4% of revenue.

Sales to other demanding industries decreased by 4.8% to DKK 472.8 million and now account for 18.1% of revenue.

The geographic expansion will continue through increased sales from the factories in Denmark, Sweden, Finland, Latvia, Slovakia, Poland, China, Thailand and the USA with particular focus on markets in Europe, the Americas and Asia. International sales have increased from approx. 50% to approx. 71% of revenue over the past ten years, and this ratio must be further increased.

Efficiency and rationalisation

In 2023, the Group's production structure was further streamlined and optimised, and heavy investments were made in new machinery, digitalisation, robots and vision systems.

Our competency development efforts will continue at the factories in China, Poland, Latvia, Slovakia, Sweden, Finland, the USA, Thailand and Denmark so that we can meet our customers' needs in a more efficient, better and less costly way.

In Poland, SP Medical has increased the production of guide wires, plastic components and assembly activities.

In Poland, SP Moulding has expanded its injection-moulding and assembly facilities and invested in many new machines, also offering 2K injection moulding (dual component) and (single component) injection moulding with machinery with a closing pressure of up to 1,500 tonnes.

In Poland, Tinby and Gibo Plast have also expanded its facilities and invested in many new machines.

In the USA and Poland, Ergomat has increased its capacity of ergonomic mats by improving productivity. Ergomat has expanded its floor space considerably in the USA and Poland.

In Finland, Coreplast has invested in new machinery to increase capacity and operational reliability. Coreplast offers 3K injection moulding (triple component) with machinery with a closing pressure of up to 500 tonnes and 1K injection moulding (single component) with machinery with a closing pressure of up to 1,500 tonnes.

In Latvia and Sweden, Brdr. Bourghardt has increased capacity and enhanced efficiency. In 2022, the company set up operations in Thailand.

Ulstrup Plast has increased capacity and enhanced efficiency in Denmark and Slovakia. In Slovakia, a large expansion project has been completed.

In Denmark, SP Moulding, MM Composite, Accoat, Tinby, MedicoPack, SP Medical, Gibo Plast and Dan-Hill-Plast have all enhanced efficiency and increased capacity. Tinby gathered its Danish activities in Søndersø. MM Composite and Tinby have integrated the organisations to provide even better and more efficient service to their customers.

In China, Tinby and SP Moulding have increased capacity and enhanced efficiency. SP Moulding also offers 2K moulding in China and has invested in a 1,600 tonnes 1K machine. In China, TPI has established a sales company, and Gibo Plast has established a sales and logistics company, which was expanded with the production of vacuum-formed items in 2020 and with rotational moulding in 2021. Investments were made in additional resources in 2023.

In the Netherlands, TPI has adjusted its business by downsizing its organisation. TPI established sales companies in the USA and China in 2019, which have had trouble gaining traction due to the coronavirus situation; however, sales in both China and the USA have increased.

In USA, Gibo Plast has established a sales company at MM Composite to be closer to customers for vacuum-formed components in North America. Tinby's North American sales company is also located at the same premises as MM Composite.

Plexx Opido and Nycopac have invested in new offices and new machinery and buildings in Sweden and expanded the sales company in Poland.

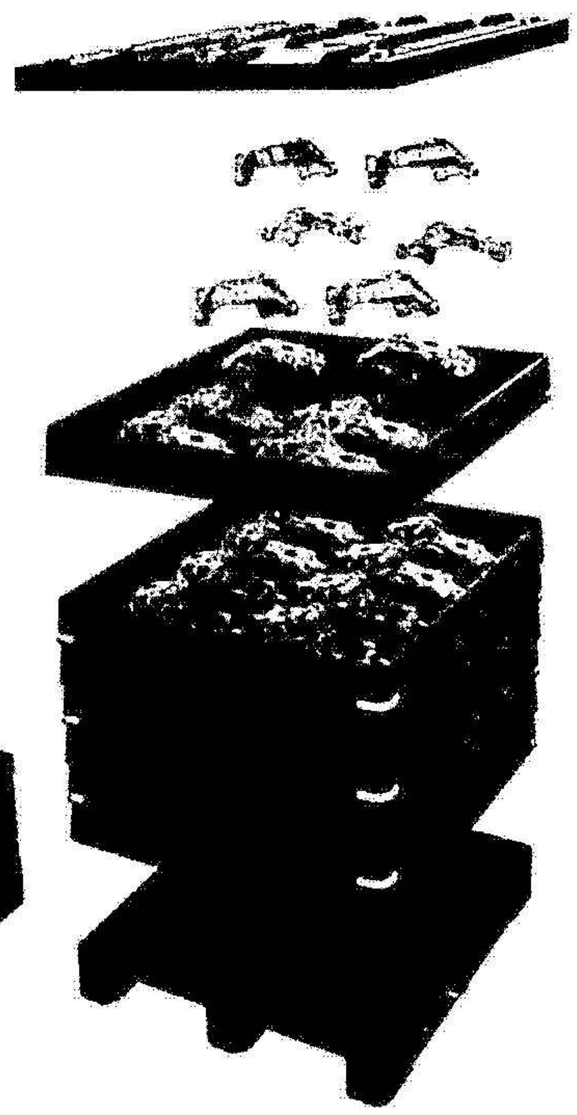
The reliability of delivery (on-time delivery) from all factories has now reached 98-99% and should be further improved. The level of quality is measured on an ongoing basis, and constant efforts are being made to improve quality.

Apart from capacity adjustments, we focus on adjusting general costs on an ongoing basis. SP Group's goal is for all production facilities to manufacture and deliver better, less costly and faster. Steps are taken on an ongoing basis to reduce the consumption of materials and resources (reduction of CO_2 emissions, etc.) and to reduce running in periods and switchover times in production. The current Lean process will continue with focus on improving processes and flows and strengthening our employees' competencies.

Many customers want new products made from recycled plastics or biobased plastics to reduce their carbon footprint. We replaced raw materials for a number of customers from virgin plastics to recycled plastics in 2023. The products are still fit for purpose and are now even more sustainable. In 2023, 13.9% of our plastic consumption was recycled or re-used plastic.

Finally, SP Group will constantly and critically analyse the Group's activities. If activities and businesses are unable to attain reasonable earnings, they will be closed down or sold.

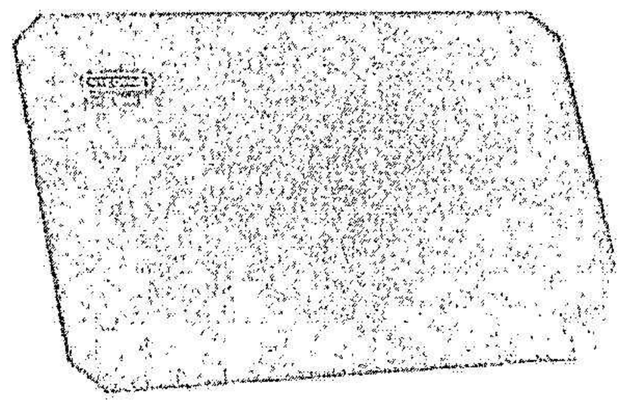
Nycopac Sleeve System

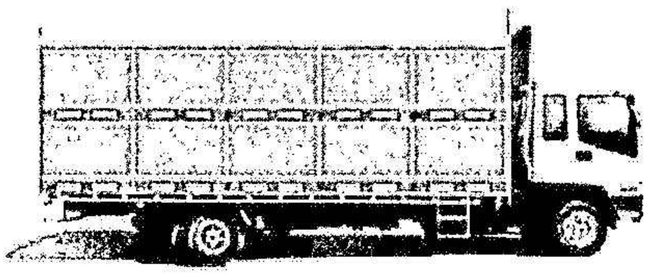


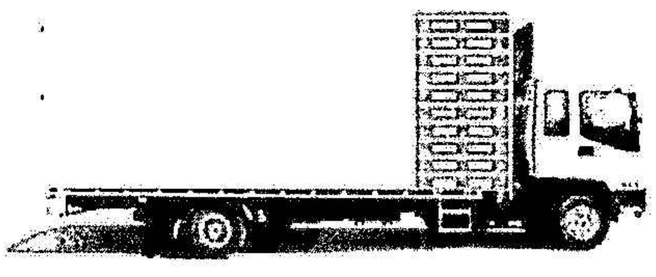
Self-supporting interlayers
Nycopac designs customized interlayers for transporting components for many industries. When using self-supporting interlayers, the components are fully protected by the interlayer and there is no need for additional pallet boxes or plastic film. The interlayers are self-supporting and do not rest on the underlying product layers and can thus be used for products that must not be subjected to pressure The interlayers are vacuum-shaped in such a way that they can be stacked with reduced height for return transport purposes, and the volume of the returned packaging is reduced by 60% or more. This reduces transport costs and the environmental footprint of the components.

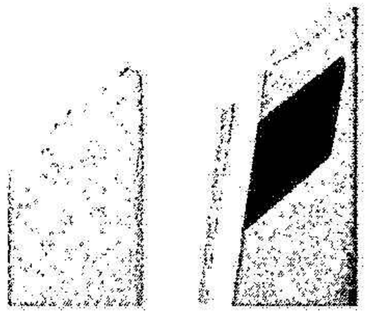
Foldable pallet containers
Nycopac is developing and selling foldable pallet containers to many industries. Products that are being transported and handled in the warehouse need to be protected in different ways. We have together with Swedish industrial enterprises, developed a functional foldable pallet container, which fulfils the most demanding requirements when used in transport and warehouse handling. The greatest advantages for the user are obtained in the return handling, durability, easiness to fold and unfold and the low weight. All included components are 100% reusable.

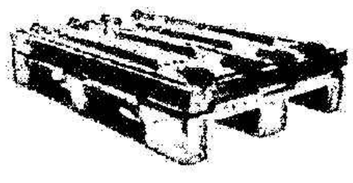
Interlayers
Nycopac is developing and selling interlayers to many industries. Interlayers are primarily intended to stabilize and separate the product layers from each other during transportation on a pallet. In 2022, Nycopac launched new interlayers in solid, recycled PP material for transporting heavy components, which are made from process waste from MedicoPack.











Coatings

- New tasks in the food industry
- More tasks in the medical device industry

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2023 in outline

Accoat and Jollmax perform tasks within a broad range of industries, including the medical device, cleantech, food-related and chemical industries. The production covers a broad range of coatings and a wide range of products.

Accoat and Jollmax coat a range of different products such as medical device equipment, chemical reactors, tanks, thermocouples, ovens, baking machines, filling machines, engine components, ventilation equipment, machine parts, electronic equipment as well as equipment for the oil and gas industry.

In principle, Accoat is able to coat all kinds of items and service many industries, but has decided to focus on corrosion-protective coatings for the industry as well as non-stick and low-friction coatings in particular for the food and medical device industries.

Jollmax focuses on Water printing, Electromagnetic shielding (EMS) as well as a number of visual, functional and decorative surface treatments.

Development in activities and financial matters

The aftermath of the Corona pandemic, continued war in Ukraine, interest rate hikes and global turmoil have had an impact on the level of activity and inspired some of the company's customers to reduce their stocks in general.

This has had a slightly negative impact on activity and profit for the year 2023, but as Accoat and Jollmax have great diversity in its customer portfolio, they have still managed to maintain a reasonable result.

Name:	Accoat A/S and Jollmax Coating Oy
Website:	www.accoat.dk and www.jollmax.fi
Location:	Kvistgård in North Zealand and Salo (Finland)
Executive Board:	Susie-Ann Spiegelhauer, CEO in Accoat A/S and Markus Oilshin, CEO in Jollmax Coating Oy
Activities:	Accoat manufactures coatings for a number of industries' products and production facilities. The components that are coated cover a wide field from very small needles to large tank installations. Jollmax Coating is specialised within industrial surface treatment
Description:	Accoat develops and manufactures environmentally friendly technical solutions for industrial and pharmaceutical purposes, including fluoroplastic coatings (Teflon®), PTFE and other high-performance polymers. Jollmax offers Water printing, Electromagnetic shielding (EMS) as well as a number of visual, functional and decorative surface treatments
Environment/ quality/working environment:	Reference is made to the list of certificates on page 46

Strategy

Accoat and Jollmax will continue to strengthen products as well as processes. This is made in cooperation with existing as well as new customers and suppliers.

Accoat's core business areas will still be non-stick and corrosion coatings for Danish as well as foreign industries.

As Accoat's coatings are to a high degree fluoropolymers, future EU legislation in respect of PFAS will adversely affect Accoat. Draft legislation was launched at the beginning of 2023, but the final EU legislation is not expected to be ready until in 2025; however, there is a risk that Danish legislation will be enacted before EU legislation.

All in all, this means that there is a great deal of uncertainty as to which coatings that can be used in future and possible restrictions on emissions that will be introduced. Therefore, Accoat started already in 2022 exploring the market to look for other types of coatings which can replace the fluoropolymers. This work continued in 2023 and numerous potential alternative coatings were tested internally and at customers. Accoat will continue and accelerate this work in 2024 and will continue to keep a close eye on any changes to the rules in this area.

Jollmax' unique services are sold primarily in Finland, and Jollmax' export activities are increasing.

Outlook

Continued turmoil in the global economy, inventory adjustments and volatile raw material prices imply that our level of activity is subject to uncertainty in 2024. Revenue in 2024 is expected to be up on 2023.

Expectations are that the market for non-stick as well as corrosion coatings will increase going forward as current production standards are generally high both in terms of performance, operating efficiency and lifetime, and higher standards are expected to be set.

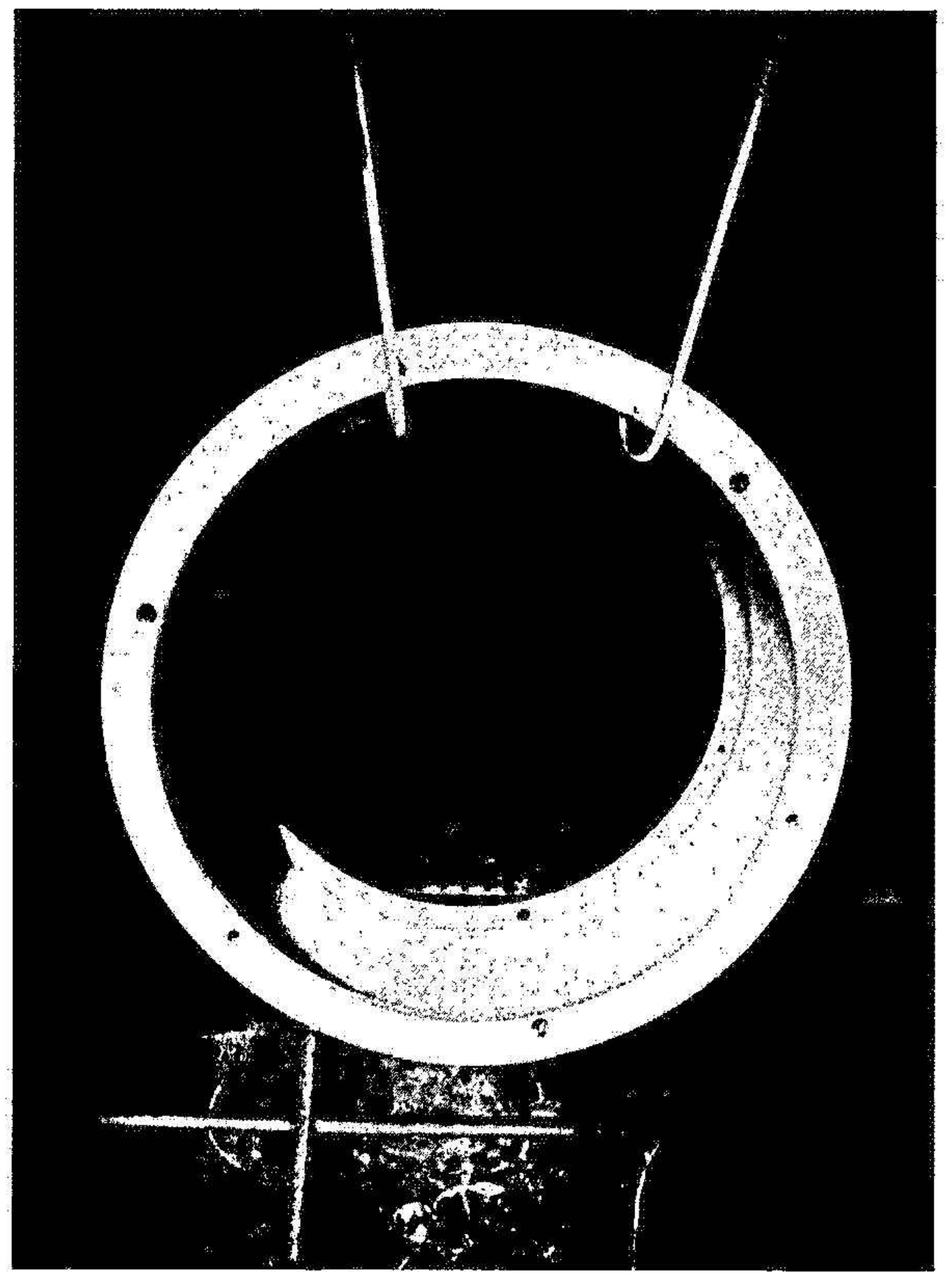
Use of non-stick coatings ease the cleaning of surfaces, which helps reduce the consumption of cleaning agents, the volume of water and time. For our customers, this means shorter interruptions of production due to cleaning and lower consumption of resources. Coatings may also make products and production equipment oil and water-repellent, heat insulating, electrically insulating or resistant to chemicals. In some industries, coatings are necessary to comply with safety requirements.

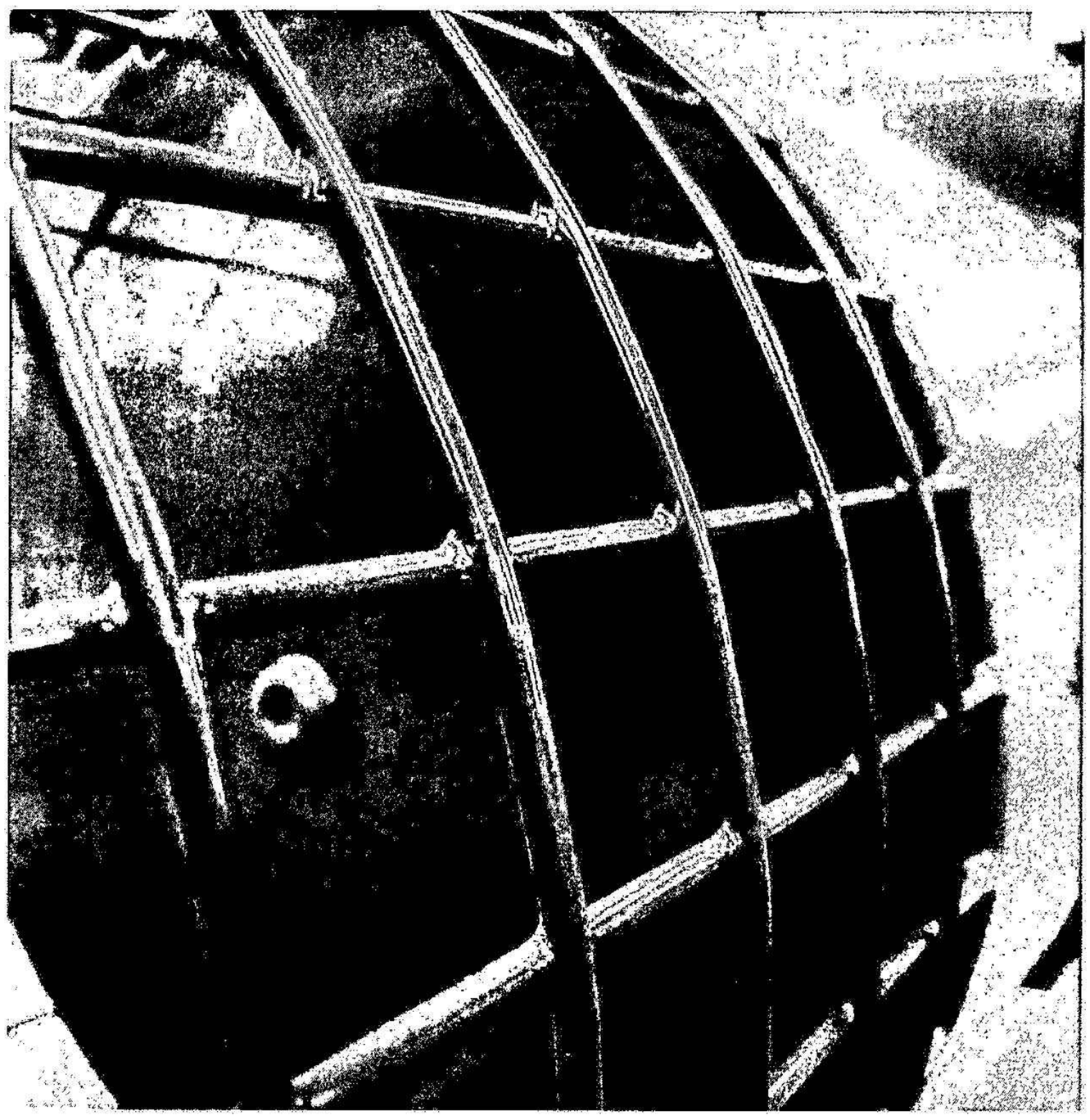
Corrosion coatings can improve the applicability, strength and lifetime of a number of products at the end user and reduce the use of expensive materials such as titan and high alloy steel types.

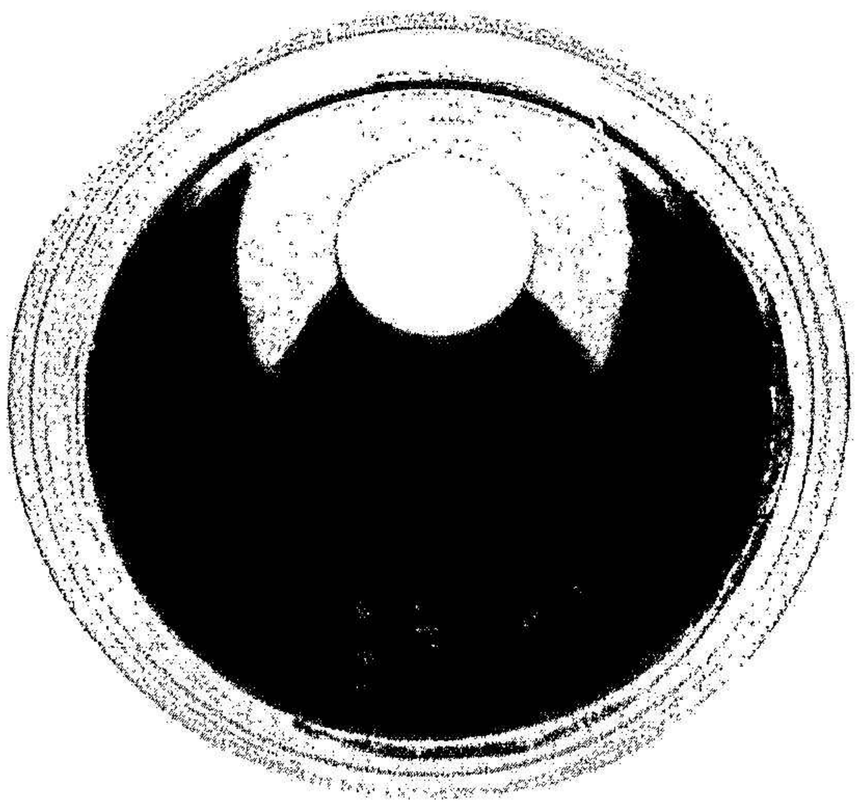
Visual, functional and decorative surfaces increase the value of many products for the customers.

Accofal 2G54 on welding tools for plastics
Good non-stick and long lifetime.

Sintering of the test components for customer.
The component is coated with Accocera P751,
which is an entirely new PFAS-free coating for
non-stick applications







Accotron for
corrosion protection
in pipe section

Accotron –
corrosion protection.

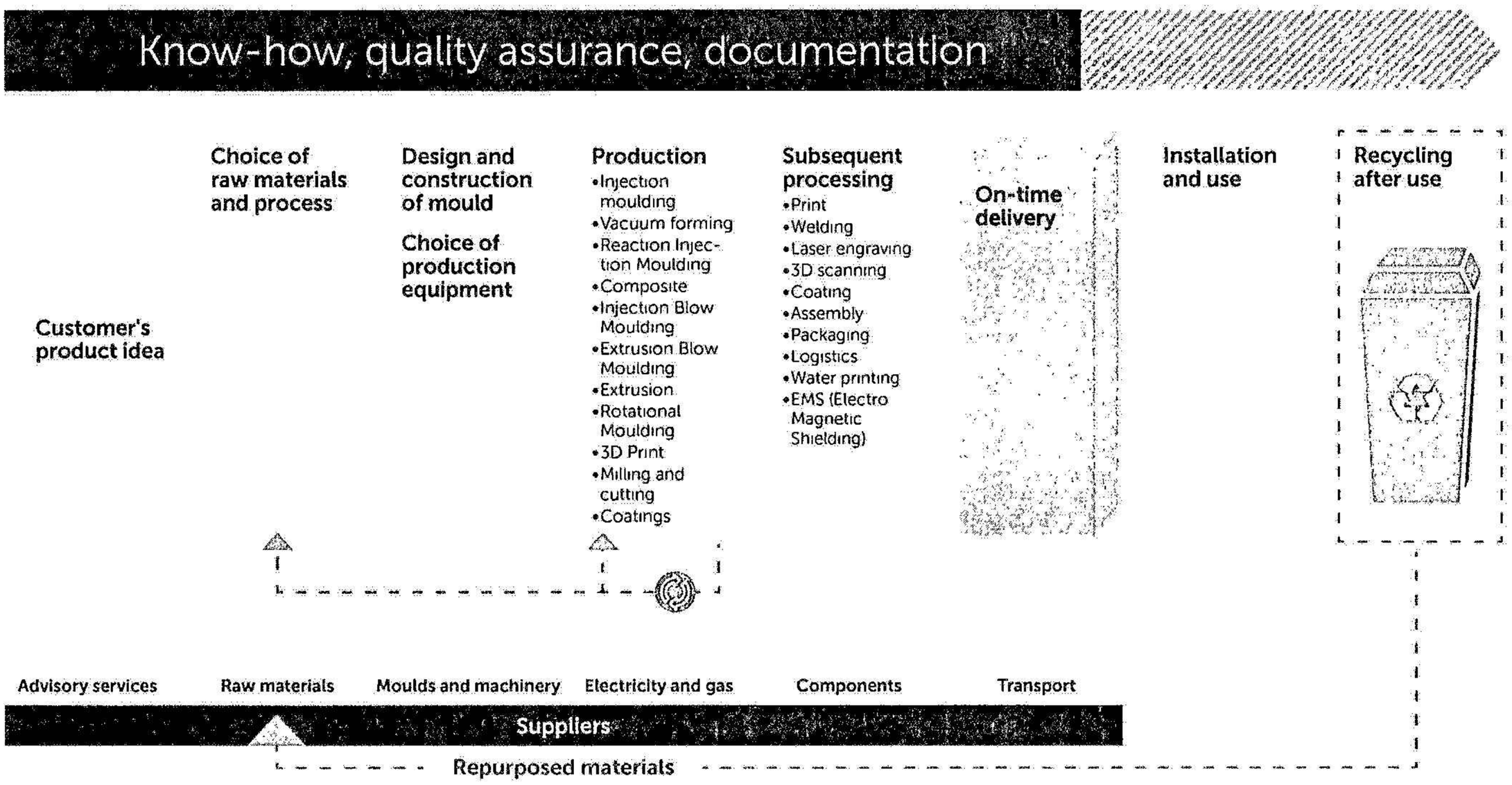
SP Moulding in Poland has more than 120 injection-moulding machines

Plastics and Composites

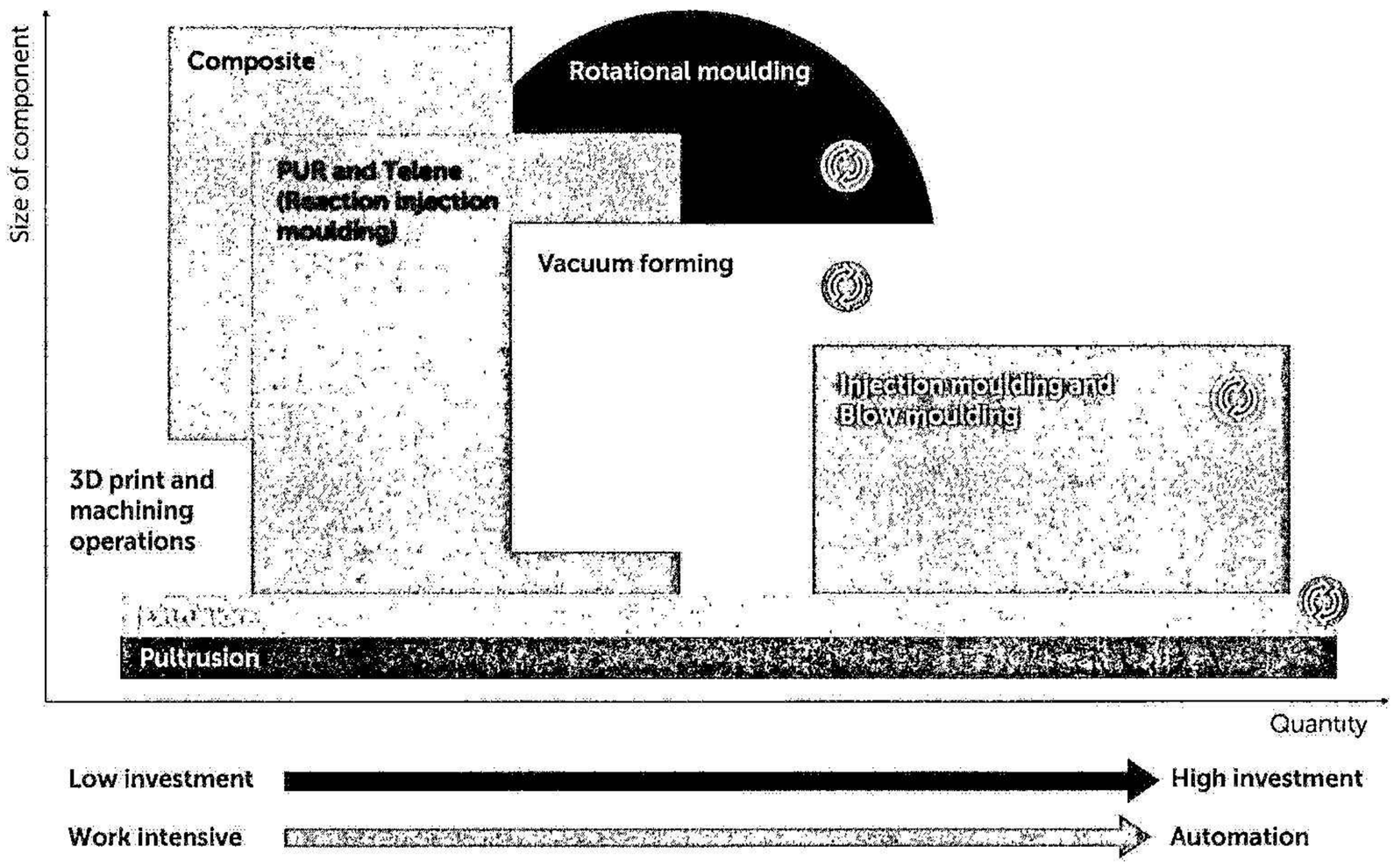
- New tasks in the healthcare industry
- New tasks in the cleantech industry
- More tasks in food-related industries

All plastic entities in SP Group provide customised solutions in close co-operation with the customers.

SP Group's value creation



The choice of production technology depends, among other things, on the size of the component and the number to be produced:



Prototypes are printed in 3D or machined.

Often, a product starts its life cycle in PUR. Once the product has penetrated the market to a certain extent, "Mark II" is made in vacuum, and much later when the production reaches a high amount, "Mark III" is injection-moulded.

Heavy investments were made and relocation of factories took place in 2023, adversely affecting earnings. The investments are expected to contribute positively to results of operations from 2024 onwards

= 0-100% regrind (recycled plastics)

20240807001108

3D Printing and Machining Operations

- New customers
- High activity

DAVINCI 3D A/S

DAVINCI 3D is a state-of-the-art 3D printing company with production facilities in Billund.

DAVINCI 3D is one of Denmark's leading companies within advanced Additive Manufacturing (3D print). DAVINCI 3D has a development department, which helps develop, design and calculate our customers' products.

In 2023, DAVINCI 3D performed well and invested in new machines which can 3D print components in many colours and varying hardness. We hope that the customers will discover the fantastic new opportunities.

Bovil ApS

Bovil is leading in CNC processing of plastics such as turning and milling as well as five-axis milling.

Bovil is an acknowledged partner as subsupplier for a broad range of industries and through continuous investment in automation and employees ensured a high reliability of supply vis-a-vis its customers and become a reliable partner for the development of projects.

Bovil – Processessing of plastics with care.

Name:	DAVINCI 3D A/S, Bovil ApS and Kodaň Plast s.r.o.
Website:	www.davinci.dk, www.bovil.dk and www.kodanplast.eu
Location:	Billund, Odense, Zilina (Slovakia)
Executive Board:	CEO Ole Lykke Jensen (DAVINCI 3D), CEO Steen Vilsøe Nielsen (Bovil) and CEOs Jens Møller and Peder Hyldegaard (Kodaň Plast)
Activities:	DAVINCI 3D is specialised within advanced Additive Manufacturing (3D printing) and can 3D print subjects in many colours and in varying hardness. Bovil is specialised in CNC processing of technical plastics. Kodaň Plast is specialised in rotation and milling of plastic materials as well as bending, gluing and welding of plastics
Description:	In 3D printing, the plastic components are built layer on layer based on a 3D model, which is divided into very thin "slices". Thereby even very complicated items, which cannot be moulded in any other way can be manufactured using 3D printing. Machining of plastic components is made by processing plastic components such as poles, blocks or plates. The process does not require any moulds and is thus suited for very small batch sizes
Environment/ quality/working environment:	Reference is made to the list of certificates on page 46

Kodaň Plast s.r.o.

Kodaň Plast in Slovakia continued its nice growth rate in 2023.

Focus is directed at optimising the rate of utilisation of CNC processing facility to continue to be able to offer attractive prices to current as well as new customers in all kinds of plastic materials. To this should be added the investment in automated solutions to support the global trend.

Part of the growth stems from complex and labour-intensive processed, welded and glued plastic components primarily for the food, medical device and graphic industries.

DAVINCI 3D, Bovil and Kodaň Plast serve customers abroad and in Denmark with 3D printed or CNC machined items for:

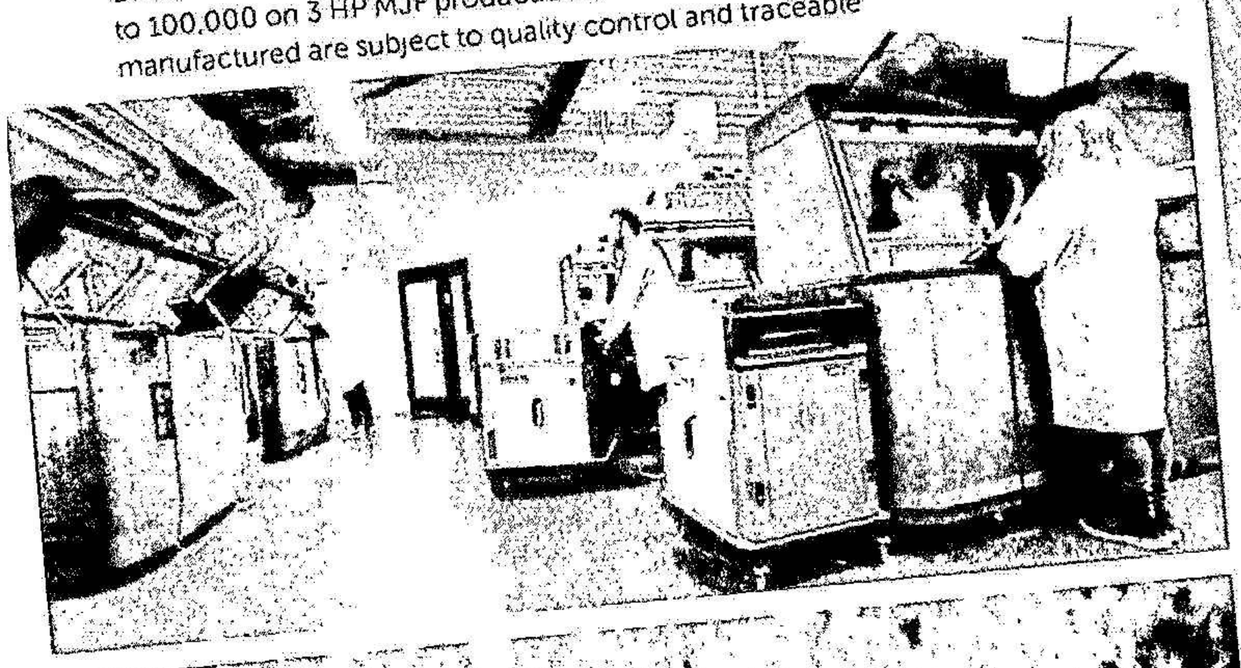
- Prototypes
- Exhibition models
- 0-series
- Series production
- Spare parts
- Production equipment

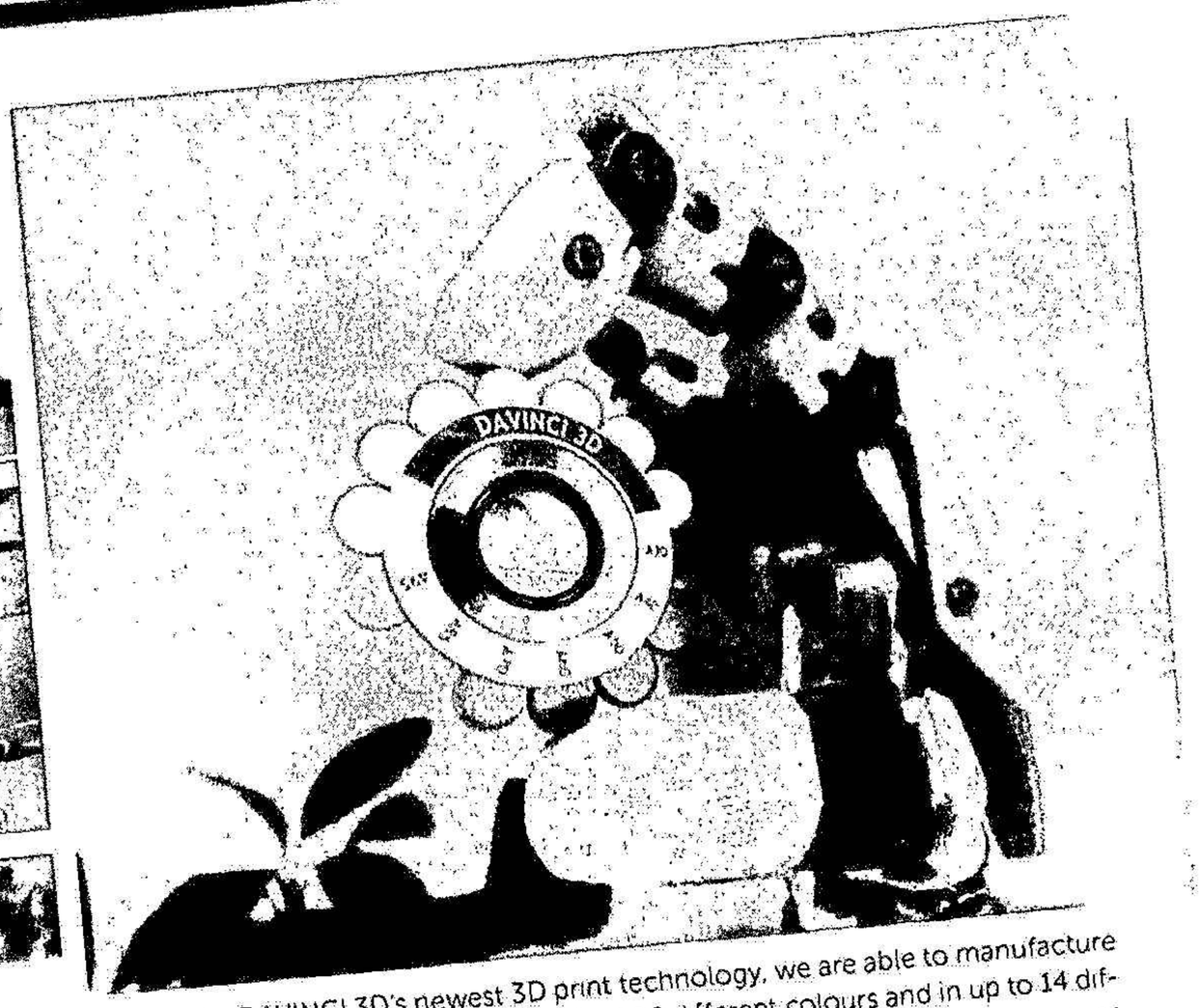
DAVINCI 3D, Bovil and Kodaň Plast are extremely fast in "time to market".

Given DAVINCI 3D, Bovil and Kodaň capabilities, SP Group can help the customers even more efficiently and competitively "all the way" from development, prototype and low-volume manufacturing to high-volume manufacturing in plastics and reduce time and money spent by the customers.

Kodaň Plast processes components for this card reader, which registers employees at the entrance to e.g. a building site.

DAVINCI 3D manufactures components in series sizes of up to 100.000 on 3 HP MJF production lines The components manufactured are subject to quality control and traceable



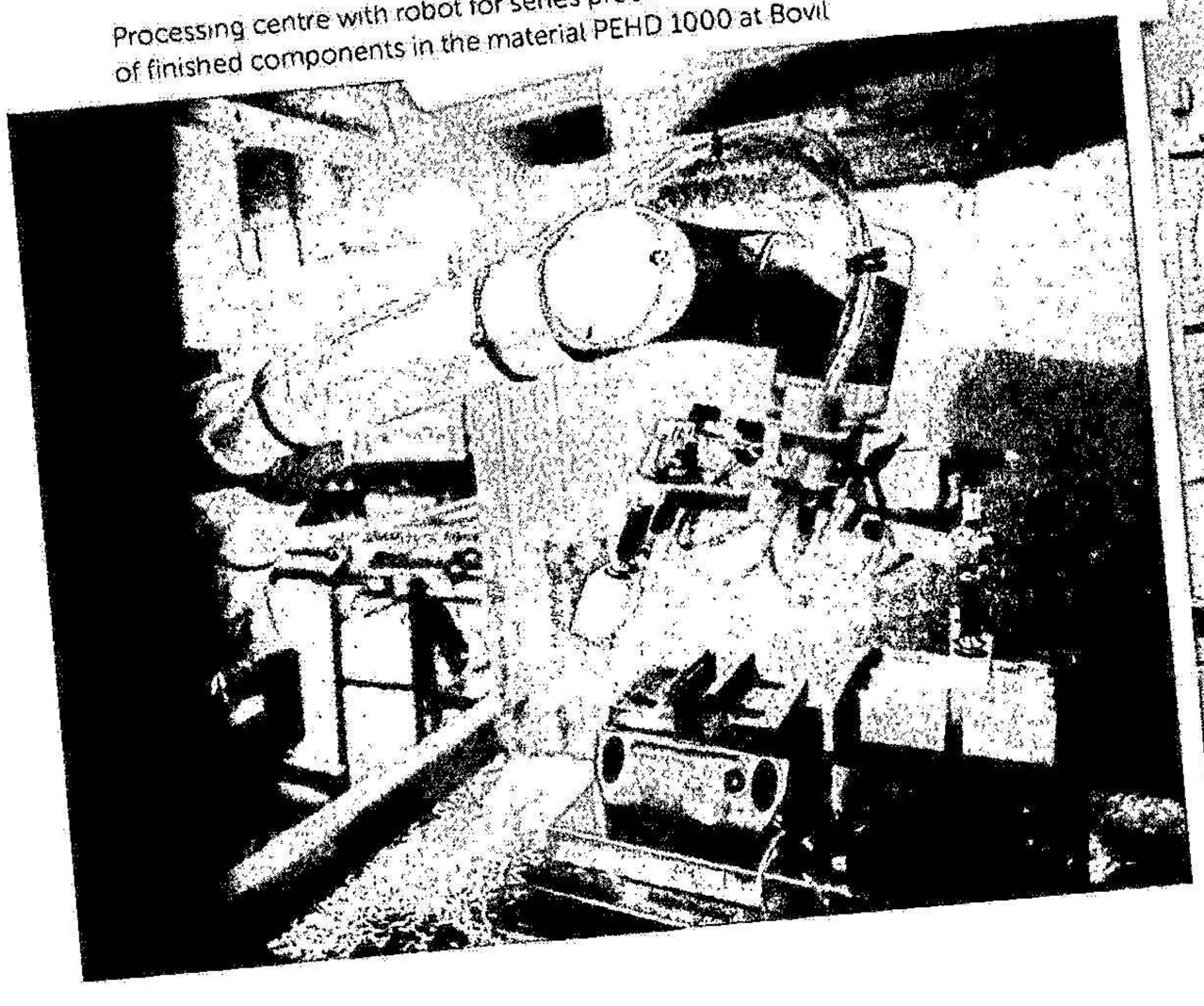


With DAVINCI 3D's newest 3D print technology, we are able to manufacture components in acrylics in up to 600,000 different colours and in up to 14 different hardnesses Moreover, we are able to deliver transparent components as well as a combination of all of the above

DAVINCI 3D has designed, 3D modelled and 3D printed a torch based on a sketch from a pupil. The torch was used for School OL, which is an event hosted by the National Olympic Committee and Sports Confederation of Denmark in Billund in June 2023

Jesper Rasmussen, industrial technician at Bovil, check-measures specialised gear wheel to ensure a high quality and to check limits

Processing centre with robot for series production of finished components in the material PEHD 1000 at Bovil



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Injection moulding and Blow moulding

- Global progress
- Many new tasks
- New factory in the USA in 2024

2023 in outline

Despite challenges we succeeded in securing many new projects, entailing an increasing level of activity.

SP Moulding, Sander Tech, Ulstrup Plast and Coreplast saw a good influx of a number of new customers in Europe, the Americas and Asia, and business with existing customers increased in both Europe and Asia.

SP Medical and Meditec entered into a number of new agreements with both new and existing customers in the medical device industry.

In 2023, considerable investments were made in new advanced production equipment (including many new injection-moulding machines with state-of-the-art robotic solutions, large energy saving projects and even more IT) as well as in development and start up of many new projects.

We have initiated the erection of a new injection-moulding factory in Atlanta, USA, where we will also set up a cleanroom production. The factory will be finished mid-2024.

SP Moulding, SP Medical, Meditec, Coreplast and Ulstrup Plast have entered into agreements to purchase injection-moulding machines for delivery in 2024. The machines will be used to expand activities with existing and new customers. We have expanded our production facilities in several factories, and further construction is ongoing to enable us to meet the increased demand.

MedicoPack exports approx. 90% of its products. Heavy investments are still made in MedicoPack to keep up with developments.

In July 2021, Neptun Plast and Atlantic Floats Denmark were acquired. Both companies contribute to increased growth and are specialised in equipment for the fishing industry.

In the autumn of 2022, Meditec was acquired, and throughout 2023, the company won a number of tasks and major projects for a number of large Danish and foreign medical device customers. These tasks will be fully implemented in 2024. As a direct consequence, Meditec has made heavy investments in new production equipment and technologies and expanded its development capacity in the form of more project employees.

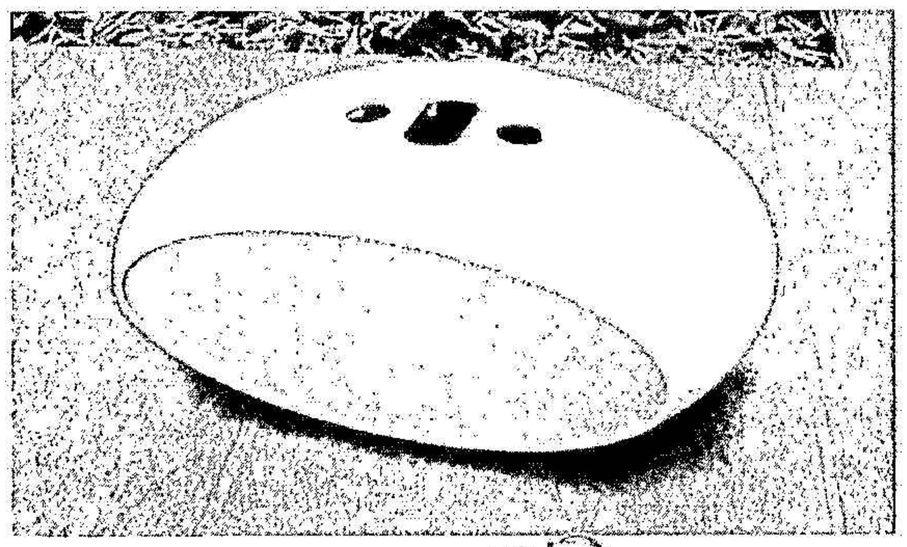
Name:	SP Moulding A/S, Sander Tech ApS, Coreplast Laitila Oy, Ulstrup Plast A/S, SP Medical A/S, Meditec A/S, MedicoPack A/S, Neptun Plast A/S and Atlantic Floats Denmark A/S
Website:	www.sp-moulding.dk, www.coreplast.fi, www.up.dk, www.meditec.dk, sp-medical.dk, www.medicopack.com and www.neptunplast.com
Location:	Juelsminde, Stoholm, Karise, Lynge, Langeskov, Vordingborg, Helsingør, Sieradz (Poland), Zdunska Wola (Poland), Laitila (Finland), Pobedim and Zilina (Slovakia) and Suzhou (China)
Executive Board:	Søren Ulstrup, CEO of SP Moulding A/S, Ulstrup Plast A/S, Neptun Plast A/S and Atlantic Floats Denmark A/S, Jens Birklund Andersen, CEO of Sander Tech ApS, Mikko Toivonen, CEO of Coreplast Laitila Oy, Mogens Laigaard, managing director of SP Medical A/S, Thomas Bo Iversen, CEO of Meditec A/S, Torben Bruhn, CEO of MedicoPack A/S
Activities:	SP Moulding, Sander Tech, Coreplast, Meditec and Ulstrup Plast are leading manufacturers of injection-moulded precision components in plastic for a broad range of industrial enterprises. SP Moulding (Suzhou) Co., Ltd. in China, SP Moulding Poland Sp. z o.o. and Ulstrup Plast s.r.o. manufacture technical plastics and perform assembly work. In Karise, Helsingør and Zdunska Wola (Poland) the business units SP Medical and Meditec develop, manufacture and sell medical devices and components for the medical device industry. MedicoPack develops, manufactures and sells packaging material and pharmaceutical disposable equipment within injection and infusion therapy to the global pharmaceutical and healthcare industries
Description:	In addition to the actual moulding, which is carried out in modern production facilities, the business area handles all finishing such as 3D scanning, laser engraving, laser welding and ultrasound welding. SP Moulding, SP Medical, Meditec and Coreplast also handle partial or full assembly, packaging and shipment for a large number of customers. MedicoPack's production technology is based on blow moulding, IBM (Injection Blow Moulding) and EBM (Extrusion Blow Moulding), and the entity has a leading position in the area of production of packaging material for pharmaceutical purposes
Environment/ quality:	Reference is made to the list of certificates on page 46

Markets and products

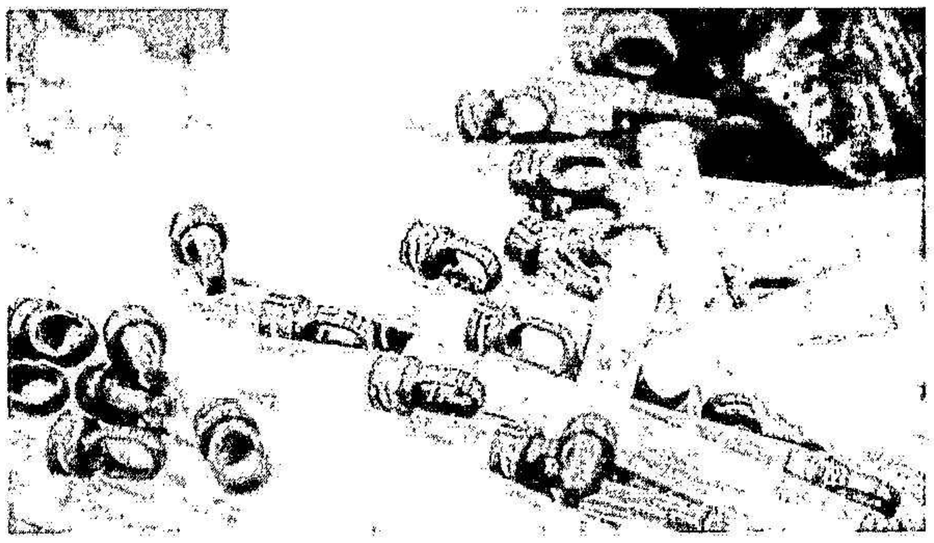
With approx. 550 injection-moulding machines (including more than 40 two- and three-component machines), SP Moulding, SP Medical, Meditec, Coreplast, Ulstrup Plast and Neptun Plast are, combined, the largest independent injection-moulding business in Denmark and rank among the largest two in the Nordic region. The market is still characterised by many small suppliers and excess capacity in certain areas, and a number of customers are turning to low-wage areas. However, several groups with own production of injection-moulded plastics choose to outsource activities to specialists such as SP Moulding.

Moreover, the market is increased by substituting plastics for other materials. SP Moulding, Coreplast and Ulstrup Plast enjoy obvious advantages in the Northern European market due to their size and expertise in injection moulding and design, product development, international sourcing of moulds and raw materials as well as additional services such as welding, laser engraving, print, 3D print, 3D scanning, full assembly, packaging and shipment of finished products, often in close co-operation between the factories in Poland, Slovakia, China, Finland and Denmark. As price remains an important parameter, production efficiency needs to be further enhanced. In Europe and China, we are a minor supplier of technical plastics, but there is a potential in both regions for considerable growth by virtue of the companies' overall know-how and expertise.

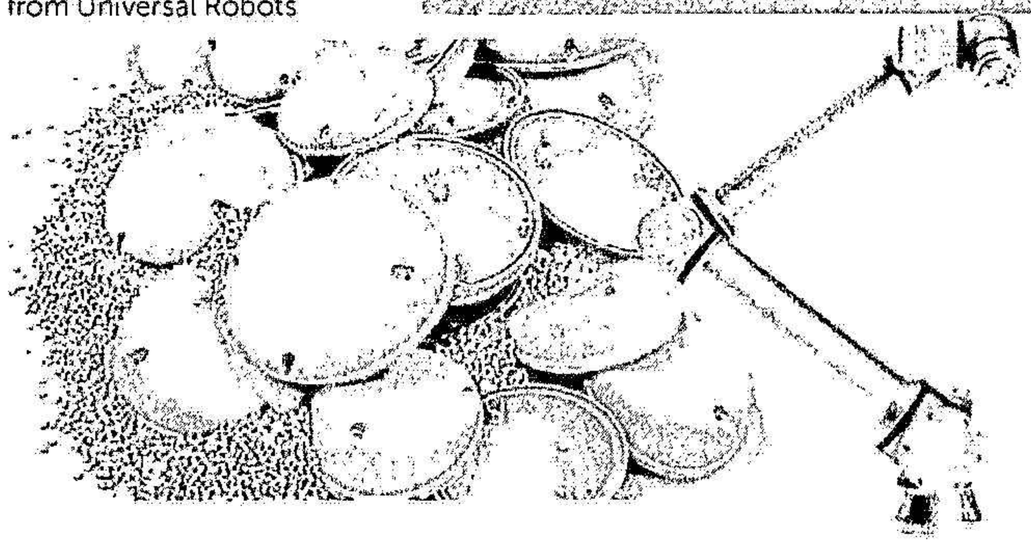
Neptun Plast/Atlantic Floats Denmark manufacture products for the fishing industry and for the rapidly growing fish farming industry.



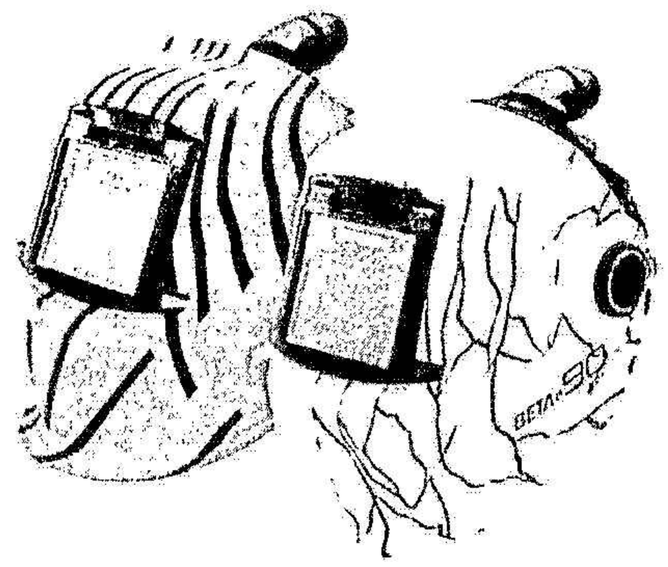
SP Moulding manufactures components for these powerful lift modules to Guldmann



SP Moulding manufactures cover plates for the Cobot series from Universal Robots



Meditec manufactures these swab kits for bacterium analysis



Coreplast injection moulds components for these helmets from Kemppi and Jollmax Coating performs water printing and coating

SP Medical addresses a potential market of approx DKK 15 billion with annual growth of 5-7%. SP Medical ranks among the two or three largest Nordic suppliers of injection-moulded plastics to the medical device industry, and in the niche of PTFE-coated guide wires for cardiology, radiology and urology, etc., SP Medical is among the three largest suppliers in Europe. SP Medical also manufactures medical components and equipment and coats products with function-enhancing coatings. With its expertise and quality standards, SP Medical's opportunities to increase its market shares are good.

Meditec is an innovative partner in the development, manufacture and assembly of injection and blow-moulded plastic components. As the only company in the Nordic region, Meditec has developed and manufactures swabs for collecting clinical samples and delivers quality products for the healthcare sector from its state-of-the-art facility in Denmark. We are part of the process from idea to finished product. We are working with a very agile set-up which ensures focus on fast implementation to ensure that our customers quickly get their products on the market.

MedicoPack develops, produces and sells packaging material and pharmaceutical disposable equipment within injection and infusion therapy to the global pharmaceutical and healthcare industry. Production activities take place, e.g., in cleanrooms and under sanitary controlled conditions where quality control and documentation are key competences. The production technology is based on blow moulding, IBM (Injection Blow Moulding) and EBM (Extrusion Blow Moulding), and the company has a leading position in the area of the production of packaging material for pharmaceutical purposes.

Strategy

SP Moulding, Coreplast, Ulstrup Plast and Neptun Plast/Atlantic Floats Denmark will increase exports from the four Danish factories and the Finnish factory to the neighbouring markets. The Polish and Slovakian factories will strengthen the marketing of technical plastics and assembly activities in the growth markets in Eastern and Western Europe. We will continue to move labour-intensive tasks from Western Europe to Poland, Slovakia and China and to invest heavily in technology and people.

SP Moulding, Coreplast and Ulstrup Plast must win market shares in all markets by offering better customer service, intensifying participation in customers' product development and by targeting their efforts at growth industries. Competencies should be strengthened continually to allow us to differentiate ourselves also in future. In all plants, the production efficiency enhancement programme will continue, e.g. by means of Lean projects, more automation and focus on energy and raw material consumption, disposals as well as switchover times. We will continue our participation in the strengthening of our position in Northern Europe where relevant and examine whether new technologies may complement our broad range of competences and our aim to be a "one-stop shop".

Neptun Plast's and Atlantic Floats Denmark's strategy is to be the preferred manufacturer of equipment for the part of the fishing industry which they serve, and to maintain their leading roles in the market by developing new products and further expand the existing product range

SP Medical will continue to intensify its marketing efforts vis-à-vis new customers, especially benefiting from the fact that the unit with the Polish factory has become increasingly competitive in relation to labour-intensive tasks. The medical device expertise must be strengthened on an ongoing basis, and the cleanroom production in Denmark and Poland must be expanded.

SP Medical has upgraded the quality system and product certificates for the new Medical Device Regulation (MDR) to ensure continued patient safety and meet customers' increasing need for authority documentation.

Meditec's strategy is to accelerate its revenue growth by ensuring focus on obtaining a preferred supplier position at our key customers. Also, Meditec will ensure continued focus on general project implementation productivity and efficiency. Meditec wishes to support new innovative companies in completing the development of their products.

MedicoPack will continue to strengthen and expand co-operation with existing and new customers at a global level. The focus of the company's development activities is close co-operation with the customers in order to improve and optimise existing packaging solutions on an ongoing basis and develop new pioneering packaging concepts. Clear Vial™ and DivibaX® are the product series most recently launched.

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Polyurethane and Composite

- Higher activity
- New products
- Expansion in the Netherlands, Poland, the USA, China and Latvia

Name:	Five activities with Polyurethane (PUR) and Composite as common denominator: Ergomat A/S, Tinby A/S, TPI Polytechniek B.V., Bröderna Bourghardt AB and MM Composite A/S
Website:	www.ergomat.com, www.tinby.dk, www.tpi-polytechniek.com, www.bourghardt.se and www.mmcomposite.dk
Location:	Søndersø, Nørre Aaby, Ejby, Sieradz (Poland), 's-Hertogenbosch (the Netherlands), Helsingborg and Kungsbacka (Sweden), Cleveland and Mt. Pleasant (USA), Montreal (Canada), Suzhou (China), Liepaja (Latvia) and Bangkok (Thailand)
Executive Board:	Claus Lendal, Managing Director of Ergomat A/S, Michael V. Therkelsen, Managing Director of Tinby A/S and MM Composite A/S, Loïc van der Heijden, Managing Director of TPI Polytechniek B.V., and David Bourghardt, Managing Director of Bröderna Bourghardt AB
Ergomat A/S	develops and sells ergonomic solutions under own brands – Ergomat® mats and DuraStripe® striping tape – to global corporate customers. Ergomat has sales companies in Europe and North America. Its products are manufactured in Poland and the USA
Tinby A/S	manufactures moulded products in solid, foamed and flexible PUR as well as laminated elastomer in Søndersø for, e.g. the graphics, medical device, furniture and cleantech industries as well as block foaming solutions. In Poland, Tinby Sp. z o.o. also manufactures light-foam products for TPI. The companies in the USA and China manufacture light-foam products and other plastic solutions primarily for the cleantech industry. In Latvia, components are manufactured using a pultrusion process
TPI Polytechniek B.V.	develops and sells components for the ventilation of industrial buildings as well as pig and poultry houses, primarily products under the TPI brand, which are manufactured by Tinby in Poland. Global sales are handled from the Netherlands
Bröderna Bourghardt AB	manufactures large plastic components in DCPD (Telene) and composite for the truck, wind energy and satellite communication industries. Bröderna Bourghardt delivers worldwide from its factories in Latvia, Thailand and the head office in Sweden
MM Composite A/S	develops and sells high-quality composite components to the cleantech and other industries. The products are manufactured using different production technologies such as hand lay-up and vacuum infusion. MM Composite's head office is located in Denmark where the company also has two production facilities. Moreover, MM Composite also has production facilities in the USA
Description:	PUR is manufactured by first mixing two special liquids, which react, and then moulding them, forming the required component. Expertise comprises knowing the scope for variation and making the best of the materials. The process is also called Reaction Injection Moulding – or just RIM
Environment/ quality:	Reference is made to the list of certificates on page 46

2023 in outline

Ergomat had a quiet year in 2023 and noted a decline in the primary markets, primarily due to decreasing sales to the car sector and E-commerce. The sale to the manufacturing of electric cars was still on the increase, in particular driven by Tesla. Ergomat introduced more unique products, which augurs well for the future. LeanStripe, which is a supplement to the DuraStripe family, was well received by the market as it is economical, but also a very durable 5S product. Ergomat also launched a reusable programme for several of the main products; the ergonomic mats. In 2023, Ergomat moved into a new factory in Poland, which enabled the reusable concept, which puts Ergomat in a good position for 2024. Ergomat is still the world's largest manufacturer of ergonomic mats as well as leading firm within solutions for 5S and Lean. Despite decreasing sales, revenue in 2023 was still the third highest ever.

Tinby expanded its capacity to support global growth. Tinby manufacturers globally on three locations representing approx. 17,000 m² in total. In China, products are still manufactured for the cleantech industry. In Latvia, moulded components are manufactured in solid, foamed PUR, composite and components using a pultrusion process at premises of 2,000 m² and composite production has started in a building of 2,000 m². In USA, the servicing of customers from the 1,000 m² facilities in Iowa continues. In Denmark, manufacturing takes place at locations in Søndersø totalling 7,900 m², PUR components and PUR in the form of blocks which are made up for customer-specific solutions.

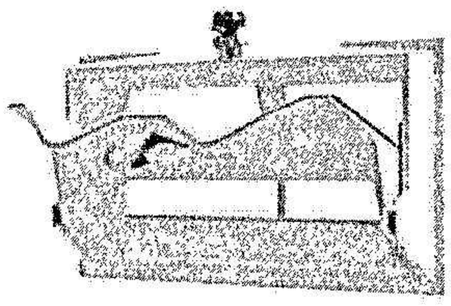
TPI noted declining demand in Western and Eastern Europe due to increasing prices and the war in Ukraine. The markets in North America and the Middle East developed positively. From Q2, activities in Asia gradually improved as the corona restrictions were lifted.

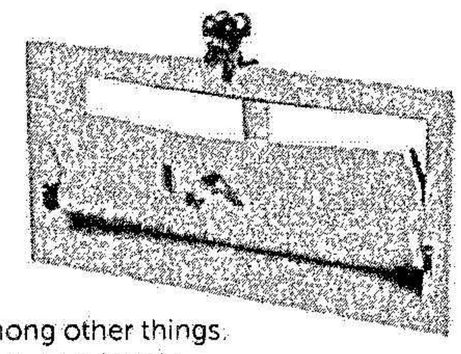
In 2023, TPI participated in several international exhibitions, where new products were launched to strengthen our market position.

Bröderna Bourghardt, with sales organisation in Sweden and production in Latvia and Thailand, realised some large sales projects also in 2023 at the same time as demand for ongoing projects was sound. During the year, we verified new RF transparent materials and recycled DCPD, which is also in production. In Thailand, the new factory, SEA Radomes Co. Ltd. has had a good start.

MM Composite established a new production line in its Danish factory. The global consolidation in the wind turbine industry meant new challenges and opportunities for MM Composite. The year saw a sound development in own products and processes where MM Composite also succeeded in adding several new customers to its portfolio.

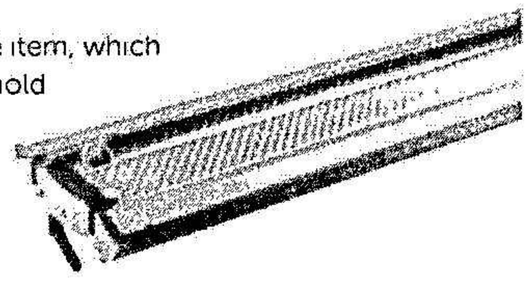
Tinby supplies both seat and back in flexible PUR for the Pure chair. Pure is characterized by an original design focusing on functionality and ultimate use of the sculptural possibilities of the PUR material



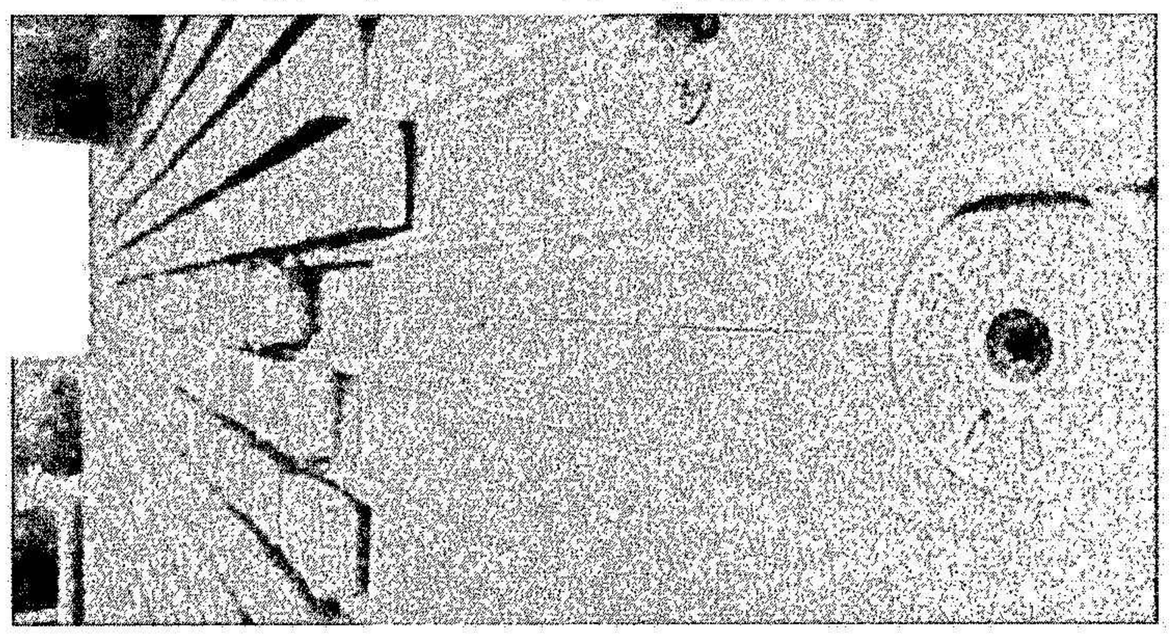


TPI Polytechniek manufactures, among other things, Vuela and Aeron wall inlets, which are installed in poultry farms

MM Composite produces this carbon fibre item, which TRESU uses in their printing machines to hold ink against printing rollers. The finished processing incl. components (supplied by SP Moulding) is made by TRESU (Source: TRESU)



At Ergomat's factory in Cleveland, you see Senior Plus Lead, Chase Bierschwal, who is working on a mat manufactured of Ergomat Bubble Down XL



Tinby Skumplast supplies insulation sheets to Briiso for their façade insulation system

Markets and products

The reduced level of activities, which Ergomat experienced in 2023, did not imply that projects and proposal making were at a stand still. In 2023, Ergomat's pipeline was larger than ever. In particular, we expect a lot from the recycling concept, where a mat can now be recycled in 4 stages and reduces CO_2 emissions by more than 50%. With this concept, the service life has increased to 17 years, and the mats retain the same ergonomic benefits as a new mat. LeanStripe will be offered at a price equivalent to 66% of the market price of 5S and Lean products, which is why we expect to increase market shares in both Europe and the USA.

Our focus on e-commerce and the transition in the automotive industry to the production of electric cars will continue in 2024. The new factory in Poland also makes it possible to expand capacity and support the expected increase in the level of activities in 2024 and 2025.

Tinby is Scandinavia's leading supplier of moulded and block foam components in solid, foamed, flexible polyurethane and combinations thereof. Tinby's components are used for cleantech tasks, in medical device products, instruments, furniture, graphic machines, ventilation, coatings, window and construction profiles, insulation caps, panels, sheets, fillets and cabinets. Tinby develops special raw materials aimed at narrow and broad product solutions and masters a number of technologies for product refinement, including combination technologies, in-mould coating, varnishing and coatings. In addition to the PUR activities, Tinby has a vast number of special productions aimed at the cleantech industry. In 2017, Tinby acquired LM Skumplast, which subsequently changed its name to Tinby Skumplast. It manufactures PUR and PIR foam, primarily for insulation purposes. In 2020, we acquired the activities in Isotec AB and we now service our Swedish customers from Denmark. In 2021, Tinby acquired selected assets and customers from Dupont Plastics ApS, which went bankrupt.

With the development of raw materials and technologies, Tinby has succeeded in attracting a large number of tasks, particularly within cleantech, and the geographical focus has also resulted in growth.

TPI is the leading supplier of light-foamed chimneys, air intake valves and ventilation components for the agricultural and industrial sectors. PUR is especially suitable for these purposes, as the material is light, well-insulating and does not develop condensation when the temperature changes.

The European market is expected to be challenging, whereas the markets in the Middle East, Asia and North America are expected to develop positively in the coming years. The offices in the USA and China are expected to contribute positively to this development. With the launch of

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new products, TPI will be able to increase its position in the global market for ventilation equipment in pig and poultry houses.

Bröderna Bourghardt delivers medium-sized series of large composite components that are manufactured in several production processes such as Prepeg, RTM light and vacuum infusion. The primary markets for composites are the vessel and satellite communication industries. Brdr. Bourghardt is Scandinavia's largest manufacturer of components made of DCPD (Telene), a material that is often used for bodywork on construction and agricultural machines. The characteristics of the material make it suitable for ventilation consoles, and the material can also be used for various purposes in wind turbines.

MM Composite is one of Scandinavia's leading suppliers of state-of-the-art composite components to the cleantech and other industries and delivers to customers in Europe, Asia, Africa and the USA. The North American market is serviced from the production facilities in the USA. Composite is a general term for a material that is composed of different materials, meaning that the product's properties are improved. Often the composite material will be both lighter and stronger than conventional materials depending on the material composition.

MM Composite will continue its focus on international presence. MM Composite will cultivate new customers within cleantech and develop customised products and production processes. MM Composite will continue to extend knowledge of the extraordinary properties of the composite material to replace metal and steel with composite.

In Denmark, MM Composite has production facilities at two locations with a total of 11,000 m². MM Composite's factory in the USA is 5,500 m².

Strategy

Ergomat is still the largest and leading manufacturer of ergonomic mats in the world. We will continue to focus on innovation, and new mat solutions as well as Lean Manufacturing Tools are expected to be launched in Q1 2024. Our success builds on our strategy, which focuses on direct alliances with the world's largest manufacturers and distributors, and therefore will continue in 2024.

In Denmark, Tinby manufactures moulded components and block foaming solutions in Søndersø.

In Poland, Tinby now has production facilities totalling approx. 17,000 m². In Poland, the activities involving Pentan and waterblasted systems for the cleantech industry, flexible foam systems and new receptors for optimum insulation are expanded.

Tinby's factory in China, established in 2010, continues to develop positively. In 2023, additional activities were initiated, including the production of light-foam products.

In North America, customers are facilitated from our 1,000 m². service centre where we have established ourselves in MM Composite's existing factory in Iowa. In China and the USA, an increasing number of tasks are performed for neighbouring markets, primarily within the cleantech industry.

In Latvia, Tinby has set up a brand new production line and 5,300 m² production facilities in the established factory, Baltic Rim.

TPI expects to face a challenging European market in 2024. The North American and Asian markets will continue to be focus areas. In the coming years, new and innovative products will be a focal point.

In 2022, Brdr. Bourghardt sat up operations in southeast Asia to service its customers locally. Brdr. Bourghardt also increased its production of thermo plastics as an alternative to conventional thermoset plastics and composite.

PURfection, a new project collaboration between industry and research, which will further develop and test Danish-developed ground-breaking technology for recycling polyurethane

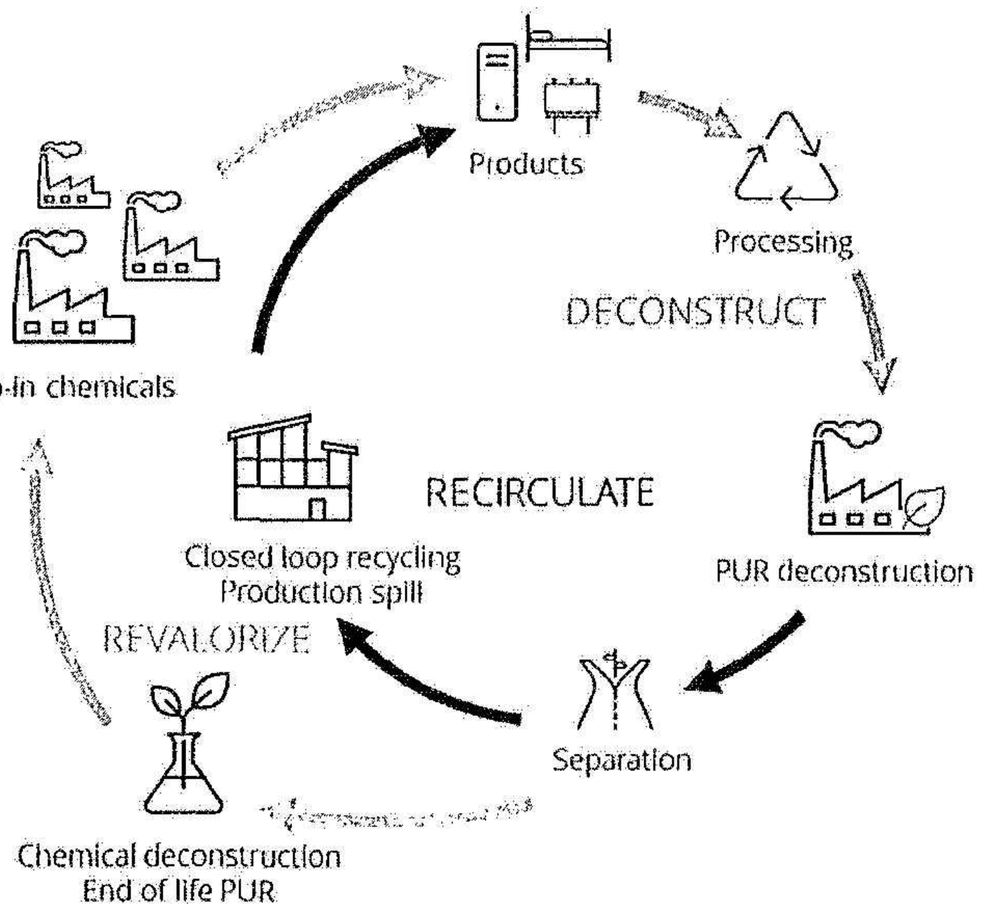
As a company manufacturing plastic, it is important for SP Group to act responsibly in terms of how the plastic we use to manufacture components to our customers is used and repurposed to cause as little environmental damage as possible. SP Group and the Danish plastic industry will in future in particular be dependent on the ability to go green.

The ambition of PURfection is to create circularity for PUR waste so that it can be converted into new polyurethane of the same high quality as the original. In addition to the Danish Technological Institute, which is project manager and knowledge partner, the consortium includes Aarhus University and a number of other Danish companies.

PURfection continues the work with a sensational technology previously developed and patented by Aarhus University and the Danish Technological Institute.

Innovation Fund Denmark has invested DKK 12 million in the PURfection project, which will further develop and scale up the concept of the technology in all value chain links to a full circular solution for PUR - from the production of PUR, collection and processing of PUR waste streams to the processing of restoring basic chemicals from end-of-life PUR.

As the current technologies are not good enough, the majority of PUR material ends up in combustion facilities for purposes of energy recovery or in landfill sites after use. However, with new technology we target not only to use less oil in connection with the manufacturing of PUR; but also to gain considerable carbon emission reductions as the plastic will no longer be incinerated to the same extent.



Plastics drive innovation, improve quality of life, facilitate resource efficiency and climate protection.

Accoat, Gibo Plast, SP Moulding, Sander Tech, Brdr. Bourghardt, Tinby, Dan-Hill-Plast and MM Composite fanufacture components for the cleantech industry.

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Vacuum forming, Rotational moulding and Extrusion

- More new tasks for heavy vehicles
- Strong sales of own products for the maritime industry
- Expansion of production in Poland

2023 in outline

There has been good activity in 2023, and Gibo Plast has managed to win a number of new projects. 2023 was an eventful year, as Gibo Plast worked intensely on implementing efficiency-enhancing measures in Denmark, Sweden, the USA, China and Poland. A lot of money and resources have been invested in increasing production capacity in Poland within rotational moulding.

Again this year, the use of recycled plastics has increased, in particular in the form of Nycopac's unique solutions where production scrap from SP Group's factories is used for new products in the form of customised transport packaging with very little environmental impact.

Nycopac has increased the development, design and sale of packaging solutions for industrial transportation. The vast part of these solutions is manufactured in recycled plastics using vacuum forming. Nycopac does not have its own production but uses subsuppliers, including Gibo Plast and Opido and other companies in the SP Group.

In Poland, investments were made in new, more efficient production machinery.

In the USA, Gibo Inc. has increased its own production for sales to the American market.

In 2020, SP Group acquired Dan-Hill-Plast A/S in Hornsyld through Gibo Plast. Dan-Hill-Plast is a state-of-the-art rotational moulding entity with production and assembly facilities in Hornsyld in Denmark.

As subsupplier, Dan-Hill Plast manufactures products for demanding industrial enterprises. Moreover, Dan-Hill-Plast develops, sells and manufactures its own products in the form of fenders and buoys for the maritime industry under the trademark Dan-Fender, which are sold globally. The acquisition has expanded SP Group's production capabilities and strengthened the focus on own products.

The sale of Dan-Fender products increased again in 2023, and additional production capacity was established and to meet the increasing demand, production will take place in Denmark and in Poland going forward.

Gibo Plast is one of Europe's largest suppliers of large plastic items for many industries, and possesses the expertise required to solve complex tasks by means of vacuum forming, rotational moulding and extrusion. In close co-operation with Tinby and Brdr. Bourghardt, Gibo has developed a number of interesting solutions for our customers, uniting the companies' expertise. In addition, Gibo further developed its competences within prototypes and tools so that it can now develop and manufacture production tools for vacuum forming and rotational moulding itself. This was in order to increase competitiveness through a very short time-to-market for new plastic components.

Name:	Gibo Plast A/S, Dan-Hill-Plast A/S, Plexx AS, Opido AB and Nycopac AB
Website:	www.giboplast.com, www.dhp.dk, www.plexx.no, www.opido.se and www.nycopac.se
Location:	Skjern, Hornsyld, Ljungby (Sweden), Fredrikstad (Norway), Sieradz (Poland), Nyköping (Sweden), Mt. Pleasant (USA) and Tianjin (China)
Executive Board:	Managing Director Lars Ravn Bering (Gibo Plast, Dan-Hill-Plast); Managing Director Arild S. Johnsen (Plexx) and Managing Director Andreas Lagestig (Opido, Nycopac)
Activities:	Gibo Plast, Dan-Hill-Plast and PlexxOpido develop, design and manufacture thermo-formed, extruded and rotational-moulded plastic components. The components are i.a. used in refrigerators and freezers, buses and cars (automotive), for medical devices and lighting and in the cleantech industry. Gibo Plast and Opido are specialised in both traditional vacuum forming and the advanced forming methods High-Pressure and Twinsheet. Opido is also specialised in ORS (Opido Reinforced System) with fortified and sound-absorbing vacuum-formed components as well as laser cutting and hot bending. Dan-Hill-Plast develops, designs and manufactures rotational-moulded plastic components, often in the form of shielding, ventilation components and liquid containers. The components are used in stable components, buses and cars (automotive) and in the cleantech industry. Nycopac develops, designs and sells plastic packaging solutions for industrial transportation, both in the form of a number of standard products and customised solutions for specific tasks
Description:	Vacuum forming means that plastic sheets are heated and then formed using vacuum and/or high pressure. Rotational moulding means that a mould is filled with plastic beads and then heated. When sufficient heat is applied, the beads melt on the surface of the mould. Rotation of the mould ensures uniform coverage. The products are then processed by way of cutting, milling (CNC milling) and, eventually, assembled to the finished product
Environment/ quality:	Reference is made to the list of certificates on page 46

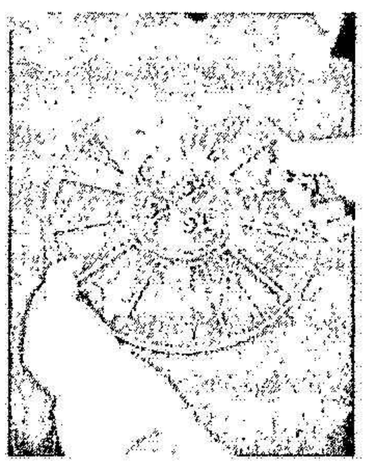
Markets and products

The market is drastically changing because a number of traditional users of vacuum formed, rotational moulded, extruded and machined plastics wish to have less suppliers, high reliability of supply and lower prices.

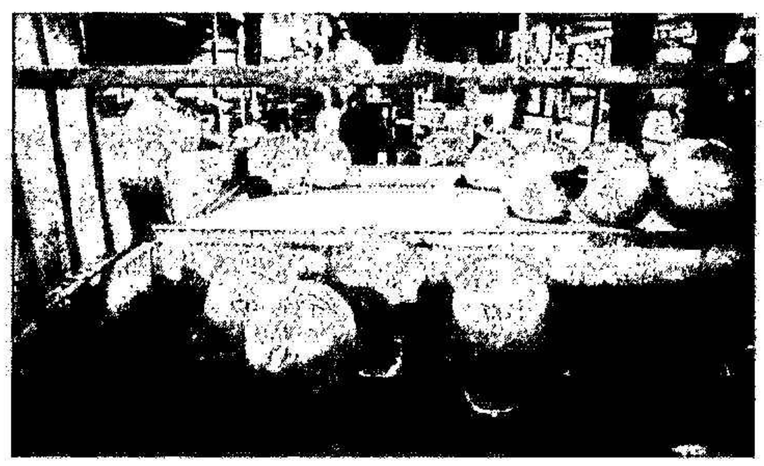
On the other hand, many components made of materials such as glass fibre, wood and metal may very well be replaced by plastics, as plastics are lighter and easier to mould and simple to repurpose, allowing growing demand.

An example is Gibo Plast's and Nycopac's transport boxes, which are used by automotive, food and electronics businesses to transport particularly sensitive goods or semi-manufactured products both internally and over long distances. The boxes, which are often manufactured from recycled plastics, are lighter than wooden boxes, easier to clean and designed so that the components do not touch each other and can easily be moved

Exterior coating with vacuum-formed polycarbonate, manufactured by Opido The vehicle is manufactured by Euro-Lans/ Nordic Vehicle Conversion AB and supplied to Volkswagen in Sweden The vehicle is used by a major Swedish authority, which places high demands on safety and quality



Laser cutting of logo in clear PMMA (acrylic). Opido can machine PMMA up to 30mm thick in two laser cutting machines, 2x3m in size



Dan-Hill-Plast develops, manufactures and sells its own products in the form of fenders and buoys, which are sold globally

by industrial robots. Components for wind turbines are another example where the design qualities of plastics are pronounced. The plastic components come in all colours and with a countless number of different surfaces. Moreover, the components may be provided with technical properties, e.g. the ability to resist heat, cold temperatures, wind, weather and blows.

Within traditional vacuum forming, Gibo Plast, Plexx and Opido are market leaders in Scandinavia and rank among the largest suppliers in Europe. The factories' location gives a global footprint, which ensures a short distance to the customers' factories. This reduces time, transportation and environmental impact.

The factories are able to handle components of many different sizes and master both large-scale production and minor series with customised, logo-embossed components. The offer to customers is supplemented with 3D CAD/CAM design, CNC milling, decoration, surface treatment, 3D scanning, assembly, gluing and packaging.

Strategy

The companies in the Gibo Group focus on plastic components in thermoplastics, often large components in relatively small series. Moreover, focus is on increasing the share of recycled plastics in the components when possible. Gibo Plast, Plexx, Opido, Dan-Hill-Plast and Nycopac offer plastic products which are manufactured using extrusion, vacuum forming, rotational moulding, milling, laser cutting, bending and gluing. Often, the plastic components are combined with PUR, e.g. in the form of the ORS technology whereby the characteristics are further enhanced

The Dan-Fender brand must be further expanded by additional products for the maritime industry, and production capacity must be expanded to meet the increasing demand.

Nycopac will also expand the product portfolio with more of its own products focusing on the secure and environmentally friendly transportation of goods.

Investments in new production machinery with robots are made regularly. The production lines can manufacture plastic components of up to 4.5 x 2.5 x 0.7 metres, making Gibo Plast a market leader in Northern Europe and in China in the area of forming large components. The components replace metal and glass fibre components in wind turbines, vehicles and trains. Plastic components in high volumes with high quality standards are manufactured on automated production lines where the production machinery is operated by robots. This ensures a high, uniform quality.

In Poland, the first activities were established in 2011 and have been expanded regularly. Today, the factory is an independently operating sales and production entity characterised by very high levels of service and quality.

In the USA, production has been established to service the American market. In China, production has been established to service the Chinese market, which has been further expanded in 2023.

In Sweden, Opido has expanded its capacity in 2023 for the forming and milling of plastic components, and based on the increased activity, expectations are that this will continue in 2024.

Together with a continued improvement of the productivity in Skjern, these initiatives have contributed to improving Gibo Plast's profitability in 2023, which is expected to continue in 2024.

Gibo Plast has 12,000 m^2 at the plant in Skjern, 12,000 m^2 at the plant in Hornsyld, 12,000 m^2 at the plant in Poland, 500 m^2 at the plant in USA, 11,244 m^2 at the plant in China, 7,000 m^2 at the plant in Sweden and 900 m^2 in Norway.

Gibo Plast, Dan-Hill-Plast, PlexxOpido and Nycopac have a balanced customer portfolio and a sound exposure to a number of industries. The companies are making targeted efforts to attract new, interesting customers. At the same time, relationships with existing customers are strengthened.

Gibo Plast will increasingly contribute to the customers' development phase so that new projects and solutions can be designed and implemented in co-operation with the customers.

Gibo Plast will utilise its position to cultivate new markets in the USA, Asia and Europe.

A global production platform is to offer production close to the customers to minimise the environmental impact by transporting plastic components over long distances. Gibo Plast will also explore the possibilities of adding production technologies that can complement Gibo Plast's and SP Group's existing product range to the customers. At the same time, focus is on increasing the use of recycled plastics (Regrind) in the components and establishing closed-loop flows where customers return components after use, which are then grinded and repurposed in new products.

Marketing on existing and new markets will be focused on increasing knowledge of plastics in sectors that have traditionally used glass fibre, metals and wood and especially on the High-Pressure and Twinsheet technologies allowing greater freedom in design and flexible production of complicated large-sized components. The ORS system contributes with reinforced and sound-absorbing vacuum-formed components.

Gibo Plast has developed new projects for customers in the automotive and cleantech industries, which are expected to contribute positively to sales and earnings in 2024.

SP Group's locations

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Sale and production
- Denmark (14)
- Poland (6)
- China (2)
- USA (2)
- Latvia (1)
- Slovakia (2)
- Sweden (1)
- Finland (2)
- Thailand (1)

Sale and distribution
- the Netherlands (1)
- Sweden (3)
- Canada (1)
- Norway 1)

Acquisitions in 2014-2023

2014	2015			2016			2017	
24 February 2014 Bröderna Bourghardt AB	**1 January 2015** Scanvakuum ApS (the activities)	**13 March 2015** Sander Tech ApS	**1 July 2015** Ulstrup Plast A/S	**14 July 2016** MedicoPack A/S	**15 October 2016** Aasum Plast & Metal A/S (the plastic activities)	**21 November 2016** Plexx AS / Opido AB	**6 January 2017** Tinby Skumplast A/S	**21 March 2017** MM Composite A/S

2018		2019	2020	2021		2022		
25 April 2018 Nycopac AB	**27 June 2018** 52% of Kodaň Plast s.r.o.	**25 June 2019** Coreplast Laitila Oy	**30 April 2020** Dan-Hill-Plast A/S	**18 February 2021** Jollmax Coating Oy	**14 July 2021** Neptun Plast A/S and Atlantic Floats Denmark A/S	**4 February 2022** DAVINCI 3D A/S	**9 March 2022** Bovil ApS	**3 October 2022** Meditec Plaststøbning A/S

Risk management

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Identification and management of business risks is part of the annual strategy plan for the Group, which is approved by the Board of Directors. Further, the Board of Directors determines the framework for managing interest rate, credit and currency risks and addressing risks related to raw materials and energy prices. The framework is assessed at least once a year.

The following risks have been identified as SP Group's key risks, but the list is neither prioritised nor exhaustive:

Commercial risks

Market and competitor risks
SP Group's sales and earnings are very dependent on the future GDP development.

Several segments of SP Group's market are characterised by excess capacity, numerous small marketers, price pressure and customers requiring still smaller batches and more flexible production. Furthermore, SP Group is experiencing increased competition from low-cost manufacturers in Eastern Europe and Asia. In order to reduce dependency on the Danish market, SP Group is making efforts in several areas:

First, exports are increased on an ongoing basis. The Group focuses in particular on other Northern European markets, whereas selected niche products are sold globally. The international share of revenue amounted to 71.2% in 2023 (2022: 72.2%). In 2023, SP Group billed its services directly to customers in 98 countries.

Second, SP Group regularly expands its factories in Poland, Slovakia, Latvia and China and will continue to do so. In addition, production activities have been set up in Sweden, Finland, Thailand and the USA. With these measures, the Group will still be able to service customers that outsource their production to these areas and to cultivate new customers in Europe, Asia and the Americas.

Third, SP Group's factories are undergoing regular modernisation and automation to become more efficient and flexible. This effort will continue. Finally, SP Group is consolidating parts of the Scandinavian industry, either by acquisitions or by combining own factories or in-sourcing customers' own production (customers outsource their production to SP Group). This process will also continue, and SP Group has intense focus on reducing costs and leveraging on the Group's size and expertise to improve competitiveness. As part of its strategy to differentiate itself, the Group is also strengthening its expertise and competencies in relation to processes, design and materials.

We strive to become the customers' preferred local supplier globally. We strive to have the necessary technologies and capabilities to enable us to meet all our customers' demands within plastics, composite and coating in a sustainable, value-creating and competitive manner.

Vice President Anie Simard and
Production Manager Noah Lendal, Ergomat, USA.

Free trade

SP Group sells its goods in 98 countries and purchases its raw materials from a number of countries. Therefore, SP Group depends on free and unrestricted access to the markets and that the authorities respect international agreements.

Customers
SP Group has more than 1,000 active customers. The ten largest customers account for 46.3% of consolidated revenue and the share has decreased by 1.2 percentage point compared with 2022. The 20 largest customers account for 56% of revenue (57% in 2022). The 20 largest customers are large, consolidated, internationally operating industrial groups.

The largest customer accounts for 12.6% of revenue. No other customers account for more than 10% of revenue. At factory level, the dependence on individual customers is higher as a result of the individual factories' specialisation and focus on specific industries.

The concentration on the 20 largest customers has been reduced in the year due to the high growth at a number of small and medium-sized customers and the influx of new customers.

A growing global population expecting a good life and a longer lifetime increases the demand for effective healthcare and better foods. The healthcare industry is our largest sector accounting for 34% of revenue. The food industry is the third largest sector accounting for 12% of revenue.

31% of the Group's sales are effected to the cleantech industry, which is thus the second-largest single industry. SP Group has deliberately cultivated this industry because it is a growth sector offering a variety of opportunities for utilising SP Group's expertise across its business areas. The exposure to the cleantech industry is therefore desired, and risks are reduced by the Group supplying components to a number of different entities in different segments and on all continents. Increasing climate effects have increased the global demand for cleantech products (insulation, energy-saving products, renewable energy, clean water, clean air, green hydrogen and the environment). At group level, SP Group is not over-exposed to specific sectors.

Failing sales to single or several customers may impact on the Group's earnings capacity. To minimise this risk, the Group also seeks to enter into multi-annual customer and co-operation agreements laying down the terms and conditions for future orders. Furthermore, SP Group is engaged in production development projects in co-operation with the customers in order to stand out clearly as a strategic partner. As the typical order horizon is short (typically 4-5 weeks), political or economic instability is quickly reflected in the level of activity.

Finally, the Group works to develop more niche products and products under own trademarks, allowing it to control sales to a wider extent. In 2023, products under our own trademarks accounted for 23.8% of the consolidated revenue, and this includes also medical device prod-

ucts (guide wires, Clear Vials™ and DivibaX®), ergonomic products from Ergomat, animal welfare products from TPI Polytechniek, fenders from Dan-Hill-Plast and floats from Atlantic Floats Denmark.

Free movement
SP Group sells its goods in 98 countries and purchases its raw materials and production equipment from a number of countries.

Therefore, SP Group relies on free travel and well-functioning infrastructure to get people and goods safely around in the world.

Epidemics

Outbreaks of epidemics or illnesses that fully or partially 'close down parts of the world' are risks that we were reminded of in 2020-2023.

War

Outbreaks of war that fully or partially 'close down parts of the world' are risks that we were reminded of in early 2022.

Raw material prices and suppliers

SP Group's earnings depend on the prices of energy (including taxes), raw materials (plastics) and other materials to be used in production. SP Group enters into hedges relating to electricity, gas and raw materials on an ongoing basis and has agreed on sales price adjustments with a number of customers in case of changes to energy and raw material prices.

The Group has centralised its purchase of critical raw materials to increase the level of reliability of supply and to achieve a better bargaining position by purchasing larger bulks. At the same time, SP Group regularly examines the possibility of sourcing critical raw materials globally. The exposure to oil price-driven changes in raw material prices can be reduced, but will fundamentally persist.

Restructuring the production system

Production systems are changed on an ongoing basis, partly by investing in new production equipment and partly by modifying the systems and distribution of tasks. This means that the Group gradually obtains improved specialisation of the production at each plant and that efficiency is enhanced. There is a risk that implementing these changes may cause delays and disruptions and thus inflict extra expenses on the Group or affect business volumes. There is also a risk that relocating production equipment and production tasks may cause delays and price increases.

Through careful planning, SP Group aims to minimise expenses and the time spent restructuring the production systems. A smooth and swift implementation of these processes is necessary to increase the Group's profitability.

In a number of areas, SP Group has "duplicate factories" that can take over production from another factory if it is temporarily out of service due to pandemic, fire, cyber attacks or natural disaster.

Key personnel

SP Group is dependent on a number of key personnel in the management team and among the Group's specialists. SP Group seeks to retain key personnel by offering them challenging tasks, a basic salary in conformity with applicable market conditions and incentive schemes rewarding outstanding performance.

Insurance

SP Group has an extensive insurance programme in place that reflects the scope of the Group's activities and their geographical location. Once a year, the insurance programme is examined together with the Group's global advisor to make adjustments that support the Group's development on an ongoing basis, thereby minimising any detrimental impact on the Group's financial performance. Once a year, the insurance policy is also reviewed by the Board of Directors and adjusted as required.

Accidents and losses, which can be avoided through constant care, should be avoided.

The Company has had a reasonable claims statistics and has thus decided to increase its own risk on selected insurance policies.

Environment

The production plants are subject to a number of environmental requirements in all countries, and further, a number of environmental and quality assurance systems have been implemented at the plants on a voluntary basis. SP Group complies with applicable environmental requirements, but cannot guarantee – in spite of extensive safety procedures – that the external as well as the working environment will not be affected in case of an accident. (Moreover, reference is made to pages 48-74 on CSR and ESG and to page 46 on environmental certification).

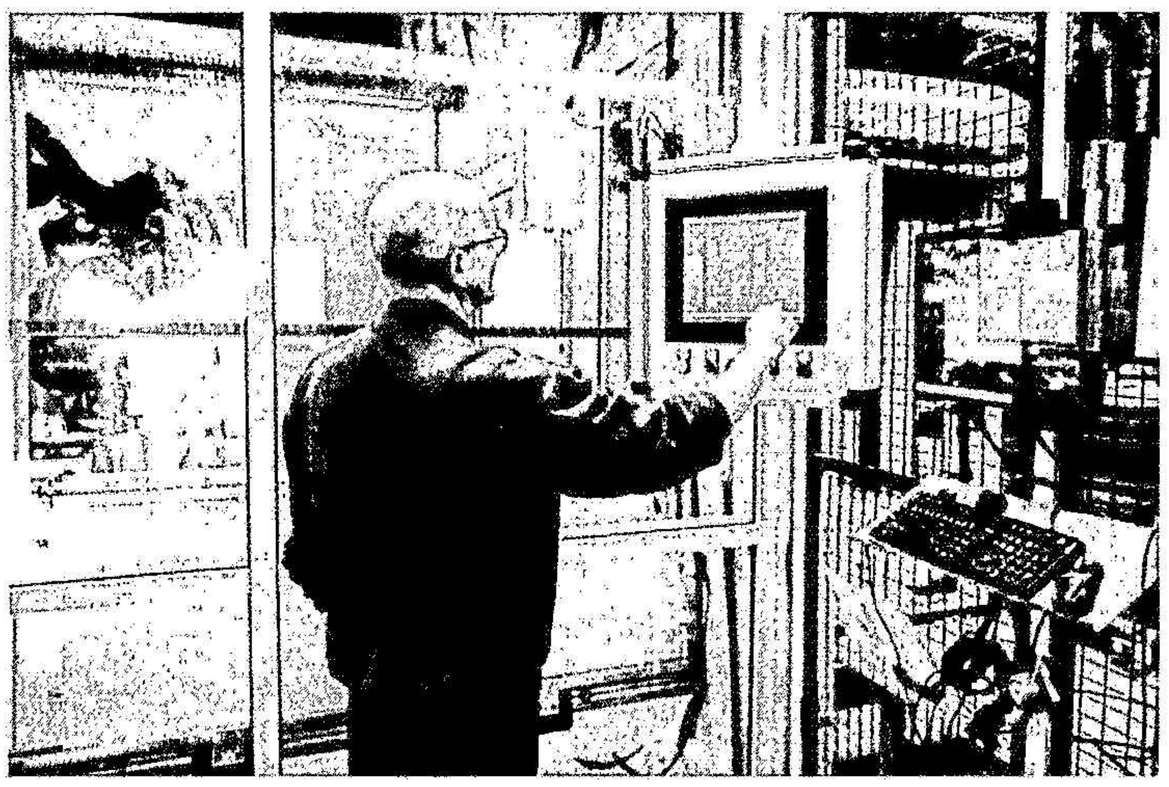
Financial risks

The Group's cash flows and borrowings are managed centrally in accordance with the policies approved by the Board of Directors. The Group does not engage in speculation in financial risks.

Interest rate risks
Interest rate risks primarily relate to net interest-bearing debt, i.e. mortgage debt, lease liabilities, 'IFRS 16 debt' and bank debt less cash and cash equivalents. At year end, the net interest-bearing debt amounted to DKK 1,030.6 million. Approx. 20.0% of the debt carries fixed-rate interest for at least one year. A one percentage point increase in the general interest level will result in an increase in the Group's annual interest expenses before tax of approx. DKK 8.4 million.

SP Group focuses on increasing cash flows from operating activities so that the net interest-bearing debt can be reduced and the Group can

Operator Mads Vestergaard in Gibo Plast in Skjern



finance investments via operating activities. The Group also aims at reducing debt by selling non-value-creating assets and activities.

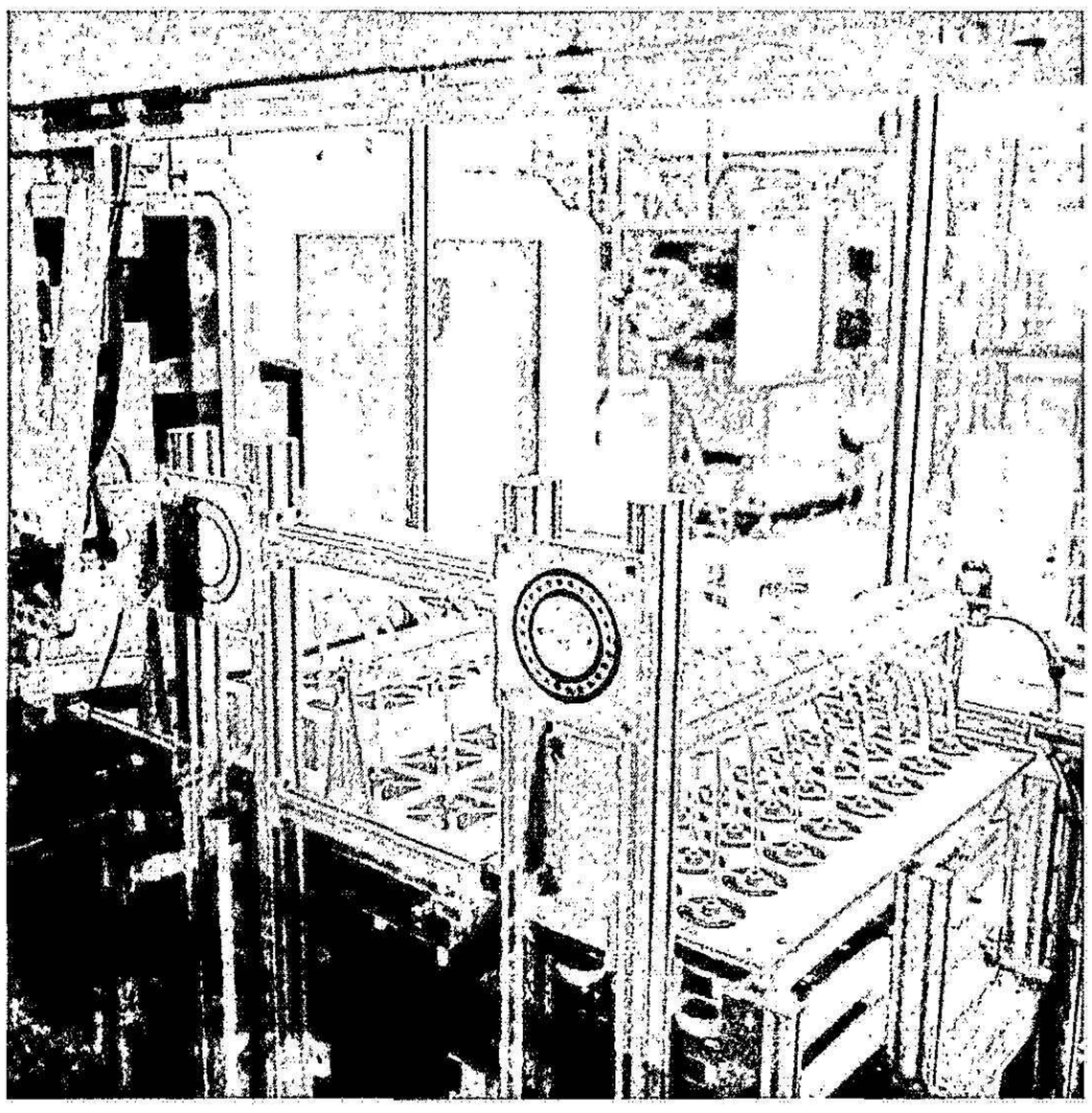
Credit risks
SP Group systematically monitors the credit rating of customers and business partners and makes use of credit insurance and factoring to partially hedge credit risks. No individual customers or business partners pose an unusual credit risk to the Group. As the Group's customers and business partners are usually well-reputed companies operating in many different business sectors and countries, the overall credit risk is reduced. SP Group has not realised any significant credit losses in the past five years.

Currency risks
In accordance with the policies approved by the Board of Directors, SP Group carries through currency transactions to hedge commercial agreements. Hedging takes place by means of borrowing, forward exchange contracts or options, and Management regularly assesses the need for hedging each individual transaction.

In general, there is a good balance between income and expenses as most sales are settled in DKK or EUR and the most significant parts of fixed group costs are settled in DKK or EUR. The most critical commercial currency risk is indirect and relates to the customers' sales outside Europe. Similarly, purchases are primarily conducted in DKK and EUR.

Exports from Europe to USA and Asia are settled in USD on a 12-month forward selling basis (project orders up to 36 months).

Moreover, there is a currency risk between PLN and EUR and between RMB and USD, as the Group has increasing exports from Poland and China, which are settled in EUR and USD, respectively. In order to hedge the currency risk between PLN and EUR, EUR is sold against PLN on forward contracts for up to 48 months (hedging). At year end 2023, the Group had hedged approx. 6% of the expected net cash flows for the coming 48 months.



27% of the Group's financing has been raised in EUR, and 73% has been raised in DKK. The Company has bank deposits in USD, CAD, RMB, NOK and SEK.

Liquidity risks
It is the Group's objective to have sufficient cash resources to be able to continually make appropriate arrangements in case of unforeseen changes in cash outflows.

It is Management's opinion that the Company still has adequate capital resources considering its operations and sufficient liquidity to meet its present and future liabilities. The Company's long-term co-operation with its financial business partners is fruitful and constructive. This is expected to continue. The Group has neither neglected nor been in breach of loan agreements in the financial year or the comparative year.

At year-end 2023, SP Group had bank deposits and unutilised drawing rights in its banks for a total of approx. DKK 387 million.

At year end 2023, SP Group had sold non-recourse invoices in the amount of DKK 148 million (year end 2022: DKK 166 million) to reduce credit risks.

IT risks
The operation of SP Group's IT systems may be exposed to damage or interruption from power failure, computer and telecommunication malfunction, malware, catastrophic events and user errors.

Errors occurring due to lacking user awareness or intended abuse such as individual attempts to gain access to systems are among the risks that SP Group faces.

Insufficient management of changes to systems or services together with inefficient measures to deter, prevent, detect and react to such attempts may expose SP Group to risks.

Moreover, SP Group faces the threat of security breaches (viruses, ransomware, etc.) such as hacking attempts on our IT systems. SP Group has chosen a decentralised IT structure where the individual companies have their own IT networks, which minimises the risk that crashes and interruptions affect the entire Group simultaneously.

The Group has implemented an IT security policy, which is complied with in the individual IT networks to prevent intentional harm to systems and limited the access to critical functions.

Political risks
SP Group is a global company with sales in 98 countries and its own organisations with employees and activities in 12 countries.

Thus, SP Group is exposed to political risks such as: unreasonable legislation, nationalisation, unreasonable taxation, unreasonable increase of the minimum wages on the labour market and interference with the free movement of capital, goods and employees.

SP Group seeks to minimize these risks by avoiding establishing itself in unstable and corrupt societies, but conditions may change.

Corporate governance and remuneration report

Proper and decent management

Proper and decent management is a precondition for SP Group being able to create long-term value for its customers, shareholders, employees and other stakeholders. Management sets up clear strategic and financial goals and regularly provides information on goal achievement for all stakeholders to be able to evaluate the development and future of the Group. It is essential to Management that SP Group meets its stakeholders at eye level and that the shareholders can exercise their rights freely.

The Board of Directors and the Executive Board strive to act openly in relation to their work and their approach to management. Management follows the recommendations for corporate governance issued by the Committee on Corporate Governance in December 2020 based on the "comply or explain" principle. At https://sp-group.dk/investor-relations/corporate-governance/, the Board of Directors systematically describes "the Company's position on the recommendations on corporate governance of March 2024" in the Corporate governance section. SP Group complies with the majority of the recommendations but has chosen a different practice in some areas that is more suitable for SP Group. The main deviation involves the following:

In a few areas, SP Group has not formalised procedures and policies to the same extent as suggested by the Committee on Corporate Governance. For instance, SP Group has neither introduced an actual stakeholder policy (but a clear attitude to and policies for communication) nor prepared any separate task description for the Chair (instead, this is part of the rules of procedure for the Board of Directors).

The Board of Directors has considered appointing committees under the auspices of the Board of Directors, but found that, due to the size of the Group, SP Group does not need such committees, with the exception of an Audit Committee whose members are the collective Board of Directors, chaired by Hans-Henrik Eriksen.

Duties of the Board of Directors

In 2023, the Board of Directors held 12 meetings, two of which focused on strategy and budgets, respectively. At the strategy meeting in December, the Board of Directors also discussed business risks and the management of such risks at group level. Once a year, the Board of Directors determines the framework for managing interest rate, credit and currency risks and risks related to raw materials and energy prices, and the Board of Directors follows up on the implementation of this framework on an ongoing basis. Discussion and revision of the rules of procedure are routine at the board meeting in June. All board members attend to the functions of the Audit Committee. Separate meetings in the Audit Committee are held in connection with board meetings.

The Board of Directors regularly assesses the Group's financial position, goals, dividend policy and share structure. The dividend policy is specified in the "Shareholder information" section, and the financial goals are specified in the "Up to 2024 Ambition" section. The Board of Directors assesses that the financial structure is appropriate for the present size and challenges of SP Group, and the Board of Directors targets an equity ratio of 25-45% to ensure an efficient capital structure. It is expected that the equity ratio will have increased to 25-45% by the end of 2024. If the equity ratio increases, excess capital is expected to be paid out to the shareholders unless it is in the interest of the Company to further increase the equity ratio.

The Board of Directors receives a weekly report from the Executive Board that details a number of recurring areas, including cash flows and developments in the business areas. In addition, the Board of Directors receives quarterly and monthly reports, including detailed financial follow-up.

Composition of the Board of Directors

The board members elected by the shareholders are up for election each year. 4-5 members is an appropriate number, as the Board of Directors can thus work efficiently and gather quickly while at the same time being diverse enough to represent different experiences.

The Board of Directors consists of persons with relevant insight into the plastics industry and management experience from internationally operating production entities. Hans W. Schur is connected to a major shareholder in the Company, but cannot be considered a majority shareholder. Thus, no member of the Board of Directors has any other interest in SP Group than safeguarding the shareholders' interests, and SP Group finds that the current board members possess the qualifications and experience necessary to manage the Group and act as an efficient sounding board vis-à-vis the Executive Board. Of the board members elected by the general meeting, Hans-Henrik Eriksen, Bente Overgaard and Marie Bakholdt Lund are considered independent in accordance with the criteria defined by the Committee on Corporate Governance. The other two board members have been members of the Board of Directors for more than 12 years.

All board members elected by the shareholders are up for election each year. At the annual general meeting in 2023, Marie Bakholdt Lund was newly elected. Marie Bakholdt Lund was elected after a thorough selection process with external professional assistance. Among the selection criteria were: Experience from international sales, knowledge of Medico Tech, experience from listed companies, relevant education and match with the rest of the board.

60% of the members of the Board of Directors are thus independent.

The Board of Directors appointed Hans W. Schur as its chair and Erik P. Holm as its deputy chair after the annual general meeting.

Hans-Henrik Eriksen continued as chair of the Audit Committee.

All five board members accept renomination at the annual general meeting in 2024.

Provided that the Board of Directors is re-elected at the annual general meeting in 2024, its composition and structure will remain unchanged.

At the annual general meeting in 2020, Niels Kristian Agner retired after 25 years' committed and competent effort as board member, of which 23 years as chair.

At the annual general meeting in 2009, the two employee representatives on the Board of Directors resigned as their term of office expired. No new representatives have been elected in accordance with the rules of election of group representatives for SP Group's Board of Directors. In the coming year, the Board of Directors will therefore only consist of the members elected by the shareholders.

At the end of April 2020, CFO Jørgen Nielsen resigned after 33 years' committed and competent effort.

The Board of Directors appointed Søren Ulstrup and Lars Ravn Bering as executive vice presidents and Tilde Kejlhof as Group CFO.

As from 1 May 2020, Group Management comprises Frank Gad, CEO, Søren Ulstrup, Executive Vice President, Lars Ravn Bering, Executive Vice President, and Tilde Kejlhof, Group CFO.

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Remuneration of Management

The Company's remuneration policy has been approved by the general meeting, most recently in 2020. The Board of Directors present a new remuneration policy at the general meeting in 2024. At https://sp-group.dk/investor-relations/vederlagspolitik-og-vederlagsrapport/ the remuneration policy is described.

The Board of Directors has no incentive programmes but receives ordinary remuneration determined by the annual general meeting. As announced at the annual general meeting in 2023, the Board of Directors will propose that the remuneration for 2023 remains unchanged. DKK 600,000 to the chair, DKK 350,000 to the deputy chair and DKK 300,000 to the other board members. Moreover, it is proposed that the chair of the Audit Committee should receive a separate fee of DKK 50,000 in addition to the directors' remuneration. The members of the Board of Directors will not receive any remuneration for ad hoc tasks, but will be reimbursed for travelling expenses in connection with meetings, etc.

For 2024, it is proposed to maintain the remuneration at DKK 600,000 to the chair, DKK 350,000 to the deputy chair and DKK 300,000 to other board members. The separate fee for the chair of the Audit Committee will remain DKK 50,000.

Remuneration of the Executive Board is negotiated by the chair and adopted by the Board of Directors. Remuneration comprises a basic rate and usual services such as company-paid telephone, company car, etc. Remuneration of the Executive Board totalled DKK 12.7 million in 2023 against DKK 12.0 million the year before. Members of the Executive Board make pension contributions themselves.

The Company must give at least 24 months' notice of dismissal to CEO Frank Gad and at least 12 months' notice to Executive Vice President Søren Ulstrup and Executive Vice President Lars Ravn Bering. If the members of the Executive Board are dismissed, the Company is not obligated to pay special severance pay.

The Executive Board has short-term incentive schemes, and the Executive Board received bonus in 2018, 2019, 2021 and 2022. No bonus was paid to the Executive Board in 2020.

In 2023, bonus to the Executive Board was paid out based on the performance obtained in 2022. The Board of Directors' assessment was based on SP Group's financial performance, ESG performance, strategic positioning for the future, development in claims and disputes and an assessment of the quality of management actions and dispositions.

The Board of Directors has not yet completed the evaluation of whether to pay bonuses for 2023 in 2024 and will complete its evaluation thereof in Q2 once the Annual Report has been approved.

SP Group has also set up long-term incentive schemes.

In 2018, the Board of Directors issued 41,500 warrants to the Executive Board and executive officers in the Group. Frank Gad received 3,000 warrants, and Jørgen Nielsen received 2,000 warrants. The remaining 36,500 warrants were distributed between 41 executives. The warrants issued can be exercised to subscribe for shares in the period 1 April 2021 – 31 March 2024; however, exercise can only take place during the first two weeks in those periods where Management is allowed to trade the Company's shares in accordance with the Company's internal rules. The exercise price is fixed at DKK 1,250 based on the listed price immediately before the publication of the annual report on 22 March 2018. Moreover, an addition of 7.5% p.a. is added calculated from 1 April 2018 and until the warrants are exercised. The programme will not represent a value to the executives until the shareholders have ascertained increasing share prices. The grant in 2018 was made based on the mandate granted to the Board of Directors by the company in general meeting on 28 April 2016. At year end 2023, 18,129 warrants under the 2018 programme were outstanding, corresponding to 90,645 shares after the share split. All warrants are hedged by means of treasury shares.

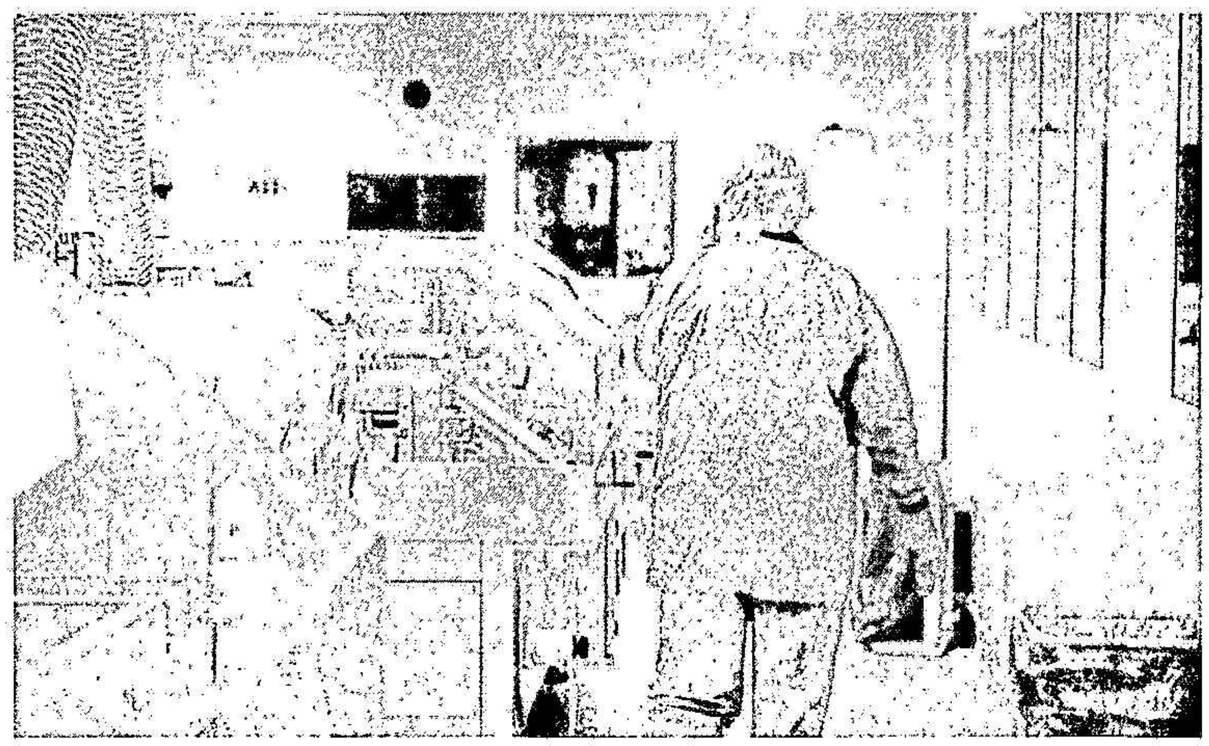
Due to the 1:5 share split in May 2018, each existing warrant issued before May 2018 will be entitled to subscription for 5 shares at 20% of the original exercise price.

In 2019, the Board of Directors issued 240,000 warrants to the Executive Board and executive officers in the Group. Frank Gad received 15,000 warrants, and Jørgen Nielsen received 15,000 warrants. The remaining 210,000 warrants were distributed between 42 executives. The warrants issued can be exercised to subscribe for shares in the period 1 April 2022 – 31 March 2025; however, exercise can only take place during the first two weeks in those periods where Management is allowed to trade the Company's shares in accordance with the Company's internal rules. The exercise price is fixed at DKK 210.00 based on the listed price immediately before the publication of the annual report on 27 March 2019. Moreover, an addition of 7.5% p.a. is added calculated from 1 April 2019 and until the warrants are exercised. The programme will not represent a value to the executives until the shareholders have ascertained increasing share

(continued on page 42)

Quality control at MedicoPack.

Cleanroom production at MedicoPack.



Management remuneration

DKK'000	Remuneration	Remuneration, committee members	Bonus	Company-paid car*)	Pension**)	Share-based payment***)	Total
2023							
Hans Wilhelm Schur	600	0	0	0	0	0	600
Erik Preben Holm	350	0	0	0	0	0	350
Hans-Henrik Eriksen	300	50	0	0	0	0	350
Bente Overgaard	300	0	0	0	0	0	300
Marie Bakholdt Lund	200	0	0	0	0	0	200
Frank Gad	4,325	0	1,000	98	0	327	5,750
Søren Ulstrup	2,535	0	600	35	0	327	3,497
Lars Ravn Bering	2,400	0	600	111	0	327	3,438
	11,010	**50**	**2,200**	**244**	**0**	**981**	**14,485**
2022							
Hans Wilhelm Schur	600	0	0	0	0	0	600
Erik Preben Holm	350	0	0	0	0	0	350
Hans-Henrik Eriksen	300	50	0	0	0	0	350
Bente Overgaard	300	0	0	0	0	0	300
Frank Gad	4,200	0	1,000	191	0	226	5,617
Søren Ulstrup	2,220	0	600	138	0	226	3,184
Lars Ravn Bering	2,220	0	600	135	0	226	3,181
	10,190	**50**	**2,200**	**464**	**0**	**678**	**13,582**
2021							
Hans Wilhelm Schur	600	0	0	0	0	0	600
Erik Preben Holm	350	0	0	0	0	0	350
Hans-Henrik Eriksen	300	50	0	0	0	0	350
Bente Overgaard	300	0	0	0	0	0	300
Frank Gad	4,200	0	1,000	198	0	110	5,508
Søren Ulstrup	2,040	0	500	127	0	110	2,777
Lars Ravn Bering	2,040	0	500	131	0	110	2,781
	9,830	**50**	**2,000**	**456**	**0**	**330**	**12,666**
2020							
Hans Wilhelm Schur	450	0	0	0	0	0	450
Erik Preben Holm	275	0	0	0	0	0	275
Niels Kristian Agner	188	0	0	0	0	0	188
Hans-Henrik Eriksen	225	50	0	0	0	0	275
Bente Overgaard	225	0	0	0	0	0	225
Frank Gad	4200	0	0	197	0	0	4,397
Jørgen Hønnerup Nielsen 1 January - 30 April 2020	567	0	0	22	0	0	589
Søren Ulstrup 1 May - 31 December 2020	1,280	0	0	99	0	0	1,379
Lars Ravn Bering 1 May - 31 December 2020	1,280	0	0	87	0	0	1,367
	8,690	**50**	**0**	**405**	**0**	**0**	**9,145**
2019							
Hans Wilhelm Schur	450	0	0	0	0	0	450
Erik Preben Holm	275	0	0	0	0	0	275
Niels Kristian Agner	225	0	0	0	0	0	225
Hans-Henrik Eriksen	225	50	0	0	0	0	275
Bente Overgaard	225	0	0	0	0	0	225
Frank Gad	4,200	0	1,000	126	0	0	5,326
Jørgen Hønnerup Nielsen	1,700	0	200	77	0	0	1,977
	7,300	**50**	**1,200**	**203**	**0**	**0**	**8,753**

*) Frank Gad and Søren Ulstrup have only had a company car for part of 2023 and incur the expenses themselves
**) Members of the Executive Board make pension contributions themselves
***) The Executive Board decided to purchase its warrants in cash up to and including 2019

CEO pay ratio is described further on page 74

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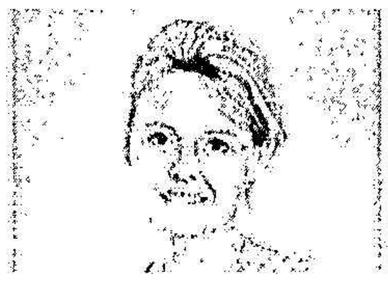
Directorships in Danish and foreign companies, etc., at 1 March 2024

	Hans Wilhelm Schur	Erik Preben Holm	Hans-Henrik Eriksen	 Bente Overgaard	Marie Bakholdt Lund
Title	CEO	MSc Economics & Business Administration, CEO	MSc Economics & Business Administration, CEO	MSc Political Science	MSc Economics & Business Administration, Vice President
Member of the Board of Directors	Member of the Board of Directors since 1999 and chairman since April 2018.	Member of the Board of Directors since 1997, Deputy Chairman.	Member of the Board of Directors since 2013. Chair of the Audit Committee	Member of the Board of Directors since 2017	Member of the Board of Directors since 2023
Residence and year of birth	Horsens, born 1951	Hellerup, born 1960	Risskov, born 1960	Hellerup, born 1964	Hellerup, born 1981
Gender and nationality	Male, Danish citizen	Male, Danish citizen	Male, Danish citizen	Female, Danish citizen	Female, Danish citizen
Independency	Not independent	Not independent	Independent	Independent	Independent
Other directorships	Danmarks Industrimuseum (BF), Konsul Axel Schur og Hustrus Fond (BF), Konsul Axel Schur og Hustrus Mindefond (BF), Schurs Støttefond (BF), Schur Finance a/s (EB and BM), AXRU Invest a/s (BF), Schur International Holding a/s (BM), Schur International a/s (BF), Schur Pack Denmark a/s (BF), Schur Pack Sweden AB (BF), Schur Pack Norway AS (BF), Schur Pack Germany GmbH (BF), Schur Technology a/s (BF), Schur Star Systems GmbH (BF), Schur Star Systems Inc. (BF), Schur Star Systems Australia Pty. Ltd. (BF), Schur Conference Center (D and BM), Schur Labels a/s (BF), Sarepta a/s (BF).	ScanCom International A/S (BF), Hotel Koldingfjord A/S (BF), Norr11 International ApS (BF), Norr11 Holding ApS (BF), CR EL & TEKNIK A/S (BF), Arvid Nielssons Fond (NF), AO Invest A/S (NF), Brødrene A & O Johansen A/S (NF), Miluda Invest ApS (BM), Dragsholm Slot P/S (BM), Hotelselskabet af 8. februar 2018 K/S (BM), Tokyo Topco Ltd. (BM), Erik Holm Holding ApS (D), JU-CH Holding ApS (D).	Bagger-Sørensen & Co. A/S (D), Bagger-Sørensen Fonden (D) (BM), Bagger-Sørensen Real Estate A/S (D), Vecata Ejendomme A/S (D), BSF Ejendomme ApS (D), Ovenvande Skanderborg ApS (BF), Dandy Business Park Holding ApS (BF), Dandy Business Park Ejendomme ApS (BF), Dandy Business Park Innovation Hub ApS (BF), Arcedi Biotech ApS (BM), Claonaig Estate Ltd. (BM), Liplasome Pharma ApS (BM og D), J-Flight ApS (D), Gumlink A/S (D + BM), Okono A/S (D + BM), Okono Holding ApS (D), Chew Invest ApS (D), CCC3 Holding (D), Bagger-Sørensen Equity A/S (BM), Tablet 1 ApS (BM), Tablet 2 ApS (BM), Tablet 3 ApS (BM), Tablet 4 ApS (BM), Tablet 5 ApS (BM), Tablet 6 ApS (BM), Tablet 7 ApS (BM), Tablet 8 ApS (BM), Idecra ApS (D), SoLoCa ApS (D), Vissing Fonden (BF), Vissing Holding A/S (BF), Vikan A/S (NF), Jabo Ejendomme A/S (BM), Jabo Development A/S (BF), Bricks Ejendomme A/S (BM), Ejendomsselskabet SF44 A/S (NF), Nicolinehus A/S (BM), Jamabi ApS (BM), Anpartsselskabet af 11/1 2024 ApS (BF).	Arbejdsmarkedets Erhvervssikring (BF), Den Danske Naturfond (NF), Johannes Fogs Fond (NF), Domea.dk (NF), Jyske Bank A/S (BM), Fellowmind Denmark A/B (BM), Programdirektør CBS Bestyrelsesuddannelserne, Bestyrelsesforeningen (D), Overgaard Advisory (D).	Vice President, International Sales, Demant A/S.
Special skills	Comprehensive management and board experience in international businesses within the plastics and packaging industries.	Comprehensive management and board experience in international businesses within various industries and from listed Danish companies. Comprehensive experience with acquisition and disposal of entities.	Broad experience in finance and accounting practice as well as auditing and investments. State Authorised Public Accountant.	Managerial background and comprehensive experience from the finance sector in connection with financial, HR and IT matters as well as ESG.	Considerable international management experience with sale, marketing and organisational development. Industry experience from the MedTech-industry and within other industries.
Attendance	100%	100%	100%	100%	87.50%
Number of shares	0 shares personally owned and related parties 1,997,163 (+54,240)	64,160 personally owned (0) and 17,220 through his own company (+11,506).	17,500 personally owned (0) and 4,279 through his own company (0).	6,465 personally owned (0), 1,461 through his own company (0) and 113 through related parties (0).	None

BF = Chair of the Board D = Director NF = Deputy Chair BM = Board member MI = Member of investment committee

Executive Board and Group Management

	Frank Gad	Søren Ulstrup	Lars Ravn Bering	Tilde Kejlhof
Title	CEO	Director	Director	Group CFO
Education	MSc Economics & Business Administration	Plastic engineer	MSc Engineering and B.Com in Supply Chain	Master of Economics
Employed since	Frank Gad took up the position as CEO in November 2004 and is also chair of the board for the most significant subsidiaries in SP Group.	2015 – was appointed to the Executive Board in 2020. Also CEO of SP Moulding and Ulstrup Plast, and from 1 April 2023 also CEO of Neptun Plast A/S and Atlantic Floats Denmark A/S Also chair of the board in Coreplast, Meditec and Bovil. Member of other boards of directors in the subsidiaries.	2008 – was appointed to the Executive Board in 2020. Also Managing Director of Gibo Plast A/S and Dan-Hill-Plast A/S and responsible for Group IT. Member of other boards of directors in the subsidiaries.	In SP Group since 2016 - CFO since 2020. Employed with the subsidiary MedicoPack from 2009-2019 as CFO.
Residence and year of birth	Frederiksberg, born 1960	Holte, born 1966	Silkeborg, born 1976	Odense, born 1978
Gender and nationality	Male, Danish citizen	Male, Danish citizen	Male, Danish citizen	Female, Danish citizen
External directorships	Director of Frank Gad ApS, Gadinvest A/S, Gadplast ApS and Gadmol ApS Investeringsselskabet Damhaven A/S (BF).	Chair of the Danish Plastics Federation in Denmark, Chair of Ad-Client A/S, chair of Ulstrup Invest ApS, member of the Executive Committee of DI, member of the Governing Body of DI, board member of DI Produktion, board member of Roll-o-matic A/S, board member of LBT ejendomme and Lynge Uggeløse Brugsforening – also director of Søren Ulstrup Invest ApS.	None	None.
Previous employment	CEO of FLSmidth A/S (1999-2004), CEO of Mærsk Container Industri A/S (1996-1999) and employment at Odense Staalskibsværft A/S (1985-1999), Executive Vice President at the time of resignation.	CEO of Ulstrup Plast A/S from 1993	Nilfisk: 2016-2017, Gibo Plast: 2011-2016, Vestas: 2011, Gibo Plast 2007-2011, Dansac: 2004-2007,	Harald Halberg Holding 2006-2009. Employed with the subsidiary MedicoPack from 2009-2019 as CFO.
Attendance	100%	100%	100%	100%
Number of warrants	22,500	22,500	22,500	17,500
Number of shares	No. of shares 173,289 personally owned (+39,459) and 279 (0) through his own company Related parties 1,359,670 (+35,100).*	Shares in SP Group. 24,831 personally owned (0) and 172,094 through related parties (0).	Shares in SP Group: 16,725 shares personally owned (0) and related parties 5,405 (0)	6,500 personally owned (+1,000)

*Frank Gad's shares (personally owned and related parties') account for 12 3% of the shares issued in SP Group. If warrants are included, the holding accounts for 12.5% of the shares issued.

Other executives in SP Group

Claus Lendal, CEO of Ergomat A/S
Susie-Ann Spiegelhauer, CEO, Accoat A/S
Michael Vinbech Therkelsen, CEO, Tinby A/S and MM Composite A/S
Loïc van der Heijden, Managing Director, TPI Polytechniek B V , the Netherlands
David Bourghardt, Managing Director, Brdr Bourghardt AB, Sweden
Torben Bruhn, Managing Director in MedicoPack A/S
Arild S. Johnsen, CEO in Plexx AS, Norway
Andreas Lagestig, CEO in Opido AB and Nycopac AB, Sweden
Mikko Toivonen, Managing Director in Coreplast Laitila Oy, Finland
Anders Vestermark Hansen, Group Chief Accountant, SP Group A/S
Mia Mørk, Executive Assistant, SP Group A/S
Mogens Laigaard, Director, SP Medical A/S
Jan R. Sørensen, Managing Director, SP Group's Chinese companies
Jens Birklund Andersen, Director, SP Moulding A/S and Sander Tech ApS
Rafal Szefer, Managing Director, SP Medical Sp. z o.o., Poland
Anie Simard, Vice President, Ergomat Inc., USA
Monika Karczewska, Managing Director, SP Moulding Sp. z o.o., Poland
April Zhu, Supply Chain Manager, Tinby Co Ltd., China
Martin Baca, Managing Director, Ulstrup Plast s.r.o., Slovakia
Przemyslaw Tuzikiewicz, Managing Director, Tinby Sp. z o.o., Poland (until 30 September 2023)
Anna Szymczak, CFO, SP Group's Polish companies
Izabela Filiplak, Plant Director, Ergomat Sp z o o , Poland
Peter Fejfer, Managing Director, MM Composite Inc., USA
Jens Møller and **Peder Hyldegaard**, Managing Directors, Kodaň Plast s.r.o., Slovakia
Li Chao, Plant Manager, Gibo Plast Co., Ltd., China
Heine Andersen, IT Safety Director, SP Group A/S
Lotte Burmølle Andersen, ESG Manager, SP Group A/S
Aimo Jollman, CEO, Jollmax Coating Oy, Finland (until 31 August 2023)
Markus Oilshin,CEO, Jollmax Coating Oy, Finland (from 1 February 2023)
Cecilie Ertman Lundsgaard, Manager, Neptun Plast A/S and Atlantic Floats Denmark A/S (until 31 March 2023)
Ole Lykke Jensen, CEO, DAVINCI 3D A/S
Steen Vilsøe Nielsen, CEO, Bovil ApS
Thomas Bo Iversen, CEO, Meditec A/S
Madars Slezis, Site Manager, SEA Radomes Co. Ltd., Thailand
Ugis Eihvalds, Production Manager, Baltic Rim SIA, Latvia
John Gu, Finance Manager, SP Group's Chinese companies
Vichy Dong, HR and Supply Chain Manager, SP Moulding Co. Ltd., China

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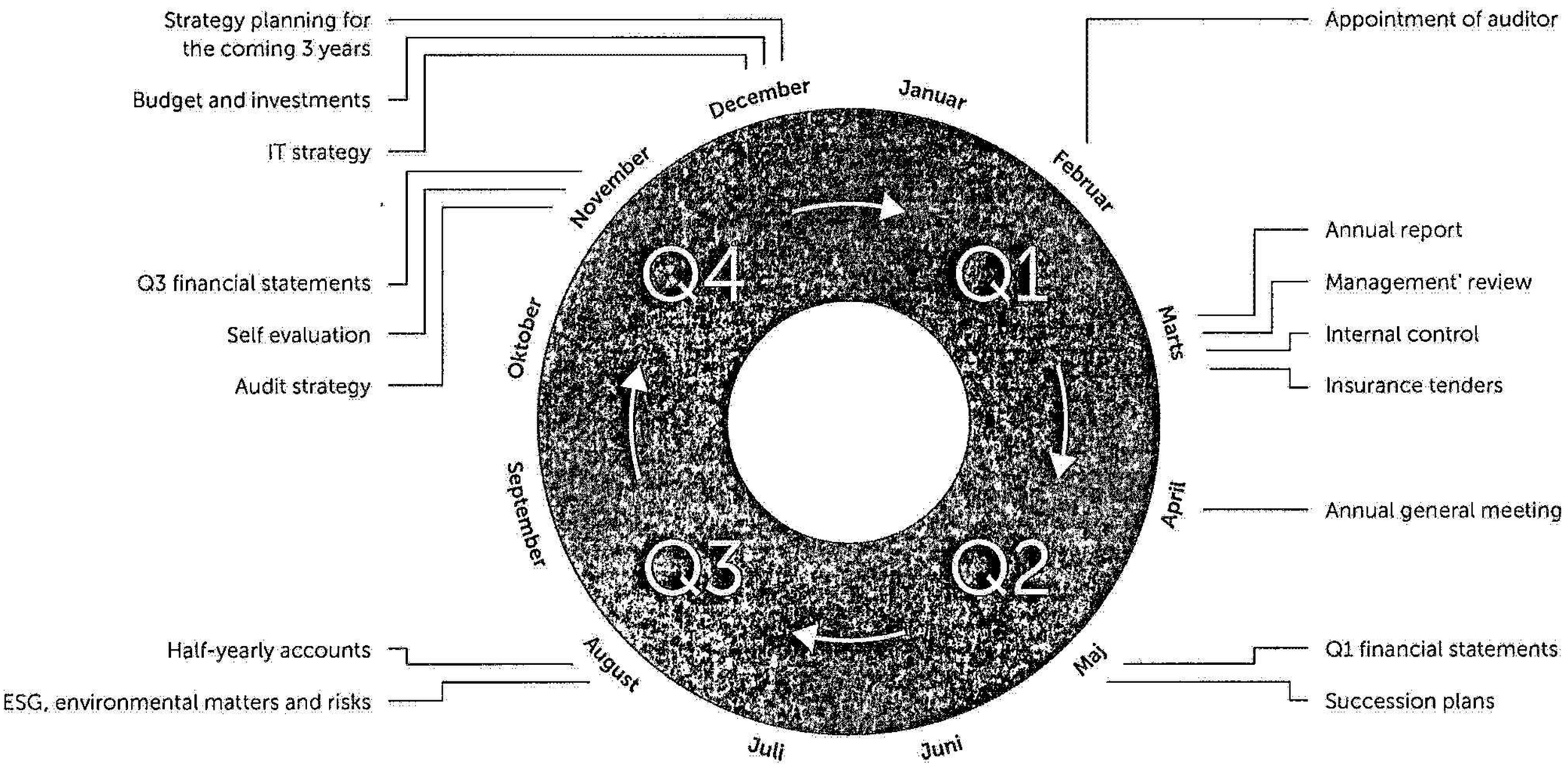
SP Group's annual wheel

The Board of Directors in SP Group A/S is responsible for strategic management focusing on ensuring value creation in the Company



Ownership interests at mid-March 2024:

Board of Directors and Group Management:	Private	Own company	Related parties	Total	% of share capital
Hans Wilhelm Schur			1,997,163	1,997,163	16.0
Erik Preben Holm	64,160	17,220		81,380	0.7
Hans-Henrik Eriksen	17,500	4,279		21,779	0.2
Bente Overgaard	6,465	1,461	113	8,039	0.1
Marie Bakholdt Lund	0	0	0	0	0
Frank Gad	173,289	279	1,359,670	1,533,238	12.3
Søren Ulstrup	24,831	172,094		196,925	1.6
Lars Bering	16,725		5,405	22,130	0.2
Tilde Kejlhof	6,500			6,500	0.1
	309,470	195,333	3,362,351	3,867,154	31.0

prices. The grant in 2019 was made based on the mandate granted to the Board of Directors by the company in general meeting on 28 April 2016. At year end 2023, 137,221 warrants under the 2019 programme were outstanding. All warrants are hedged by means of treasury shares.

The Board of Directors issued no warrants in 2020.

In 2021, the Board of Directors issued 108,750 warrants to the Executive Board and executive officers in the Group. Of the warrants issued, Frank Gad, Søren Ulstrup and Lars Ravn Bering received 7,500 warrants each. The remaining 86,250 warrants were distributed between 41 executives. The warrants issued can be exercised to subscribe for shares in the period 1 April 2024 – 31 March 2027; however, exercise can only take place during the first two weeks in those periods where Management is allowed to trade the Company's shares in accordance with the Company's internal rules. The exercise price is fixed at DKK 400.00 nominally. DKK 2 share plus 7.5% p.a., calculated from 1 April 2021 and until the warrants are in fact exercised. The exercise price is fixed based on market conditions on 25 March 2021. The programme will not represent a value to the executives until the shareholders have ascertained increasing share prices. The grant in 2021 was made based on the mandate granted to the Board of Directors by the company in general meeting on 29 April 2019.

In 2022, the Board of Directors issued 115,000 warrants to the Executive Board and executive officers in the Group. Of the warrants issued, Frank Gad, Søren Ulstrup and Lars Ravn Bering received 7,500 warrants each. The remaining 92,500 warrants were distributed between 39 executives. The warrants issued can be exercised to subscribe for shares in the period 1 April 2025 – 31 March 2028; however, exercise can only take place during the first two weeks in those periods where Management is allowed to trade the Company's shares in accordance with the Company's internal rules. The exercise price is fixed at DKK 400.00 nominally. DKK 2 share plus 7.5% p.a., calculated from 1 April 2022 and until the warrants are in fact exercised. The exercise price is fixed based on market conditions on 24 March 2022. The programme will not represent a value to the executives until the shareholders have ascertained increasing share prices. The grant in 2022 was made based on the mandate granted to the Board of Directors by the company in general meeting on 29 April 2019.

In 2023, the Board of Directors issued 120,000 warrants to the Executive Board and executive officers in the Group. Of the warrants issued, Frank Gad, Søren Ulstrup and Lars Ravn Bering received 7,500 warrants each. The remaining 97,500 warrants were distributed between 41 executives. The warrants issued can be exercised to subscribe for shares in the period 1 April 2026 – 31 March 2029; however, exercise can only take place dur-

ing the first two weeks in those periods where Management is allowed to trade the Company's shares in accordance with the Company's internal rules. The exercise price is fixed at DKK 260.00 nominally. DKK 2 share plus 7.5% p.a., calculated from 1 April 2023 and until the warrants are in fact exercised. The exercise price is fixed based on market conditions on 23 March 2023. The programme will not represent a value to the executives until the shareholders have ascertained increasing share prices. The grant in 2023 was made based on the mandate granted to the Board of Directors by the company in general meeting on 29 April 2019.

The Board of Directors believes that share-based arrangements are necessary to ensure that SP Group will be able to attract and retain qualified executive officers and other key personnel. The Board of Directors wishes to tie the executive officers closer to the Group, reward them for their contribution to the long-term value creation and establish that executive officers and shareholders have a common interest in increasing share prices, which helps support the Company's long-term earnings ambition as described in the "Up to 2024 Ambition" section on page 14.

SP Group's programmes so far have all been multi-annual programmes to promote long-term and value-adding conduct among the executive officers, and as a result of the annual interest surcharge, the exercise price has been higher than the share price at the grant date. These principles will also apply going forward. The Company's remuneration policy was presented at the annual general meeting in 2020. A new remuneration policy will be presented at the annual general meeting in 2024.

Key elements in the Group's internal control and risk management systems in connection with the financial reporting

Financial reporting process
The Board of Directors and the Executive Board have the overall responsibility for the Group's control and risk management in connection with the financial reporting process, including compliance with relevant legislation and other adjustments in connection with the financial reporting. The Group's control and risk management systems can provide reasonable but not absolute assurance that fraudulent use of assets, losses and/or material errors and omissions in connection with the financial reporting are avoided.

Control environment
At least once a year, the Board of Directors assesses the Group's organisational structure, the risk of fraud and the existence of internal rules and guidelines.

The Board of Directors and the Executive Board lay down and approve overall policies, procedures and controls in significant areas in connection with the financial reporting process, including business procedures and internal controls, budget and budget follow-up procedures, procedures for the preparation of monthly financial statements and controlling in this connection and procedures for reporting to the Board of Directors.

The Board of Directors may set up committees in relation to special tasks. For further information, see the section "Proper and decent management".

The Executive Board regularly monitors compliance with relevant legislation and other regulations and provisions in connection with the financial reporting and reports to the Board of Directors on an ongoing basis.

Whistle-blower scheme
SP Group and all its subsidiaries strive for a business environment that promotes and upholds a high degree of integrity and responsibility.

SP Moulding in Stoholm

Accordingly, the Company has established a whistle-blower scheme that allows anyone with affiliations to SP Group to safely report suspected non-compliance with SP Group's policies and guidelines, laws and regulations as well as other serious irregularities.

Matters can be reported to the whistle-blower scheme by sending an e-mail to hhe@sp-group.dk. The e-mail is sent directly to Hans-Henrik Eriksen, who is chair of SP Group's Audit Committee and independent member of SP Group's Board of Directors elected by the general meeting Executives and employees in SP Group do not have access to this e-mail.

Guidance on how to use SP Group's whistle-blower scheme has been communicated to all employees in local languages.

The whistle-blower scheme is also described on the Company's website.

No matters were reported by stakeholders in 2023.

Risk assessment
At least once a year, the Board of Directors makes an overall assessment of risks relating to the financial reporting process. As part of the risk management, the Board of Directors considers the risk of fraud and the measures to be taken in order to reduce and/or eliminate such risks. In this connection, Management's incentive/motive, if any, for fraudulent financial reporting or other fraud is discussed.

Audit Committee
The duties of the Audit Committee are attended to by all members of the Board of Directors. Hans-Henrik Eriksen, who is an independent member, possesses accounting and audit qualifications. Hans-Henrik Eriksen is chair of the Audit Committee and state authorised public accountant. Bente Overgaard and Marie Bakholdt Lund are also independent members. The Audit Committee has its own rules of procedure.

Audit
To perform the audit, an audit firm of state authorised public accountants is appointed at the annual general meeting upon the Board of Directors' recommendation. The auditor is a representative of the general public. The auditor prepares long-form audit reports to the collective Board of Directors at least twice a year and also immediately after identifying any matters that the Board of Directors should address. The auditor participates in the meetings of the Board of Directors in connection with the presentation of long-form audit reports to the Board of Directors. Prior to the recommendation for appointment at the annual general meeting, the Board of Directors makes an assessment, in consultation with the Executive Board, of the auditor's independence, competences, etc.

Most of subsidiaries are audited by the Parent Company's auditor or by their foreign business partners.

At the annual general meeting in 2024, the Board of Directors will suggest the appointment of a sustainability auditor.

Shareholder information

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Overall objective

SP Group seeks to communicate openly the Group's operations, development, strategy and goals. The purpose is to ensure the liquidity of the Company's share and that the pricing reflects the realised results as well as the future earnings potential. SP Group's goal is to ensure a positive rate of return to the shareholders through increases in the share price and payment of dividends.

Share capital

SP Group's shares are listed on NASDAQ Copenhagen under the short name SPG, the ISIN code is DK0061027356 and ID CSE3358. SP Group is registered in the "Chemicals" sector. SP Group is included in the OMX Copenhagen Benchmark Index.

The share capital of DKK 24.98 million is divided into 12,490,000 shares of DKK 2 each. SP Group only has one class of shares, all shares are freely negotiable, and the voting and ownership rights are not subject to any restrictions.

On 3 June 2020, the share capital was increased by the issue of 1.1 million new shares of DKK 2 each, which were sold at market price without pre-emption rights for the Company's shareholders. The issue was oversubscribed. The subscription price was 200. The subscription provided the Company with DKK 220 million gross and DKK 215 million net.

The share capital has not been subject to any changes in 2023.

The Board of Directors is mandated to carry out a capital increase in accordance with the existing warrant programmes. At the same time, the Board of Directors is authorised to further increase the share capital by up to nom. DKK 7.8 million in the period until 1 April 2024 by subscription for new shares at market price or a lower price determined by the Board of Directors, however, not below DKK 2 per share. The Board of Directors will ask the company in general meeting to renew the mandate in 2024.

The Board of Directors is authorised to let the Company acquired treasury shares of a nominal value of up to 10% of the share capital. The consideration must not deviate from the market price at the acquisition date. The Board of Directors will ask the company in general meeting to renew the mandate in 2024.

Share split

In 2018, the company in general meeting decided to carry out a share split in the ratio 1:5 to increase interest in the SPG share and to improve liquidity and the free flow in the market. The first trading day of the new split share was on 7 May 2018.

Change of control

The Company's lenders are entitled to renegotiate the loan terms in case of change of control. A number of customers are entitled to cancel trading agreements in case of change of control.

Shareholders' return

At present, the Board of Directors of SP Group primarily intends to apply profits to strengthen the Company's financial position and finance initiatives that can contribute to profitable growth.

During the year, the SPG share was traded at prices between 320 and 183. The price closed at 219 in 2023 and opened at 256.5 on 2 January 2023.

The capital loss thus totalled -14.6%. Including the dividend of DKK 3.0 per share, return from 1 January 2023 to 31 December 2023 was -13.5%, which is somewhat below the market. Market Cap at 31 December 2023 was DKK 2,735 million; a decrease of DKK 468.4 million over the year. The shareholders received dividends of DKK 37.5 million.

In the period from 1 January 2010 to 30 December 2023, the SPG share yielded a total return of 2,792%, including dividend, which is the third highest among listed Danish shares.

Share buy-back programme

The Company will still try to fully or partially hedge warrant programmes by buying back treasury shares.

In 2023, a total of 12,000 SPG shares, corresponding to DKK 2.6 million were sold outside Nasdaq when the warrant programme was exercised.

On 11 April 2022, SP Group A/S launched a share buy-back programme, see company announcement no. 18/2022. In connection with the share buy-back programme, which ran in the period from 11 April 2022 up to and including 10 April 2023, SP Group would purchase shares for a maximum consideration of DKK 40 million. A total of 147,380 shares were

Development in the SPG share 1 January – 31 December 2023. Index 1 January 2023 = 256.5

acquired at an average price of 271.41 under the programme, and DKK 39,999,861 had been used (company announcement no. 21/2023).

At year-end 2023, the holding of treasury shares totalled 377,561 shares, corresponding to 3.02%.

Ownership and liquidity

By mid-March 2024, five shareholders have reported a holding of more than 5% of the shares: Schur Finance a/s (incl. related parties), Odin Fund Management, ATP, Lannebo Fonder AB and Frank Gad (incl. his related parties) with a total of 48.7%. During the year, the number of registered shareholders increased from approx. 3,295 to approx. 4,200, and the registered shareholders' total ownership interest now amounts to 96.5% of the share capital.

The known shareholder base outside Denmark is still modest, but increasing. 122 international shareholders holding a total of 30.6% of the shares have become registered (109 at the end of March 2022 and 35.3% of the shares at the end of March 2022).

A total of 2,114,036 SPG shares were traded on the Nasdaq in the year, which is 46.5% more than in 2022. Measured in DKK revenue increased to DKK 482.7 million in 2023 from DKK 468.5 million in 2022. In Q4, a total of 927,368 shares were sold, which is more than all trading in the first half of the year. Increasing liquidity will hopefully soon lead to increasing share prices.

Information

Generally, SP Group seeks to maintain an ongoing, timely and balanced dialogue with existing and potential shareholders, share analysts and other stakeholders. The Company's executives participate in meetings with both professional and private investors as well as analysts on an ongoing basis. Presentations from the meetings are available on the website where other relevant information can also be found and access to news subscriptions is provided. Finally, it is important to SP Group that all requests and enquiries from shareholders and other stakeholders are handled as quickly as possible.

SP Group has a silence period of three weeks up to the publication of scheduled interim and full-year reports where the Group does not comment on financial performance or expectations. Outside these idle periods, the central point of communications to the share market is the well-defined financial goals set out by the Group that SP Group follows up on regularly.

The person responsible for investor and analyst relations is CEO Frank Gad, tel. (+45) 70 23 23 79, e-mail: info@sp-group.dk

Additional shareholder information is available at the website www.sp-group.dk.

Published stock exchange announcements for the past five years: Announcements are available on SP Group's website: www.sp-group dk

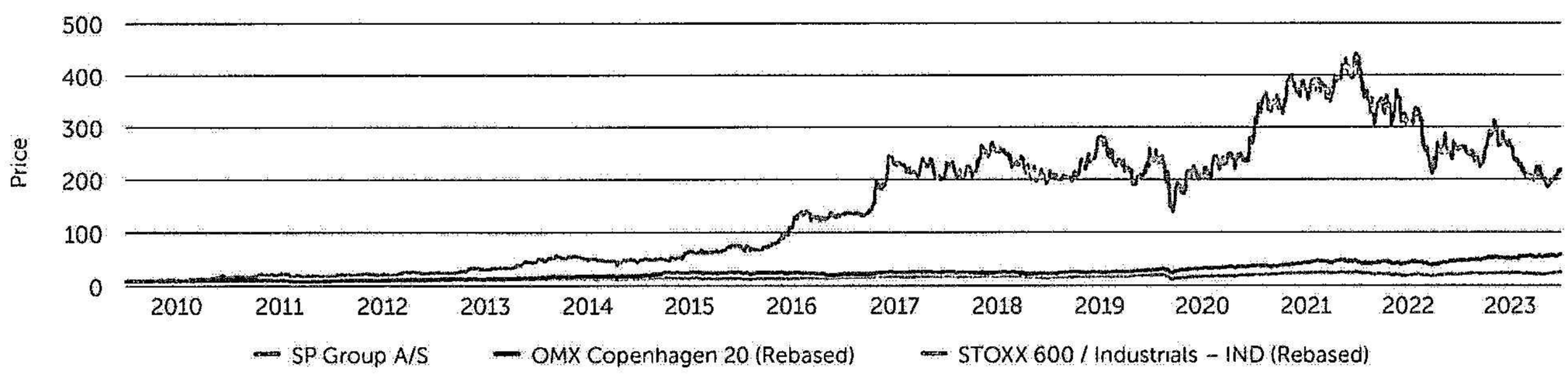
Financial calendar for 2024

21 March	Announcement of financial statements for 2023
25 April	Annual general meeting
27 May	Interim report for Q1 2024
23 August	Interim report for H1 2024
15 November	Interim report for Q3 2024

Share information – SP Group A/S – mid-March 2024

Name	Registered office	No. of shares	Share (%)
Schur Finance a/s, incl. related parties	Horsens	1,997,163	16 0
Frank Gad, including related parties	Frederiksberg	1,533,238	12 3
Odin Fund Management	Oslo	1,159,307	9 3
Lannebo Fonder AB	Stockholm	757,444	6 1
ATP (the National Labour Market Supplementary Pension Fund)	Hillerød	630,130	5.1
		6,077,282	**48.7**
Distribution of other shares			
SP Group (treasury shares)		377,561	3 0
Registered shares below 5%		5,594,970	44 7
Non-registered shares		440,187	3 5
Total		**12,490,000**	**100.0**

Development in the SPG share 1 January 2010 – 31 December 2023. Index 1 January 2010 = 8.7



Management systems

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The Group's production sites have all implemented quality and management systems that ensure adequate focus on quality, environment and working environment. The majority of all sites are certified by a third party or have planned a certification of the systems.

Site	ISO 9001	ISO 14001	ISO 45001	Other
Gibo				
Denmark	X	X	X	
Poland	X	X	X	IATF 16949 planned
China	X	X	X	
USA				ISO 9001, ISO 14001 and ISO 45001 planned
Plexx / Opido				
Sweden	X	X		
Norway	X	X		
SP Moulding				
Juelsminde	X	X		FSC*
Stoholm	X	X		IATF 16949
Poland	X	X		
China	X	X	X	
SP Medical				
Karise		X	X	ISO 13485
Poland		X	X	ISO 13485
Bröderna Bourghardt				
Sweden	X	X		
Latvia	X	X		
Thailand				ISO 9001 and ISO 14001 planned
Tinby				
Denmark	X	X	X	
Poland	X	X	X	
China	X	X	X	
Latvia	X	X		
Accoat				
Kvistgaard	X	X		
Ulstrup Plast				
Lynge	X	X		
Slovakia	X	X		
MedicoPack				
Denmark		X		ISO 15378
MM Composite				
Denmark	X	X	X	
USA	X	X		ISO 45001 planned
Coreplast				
Finland	X	X		ISO 13485 and IATF 16949
Dan-Hill-Plast				
Denmark	X	X	X	
Kodaň Plast				
Slovakia	X			ISO 14001 planned
Jollmax Coating				
Finland	X	X		
DAVINCI 3D				
Denmark	X			
Meditec Plaststøbning				
Denmark	X			ISO 13485

* FSC = Forest Stewardship Council

Management systems
In SP Group, most companies have now organised their management and control of the companies. The majority is based on quality, environmental or working environment management systems, collectively referred to as a management system.

The management systems are based on a mapping of the companies' stakeholders, internal and external circumstances and an assessment of the companies' risks and opportunities in this respect.

The management systems comprise preparation and adoption of policies and setting up objectives, goals and action plans and also imply that the companies implement and maintain a management system of procedures and instructions for the most significant activities.

The companies' management systems are inspected and controlled annually by external auditors that represent an independent body, accredited certification agencies that assess the companies' actual performance compared to the procedures in the management systems and the requirements of applicable ISO standards.

Quality management certified in accordance with ISO 9001, 13485, 15378 and IAFT 16949
As is the case for the management systems related to the companies' environment and working environment, a quality system means that the companies ensure through procedures and instructions that they work determinedly and systematically on regularly improving the internal business processes that are to ensure appropriate management of resources, suppliers, productions and products to achieve customer satisfaction.

Environmental management certified in accordance with ISO 14001
An environmental management system means that companies can document the mapping of their environmental matters, that environmental matters are handled appropriately and that applicable environmental legislation is complied with.

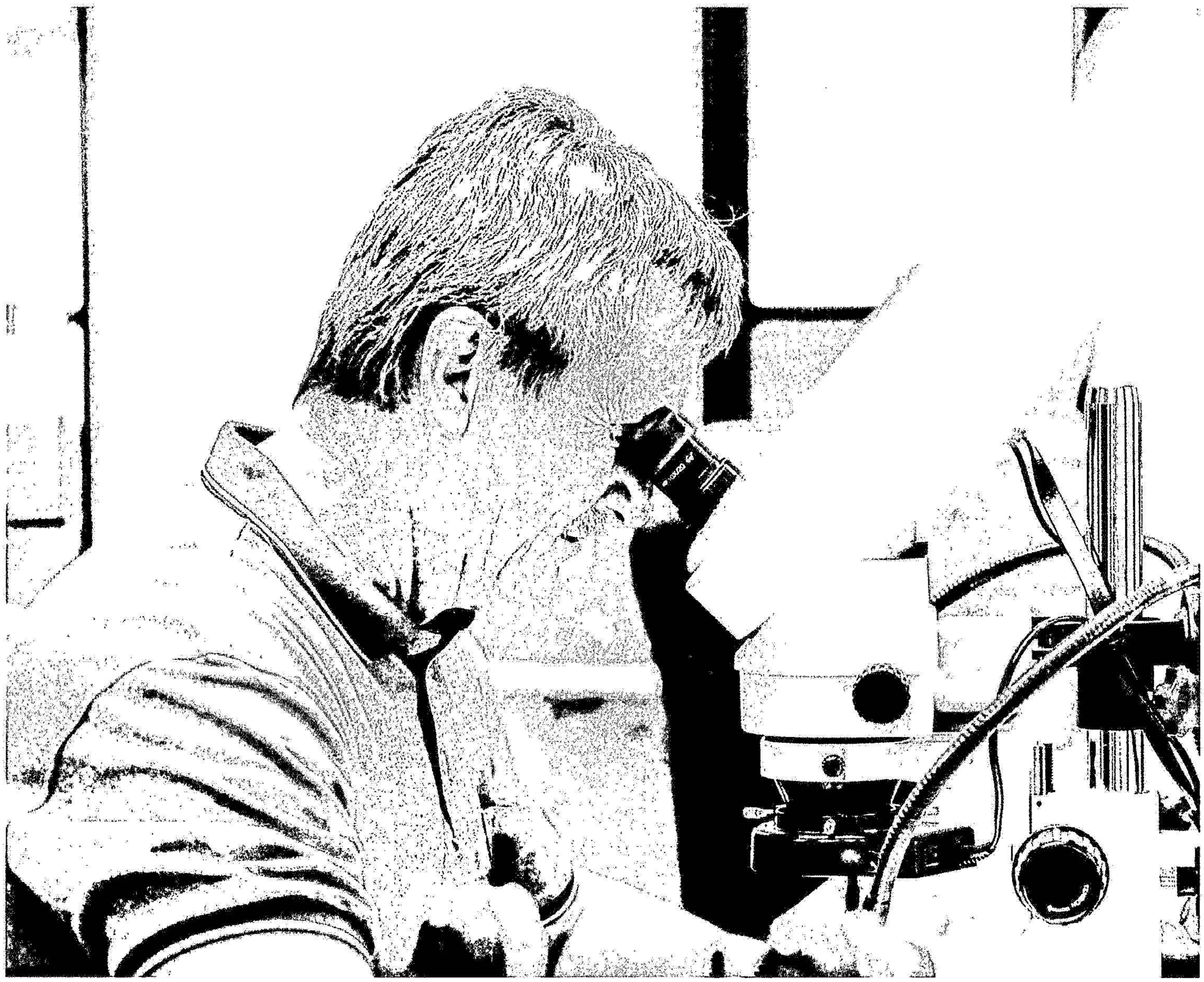
The companies' efforts to comply with procedures and instructions ensure that they work determinedly and systematically on regularly improving their environmental performance, which is monitored and measured on an ongoing basis.

Improved environmental performance is achieved by investing in processes, buildings and equipment thus aiming, within given financial limits, to apply cleaner technologies.

Working environment management certified in accordance with ISO 45001
A working environment management system means that the companies can document the mapping of their working environment matters and that these matters are handled appropriately.

The Company's efforts to obtain and maintain working environment certifications extend beyond compliance with national legal requirements and international conventions in the working environment area. By complying with procedures and instructions, the companies ensure that they work determinedly and systematically on regularly improving the working environment.

A continuous focus on employees' physical and mental working environment ensures employees' well-being and safety in the companies, which aim to reduce absence due to illness and work-related accidents and to ensure personal and professional development of the individual employees.



Lars Klecek, Meditec, quality-tests finished goods.

R & D

Things are still moving really fast when it comes to development of plastics and plastics technologies.

Demand for environmentally friendly plastics solutions is growing in line with the continual improvement of the qualities of plastics. Plastic is often chosen due to its many unique properties.

A good example is the wind turbine industry, which uses composites, a combination of plastics and other materials.

In SP Group we optimise production technologies for high as well as low volume production to ensure that we remain competitive globally. Our R&D department takes part in this development, but our focus is directed at composites where materials are combined. Together with our customers, universities and producers of raw materials, we constantly strive to push the boundaries and creating value for everybody.

IT and personal data security

SP Group has established a central IT and personal data security function for purposes of ensuring strong efforts within the area. This relates to both SP Group's own subsidiaries and IT networks and to future acquisitions.

General policies have been drawn up describing how subsidiaries are to act in relation to the protection of personal data and IT security. All subsidiaries and IT networks in SP Group are reviewed at least once a year by the IT Security Officer in relation to these policies, and in case of deviations, action plans with specific deadlines are prepared.

Once a year, an overall status report is prepared for SP Group's Board of Directors.

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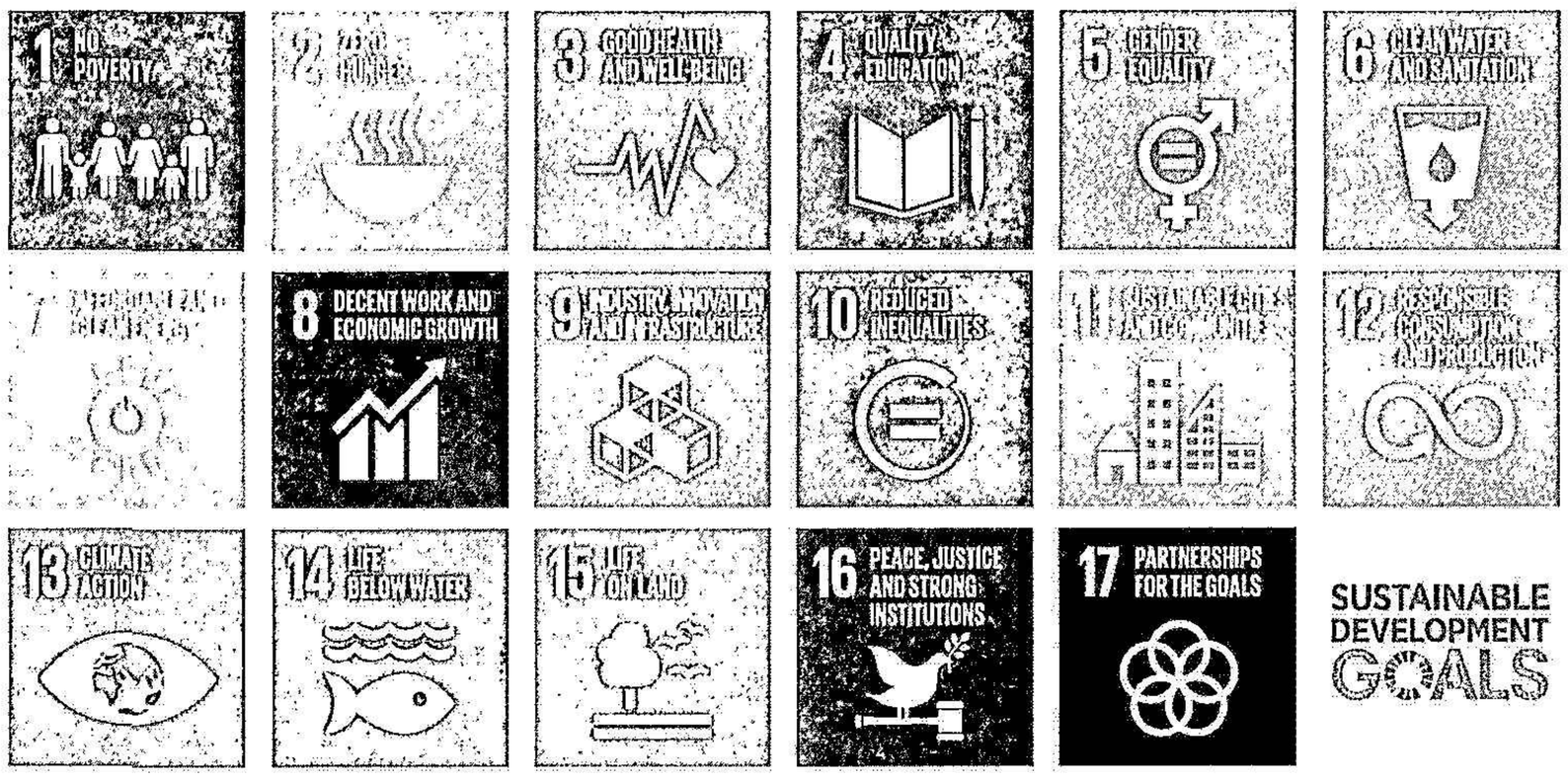
Our global joint responsibility



In 2023, SP Group focused on our joint responsibility to contribute to a more sustainable world. In cooperation with our customers, we have developed and manufactured products that promote quality of life and more efficient use of resources – for the benefit of both climate, environment, people and animals.

We have maintained a forward-thinking approach to our operations and production to improve resource consumption and promote sustainable processes. This contributes to a positive development globally and locally and promotes the health and safety of our employees.

Given our presence in 12 countries and 31 factories, we have sales of products in all parts of the world and thus the opportunity in several ways to create good conditions for the environment, animals and people in many different types of society.

We support the initiative behind the UN's 17 Sustainable Development Goals, to which our efforts contribute directly or indirectly. To underline SP Group's commitment to global sustainability, the Group is a member of the UN Global Compact and builds its sustainability work over 11 years on the principles set out therein.

This year, we have prepared our ESG reporting according to the new, but not yet applicable rules in EU's Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS) on materiality assessment and definition of data points for the measurement of the impact on environmental sustainability (E), social sustainability (S) and Governance (G).

To best contribute to the green transition, we have set the following strategic goals to be achieved by 2030:

- No negative environmental impact from operations
- All global production runs on renewable energy
- Entire Company is carbon neutral in Scope 1 and Scope 2
- Support of transition to renewable energy by manufacturing state-of-the-art plastic and composite solutions, which are used for modern energy production
- Manufacture state-of-the-art plastic solutions, which contribute to energy optimisation, insulation, clean water and clean air
- Manufacture state-of-the-art plastic and coating solutions which contribute to a longer and better life

This report is SP Group's ESG report pursuant to section 99a of the Danish Financial Statements Act, section 99b of the Danish Financial Statements Act on gender distribution in Management (see paragraph on gender equality and section 107d of the Danish Financial Statements Act on diversity (see paragraph on diversity) and section 99d of the Danish Financial Statements Act on data ethics. The report also provides information on our activities in relation to the EU Taxonomy Regulation. The report is also regarded as supplementary documentation for our Communication on Progress report to the UN Global Compact.

COMMUNICATION ON PROGRESS

UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Our business model integrates sustainability considerations

It is important to SP Group that we can increase the Group's earnings and activities in a responsible manner.

We are aware that our products increase the use of plastics. This is precisely why we take active responsibility for developing our business and production in a way that increasingly reduces negative environmental impact and contributes to sustainable development and the transition to circular economy. We do so i.a. by increasing the use of regenerated and surplus material from our production in the manufacturing of new products.

It is also our goal that the Group can contribute financially to the communities of which we are part by being innovative and creating workplaces.

In the past year, we have strengthened our efforts to integrate sustainability into our business model. In particular, we have focused on value creation through recycling of plastics in our production and utilisation of both our own surplus materials from production and regenerated materials and raw materials from other players in the plastic industry.

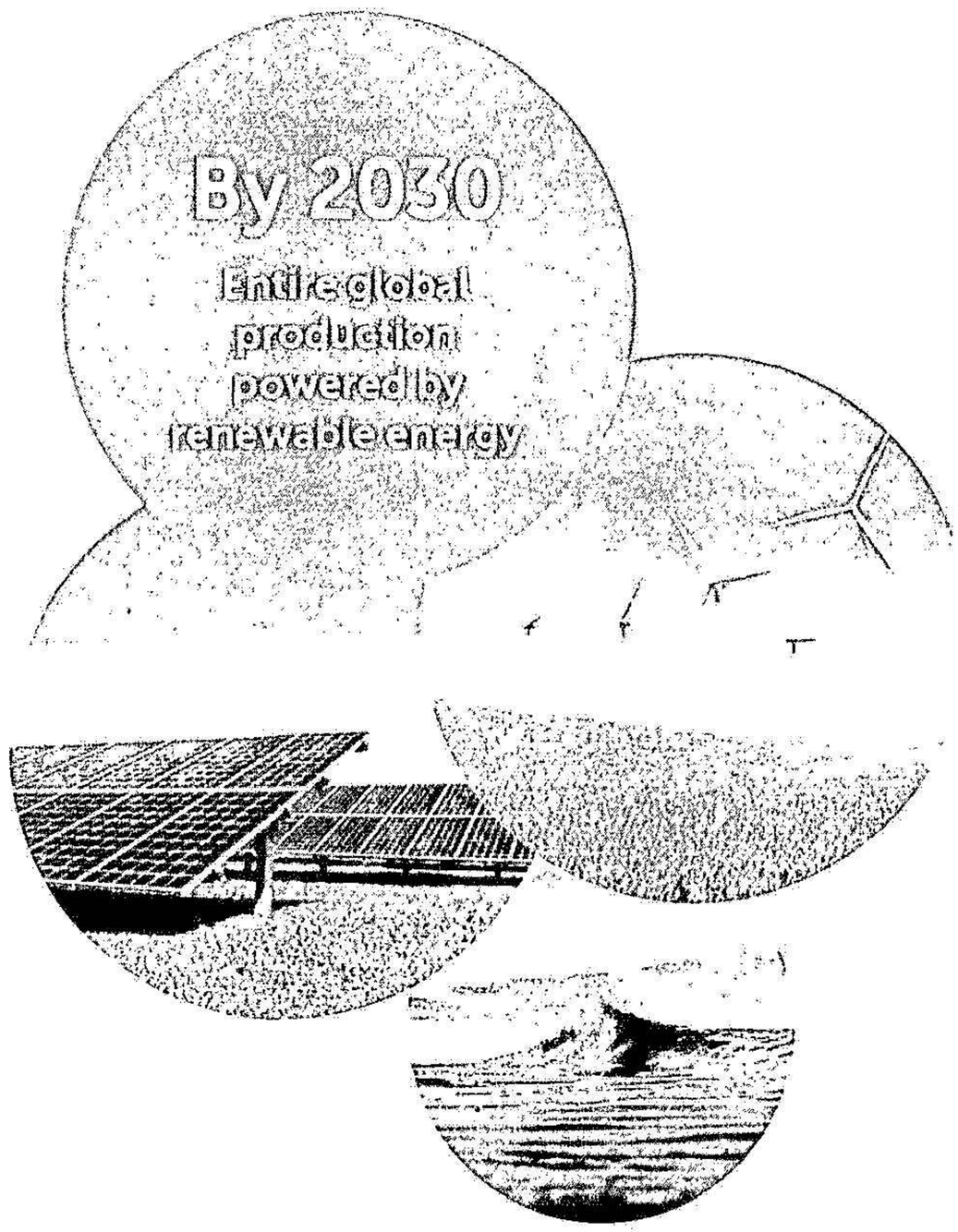


Figure 1 – SP Group – Business model

SP Group's value creation

Know-how, quality assurance, documentation

Customer's product idea

Choice of raw materials and process

Design and construction of mould

Choice of production equipment

Production
- Injection moulding
- Vacuum forming
- Reaction Injection Moulding
- Composite
- Injection Blow Moulding
- Extrusion Blow Moulding
- Extrusion
- Rotational Moulding
- 3D Print
- Milling and cutting
- Coatings

Subsequent processing
- Print
- Welding
- Laser engraving
- 3D scanning
- Coating
- Assembly
- Packaging
- Logistics
- Water printing
- EMS (Electro Magnetic Shielding)

On-time delivery

Installation and use

Recycling after use

Advisory services | **Raw materials** | **Moulds and machinery** | **Electricity and gas** | **Components** | **Transportation**

Suppliers

Repurposed materials

= 0-100% regrind (recycled plastics)

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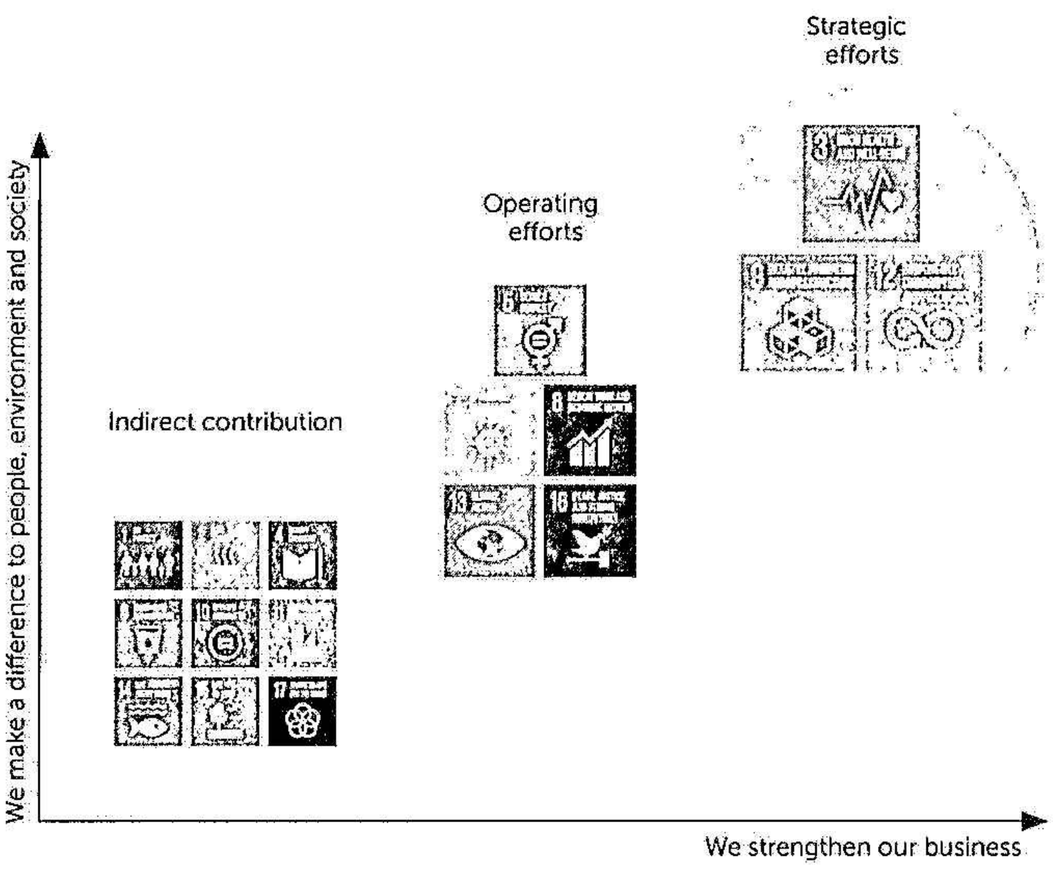
Strategic efforts

Since 2018, SP Group has aimed to contribute to UN's Sustainable Development Goals through our products and operations, but also through concrete projects that make a difference locally or globally. Our strategic efforts supplement the parameters, which in 2023 are assessed material according to the double materiality assessment.

In addition to the strategic efforts, SP Group contributes to the other Sustainable Development Goals through our operations and indirectly through the development of products and methods that promote sustainability. This is illustrated in Figure 2 below.

Figure 2 – SP Group's contribution to the Sustainable Development Goals



Sustainable Development Goal 3
on good health and well-being

SP Group manufactures a range of products for the healthcare industry, including Ergomat with mats, Accoat with coatings, SP Medical with guide wires, MedicoPack with packaging for pharmaceuticals and Meditec with medical device equipment. These products help prevent and cure diseases while increasing the quality of healthcare that all people should have access to. The share of healthcare products represents 34% of SP Group's total revenue.

At SP Group, we contribute to good health and well-being by securing and creating workplaces with a healthy dialogue, opportunities for personal development and a constant focus on safety, e.g. through the safe use and disposal of chemicals from our productions.

At SP Group, we care that our companies are geographically located, where people have the opportunity to thrive physically and mentally and have the opportunity for education and improve the living standard.

Sustainable Development Goal 9
Industry, innovation and infrastructure

Through the products, which SP Group manufactures for the cleantech industry, we have the opportunity to contribute to reduced energy consumption and to the production of renewable energy, efficient treatment of waste water and flue gas. This part of our revenue accounts for 31%.

By using better technological equipment and machines, we contribute to less waste of raw materials and thus less impact on the environment and climate. SP Group therefore requires that investments are made in equipment and machines with increased efficient energy utilization and less waste of raw materials.

SP Group depends on the goods produced being able to be transported across the world and on electricity, internet and continued access to raw materials. We are eager to enter into partnerships that support the development of processes that can contribute to a positive change and sustainable development of the world.

Sustainable Development Goal 12
responsible consumption and production

Throughout the Group, SP Group strives to reduce our waste through preventive measures, sorting into waste fractions and by recycling surplus material from our production. Together with our customers, we therefore have a strong focus on manufacturing products from regenerated materials.

Our source sorting of waste supports the global recycling efforts and transition to a circular economy. Thermoplastic industrial scrap is thus part of a circular use flow, thereby preventing waste of natural resources.

The effort is made possible by systematic monitoring and reporting on our consumption of raw materials and by continuously trying to increase the volume of surplus material from our own production as well as industrial scrap used for manufacturing new products.

The share of regenerated material represents 13.9% of the total amount of plastic material used for production in 2023.

Our ESG organisation

To ensure that we deliver on our ambition regarding corporate social responsibility, we have established an organisation where roles and responsibilities for our ESG efforts have been determined. The work with sustainability is planned and coordinated by our ESG Manager and Group Management and includes the integration of all companies in the Group's ESG efforts.

The Board of Directors is the overall responsible for our ESG efforts. It oversees the overall strategy and approves policies and reports. In addition, the chair of the Audit Committee is responsible for our whistleblower hotline and for handling any cases.

In the day-to-day operations, the responsibility for our sustainability efforts has been delegated to the individual plants and sites. Plant Management is responsible for the efforts, which are carried out systematically in accordance with our management systems and in dialogue with working environment and safety organisations.

Internal regulation

Sustainability is integrated in our production and administrative entities by means of internal regulation. We have adopted a CSR policy that reflects SP Group's fundamental value proposition: to create optimum plastic solutions to the benefit of both our customers, employees and society at large. In this way, the CSR policy forms the framework for all our activities and for our profile as a responsible partner and workplace. The CSR policy includes our goals and our principles for working with environment and climate, social responsibility, including working conditions, diversity and human rights, as well as with anti-corruption and data ethics, female executives, security and health. In addition, the CSR policy describes our whistle-blower scheme that allows anyone with affiliations to the Group to safely report suspected non-compliance with SP Group's policies and guidelines, laws and regulations as well as other serious irregularities.

In addition, SP Group has adopted separate policies for IR, IT and tax. These policies generally cover the entire Group, and Group Management is responsible for the implementation of and compliance with the policies. In defining our policies, the interests of our main stakeholders in their execution, implementation and compliance are taken into account as far as possible.

Also, we have adopted a Supplier Code of Conduct, which forms the basis for positive co-operation with our suppliers with a view to promoting responsibility and sustainability in the supplier chain.

To meet the new scope and content requirements of our policies, we are actively working to identify any shortcomings and update our existing policies, as well as formulate new ones. In 2024, we will focus on updating policies for the areas assessed as significant in the double materiality assessment. The new policies are prepared by our ESG organization in close cooperation with the rest of the organization and other significant stakeholders.

Management systems

In SP Group, all companies today have systematised their management and control of the companies or have active plans in place to do so. The methodology is based on quality, environmental and/or working environment management systems, collectively referred to as the management systems.

The management systems are based on a mapping of the companies' stakeholders, internal and external circumstances and an assessment of the related risks and opportunities. Part of our supplier management is thus handled through the management systems.

The management systems comprise preparation and adoption of policies and setting up objectives, goals and action plans and also imply that the companies implement and maintain a management system of procedures and instructions for the most significant activities.

The companies' management systems are inspected and controlled annually by external auditors that represent an independent body, accredited certification agencies that assess the companies' actual performance compared to the procedures in the management systems and the requirements of applied ISO standards. See page 46 of the annual report for a list.

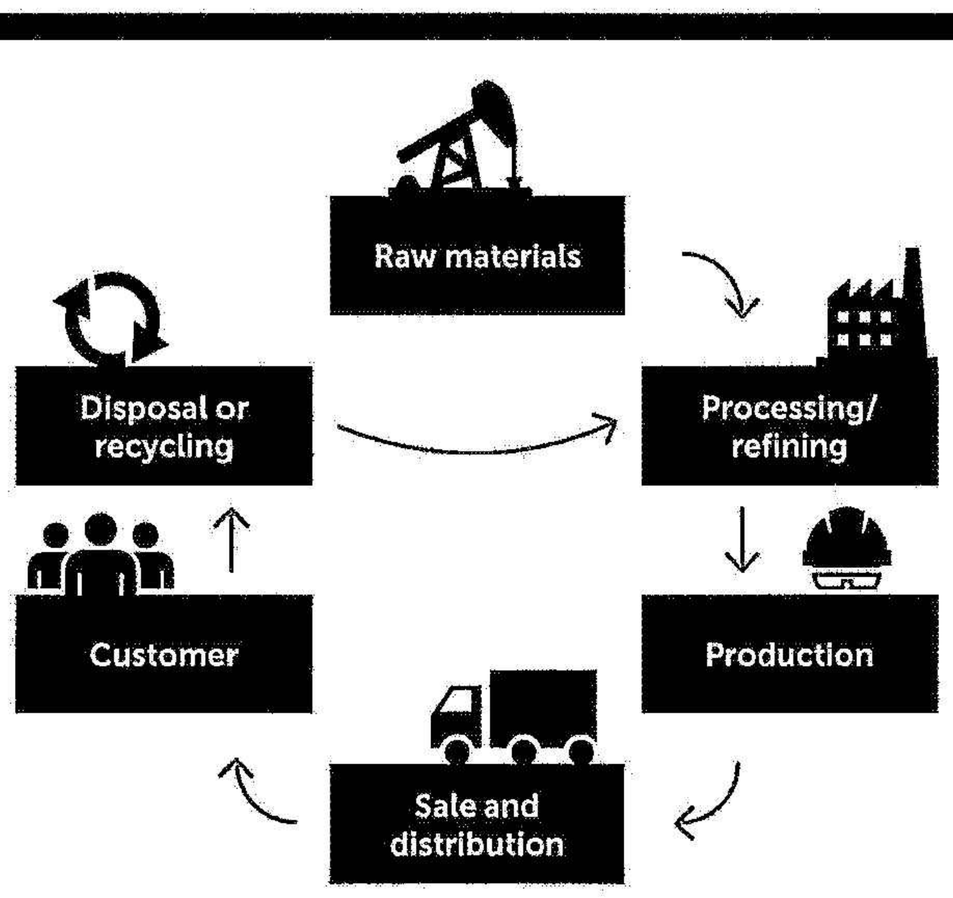
At EcoVadis, an independent platform and a rating tool, which evaluates companies' sustainability performance and social responsibility, Tinby A/S and Ergomat Inc. obtained a gold medal in 2023, and Ergomat Sp. z o.o. and MM Composite A/S a silver medal. Due to our customers' increasing request for our subsidiaries to register with EcoVadis, the SP Group will apply for a joint registration and rating in 2024.

Due diligence processes

In line with the increasing focus on companies' impact on society and the environment, we recognize the importance of establishing and maintaining a sustainable business model in SP Group. We have therefore established a due diligence process that supports our work to identify, prevent and mitigate the potential negative impacts our business operations may have on climate, environment and people, and at the same time provides transparency in the work with this.

Our due diligence processes cover the entire value chain (see Figure 3), and we are committed to maintaining sustainability standards across all our companies, suppliers and cooperative partners. The performance of risk assessments and the work with risk management are based on a systematic approach to assessing and prioritising risks. Management in SP Group regularly reviews the business activities to identify and evaluate sustainability risks. This includes assessing their environmental impacts, social matters and economic factors. In addition, SP Group collaborates with external experts, stakeholders and advisers to gain an understanding of sustainability risks and opportunities associated with the business activities.

Figure 3 – Value chain



In 2023, the due diligence process has been adjusted to the new requirements as to the assessment of impact, risks and opportunities (IRO), which are laid down in EU's Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS). As part thereof, we have held workshops and conducted interviews in 2023 where potential and current impacts, risks and opportunities (IROs) were identified, assessed and finally validated by SP Group's steering committee for the area. The steering committee consists of Group Management and the ESG Manager in SP Group, all of whom have insight into business activities in the Group's companies, including members of the companies' boards of directors or executive boards.

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Based on this, we have prepared a double materiality assessment (DMA), which systematically uncovers how environmental, social and governance conditions are affected by SP Group (Impact Assessment), as well as how these factors affect SP Group's finances (Financial Assessment). The DMA is supplemented by generic research and peer review prepared by an external adviser.

In connection with the identification of potential risks both the impact of a given risk and the likelihood of its occurrence are assessed. This helps us identify the most critical risks and initiate the mitigating actions required. Through the double materiality assessment, we seek not only to identify potential threats, but also to develop proactive strategies that make us more resilient to sustainability risks and position ourselves as a responsible player within our industry.

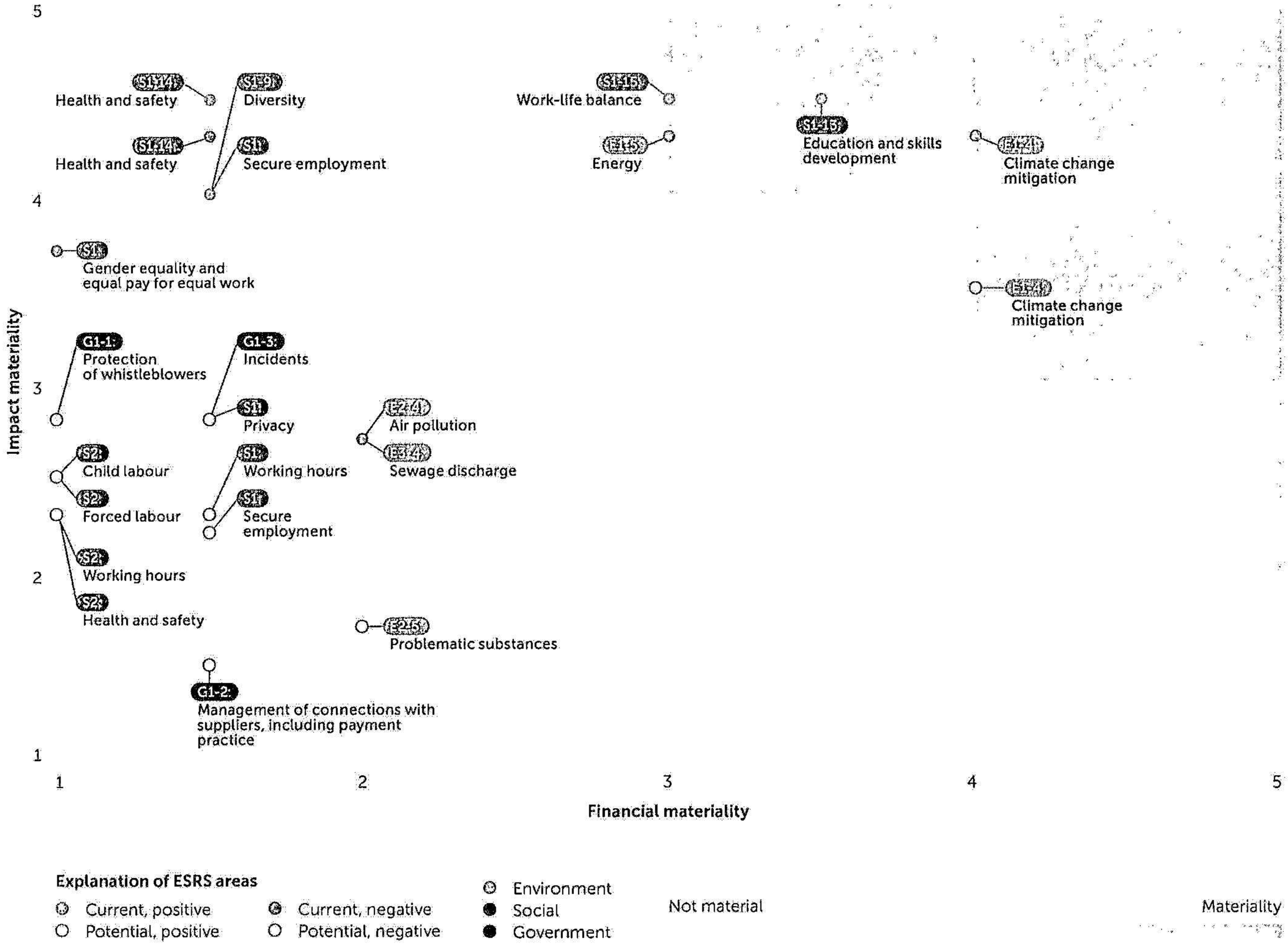
Assessment of materiality

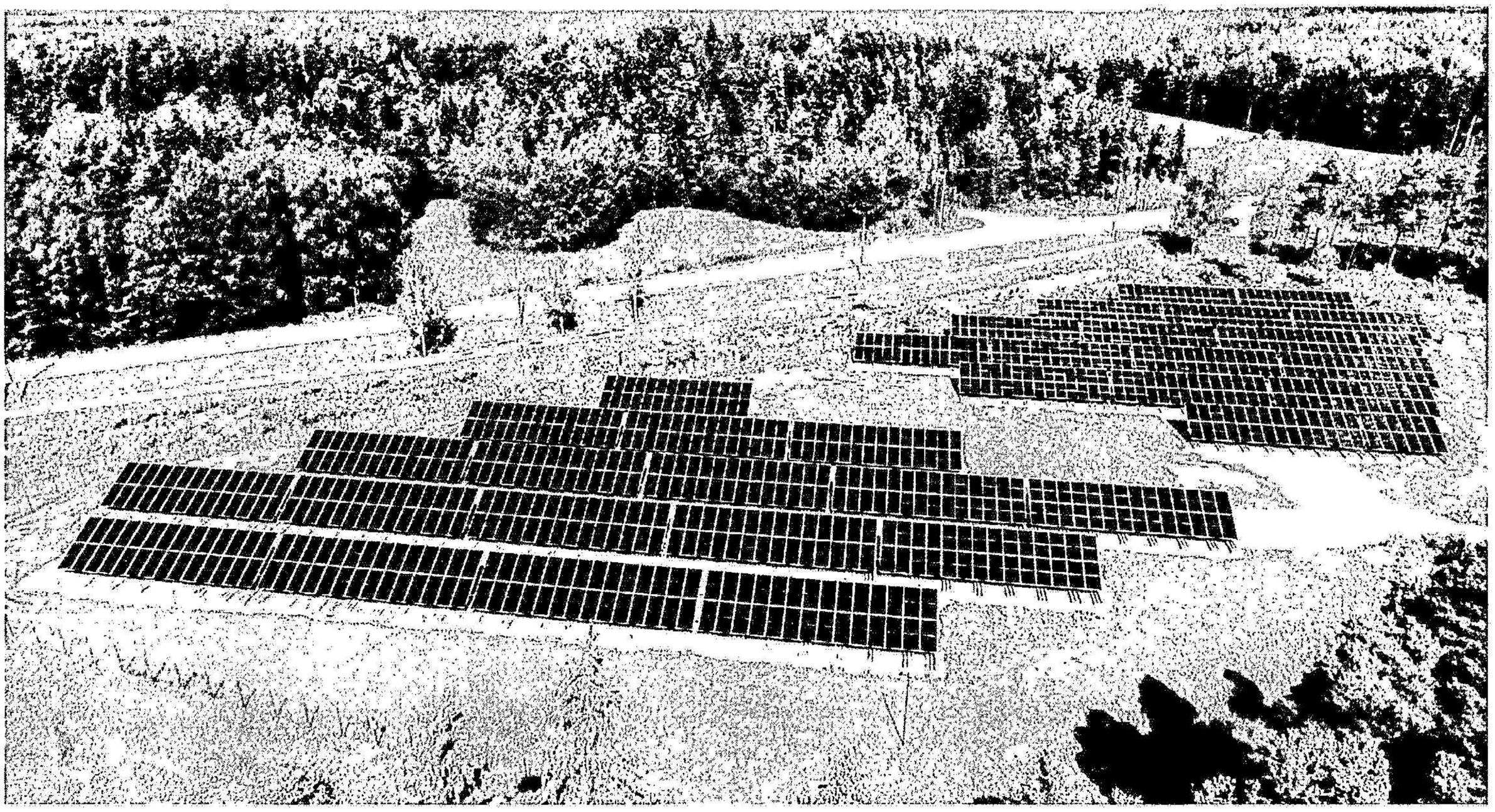
The new requirements for the double materiality assessment enable an increased understanding of the areas in which our business activities have or can have both positive and negative impacts on society and the environment. The double materiality assessment offers more nuanced insights into current and potential risks and opportunities. By evaluating both impacts and financial aspects, the double materiality assessment gives us insight into the areas that are important to our Group.

See Figure 4 for the result of the double materiality assessment. Energy consumption (E1-5) has been assessed to be significant due to current adverse impacts. Training and skills development (S1-13) and work-life balance (S1-15) have been assessed to be significant in relation to the current positive impact we have on these areas.

In addition, Figure 4 shows that health and safety (S1-14), diversity (S1-9) and secure employment (S1/objective) are all assessed to have high impact materiality, although the areas do not have high financial materiality.

Figure 4 - Double materiality assessment





Solar park at Coreplast Laitila Oy

SP Group's daily operations have for many years been built on a strong foundation of proper business operations, which are supported by the ISO certifications. In addition, the result of the double materiality assessment will guide our strategic work with sustainability in 2024 in the below areas:

Climate change mitigation (E1-4)
The majority of our greenhouse gas emissions are in Scope 3 and most of these emissions come from the extraction of raw materials for our production. This has a negative current impact on the environment and climate. However, our strategic goal of being carbon neutral by 2030 for Scopes 1 and 2 contributes positively to our impact in this area. Here, our ambition is to become more self-sufficient in renewable energy, while at the same time purchasing energy certificates to ensure lower amounts of CO_2 emissions from energy consumption.

During 2024, SP Group will continue its work to map the contribution in Scope 3 from raw materials and transportation of goods, etc. In doing so, we continue our operational efforts related to SDG 13.

Energy (E1-5)
The manufacturing of plastic components is energy-intensive. Our energy consumption primarily relates to electricity and gas for machines, robots and lighting as well as district heating for heating. The availability of renewable energy resources varies considerably regionally and over time. Therefore, our energy consumption and energy intensity are considered an important factor in the operation of our factories.

In order to mitigate the negative impacts of fossil fuels and as part of our efforts to contribute to SDG 7, we have for several years focused on switching to renewable energy through the establishment of solar cells at our production facilities. We expect to increase the amount of energy from solar cells in the coming years.

Training and skills development (S1-13)
It is assessed that through our current strategic focus on internal recruitment, career development and the employees' general opportunity to develop internally, we have a positive impact on the area.

In 2024, we will increase our focus on continuing the positive impact that we, as a company, have in this area, thereby contributing to the achievement of SDG 4.

Work-life balance (S1-15)
Our Group has a healthy culture that ensures our employees a good and healthy work-life balance. This culture, as well as the employees' possibility of working either day, evening or night shifts, contributes positively to our impact on the employees' work-life balance.

In 2024, SP Group will continue to focus on how we can contribute positively to our employees' work-life balance while ensuring healthy, fair and respectful working conditions, which collectively contribute to SDG 8.

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ESG Environment and climate

SP Group integrates sustainability and accountability in our products and in the way in which we plan our daily operations. Our work is based on adapting our production and operation to climate change and to counteract such changes through our activities.

We are therefore systematically striving to reduce our impact on the environment and promote a higher level of environmental sustainability. We do this by working with concrete initiatives that affect the climate in a positive and sustainable direction, and by reducing and mitigating negative impacts from our production and operations. Environmentally friendly technologies and materials are therefore applied using a certified environmental management system.

Our goal is also to contribute to environmental sustainability through our customers' use of SP Group's products. Our plastic products largely replace the use of metals and glass, and by applying more environmentally friendly technologies and materials in our production processes, SP Group aims to prove that plastics – when manufactured and used prudently – are a better choice for the environment. The development takes place in dialogue with our customers, where we have a strong focus on manufacturing products from regenerated materials.

CSR Policy- Environment and climate

We will work systematically to reduce our impact on the environment, fight climate change and promote greater environmental responsibility through our certified environmental management systems. Generally, plastics have a number of unique properties that are essential to our society, and if plastics are manufactured, used and handled prudently, it has a positive impact on the environment. On this basis, we strive to use environmentally friendly materials in our production and development processes, limit our material consumption, waste and refuse and to recycle materials and products to the widest extent possible.

Environmental management systems

It is still SP Group's strategy that all production entities must implement a certifiable environmental management system that ensures use of environmentally friendly products in the production and development processes, minimisation of waste and refuse as well as resource consumption to the widest extent possible and recycling of materials and products. In 2023, SP Group's subsidiaries, Tinby in Latvia and Dan-Hill-Plast in Denmark were certified to ISO 14001. See page 46 for a list of environmental certifications.

Through SP Group's environmental management systems, the companies map our environmental matters, ensure that environmental matters are handled responsibly and that current environmental legislation is observed, including the REACH Directive, Candidate list of Substances of Very High Concern and the RoHS Directive.

Our efforts to comply with procedures and instructions ensure that we work determinedly and systematically on improving our environmental performance, which is monitored and measured on an ongoing basis. Improved environmental performance is achieved by investing in processes, buildings and equipment thus aiming, within given financial limits, to apply cleaner technologies. In addition, the certification also forms the basis for minimising waste and refuse as well as resource consumption and, to the widest extent possible, recycling materials and products.

Risk

SP Group's main environmental risks are linked to resource consumption, material waste and carbon dioxide from our production facilities as well as to waste management, including the accumulation of plastic granules in nature. Locally, there is a risk of noise and odours which are of nuisance to the surroundings.

The risk is managed through our certified efforts and management systems as well as concrete operational and investment initiatives that ensure quality and environmental protection in the manufacturing processes.

In spite of extensive safety procedures, the external as well as the working environment may be affected in case of accident. In such case, procedures and delegation of responsibilities have been established at the individual sites through our environmental management and management systems.

The risk outlook is affected by the fact that electricity and energy are in some cases purchased from suppliers whose development of the renewable energy production SP Group has no control over (Scope 2). Therefore, SP Group has decided to invest in solar cell systems, enter into a Power Purchase Agreement (PPA) and purchase energy certificates, which this year compensate for electricity consumption in Poland, Slovakia and Denmark.

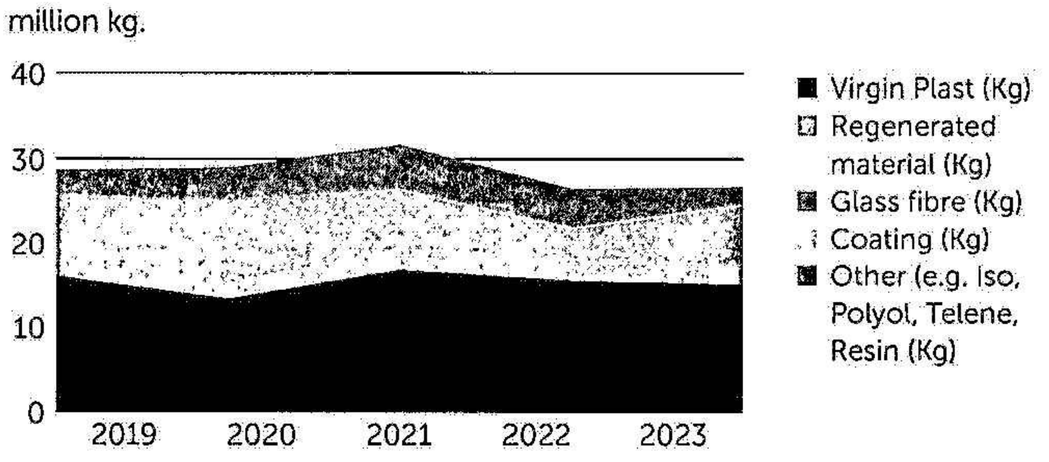
SP Group believes that the Group complies with all current environmental regulations. In 2023, there were no active enforcement orders anywhere in our production.

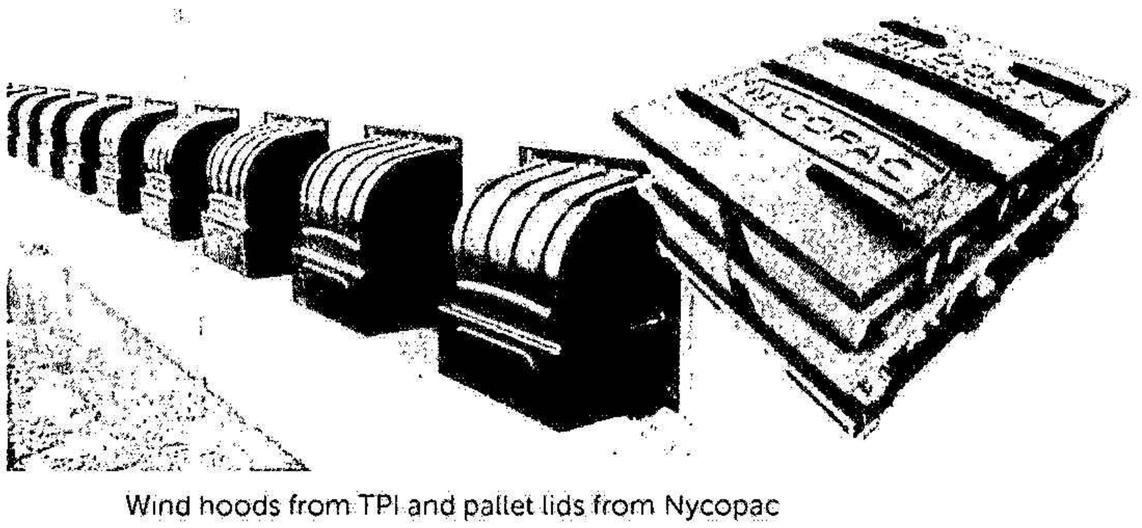
Based on the double materiality assessment a number of risks related to climate and environment were identified that many other manufacturing companies are also facing these years. However, none of these risks are of immediate importance in the short term, but represent a potential risk in the longer term. This applies, for example, to the impact of extreme weather on the supply chains and the availability of energy resources. However, SP Group is not dependent on limited raw materials and can in most cases make use of alternative suppliers of the required raw materials.

Raw materials

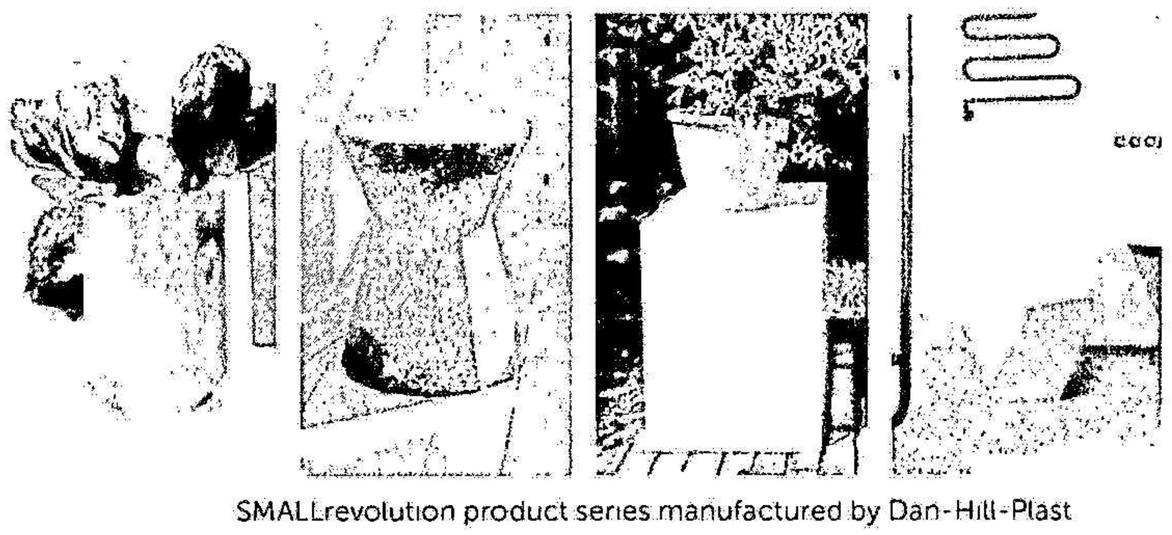
The amount of raw materials purchased correlates to the size and number of products that we manufacture for our customers. As shown in Figure 5, raw material sourcing is at roughly the same level in 2023 as in 2022. We have had an overall increase in raw material sourcing of 1%, including a 3% decrease in virgin plastic purchased. As a result of increasing demand, the purchase of glass fibre has increased to a level similar to that of 2021.

Figure 5 – Purchase of raw materials 2019-2023





Wind hoods from TPI and pallet lids from Nycopac



SMALLrevolution product series manufactured by Dan-Hill-Plast

Over the past year, SP Group has still focused on the use of recycled plastics and regenerated materials in the manufacture of plastic products. We will still, in close co-operation with our customers, examine how bioplastics, recycled plastics and recycling of own products can be included in production at advantage. Focus is also maintained on reducing or replacing the other raw materials used today with sustainable alternatives.

Products of regenerated material

In 2023, we have continued to develop regenerate material products. Among our own products we still find Nycopac's pallet lids, which are made of 100% regenerated material, as well as TPI's wind hoods, which are produced from 90% regenerated material and 10% virgin material for UV protection.

Recycling of plastic

Products made from recycled plastic have a strong focus in the SP Group, where sustainability is an integral part of our business model. SP Group's subsidiary, Dan-Hill-Plast, produces a beautiful product range in recycled plastic for SMALLrevolution. The series that i.a. includes stools, vases and wine coolers, is made from recycled plastic waste of the PE type. The plastic waste is delivered directly from the customer to Dan-Hill-Plast as granules.

Ergomat Sustainability Mats

Products from SP Group's subsidiary, Ergomat, have always been manufactured with the goal of long durability. In recent years, however, Ergomat has had increased focus on manufacturing sustainable products that both meet the needs of modern workplaces and contribute positively to the environment. In 2023, Ergomat Sustainability Mats became a reality. These mats contain between 65% and 100% recycled material.

Ergomat has set up a recycling program where used mats are collected from customers and then granulated and processed into new mats that can be sent to the customers. Through the recycling program, customers may achieve a financial gain from the purchase of new Ergomat Sustainability Mats. This is a win-win for the environment, safety and customers.

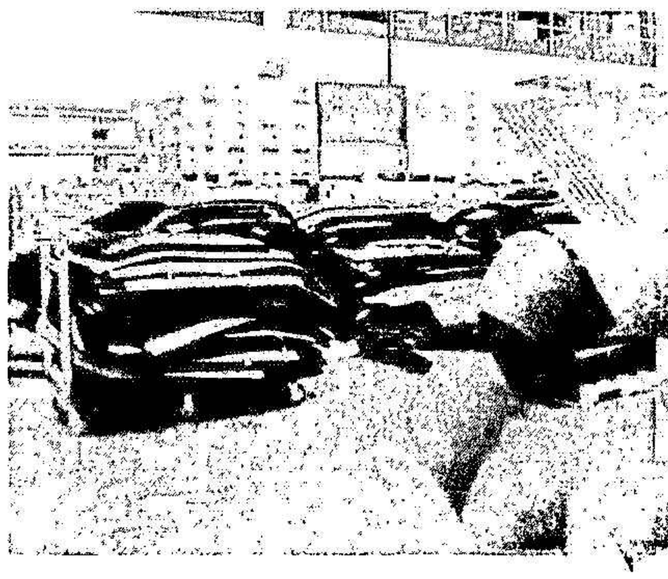
Plastic in the green transition

The Ergomat mat and recycled planks made from household plastic waste were just a few of the products from SP Group that were exhibited in June 2023 at the Plastics Industry Plastic Pavilion on Gammel Strand in Copenhagen. The exhibition was part of a larger project, initiated and launched by the Danish Association of Architects and UIA World Congress of Architects 2023 in collaboration with the City of Copenhagen and CPH City & Port Development Cooperation. The purpose of the exhibition was to highlight how plastic is part of the solution in the green transition of our society.

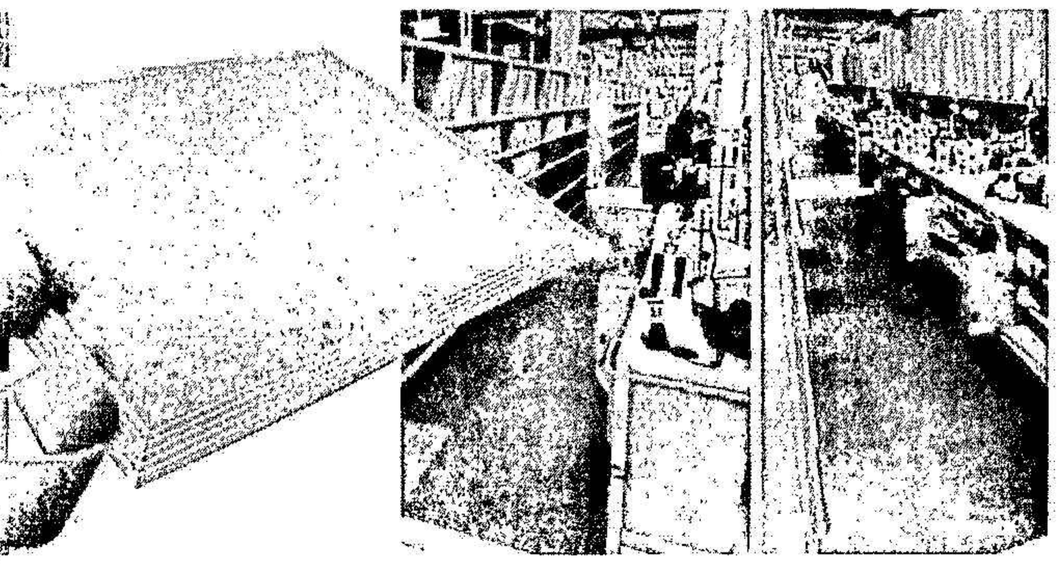
Extruded plastic components in a Power-to-X plant

Biogasclean's mission is to contribute to the transition from fossil fuels to renewable energy by developing and delivering innovative solutions for efficient production of biogas. In 2023, Biogasclean established a facility that converts CO_2 and hydrogen into methane gas via a biological process. For the newly built Power-to-X methanation facility, which uses surplus power from solar and wind energy, SP Group's subsidiary, Gibo Plast, developed and delivered in 2023 the extruded plastic components on which the biofilm in the biological process grows. This type of facility increases the utilisation rate of a biogas facility from 55% to 95-98%. Compared to wind and solar energy, biogas has the decisive advantage that it can be produced all year round regardless of weather and wind, and that the energy can be stored. SP Group looks forward to continuing being part of future Power-to-X projects.

Used mats for recycling.

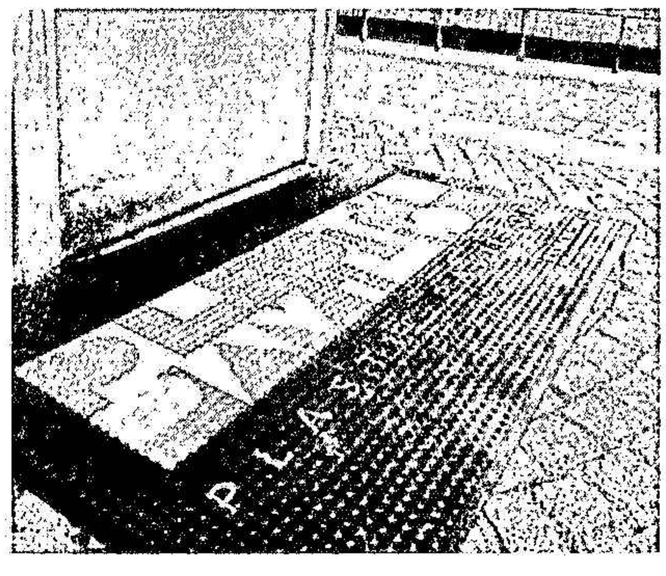


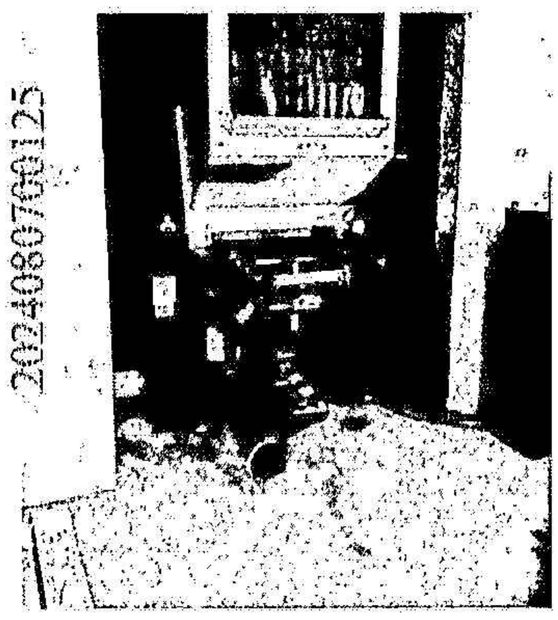
Sustainability Mat 3.0



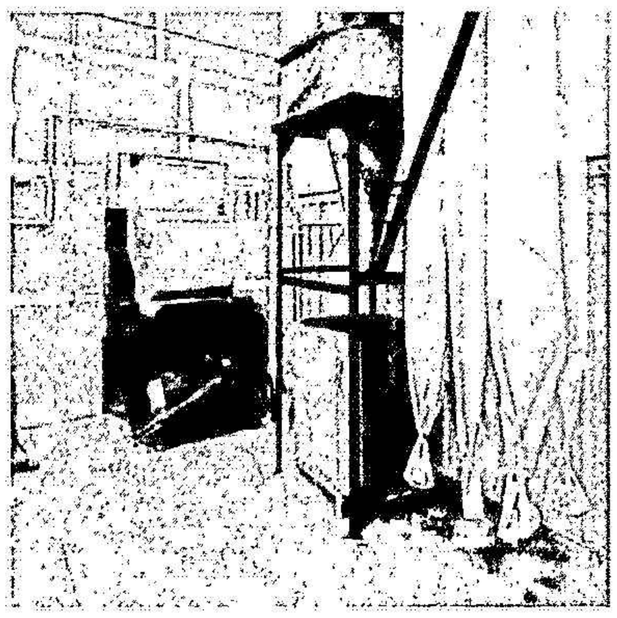
Sustainable mats installed at a customer

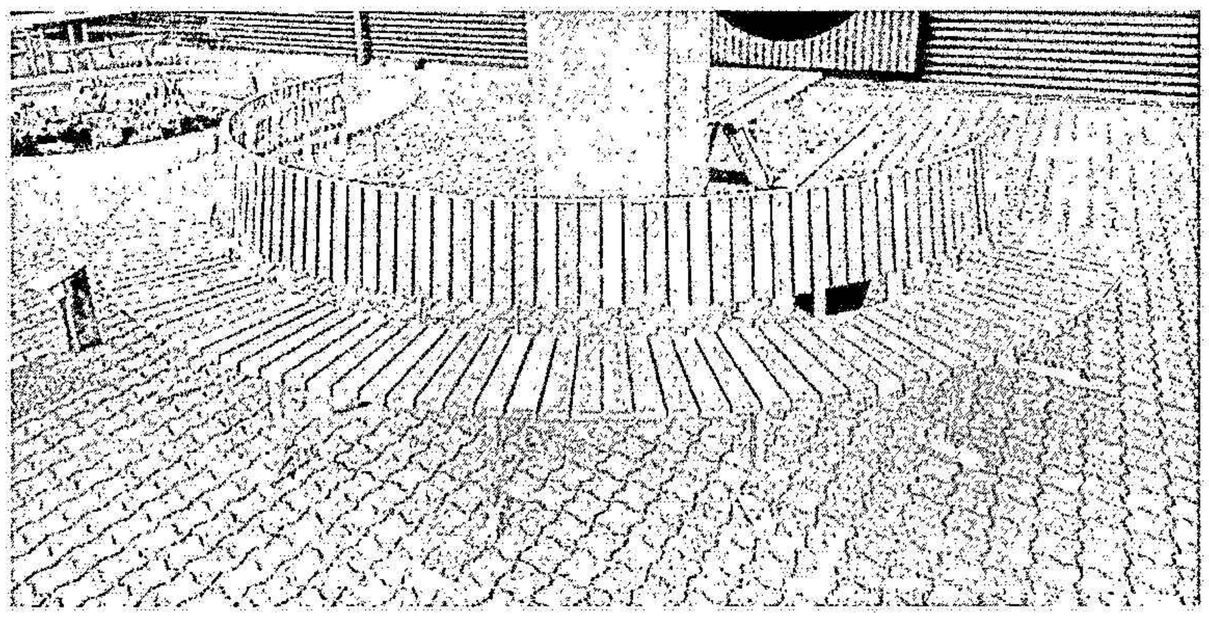
Products from SP Group exhibited in Plastic Pavilion at Gammel Strand in Copenhagen



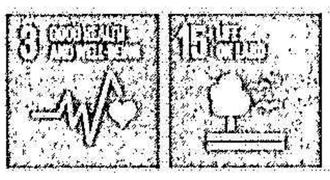


Plastic grinder at Gibo Inc. installed in a newly established area in the factory.





Outdoor environments established in plastic planks manufactured from household waste.



Controlled use of pesticides

SP Group's subsidiary, Ulstrup Plast, produces plastic items for an advanced field sprayer, which is used to control the amount of pesticides when spraying and processing farmland. This contributes to higher yields of the soil while minimizing the use of pesticides for the benefit of the environment and the people who work and live close to the farmland. The use of plastic in the field sprayer components means that the manufacturing of the machine is cheaper and that more options are available than had they been made of metal.

Waste and recycling

Focus on circular economy and a culture with respect for the raw materials has implied that SP Group has increased its focus on reducing the consumption of raw materials and the waste volume. Consequently, all factories now focus on producing less waste and increasing recycling of plastic materials. Similarly, we seek to repurpose other waste or excess materials from our production, including glass fibre, cardboard and metal.

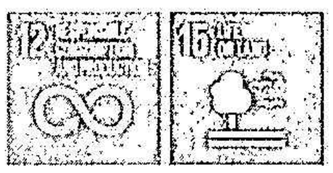
At the injection moulding factories, this is done by use of decentralised grinders to ensure that excess material from the production of each component is grinded immediately and led down a closed system together with the plastic material for the next component. Gibo Plast, MedicoPack, PlexxOpido and SP Medical use central grinders to ensure reuse of excess material in other product components. This practice applies to all SP Group entities. For example 70 tonnes of scrap from MedicoPack's bottle production was used by Nycopac in 2023 for a high-quality customer product. Tinby and Ergomat have also enhanced process efficiency so that the rate of usage has increased and the amount of waste has gone down.

Efficient granulation of plastic scrap

Due to increasing activities, Gibo Inc. installed a new grinder in 2023 to allow an increased volume of plastic scrap being recycled to new raw materials now and in future.

Collection of plastic waste for recycling

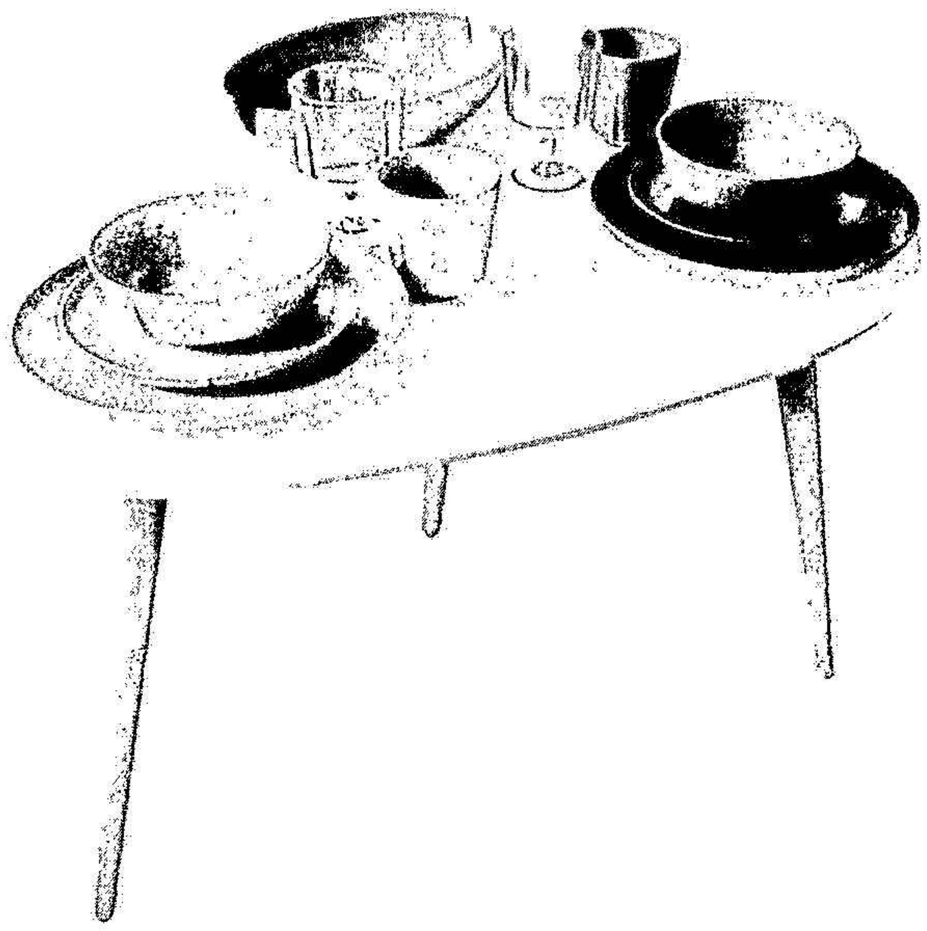
Coreplast in Finland participated for the first time in the annual collection of PE and PP plastic waste organised by the Finnish Plastics Industries Federation (FPIF). Here, all used plastic is collected from discarded watering cans to buckets and sledges in the town of Laitila, where Coreplast is located. In connection with the collection, 2 tons of plastic waste were sent for recycling.



Plastic waste replaces wood

Since 2013, SP Group has been working on developing a form of production that uses plastics from sorted household waste for massive plastic planks. The recycled plastics can be used for selected product types, thus contributing to a distinctive reduction of the environmental impact – both in the production phase and in connection with the customer's subsequent use and disposal of the product. The plastic planks are used as sound barriers, ordinary fences and for outdoor furniture.

Coreplast's participation in the annual collection of PE and PP plastic waste in the city of Laitila.



Tableware made from bioplastic
SP Group has produced the TAKE series consisting of plates, bowls, mugs and glasses for the Rosendahl brand in 98% biobased plastic and a breadbasket of the same material for Kähler for Rosendahl Design Group. The products have been tested and approved for food and put into production in 2022.

Energy and electricity

The most considerable impact on the environment occurs when SP Group entities consume energy, particularly power, during production. We monitor developments in key consumption indicators at all our plants and thus ensure that we can control and reduce resource consumption and costs on an ongoing basis. By implementing resource-reducing measures, the individual factories contribute to both cost reduction and a positive external environmental impact in their local community.

Our long-term goal is to increase the share of renewable energy so that our entire electricity consumption is covered by that by 2030 at the latest. To achieve this goal, we will invest in additional energy-saving equipment, own production of renewable energy and certificates in combination with Power Purchase Agreements (PPAs) in the years to come.

In the operation of our factories, we therefore focus on energy consumption and in 2023 we have still had particular focus on reducing the consumption of natural gas for heating our premises. At the Danish companies MM Composite, Tinby and Gibo Plast, we converted to district heating in 2022. The conversion to district heating continued in 2023 at our subsidiary Dan-Hill-Plast. In addition, Ulstrup Plast has switched from using natural gas to heat pumps.

The total consumption of energy and electricity is shown in Figure 6.a, and the relative distribution between energy sources in Figure 6.b. Power consumption decreased by 3.7% in 2023. Figure 8 shows that electricity consumption per kg purchased raw material has decreased compared to 2022, which is due to energy optimisations and product mixes.

Through the transition to other forms of energy, our consumption of gas (natural gas and LPG) decreased by 8 5% in 2023 compared to consumption in 2022. Although our consumption of fuel oil is already limited – and was even lower in the 2022 reporting year – it was further reduced by 53% in 2023. This means that since 2019 we have achieved a reduction of more than 80%.

An important part of the transition includes the use of renewable energy, which we achieve partly through the establishment of solar cells systems in our factories and partly through the purchase of certificates. With the investment in solar cell systems at our factories in Finland and Poland, we have thus increased the share of solar energy in our total energy consumption. These facilities produced almost 800,000 kWh in 2023, which is a twofold increase compared to 2022. This development is reflected in Figure 7, where green power now accounts for 82% of total electricity consumption in 2023.

In 2023, we expanded our production facilities in Finland, as Coreplast acquired 18,200 m^2 of land in front of the factory. A solar park has now been installed on the land, which since July has contributed to the production of green power. In Denmark, we are still working on plans for erecting a solar park in a co-operation between Palsgaard A/S, Jual Group A/S and SP Group A/S.

Figure 6.a – Total energy consumption 2019-2023 (MWh)

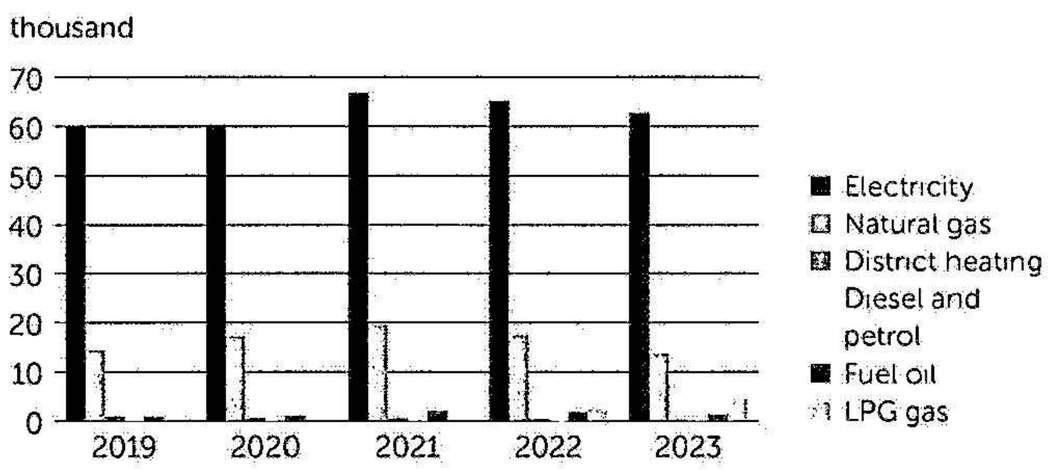
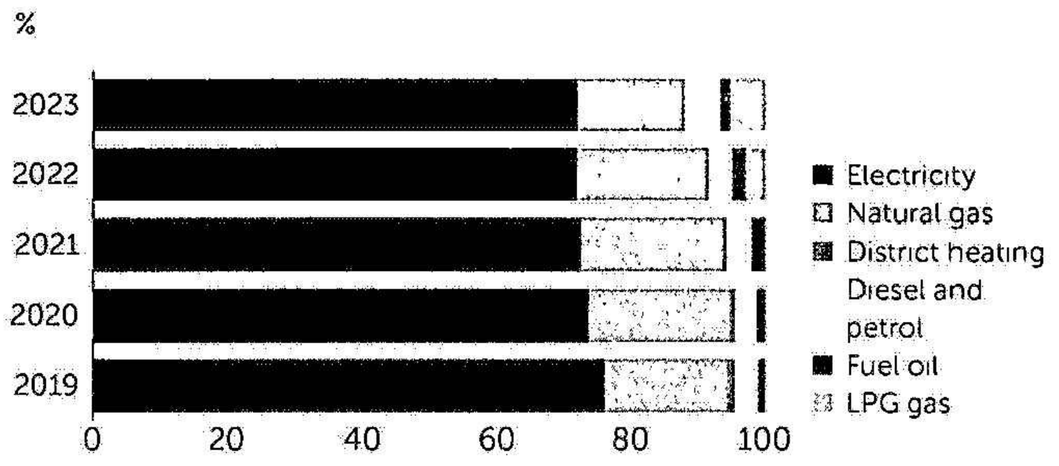


Figure 6.b – Relative distribution of energy consumption 2019-2023 (%)



Solar park and solar installation on the roof at Coreplast Laitila Oy.

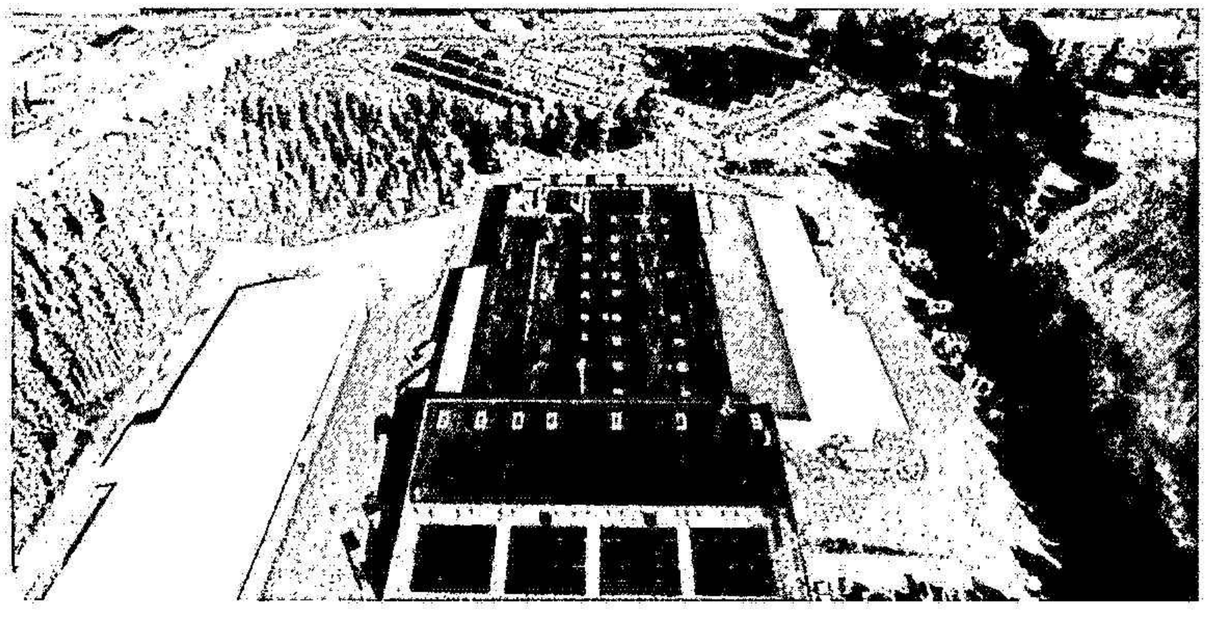


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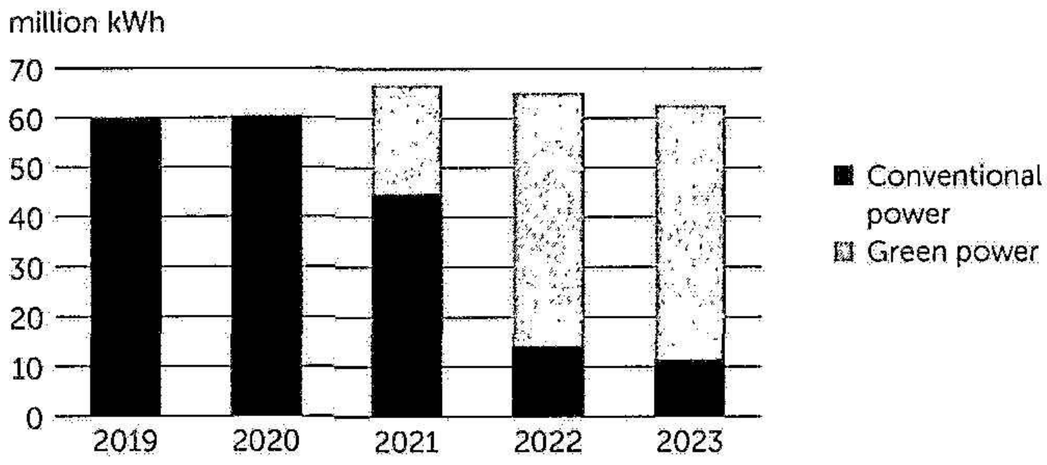
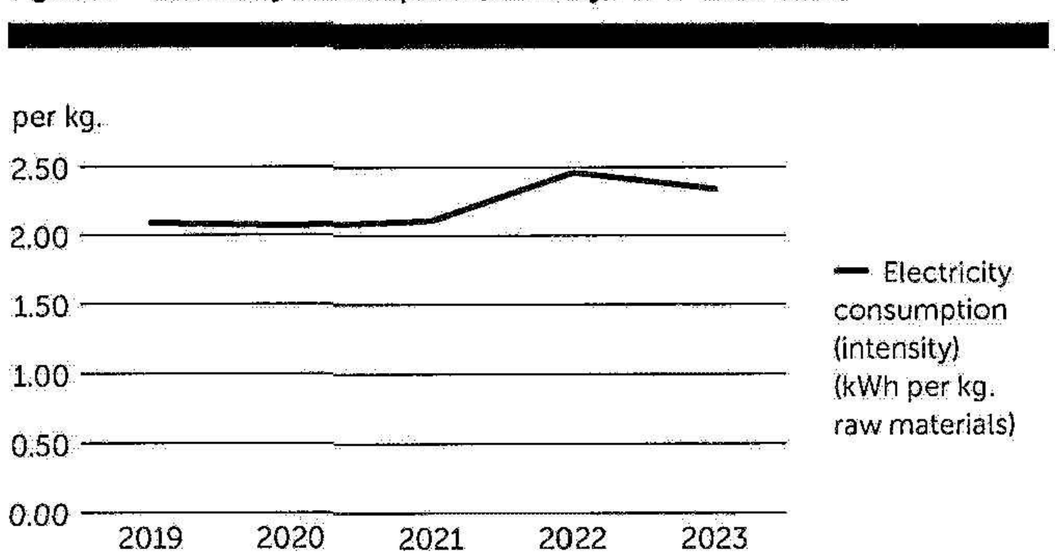
Figure 7 – Electricity consumption 2019-2023 (kWh)



The green power consists of power from our own solar parks, green certificates and a PPA agreement, which collectively generate 51.3 million kWh. The remaining conventional power accounts for 11.4 million kWh.

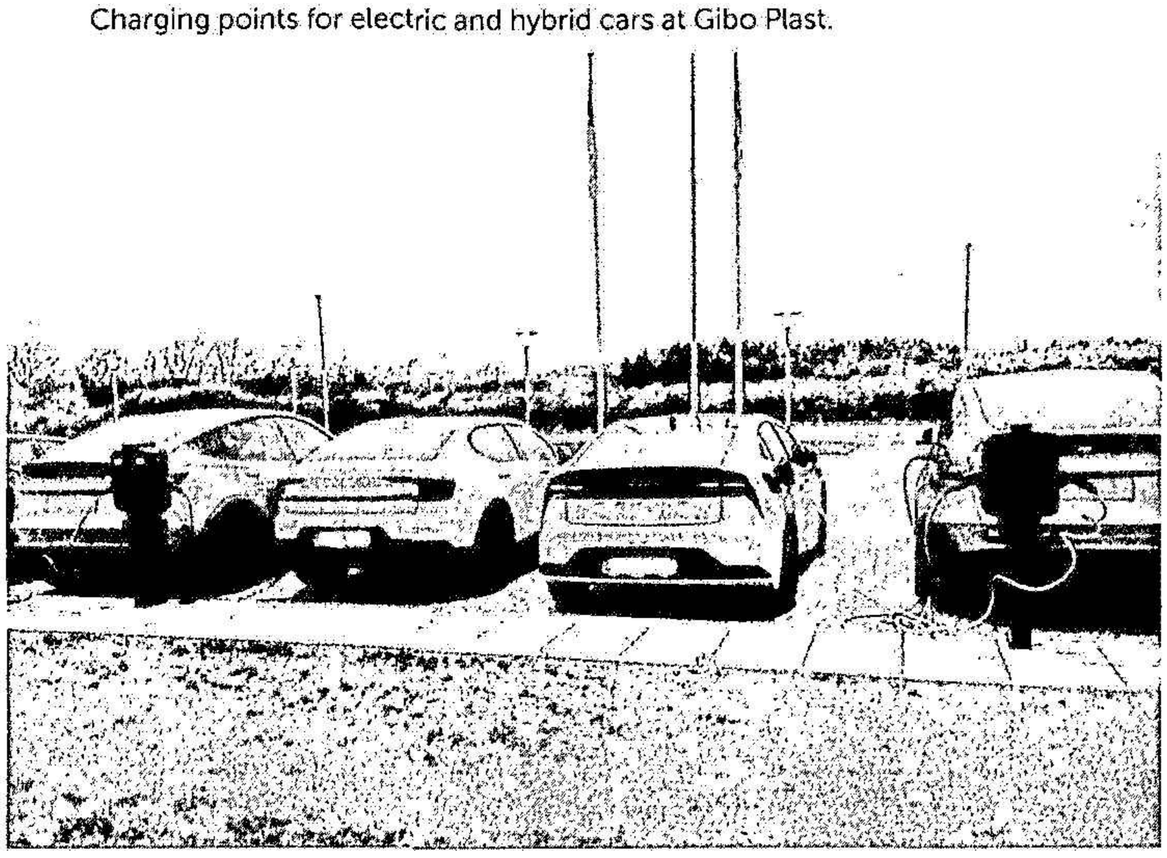
Figure 8 – Electricity consumption (intensity) 2019-2023 (kWh)



Electric cars

The transition to more environmentally friendly operations also includes our car fleet, which we expanded from 19 to 33 electric and hybrid cars in 2023. At our factories, charging points have been installed so that guests and employees with an electric car or a plug in hybrid car can park and charge their vehicles.

Charging points for electric and hybrid cars at Gibo Plast.



Solar park Juelsminde

On 28 February 2024, the City Council of Hedensted Municipality approved the district plan for the planned solar park on the Juelsminde Peninsula. The solar cell plant, which will be established at Glud, takes place through the company Juelsmindehalvøens Solar A/S, which was founded by SP Group A/S in collaboration with the companies Palsgaard A/S and Jual Group A/S. The plant will be able to deliver 60 GWh per year, which corresponds to the power consumption of more than 15,000 households or the 3 companies' total power consumption in Denmark. When the project becomes a reality, a large proportion of local private work places will become CO_2 neutral using locally produced green power.

The planned solar park also creates green recreational areas for residents and visitors in the immediate area. The plant will be positioned in such a way as to be a little visible as possible and planting on the brink will be established to promote biodiversity.

CO_2e-emissions

SP Group has set a strategic goal to become carbon neutral in Scopes 1 and 2 by 2030.

Figure 9 shows the CO_2 emissions in Scopes 1 and 2. Scope 2 is displayed for both the Location-based and Market-based methods.

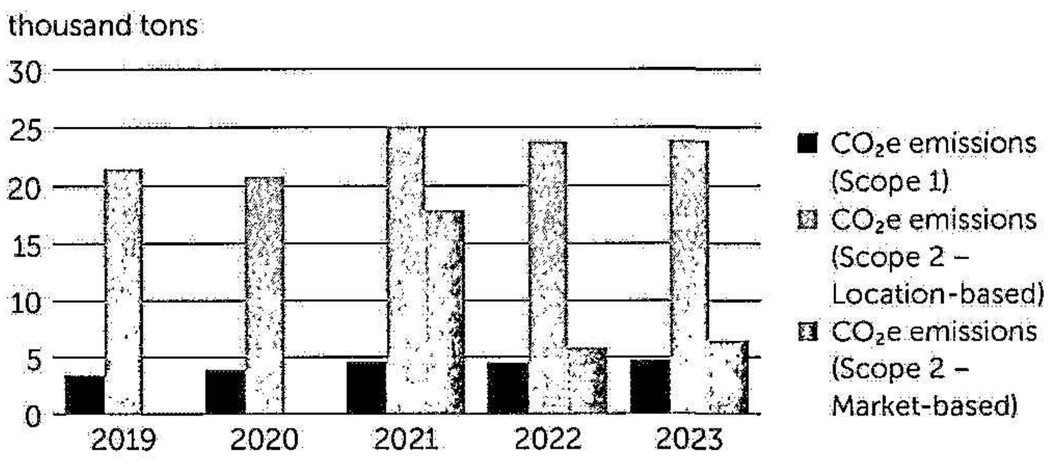
CO_2 emissions in Scope 1 are virtually unchanged compared to 2022. The reason for this is that from 2023, data for refrigerants have been reported and CO_2e calculated for this. The actual emission level for stationary combustion plants (natural gas, LPG and fuel oil) has been reduced by 14%, and the purchase of electric cars has reduced CO_2 emissions from the vehicles by 36%.

CO_2 emissions in Scope 2 for Location-based are virtually unchanged. The main reason for this is that renewable energy production has not developed significantly in the countries where we have purchased electricity. Actual emission levels are affected by increased district heating consumption.

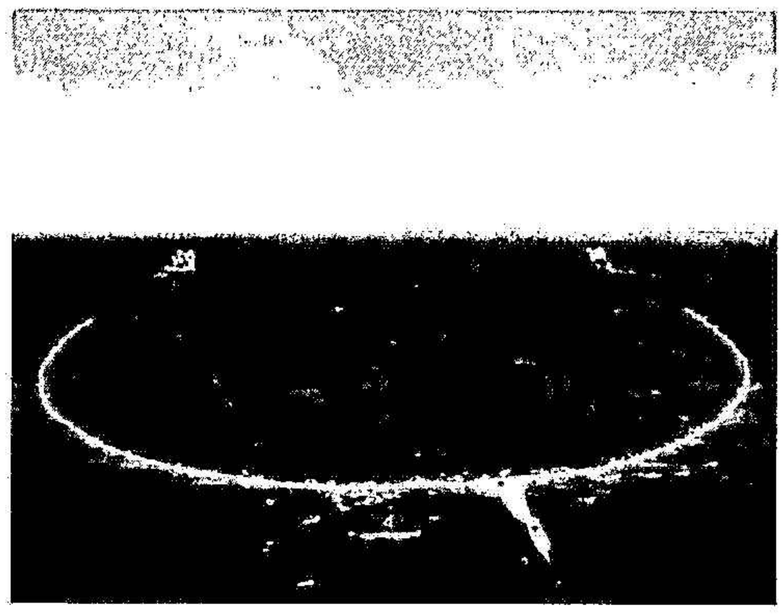
CO_2 emissions in Scope 2 Market-based show an increase of 12%. The increase is caused by the fact that the emission factor for our activities in Finland has increased considerably compared to 2022.

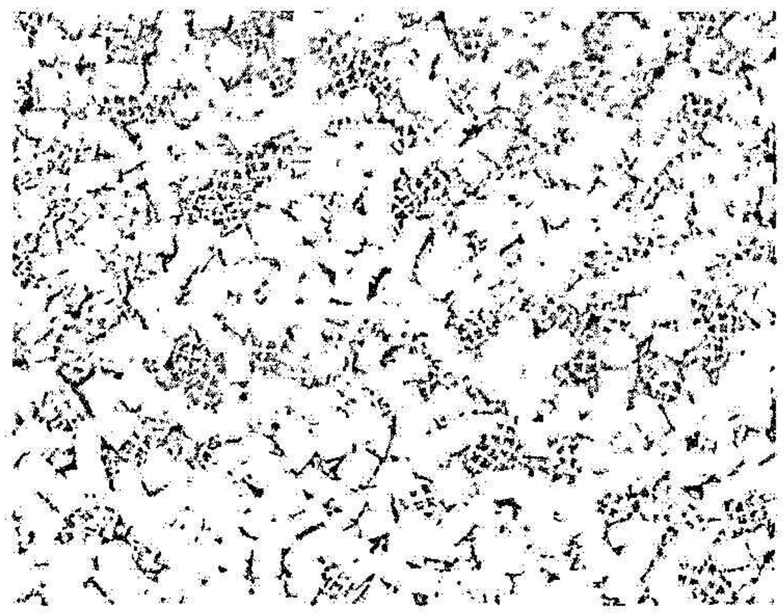
The same conditions are reflected in Figure 10 for the intensity of energy consumption compared to the purchase of raw materials.

Figure 9 – CO_2e emission from energy consumption 2019-2023 (Scopes 1 and 2)



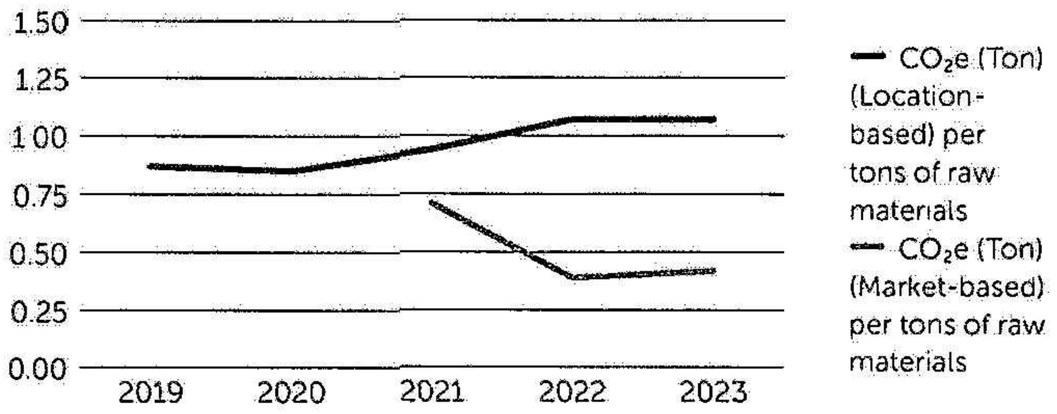
Fenders from Dan-Hill-Plast A/S are used for buoyancy of landing nets in connection with the collection of plastic waste in the ocean Source. The Ocean Cleanup





Bioelements from Gibo Plast for the cleaning of wastewater

Figure 10 – CO_2e emission from energy consumption (intensity) 2019-2023 (Scopes 1 + 2)

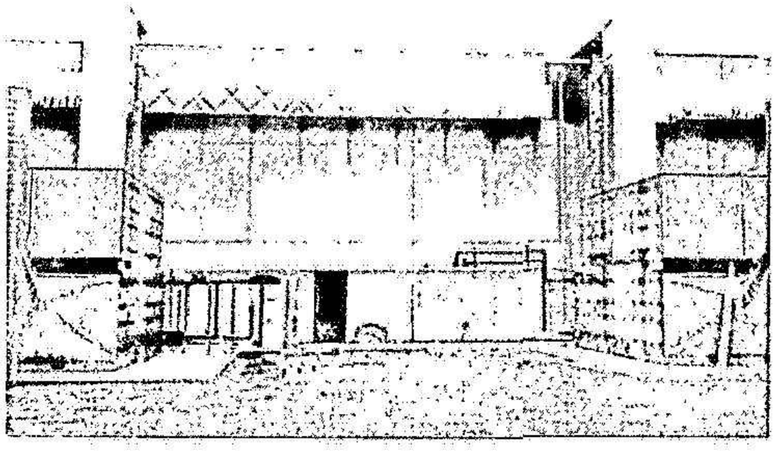


The collection of data for calculating CO_2 emissions for Scope 3 has started. The data collection takes place for all companies via a common digital software portal. In 2023, data has been collected for Greenhouse Gas Protocol Categories 1 (Purchase of raw materials), 3 (Fuel and energy-related activities), 5 (Waste) and 6 (Business travel) – which together account for around 90% of the total CO_2 emissions in SP Group.

Energy reduction in operations

A new ventilation and cooling system has been put into operation at SP Group's subsidiary, MedicoPack in Denmark, and contributes to better regulation of temperature and humidity levels in the production buildings. The plant is also equipped with heat recovery to ensure significant energy savings in cold periods during the year.

MedicoPack has also replaced windows in the administration building. The old windows have been replaced by 3-layer low-energy window panes, which are expected to result in an energy reduction of at least 50%.



The installation of a new ventilation and cooling plant at MedicoPack A/S

Aquatic environment

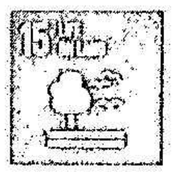
Sewage treatment

Gibo Plast manufactures biocomponents for biological cleaning plants. On the bioelements, a biological film of bacteria grows, which feed on the nutrients found in the wastewater. The bacteria on the bioelements thus help to purify the wastewater, which thus does not pollute streams and the oceans.

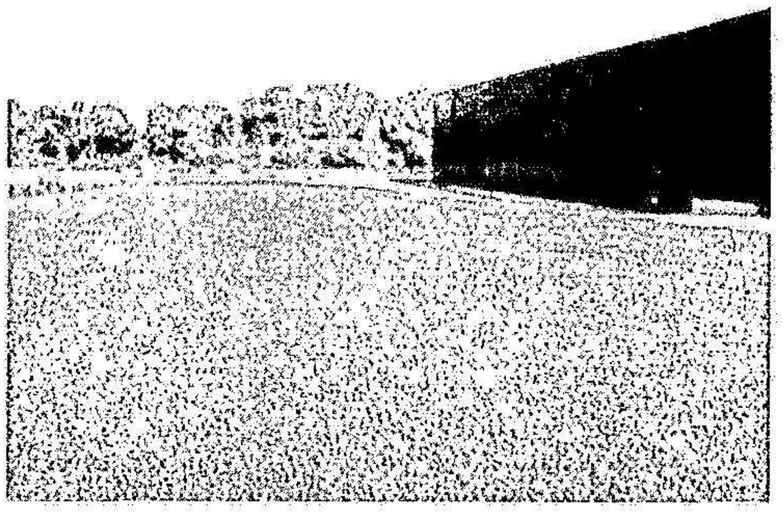
Fighting ocean plastic pollution

SP Medical, SP Moulding, MedicoPack, Gibo Plast and Ulstrup Plast have signed up for Operation Clean Sweep, which is an international initiative developed by The Society of the Plastics Industry and The American Chemistry Council. The objective of Operation Clean Sweep is to fight plastic waste in our oceans.

Biodiversity



SP Group's subsidiary, Bovil, has initiated a biodiversity project aimed at planting the free areas at the factory. The soil has been prepared for wild planting and planted with 280 wild plants. In addition, an area has been prepared for 5 different types of grass, micro-clover and mixtures of flower bulbs to achieve perennial flowering. Stumps and stones for insect hotels are also gathered on the area, which covers 4,020 m^2.



Outdoor areas at Bovil laid out for biodiversity

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ESG Social responsibility

Working conditions

It is important for SP Group to carry on our activities in a responsible manner regardless of where in the world our business activities are located. We strive to ensure basic employee rights and safe, respectful and developing working days for the individual employee. We do this because we believe that it creates value both for the individual and for our company.

We have a special focus on ensuring healthy working conditions and access to education for all our employees. The framework for the effort is that everyone can participate. Active efforts for diversity and equal opportunities for all groups are therefore very important to us.

Our social efforts also reach out to the local areas where we have activities. Through our presence in 12 countries in 3 continents, SP Group creates workplaces and promotes local culture. This enables economic growth and a good standard of living for our employees and their families.

As an industrial company, we can best promote sustainable industrial processes and innovation through our own day-to-day practice. In general, we constantly seek to innovate and make our production processes more efficient for the benefit of both employees and customers but also to develop new products contributing to improved working conditions, e.g. ergonomic mats, marking stripes and social distancing signs.

We base our efforts on national and international rules and rights for employees, and locally, we take the measures that are needed to put the requirements into practice.

CSR Policy - working conditions

In SP Group, we always provide our employees with healthy and safe workplaces, and we respect their right to equal and fair working conditions in accordance with the principles of the UN Global Compact.

We comply with both national and local legislation and thus also acknowledge our employees' right to freedom of association, collective bargaining, rest and time off, equal pay for women and men, anti-discrimination, maternity/paternity leave and equal employment and career opportunities.

We provide our employees with favourable employment terms, among other things by complying with applicable legislation and collective agreements in our areas in terms of salary and other employment terms. In addition, we strive to ensure that our employees are offered development opportunities at work, e.g. through continuing education and training. We strive to ensure a safe and healthy working environment for our employees. Therefore, we provide our employees with protective gear and training so that they are able – and obligated – to perform their work in a safe manner.

We do not tolerate forced or child labour in any type or form. If we engage youth workers aged 15-18, they are not allowed to perform dangerous work or night work. Moreover, we protect our employees against any type of corporal punishment, psychological and/or physical coercion and harassment.

Occupational health and safety management systems

It is SP Group's continued strategy that all manufacturing companies must implement a certifiable health and safety management system that document the working environment measures through the mapping of the working environment issues, and that the working environment issues are handled responsibly. Our efforts to obtain and maintain working environment certifications extend beyond compliance with national legal requirements and international conventions in the working environment area. We thus meet the requirements of ISO certification regarding occupational health and safety management systems and local legislation regarding liability, training, risk assessment, incident investigations, maintenance and inspections. This also includes emergency management, including plan, crisis communication, emergency drills and cooperation with the surrounding community. In 2023, SP Group's subsidiary, MM Composite in Denmark was certified to ISO 45001.

By complying with procedures and instructions, we ensure that we work determinedly and systematically on regularly maintaining the working environment. There is a constant focus on the employees' physical and mental working environment as well as their well-being and safety at work. With our efforts, we aim to reduce sick leave and occupational injuries as well as ensure personal and professional development of the individual employee.

In terms of production, SP Medical obtained CE marking of Champion PTCA Guide Wire production programme in 2023, and Meditec obtained CE marking under the MDR scheme of the product Specimen Collection Flocked Swab.

Risk

SP Group's risk in relation to working conditions is related to the safety and health of the working environment as a result of harmful effects from machinery, equipment and chemicals. We handle the risk by only purchasing machinery and equipment that is safe.

Our annual risk assessment covers employment conditions, personal development, health & safety and language understanding due to several nationalities in the same workplace.

Because of our presence in many countries and cultures, there is also a risk that employees of different nationalities do not speak and understand the same language. This creates a risk that some employees do not feel included and instructed to be able to do the job correctly. All workplaces are therefore risk assessed and incidents are prevented by means of guidance, technical aids and the provision of personal protective equipment. ISO 45001 certifications as well as regular training and supplementary education help ensure the good and sound working environment.

SP Group regularly investigates whether, in our production or via suppliers, we have a current or potential risk of becoming involved in child labour, forced labour or other types of disregard of basic employee rights. To minimise such risk, we do not employ minors in the Group. Any kind of discrimination in working and employment conditions is prohibited as well.

As part of our co-operation with suppliers, we communicate with them on a current basis, while at the same time monitoring that they assume responsibility for respecting employment rights. If a supplier does not meet the requirements of our Supplier Code of Conduct, we can terminate our agreement with the supplier with immediate effect.

SP Group did not receive any information or notifications regarding employment rights violations from external players in 2023. Communications with suppliers and subsuppliers did not uncover any involvement in employment rights violations either.

The double materiality assessment carried out describes a number of generic risks for both our own workforce and for employees in the value chain. These generic risks cover the areas of secure employment, working hours, health and safety, gender equality and equal pay for equal work, diversity, privacy, child labour and forced labour. None of these risks are considered to require mitigating actions at present. However, we will monitor these areas during 2024 with a view to being able to initiate mitigating actions, if necessary.

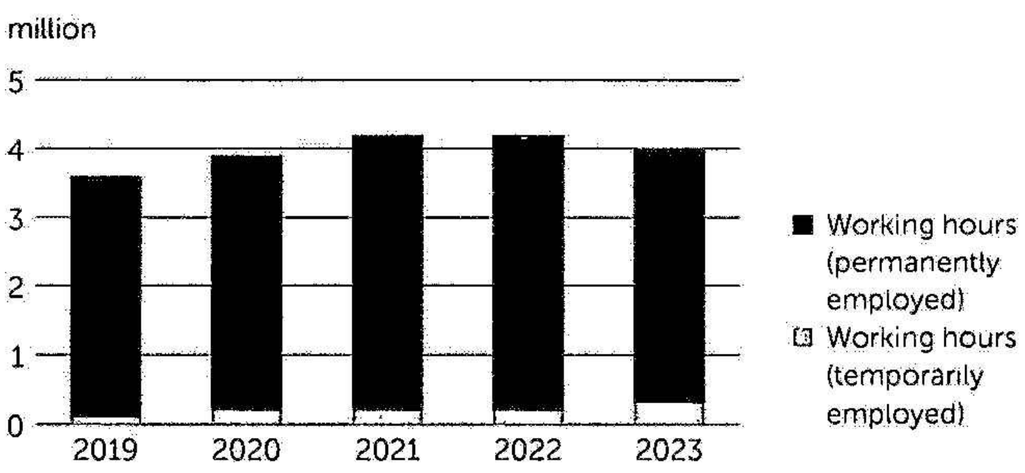
Wage and working conditions

In Denmark, wage and working conditions in our companies are determined in collective agreements resulting from local negotiations. In foreign jurisdictions, employee conditions and rights are primarily laid down in legislation, codes and regulations. As an employer, SP Group observes national legislation and collective agreements as well as rules governing working hours, etc., and strives to be an attractive employer.

In connection with comprehensive rounds of job cuts, SP Group not only complies with the rules of notice and negotiations with employees, but also seeks to ease the consequences for the employees affected.

The total number of working hours in the Group amounted to 4.0 million hours in 2023 and is thus a bit lower than in 2022. The number of hours for the permanently employed saw a slight decline in 2023, whereas the hours registered for temporary workers increased. See figure 11.

Figure 11 – Working hours 2019-2023



Freedom of unionisation

All employees in SP Group have the right to freely unionise, express their opinions and participate in or elect people to participate in collective bodies. Employees of the Danish entities appoint representatives for joint consultation committees and working environment committees where they meet with local management.

If independent trade unions are either banned or recommended against in a country, we will facilitate systems where employees can appoint spokespersons for negotiations with Management. We focus in particular on high-risk countries where we ensure that these rights are communicated to all employees in local languages.

Access to work

An essential element in our work with social responsibility is to create access to work in the countries where we have companies. In Denmark, Poland, Slovakia, Sweden and the USA, our workplaces bring life to the local communities that are otherwise experiencing depopulation. We thus contribute to preserving local communities and reducing urbanisation.

Jobs to employees with special needs

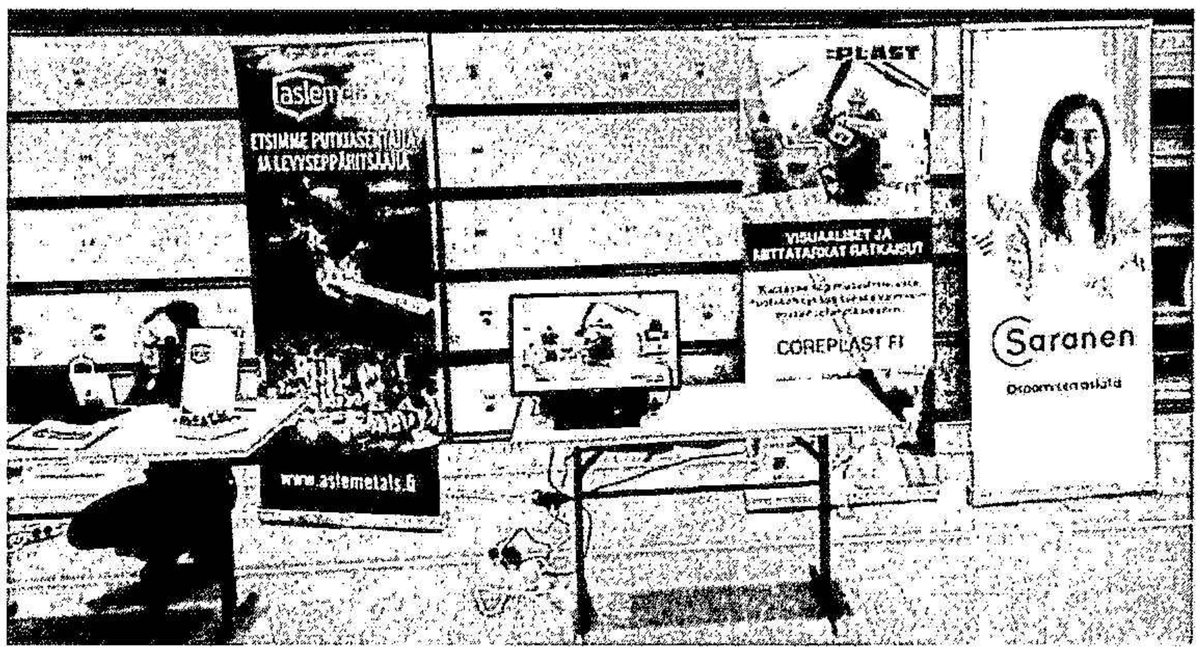
SP Group takes social responsibility in the local areas where our factories are located. We do so by collaborating with municipalities, organisations and job centres on job offers for people with special protection needs. The jobs we offer are on ordinary terms, but with different adaptations, e.g. reduced time, and are located both in production and administration. In 2023, SP Group secured jobs for 54 employees with special needs, which is up on 2022 by 14.

Recruitment days

In 2023, Coreplast in Finland participated in a recruitment event, initiated by a company, which had dismissed 500 employees and sent home another 500 employees temporarily. The purpose of the event was to create contact with other local companies to explore job opportunities.

In Poland, SP Medical focused on attracting labour from the local community. This implied the participation in a recruitment day, where many came by to hear about the possibility of an apprentice place or a student job.

Recruitment event at which Coreplast participated



Recruitment event at which SP Medical participated

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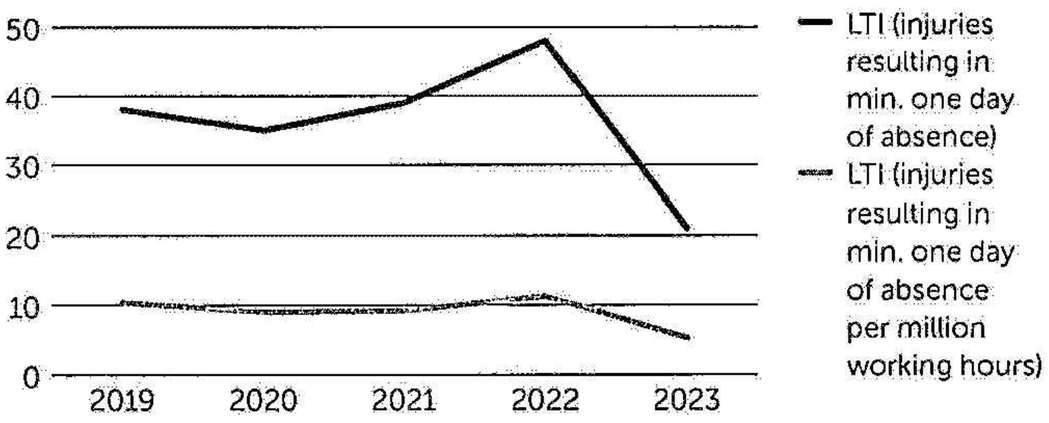
A safe and healthy working environment

SP Group creates a safe and healthy working environment for our employees. This is done partly through the working environment organisation, partly through policies and concrete initiatives for safety and health at work and partly through occupational health and safety management systems. All work processes are risk assessed to ensure that the work is carried out safely and health-wise. This means, among other things, that where technical solutions do not exist, personal protective equipment is provided to employees, e.g. when handling chemicals. Transportation of hazardous substances to and from our factories has been outsourced to professional partners.

The development in occupational injuries is stated in figure 12, which shows a considerable decrease in the number of injuries from 48 in 2022 to 21 in 2023. Furthermore, injuries resulting in min. one day of absence per million working hours decreased by 53% in 2023. We have not had any fatal accidents at work. Means of preventing accidents going forward are occupational health and safety certifications as well as implementing safety improvements and conducting targeted micro-campaigns to increase employee awareness of safety.

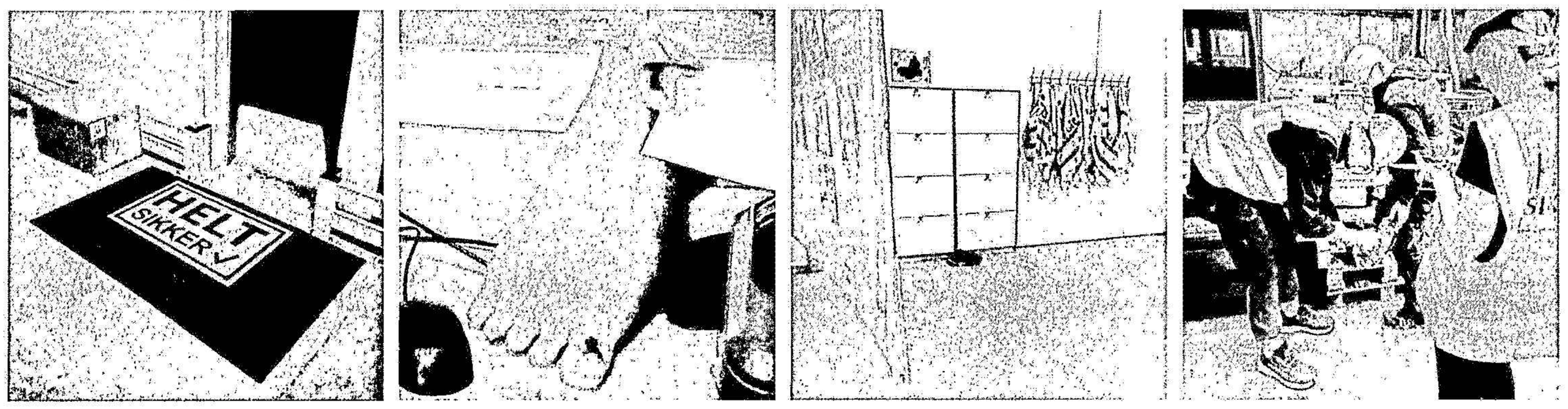
Figure 12 – Work-related accidents 2019-2023

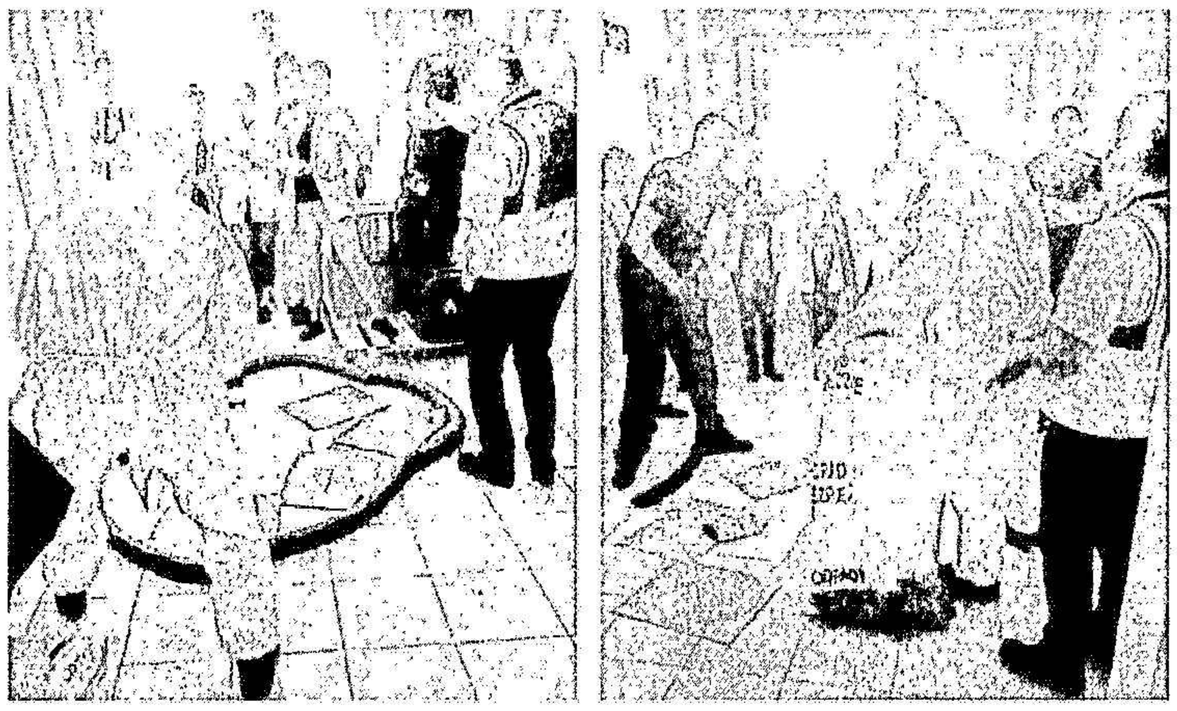


Safety campaigns

In Denmark, SP Group's subsidiaries, Gibo Plast and Dan-Hill-Plast, have made an extra effort in 2023 for safety and the prevention of work-related accidents. The working environment organizations have carried out safety campaigns to increase safety in general and to raise specific awareness of the importance of wearing safety shoes. On the first day of the campaigns, representatives of the health and safety committees were ready to great the employees. Devices of the campaign were, among other things: Ergomat's mats used to facilitate dissemination of the message, along with footprints on the floors leading to a new closet with safety shoes. During the period, the health and safety committee carried out a safety check of all employees' safety shoes.

Safety campaign at Gibo Plast.





Employee training at SP Medical in Poland.

Neutralization of emissions

SP Medical in Poland has focused on safety in connection with the handling of chemicals and has conducted training of employees in how to handle and neutralize a possible spill in the factory's production area.

Access to education

All employees in SP Group have the opportunity to improve their qualifications through continuing and further education. At SP Group, access to continuing education is very important to our employees' job satisfaction and continued development. We therefore offer our employees the opportunity to upskill themselves – also during work hours.

All employees participate in annual performance and development reviews (MUS) to discuss opportunities and set individual employee goals for training and education and to evaluate the past period.

As of 31 December 2023, SP Group had a total of 30 trainees divided into process technicians, sales and industrial technicians, logistics as well as school and student internships.

In 2024, we will continue the skills development of our employees, allowing them to attend to several different tasks. It both increases the flexibility of production and enables employees to develop and make everyday life more varied for the individual. Across our companies, a total of 28,813 hours have been used on training and skills development of our employees. In addition, we will continue to offer apprenticeships, study and internships.

Human rights

SP Group respects human rights. We bring our values of responsibility and readiness for change to the world, along with our experiences from efforts for non-discrimination, access to education, health and safety. We can do this as a workplace, but also as a partner and through our products.

In addition, we are proud that together with our customers we have the opportunity to contribute to better food safety in all parts of the world where products manufactured by the SP Group companies are used.

CSR Policy – human rights

SP Group wishes to contribute to the protection of human rights in the countries in which we operate

Therefore, we strive to promote initiatives that positively affect human rights. In countries where there is a risk of human rights abuse, we will strive to prevent any human rights abuse and take remedial action should we encounter such abuse.

With our products, we are able to contribute to improving the protection of human rights locally and globally.

The impact is mainly achieved through health products that contribute to the quality of health care and products that improve food safety

Risk

With increased internationalisation in SP Group, the risk of being involved in activities in countries that do not live up to international human rights conventions or with partners who do not behave responsibly increases. SP Group is thus aware of the current and potential risks that our production, activities and business partners in more than 98 countries around the world may pose in relation to respect for human rights.

Our efforts to prevent and mitigate these risks are dependent on the co-operation with customers regarding development of products and with our suppliers regarding the use and handling of raw materials. All suppliers are therefore obligated to comply with a Supplier Code requiring them to respect human rights.

To ensure that the requirements are met, we co-operate and communicate with our suppliers on a current basis, while at the same time monitoring that they assume responsibility in this area. If a supplier does not meet the requirements of our Supplier Code of Conduct, we can terminate our agreement with the supplier with immediate effect. This process has been strengthened by the establishment of the ESG function, which can follow up on all entities in the Group and their cooperative partners.

SP Group did not receive any information or notifications regarding human rights violations from external players in 2023. Communications with suppliers and subsuppliers did not uncover any involvement in human rights violations either.

At the end of 2023, we initiated a renewed risk assessment based on the requirements in CSRD and ESRS of the Group's activities linked to our suppliers. The assessment will be carried out in 2024 on the basis of questionnaires and visits to our factories.

Health promotion

The right to access good quality health care is a goal in all societies. The products which SP Group develops and manufactures in cooperation with our customers contribute to this by improving the tools used in health care. The products are thus used in hospitals in connection with operations and as aids in everyday life for people with disabilities or other illnesses. The price of the products and availability also contribute to ensuring that they are used in low-income countries and thus to form the basis for health care of good quality for people who live in poverty.

Healthcare products accounted for 34% of the Group's product portfolio in 2023.

Medical device solutions

Accoat and SP Medical coat instruments used for operations in hospitals. We thus contribute to ensuring quality of treatment and better survival prospects. SP Medical and Meditec also manufacture medical devices that contribute to disease control.

Secure use of pharmaceuticals

MedicoPack develops and manufactures pharmaceutical packaging and single-use equipment in the area of injection and infusion therapy for the pharmaceutical industry and hospitals. Through constant optimisation and focus on innovation, we help support safe use of pharmaceuticals for the purpose of preventing and curing diseases and thus improving health globally and in addition increasing safety for healthcare professionals.

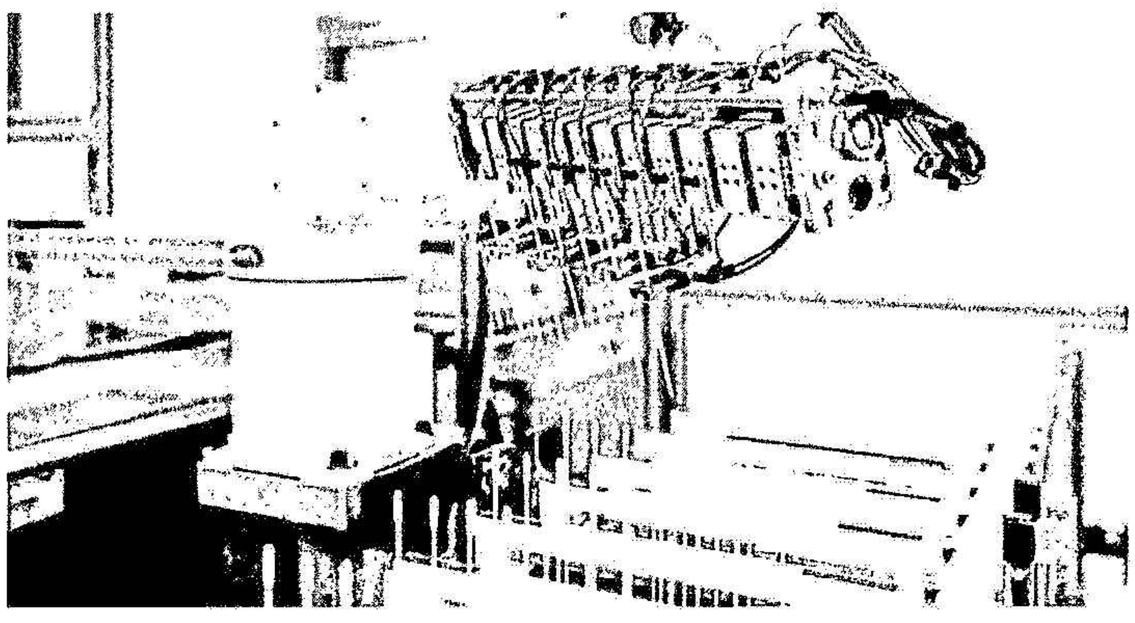
Swabs increase patient safety

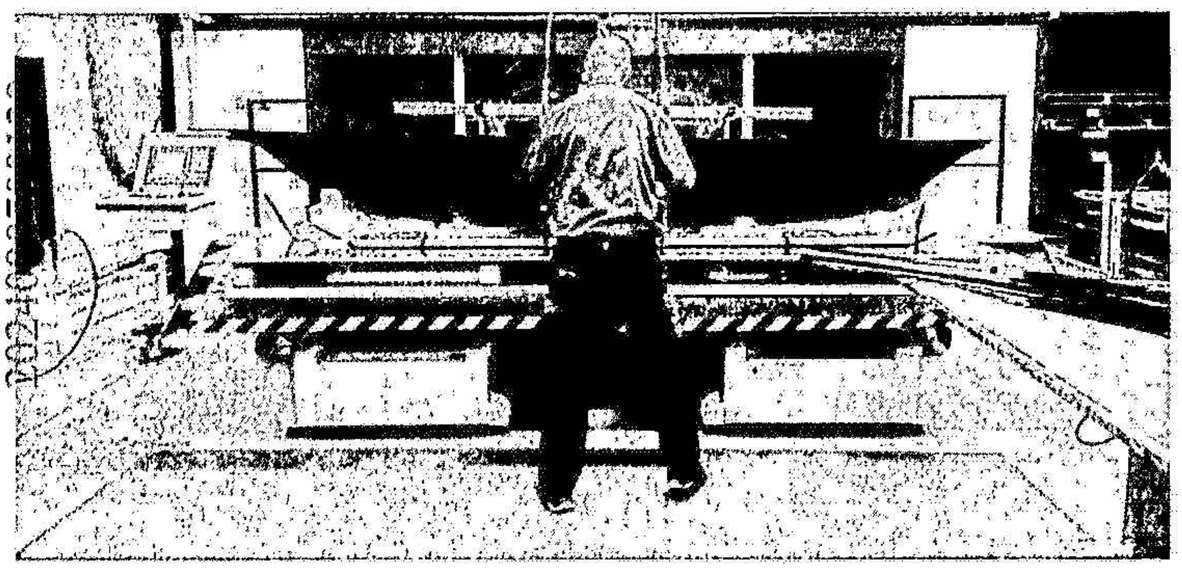
At Meditec, swabs are manufactured that contribute to great patient safety during testing. The swab was developed within seven months after the first corona lockdown in March 2020. Now that the need for swabs for corona testing has decreased, the product is being upgraded to a generic sampling kit that can be used for respiratory and venereal diseases, for example.

Safety in external working environments

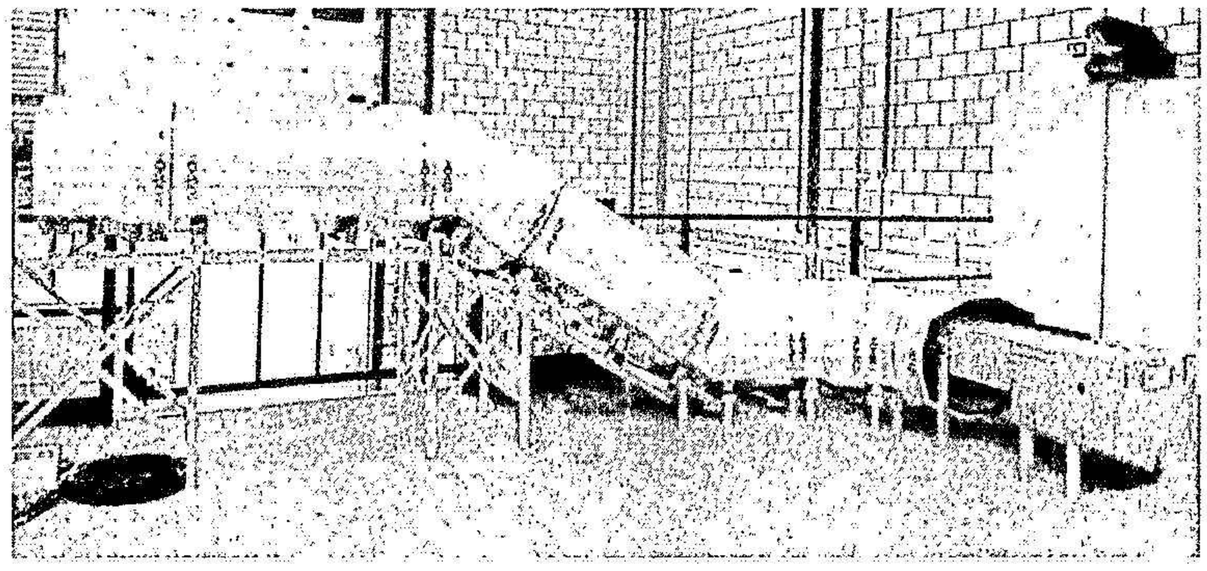
SP Group works to spread healthy and safe working environments outside its own factories. Ergomat develops, manufactures and sells products that are used all over the world in many different industries to design safe and efficient workplaces. Among these products are a range of ergonomic solutions with mats that prevent physical wear and tear in working environments. The mats absorb shocks and protect the body from vibration. At the same time, the mats stimulate muscle activity and improve blood circulation and thus help reduce tiredness.

Production of swabs at Meditec





Employees at Gibo Plast standing at mats from Ergomat.



Cover for the transportation of eggs manufactured by TPI Polytechniek B.V.

Work areas marked with the DuraStripe products appear in good order, are easy to overview and thus contribute to good working conditions. Driving areas marked with DuraStripe products also reduces the risk of accidents between drivers and pedestrians when these are kept separate.

Food-related products

Food safety is one of the most significant factors in the efforts to end hunger and to promote health and well-being. SP Group seeks to contribute thereto with several of our products. These are products which help to promote efficient food production systems through coatings and components for refrigerating and freezing food.

The process industry manufactures several of SP Group's subsidiaries' plastic components i.a. for improved animal welfare and analysis of milk. Products for improved food manufacturing and storage accounted for 12% of SP Group's revenue in 2023.

Improvement of food safety and quality

Through our products, SP Group contributes to promoting food safety and sustainable agricultural production. In 2023, SP Group's subsidiary, TPI Polytechniek B.V., has patented and launched a new cover for transporting eggs.

When eggs are transported via a conveyor belt from the poultry house or from one building to another in order to reach a packing station, the route often goes out into the open. The transport distance can in many cases vary from a few to several hundred meters, where the eggs until now have been exposed to weather, high and low temperatures or predators. For brood eggs in particular, temperature fluctuations are critical; Here the temperature must be kept constant.

TPI's new launch made of polyurethane is a cover designed as a tube that protects the eggs from temperature fluctuations and attacks by predators during transportation. The construction of the cover is designed so that the change of direction, length and height can be configured according to the customer's needs. The solution reduces waste and loss of eggs while maintaining the quality of the eggs.

Information about education

Sustainable growth in our companies and in surrounding communities is closely linked to the ability to recruit labour with the right skills and education. Our companies are therefore in continuous dialogue with educational institutions and students, pupils and others who seek inspiration and knowledge about our products and processes come to visit us. In this way, we contribute to bridging the gap between theory and practice and hope to inspire them to study subjects that can pave the way for work opportunities in SP Group.

Networking days

In Denmark, DAVINCI 3D hosted a networking day for engineering students at VIA University in Horsens, where the participants heard about our production process and the possibilities of applying for an internship or work at SP Group. DAVINCI 3D also opened its doors to approx. 100 engineering students in connection with the event "Billund Career Tour TECH".

Networking day and plant visit at DAVINCI 3D.

Bovil's stand at"Plastic Engineering Day 2023".

Our subsidiary, Bovil, participated in "Plastic Engineering Day 2023" at the University of Southern Denmark and, in continuation of the event, had a team of engineering students at a short plastics seminar, where they gained insight into the technical plastic materials and their possibilities as well as a tour of the production. In 2023, 21 engineers and machine designers paid a visit to the company, at which Bovil's products and the machining possibilities of plastic materials were presented, also a group of high school students paid the company a visit and gained insight into everyday life as an industrial technician. (For information on anti-corruption, see page 67.)

Gender distribution in Management

At SP Group, we want to play a part in promoting gender equality and reducing inequality. We therefore ensure equal pay for equal work and pay a fair salary to all our employees regardless of where they are employed at our companies.

Policy on women in management

The Board of Directors of SP Group A/S has adopted a policy with the purpose of increasing the ratio of the underrepresented gender at all levels of management and promoting diversity in general. The goal is still to fill managerial positions based on the qualifications needed, while at the same time increasing the ratio of women where possible.

Figure 13 shows the gender distribution of SP Group's management.

In the supreme governing body, the Board of Directors, the share of women is 2 out of 5 persons, corresponding to 40% and SP Group has thus obtained equal gender distribution in the supreme governing body.

The supreme governing body at level 1 comprises Group Management with 1 woman and three men and at level 2 other executive employees with 9 women and 25 men. The composition, title and employment conditions for Group Management and the other executive employees are stated on page 41. Level 2 is defined by local management and significant executive functions.

The underrepresented gender of Group Management totals 25%, which means that SP Group has obtained equal gender distribution at Management level 1. At Management level 2, the underrepresented gender totals 26.5%, which means that SP Group's target figure of 25% has been achieved.

In order to maintain focus on increasing the proportion of the underrepresented gender in management, SP Group has a policy to increase the proportion of women in management. According to the policy, at least one male and one female candidate must be among the top three candidates for new leadership positions. In connection with the recruitment of new managers, proactive efforts are made as recruitment agencies are urged to find candidates of both genders. At visits at the company and in connection with education days, SP Group is presented to students as a workplace with equal opportunities for both women and men.

Newly advertised positions as well as normal attrition and thereby reoccupation of vacancies are expected to increase the share of the underrepresented gender at Management level 2. Employee turnover in SP Group is generally low, and the target of 30% women among other executive employees is not expected to be realised until in 2030. No management positions were advertised in 2023.

Figure 13 - Gender distribution in Management

Five-year survey		2019	2020	2021	2022	2023
Supreme governing body Board of Directors See page 40	Total number of members	5	4	4	4	5
	Underrepresented gender in %	20	25	25	25	40
	Target figure in %		20	20	40	40
	Year on achieving the target		2021	2021	2023	2023
Management level 1 Group management See page 41	Total number of members	2	4	4	4	4
	Underrepresented gender in %	0	25	25	25	25
	Target figure in %		25	25	25	25
	Year on achieving the target		2020	2020	2020	2020
Management level 2 Other executive employees See page 41	Total number of members	35	29	31	35	34
	Underrepresented gender in %	20	24.1	32.3	25.7	26.5
	Target figure in %		25	25	25	30
	Year on achieving the target		2021	2021	2021	2030
Other levels of management	Total number of members	37	33	35	39	38
Total (Management level 1+2)	Underrepresented gender in %	18 9	24.2	31.4	25.6	26.3
	Target figure in %		25	25	25	30
	Year on achieving the target		2021	2021	2021	2030

In 2023, SP Group employed approximately equal numbers of women and men, with a slight overrepresentation of men, which corresponds to the distribution in 2022, see Figure 14.

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Diversity

SP Group's long-term goal is that the company and its employees reflect the surrounding society in terms of gender distribution, age, nationality and ethnicity. This makes us an attractive choice for both customers and employees and helps give everyone, regardless of background, the possibility to enter the labour market. In order for the Group to be able to fulfil its business goals in the long term, we see diversity as an important contribution.

In order to best promote diversity in the Board of Directors, the Executive Board and the rest of the management team, we strive to ensure that the members each have the competencies and profiles required for them to contribute optimally to SP Group's development. The Board of Directors wants everyone, regardless of gender, age and nationality, to have equal opportunities.

To strengthen future recruitment for management layers, SP Group regularly offers supplementary education and improvement of the employees' qualifications.

SP Group makes an active effort to counteract discrimination. This applies both internally in relation to our employees and externally in our supply chain. In this connection, we also focus on non-discrimination and equal opportunities for everyone.

We did not receive any complaints about discrimination from employees or external stakeholders in 2023.

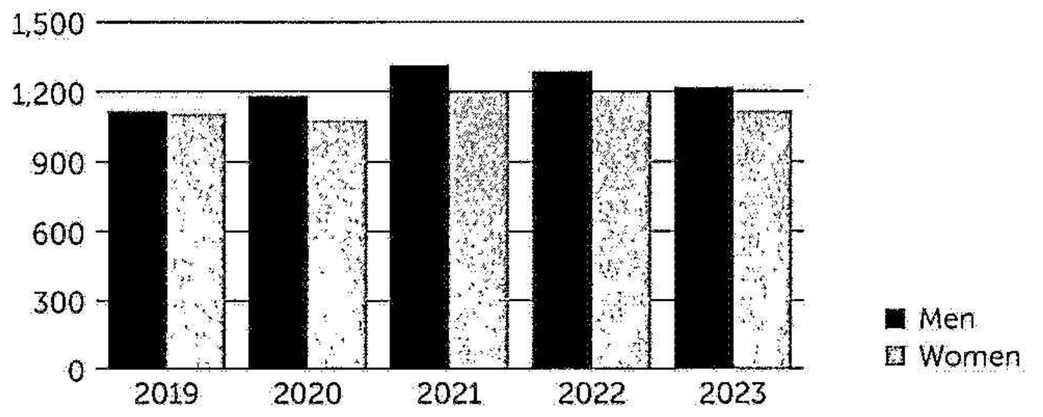
Policy on diversity

As an international company, we respect differences in culture and tradition, and our relationships are characterised by mutual trust and respect. Therefore, we do not discriminate based on age, gender, race, colour, disability, religion or faith, language, national extraction or social origin, union membership, political opinion or any other discriminatory basis acknowledged by international conventions. We make decisions on employment, employment terms, promotions and remuneration solely based on relevant and objective criteria.

Staff composition

SP Group aims to have a diversity in age and gender, educational and professional background in management and in the organization as a whole. Globally, SP Group's workforce decreased from 2,485 in 2022 to 2,351 in 2023.

Figure 14 – Staff composition (end of year) 2019-2023



The staff composition at our companies reflects local demographics. For example, at our Danish companies, there are approximately 10 different nationalities represented in the workforce.

As shown in Figure 16.a, the proportion of employees employed in Denmark during the reporting period is at roughly the same level as in 2022 with 690 employees. Figures 16.a and 16.b show the development in the geographical distribution of employees. Figure 15 shows that the number of employees employed abroad has fallen to 1,661 and now represents 70.7% of the total labour force.

Figure 15 – Employees working abroad (avg.) 2019-2023

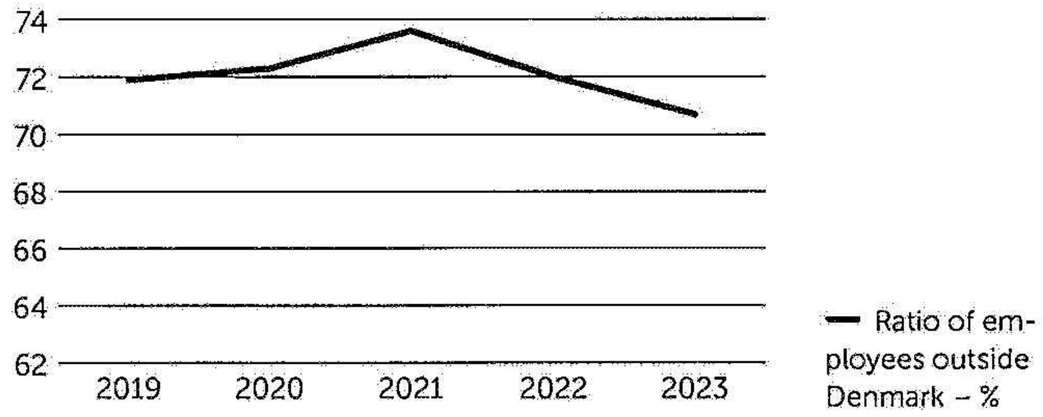


Figure 16.a – Geographical distribution of employees (avg.) 2023

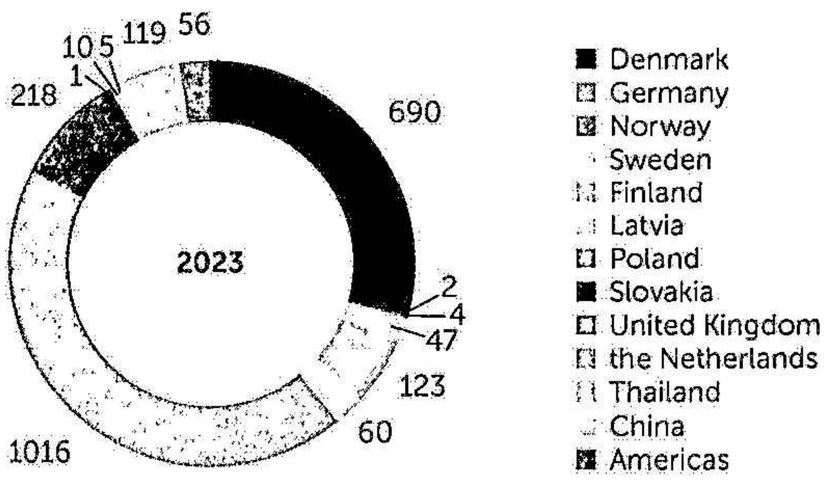
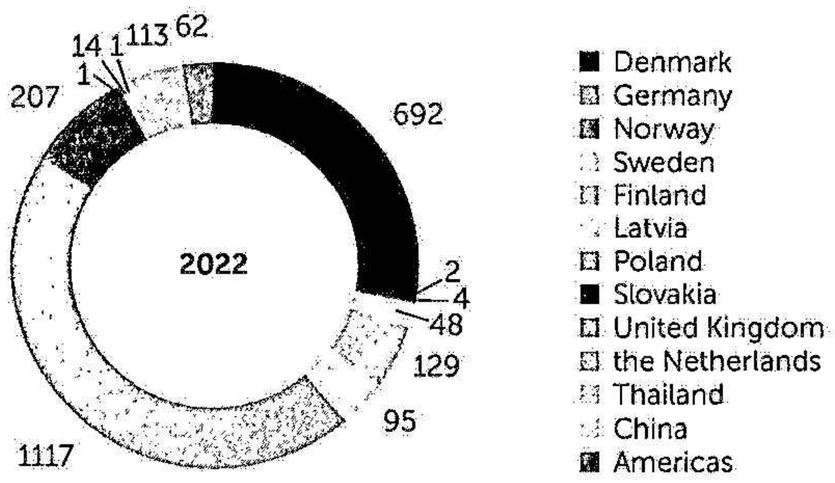


Figure 16.b– Geographical distribution of employees (avg.) 2022



ESG Corporate Governance

For SP Group, the operation of a healthy business requires good corporate governance. For us, this is closely linked to requirements for accountability, ethics and decency. As part of our work with sustainability and corporate social responsibility, we focus on integrating standards for anti-corruption, data accountability and tax payment throughout the Group. We have also established a whistleblower scheme that creates access to point out irregularities in our activities for both internal and external stakeholders.

It is crucial for the trust in SP Group among our customers, partners, employees and other stakeholders that our efforts are anchored in everyday life and are embedded in our interaction with them. We have therefore adopted policies that set goals and frameworks for the initiatives, and place roles and responsibilities for putting the principles into practice.

Risk

SP Group carries on activities in parts of the world where corruption and bribery attempts are an everyday occurrence. For instance, parts of the Group are now and then met with requests for secret commission or the like.

Our subsidiaries must observe our CSR policy, communicate our Supplier Code of Conduct and popularize our whistleblower scheme. SP Group follows up on the subsidiaries' compliance therewith.

The risk picture in relation to data responsibility is particularly affected by the current threat from cybercriminals of placing ransom ware on our IT systems. We manage the risk by systematically monitoring the IT systems we use and by training employees in IT security and personal data protection.

Anti-corruption

SP Group has zero tolerance for all forms of corruption and bribery, both at home and at our suppliers. Our precautionary measures are therefore targeted at our employees, who we guide and support in handling corruption through regulation and training. In terms of our external relations who act as representatives of SP Group or are included in our business activities as suppliers, customers or other business partners, we emphasise our approach to corruption through our Code of Conduct, contracts, monitoring and dialogue.

To ensure that our employees and other persons representing SP Group do not engage in corruption, we have developed a learning programme. The programme contributes to ensuring a high knowledge level in respect of bribery, receipt of gifts, events, etc., and provides our employees with insight into the rules on anti-corruption. It further helps them understand when they are at risk of becoming engaged in corruption and what their scope for action is.

SP Group did not receive any reporting on corruption and bribery incidents in 2023.

CSR Policy – Anti-corruption

We want to maintain a high level of integrity and responsibility in all our external relations, and we do not engage in any type of corruption, including extortion, bribery, embezzlement, fraud, facilitating payments, nepotism, cartel formation or conflict of interest We refrain from offering, promising or giving any kind of bribes in order to wrongfully influence public-sector employees, judges or business relations. We also refrain from taking, accepting or engaging in any kind of bribes ourselves. Thus, we ensure compliance with relevant international standards and conventions.

Moreover, we always observe applicable international trade embargoes. We do not condone anti-competitive behaviour and all relevant financial information is disclosed and validated in accordance with Danish legislation. Our agents, intermediaries, consultants or other persons acting on our behalf are also subject to the obligation not to engage in any type of corruption or bribery.

The obligation to abstain from engaging in corruption or bribery also applies to our suppliers and other parties acting on behalf of SP Group.

Data responsibility

To SP Group it is very important that our application of IT systems and personal data is made in a responsible way. Protection of personal data regarding employees and customers builds confidence in us as a workplace and supplier. We target that all companies in SP Group process personal data regarding employees and customers in accordance with applicable legislation on the protection of personal data and IT security requirements. Our requirements for ethical business practice means that we include principles of data ethics, when we introduce new data processing or technology.

The IT and Personal Data Security Function in SP Group is constantly targeting to strengthen and validate the efforts within the area and new measures are implemented regularly to strengthen the efforts. This work comprises both SP Group's own companies and future acquisitions. General policies have been drawn up describing how subsidiaries are to act in relation to the protection of personal data and IT security. Once a year, an overall status report is prepared for SP Group's Board of Directors on the IT security in the companies.

Policy on data ethics

SP Group ensures responsible use of IT systems and personal data through effective personal data protection, robust IT systems and data ethical considerations regarding data use

The work with data ethics is based on five data ethical principles, which take the approach that people must be put at the centre and experience that they have control over their data, that the use of personal data must be transparent, and that data processing must be carried out responsibly and contribute to respect for dignity and equality.

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All subsidiaries and IT networks in SP Group have been reviewed by the IT Security Manager to ensure compliance with the IT security policy, and action plans have been prepared in case any deviations are identified. The policy on personal data protection and date ethic is implemented locally, e.g. in cooperation with local advisers.

In 2023, no business-critical IT security breaches or data breaches have been registered that have been reported to the Danish Data Protection Agency.

Tax

SP Group pays tax in all foreign jurisdictions in which we operate permanently. Our tax policy reflects the Group's general code of ethics and demonstrates that we, as a listed company, are obligated to contribute to the community in which we are included within the legal framework.

Policy on tax

The Group's approach is to manage the Group's global tax matters in a way that is in accordance with the Group's long-standing values and code of ethics. Management should be planned in accordance with the below principles:

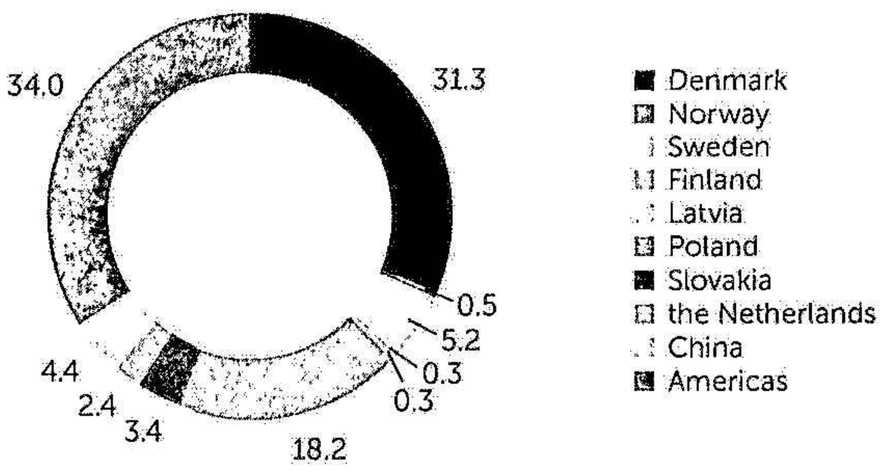
A) Questions relating to tax and VAT are handled proactively by having a clear structure for internal , robust business *models, controls and processes and an open dialogue with* the tax authorities
B) The Group's tax and duties statements are reported correctly to the tax authorities in accordance with legislation and are paid on time
C) All tax planning is based on commercial activities
D) Statements are always obtained from professional, well-reputed and independent external advisers if the treatment of tax and duties is uncertain or if the tax amount is significant.

The Group's intra-group cross-border revenue is significant. Intra-group transactions are made on an arm's length basis so that income is recognised where earnings are made. Consequently, the Group has prepared a Transfer Pricing Defence File.

The Group's tax payment for 2023 is specified by country and is included in note 13 to the consolidated financial statements. In 2023, SP Group paid a total of DKK 43.7 million in corporation tax. Payment of corporation tax in the individual countries is disclosed in Figure 17.

The total tax charge for the employees in SP Group amounted to approx. DKK 180.2 million in 2023.

Figure 17 – Corporation tax 2023 (%)



Whistle-blower scheme

SP Group and all subsidiaries and group entities strive for a business environment that promotes and upholds a high degree of integrity and responsibility.

Reporting of matters to the whistle-blower scheme is made directly to *the chair of SP Group's Audit Committee, who is an independent member* of SP Group's Board of Directors elected by the general meeting. Executives and employees of SP Group do not have access to the incident reporting.

Guidance on how to use SP Group's whistleblower scheme was communicated to all employees in local languages and is available on the Group's website.

SP Group did not receive any incident reports under the whistle-blower scheme from either internal or external players in 2023.

Reporting principles

SP Group's overall efforts for social responsibility and sustainability are based on the UN's Sustainable Development Goals and the UN Global Compact principles on human rights, labour rights, climate and environment as well as anti-corruption..

Given SP Group's accession to the UN Global Compact in 2020, the entire Group was covered by reporting and thus builds on the work with the Global Compact principles initiated by the subsidiaries SP Moulding and Accoat in 2012 and 2017, respectively.

In 2023, we have based our ESG data points on the EU Commission's delegated act of 31 July 2023 on European Sustainability Reporting Standards (ESRS). As these are largely based on Global Reporting Initiative Standards for measuring and computing the year's results and progress, it is still possible to compare our results over the past 5 years. The table on page 73 shows the correlation between the ESRS data points used and the previously used GRI indicators.

The consumption of green power is based on the share of the total consumption of power, which covers wind and solar energy produced from our own power plants, purchased on PPA agreements as well as certificates in Denmark, Sweden, Poland and Slovakia.

Waste volumes, handling and disposal have been omitted due to inaccurate data material. The volume of cooling agents used is very limited and therefore not included in the reporting, but included in the Co_2e calculations.

For our Scope 2 CO_2e calculations, both market-based and location-based calculation methods have been used. Both methods are used within GRI Standards and Greenhouse Gas Protocol. This approach is used to report the most accurate figures for SP Group's CO_2e emissions, both when it comes to the energy mix that we receive from the providers and when we purchase certificates for renewable energy.

The calculation of CO_2-emissions is based on emission factors from relevant, acknowledged organisations. The emission factors used for electricity consumption conversion differ from the figures for 2022 as they are based on the Association of Issuing Bodies (AIB) and the International Energy Agency (IEA) for both the location-based methodology and the market-based methodology.

The emission factors for fuel oil, natural gas, district heating, LPG and diesel/petrol also differ from the last reporting year as for 2023 they are based on the Department for Environment, Food & Rural Affairs (DEFRA) (UK).

The change in emission factors is due to the fact that in 2023 we acquired a commercial software system for ESG data collection, which uses a number of other conversion factors for our electricity consumption and our consumption of heating oil, natural gas, district heating, LPG and diesel/petrol.

The number of employees is calculated in two different ways: for gender equality, the number of employees at the end of the financial year is used and for the total number of employees and the geographical distribution of employees, an average consideration is used.

Payroll tax was initially computed for 2020.

The whistleblower scheme was established in 2019.

EU Taxonomy Regulation

In 2022, SP Group did not consider our activities to be covered by the EU Commission's delegated act of December 2021, focusing on point 3.17 Manufacture of plastics in primary form.

In 2023, a team at SP Group has performed a systematic assessment of all activities listed in the EU Taxonomy Regulation to identify to what extent the Group's economic activities qualify as significant contributions to the EU's climate goals of:

- Climate change mitigation and adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems.

In relation to the assessment in 2022, the last four climate targets above are covered by the EU Commission's delegated act from June 2023.

As shown on the following pages, we have identified a number of economic activities related to manufacturing, energy, transport, building and construction activities, real estate as well as services related to the energy performance of buildings, that are covered by the taxonomy's technical screening criteria. However, we do not assess that these activities qualify as contributing significantly to one or more of the five environmental objectives, and we have not made an assessment of the criteria under DNSH.

In the calculation, revenue, operating costs and costs of capital are therefore linked to the areas covered by the EU Taxonomy Regulation, but not qualified as significant contributions to sustainability (A.2.). In addition, the calculation shows the Group's revenue, operating costs and costs of capital (B).

Activities assessed as covered by the taxonomy include i.a. the sale of insulated plastic components for the building industry and the production of plastic packaging for the pharmaceutical industry as well as machinery and equipment for these productions. In addition, purchase/leasing of company cars, new windows at MedicoPack and Tinby, establishment of the biodiversity area at Bovil, installation of solar cell plants at Coreplast in Finland and Ulstrup Plast in Slovakia, installation of charging stations, establishment of heat pumps at Ulstrup Plast and at Dan-Hill-Plast establishment of district heating.

Revenue under A.2. in the taxonomy is primarily driven by the activity "Manufacture of plastic packaging goods", which amounts to DKK 176.9 million. CapEX is also primarily driven by the "Manufacture of plastic packaging goods" totalling DKK 29.5 million, and "Construction of buildings", amounting to DKK 37.2 million. OpEX is primarily driven by the "Manufacture of plastic packaging goods" totalling DKK 7.6 million, the "Acquisition and Ownership of buildings" which amounts to DKK 2.7 million and the "Renovation of existing buildings" totalling DKK 1.7 million.

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Taxonomy - Revenue

Share of revenue from products or services related to taxonomy-adjusted financial activities

Financial year	2023		Criteria for substantial contribution						DNSH criteria (Criteria for do no significant harm)									
Economic activities	Code	Revenue	Share of revenue	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum guarantees	Share of revenue (A.1.) or (A.2.) Year 2022	Category (Enabling activity)	Category (Transitional activity)
		DKK'000	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY - COMPRISED ACTIVITIES																			
A.1. Environmentally sustainable activities (in accordance with the classification system)																			
Revenue derived from environmentally sustainable activities (A.1)		0	0.00	0	0	0	0	0	0										
Hereof enabling		0	0%	0%	0%	0%	0%	0%	0%									E	
Hereof transitional		0	0%	0%															T
A.2 Activities, which are comprised by the classification system, but not environmentally sustainable (Activities which are not in accordance with the classification system)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacturing of energy efficiency equipment for buildings	CM 3.5	13,552	0.52	EL	EL	EL	EL	EL	EL										
Manufacturing of plastic packaging goods	CE 1.1	176,912	6.79	EL	EL	EL	EL	EL	EL										
Revenue derived from activities comprised by the classification system, but which are not environmentally sustainable (A.2)		190,464	7.31	%	%	%	%	%	%										
A. Total revenue of taxonomy-comprised activities (A.1+A.2)		190,464	7.31	%	%	%	%	%	%									%	%
A. TAXONOMY - NON-COMPRISED ACTIVITIES																			
Revenue derived from activities which are not comprised by the classification system		2,415,858	92.69																
TOTAL (A + B)		**2,606,322**	**100**																

Note: For each company, revenue actually booked for the financial year 2023 has been used. Only revenue from external sales is reported to avoid any double reporting of revenue between the companies. SP Group's total revenue is stated in note 3 to the financial statements. The revenue figures for the individual activities have been used as allocation key for CapEX and OpEX.

Taxonomy – CapEX

Share of CapEX from products or services related to taxonomy-adjusted financial activities

Financial year	2023		Criteria for substantial contribution						DNSH criteria (Criteria for do no significant harm)									
Economic activities	Code	CapEX	Share of CapEX	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum guarantees	Share of CapEX (A.1) or (A.2) Year 2022	Category (Enabling activity)	Category (Transitional activity)
		DKK'000	%	Y,N, N/EL	Y,N, N/EL	Y,N, N/EL	Y,N, N/EL	Y,N, N/EL	Y,N, N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY - COMPRISED ACTIVITIES																			
A.1. Environmentally sustainable activities (in accordance with the classification system)																			
CapEX derived from environmentally sustainable activities (A.1)		0	0 00	0	0	0	0	0	0										
Hereof enabling		0	0%	0%	0%	0%	0%	0%	0%									E	
Hereof transitional		0	0%	0%															T
A.2 Activities, which are comprised by the classification system, but not environmentally sustainable (Activities which are not in accordance with the classification system)																			
				EL, N/EL (f)	EL; N/EL (f)	EL, N/EL (f)	EL; N/EL (f)	EL, N/EL (f)	EL, N/EL (f)										
Manufacturing of energy efficiency equipment for buildings	CM 3.5	274	0.13	EL	EL	EL	EL	EL	EL										
Electricity production based on solar cell technology	CM 4 1	2,712	1 32	EL	EL	EL	EL	EL	EL										
District heating/cooling distribution	CM 4.15	3,776	1.84	EL	EL	EL	EL	EL	EL										
Installation and operation of electric heating pumps	CM 4.16	1,287	0.63	EL	EL	EL	EL	EL	EL										
Production of electricity/cooling by using waste heat	CM 4 25	101	0 05	EL	EL	EL	EL	EL	EL										
Transport with motorcycles, passenger cars and light commercial vehicles	CM 6.5	5,825	2 84	EL	EL	EL	EL	EL	EL										
Erection of new buildings	CM 7.1	37,195	18.12	EL	EL	EL	EL	EL	EL										
Renovation of existing buildings	CM 7 2	8,085	3.94	EL	EL	EL	EL	EL	EL										
Installation, maintenance and repairs of energy efficient equipment	CM 7 3	1,792	0.87	EL	EL	EL	EL	EL	EL										
Installation, maintenance and repairs of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CM 7 4	463	0.23	EL	EL	EL	EL	EL	EL										
Manufacturing of plastic packaging goods	CE 1.1	29,537	14.39	EL	EL	EL	EL	EL	EL										
Maintenance, including restoration of habitats, ecosystems and species	BIO 1.1	219	0.11	EL	EL	EL	EL	EL	EL										
CapEX derived from activities comprised by the classification system, but which are not environmentally sustainable (A.2)		91,267	37.97	%	%	%	%	%	%										
A. Total CapEX of taxonomy-comprised activities (A.1+A.2)		91,267	37.97	%	%	%	%	%	%										
A. TAXONOMY - NON-COMPRISED ACTIVITIES																			
CapEX derived from activities not comprised by the classification system		149,112	62.03																
TOTAL (A + B)		**240,379**	**100**																

Note: CapEX is investments in machinery and equipment, installations, buildings, etc. which are qualified for being comprised by the EU Taxonomy. SP Group's total CapEX is stated in notes 15, 16 and 17 to the financial statements. For each company, investments actually booked for the financial year 2023 have been used. The revenue figures are used as allocation key for CapEX

Taxonomy – OpEX

Share of OpEX from products or services related to taxonomy-adjusted financial activities

Financial year		2023		Criteria for substantial contribution						DNSH criteria (Criteria for do no significant harm)									
Economic activities	Code	OpEX	Share of OpEX	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum guarantees	Share of OpEX (A.1.) or (A.2.) Year 2022	Category (Enabling activity)	Category (Transitional activity)
		DKK'000	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY - COMPRISED ACTIVITIES																			
A.1. Environmentally sustainable activities (in accordance with the classification system)																			
OpEX derived from environmentally sustainable activities (A.1)		0	0.00	0	0	0	0	0	0										
Hereof enabling		0	0%	0%	0%	0%	0%	0%	0%									E	
Hereof transitional		0	0%	0%															T
A.2 Activities, which are comprised by the classification system, but not environmentally sustainable (Activities which are not in accordance with the classification system)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacturing of energy efficiency equipment for buildings	CM 3.5	13	0.01	EL	EL	EL	EL	EL	EL										
Electricity production based on solar cell technology	CM 4.1	24	0.02	EL	EL	EL	EL	EL	EL										
District heating/cooling distribution	CM 4.15	159	0.12	EL	EL	EL	EL	EL	EL										
Installation and operation of electric heating pumps	CM 4.16	30	0.02	EL	EL	EL	EL	EL	EL										
Transport with motorcycles, passenger cars and light commercial vehicles	CM 6.5	496	0.37	EL	EL	EL	EL	EL	EL										
Renovation of existing buildings	CM 7.2	1,725	1.28	EL	EL	EL	EL	EL	EL										
Installation, maintenance and repairs of energy efficient equipment	CM 7.3	181	0.13	EL	EL	EL	EL	EL	EL										
Acquisition and ownership of buildings	CM 7.7	2,721	2.02	EL	EL	EL	EL	EL	EL										
Professional services related to the energy performance of buildings	CM 9.3	52	0.04	EL	EL	EL	EL	EL	EL										
Manufacturing of plastic packaging goods	CE 1.1	7,617	5.64	EL	EL	EL	EL	EL	EL										
OpEX derived from activities comprised by the classification system, but which are not environmentally sustainable (A.2)		13,018	9.65	%	%	%	%	%	%										
A. Total OpEX of taxonomy-comprised activities (A.1+A.2)		13,018	9.65	%	%	%	%	%	%										
A. TAXONOMY - NON-COMPRISED ACTIVITIES																			
OpEX derived from activities not comprised by the classification system		122,022	90.35																
TOTAL (A + B)		**135,040**	**100**																

Note: OpEX is the cost for maintenance and repairs of machinery and equipment, installations, buildings, etc. which are qualified for being comprised by and not comprised by the EU Taxonomy. *For each company, costs actually booked for the financial year 2023 have been used. The revenue figures are used as allocation key for OpEX.*

Theme overview and international standards

Category	Theme	UNGC principle	UN SDGS	GRI standard	ESG NASDAQ	ESRS	Page
Company	Business model	-	-	102	-	ESRS 2	49
	Management systems	-	-	102	E7+E8+E9	ESRS 1	51, 54, 60
	Internal regulation	-	-	102	G5	ESRS 2	51
	Assessment of materiality	-	-	102	-	ESRS 1+2	52
	Risk assessments	-	-	102	-	ESRS 1+2	54, 60, 63, 67
Environment and climate	Raw materials	7+8	12	301	-	E5-4	54
	Waste and recycling	7+8	12	306	-	E5-5	56
	Energy and electricity	7+8	7	302	E3+E4+E5	E1-5	57
	Co_2e emissions	7+8	13	305	E1+E2	E1-6	58
	Aquatic environment	7+8	6	303	E6	E3-4	59
Social responsibility – working conditions	Wage and working conditions	4+5+6	8	401	S5+S9	S1+S2	61
	Freedom of unionisation	3	8	407	G4	S1+S2	61
	Health and safety	1-2	8	403	S7+S8	S1-14+S2	62
	Access to education	1+2	4	404	-	S1-13+S2	62
Social responsibility – human rights	Health promotion	1+2	3	403	S8	S3	63
	Food safety	1+2	2	403	-	S3	64
	Gender equality	6	5	405	S4	S1-6 and S2	65
	Diversity	6	10	405	-	S1-9, S1-12+S2	66
Management	Anti-corruption	10	16	205	G6	G1-3	67
	Data responsibility	1+2	16	-	G7	S1+S4	67
	Tax	-	16	206	-	-	68
	Whistle-blower scheme	-	16	102	G6	G1	68

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ESG data

ESG	Category	Indicator	Entity	2019	2020	2021	2022	2023
E	**Raw materials**	Virgin plastics	Kg	15,978,078	15,347,852	16,764,678	15,522,512	15,031,343
		Regenerated materials	Kg	412,941	1,465,875	2,609,507	2,774,306	2,419,097
		Glass fibre	Kg	9,730,540	9,937,401	6,860,301	3,428,861	7,136,414
		Coating	Kg	47,375	43,751	50,675	75,872	95,204
		Other (e.g. Iso, Polyol, Telene, Resin)	Kg	3,003,466	3,837,398	5,314,525	4,710,722	2,108,918
	Energy	Fuel oil	Litre	101,865	65,673	57,444	35,188	16,498
		Natural gas	m^3	1,309,242	1,574,322	1,773,101	1,591,138	1,251,513
		District heating	MWh	2,692	2,616	3,404	3,194	4,625
		Coal	Kg	0	0	0	0	0
		Diesel/petrol	Litre	88,235	108,379	196,085	195,274	135,126
		LPG gas	Kg	0	0	0	118,097	345,643
		Electricity	kWh	60,395,863	60,372,241	66,753,410	65,201,596	62,751,612
		Electricity intensity (Purchased raw material)	kWh/kg	2.09	2.07	2.11	2.46	2.34
	CO_2e	CO_2e emission (Scope 1)	Tonne	3,437	3,921	4,567	4,517	4,664
		CO_2e emission (Scope 2) Location- based	Tonne	24,467	21,490	23,438	23,777	23,935
		CO_2e emission (Scope 2) Market-based	Tonne	-	-	17,897	5,814	6,462
		CO_2e intensity (Location-based) (Purchased raw material)	Kg/kg	0.97	0.87	0.89	1.07	0.89
		CO_2e intensity (Market-based) (Purchased raw material)	Kg/kg	-	-	0.71	0.39	0.24
S	**Working hours**	Working hours (Permanently employed)	Hours	3,528,715	3,700,898	3,991,107	3,996,388	3,712,963
		Working hours (temporarily employed)	Hours	118,235	196,892	226,044	234,042	271,100
		Working hours incurred (total)	Hours	3,646,950	3,897,790	4,217,151	4,230,431	3,984,063
	Industrial accidents	Fatal accidents	Number	0	0	0	0	0
		LTI (accidents resulting in min. one day of absence)	Number	38	35	39	48	21
		LTIFR (accidents per million working hours)	Number	10.4	9.0	9.2	11.3	5.3
	Gender ratio	Women	Number	1,105	1,078	1,196	1,195	1,118
		Men	Number	1,116	1,181	1,313	1,285	1,218
		Women/men	%	49.8/50.2	47.8/52.2	47.7/52.3	48.2/51.8	47.9/52.1
		Female executives	%	24	25	32	26	27
	Diversity on the Board of Directors	Women/men	W/M	1/4	1/3	1/3	1/3	2/3
	Board independence	Number of independent	%	40	50	50	50	60
	Diversity in Group Management	Number of executives	W/M	0/2	1/3	1/3	1/3	1/3
	CEO pay ratio	CEO remuneration/average employee salary in the Group	Ratio	20.7	16.9	19.7	19.7	18.8
G	**Tax**	Employees	DKKm	-	147.3	168.5	171.9	180.2
		Corporation tax	DKKm	30.0	40.5	50.0	49.1	43.7
	Whistleblower	Incident reports	Number	0	0	0	0	0

Statement by Management

The Board of Directors, the Executive Board and Group Management have today discussed and approved the annual report of SP Group A/S for 2023.

The annual report has been prepared in accordance with IFRS Accounting Standards (IFRS®) as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, results of operations, cash flows and financial position as well as a description of material risks and uncertainties that the Group and the Parent Company face.

It is our view that the annual report of SP Group A/S for 2023 with the file name SPGroup-2023-12-31-da.zip in all material respects has been prepared in accordance with the ESEF Regulation

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

Søndersø, 21 March 2024

Executive Board and Group Management

Frank Gad
CEO

Søren Ulstrup
Executive Vice President

Lars Ravn Bering
Executive Vice President

/Tilde Kejlhof
Group CFO

Board of Directors

Hans Wilhelm Schur
Chair

Erik Preben Holm
Deputy Chair

Hans-Henrik Eriksen

Bente Overgaard

Marie Bakholdt Lund

Independent auditors' report

20240807-0135

To the shareholders of SP Group A/S

Independent auditor's report on the consolidated financial statements and the parent company financial statements

Opinion

We have audited the consolidated financial statements and the parent company financial statements of SP Group A/S for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group as well as the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independency

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.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

We were initially appointed as auditor of SP Group A/S on 26 April 2011 for the financial year 2011. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 13 years up until the financial year 2023.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2023. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements as a whole.

Valuation of goodwill

The Group has recognised goodwill totalling DKK 330.9 million in the balance sheet at 31 December 2023. The useful life of goodwill is indefinite, and according to International Financial Reporting Standards as adopted by the EU (IAS 36), goodwill must be tested for impairment at least annually. No impairment of goodwill was identified in the financial year.

The annual impairment test is key to our audit, as it includes Management's assumptions and estimates relating to, for instance, future earnings.

Additional information on goodwill recognised in the year is disclosed in note 15 to the consolidated financial statements.

In connection with our audit, we verified the impairment test prepared by Management, which was performed in accordance with the discounted cash flow model, and assessed whether the assumptions made by Management are substantiated. We assessed whether the calculation model is relevant and assessed the discount factor level and growth rate applied for extrapolation. The expected net cash flows are based on budgets for the years 2024-2026 and a terminal value. We examined budget preparation procedures and compared budgets with the Group's strategic efforts in the individual areas. Further, we examined whether the information on goodwill disclosed in note 15 is adequate relative to applicable accounting standards.

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 by relevant law and regulations.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of relevant law and regulations. We did not identify any material misstatement of the 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 IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act Moreover, Management is responsible for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, safeguards used or actions taken to eliminate those threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure.

20240807-00136

Report on compliance with the ESEF Regulation

As part of our audit of the consolidated financial statements and parent company financial statements SP Group A/S we performed procedures to express an opinion as to whether the annual report for the financial year 1 January – 31 December 2023, with the file name SPGroup-2023-12-31-da.zip, has been prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation), which includes requirements related to the preparation of an annual report in XHTML format and iXBRL tagging of the consolidated financial statements, incl. notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- Preparing the annual report in XHTML format
- Selecting and applying appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary
- Ensuring consistency between iXBRL tagged data and the consolidated financial statements presented in human readable format
- For such internal control as Management determines is necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance as to whether the annual report has been prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained and to express an opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report has been prepared in XHTML format
- Obtaining an understanding of the Company's iXBRL tagging process and of internal control over the tagging process
- Evaluating the completeness of the iXBRL tagging of the consolidated financial statements, including notes.
- Evaluating the appropriateness of the Company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy
- Reconciling the iXBRL tagged data to the audited consolidated financial statements.

In our opinion, the annual report for the financial year 1 January – 31 December 2023 with the file name SPGroup-2023-12-31-da.zip is prepared, in all material respects, in accordance with the ESEF Regulation.

Copenhagen, 21 March 2024

EY
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Skov Larsen
State Authorised Public Accountant
mne26797

Kenneth Skov Hansen
State Authorised Public Accountant
mne32748

Consolidated financial statements and parent company financial statements

Income statement

20240807-0137

PARENT				GROUP	
2022	2023	Note	DKK'000	2023	2022
5,978	7,523	3	Revenue	2,606,322	2,656,342
0	0	4,7	Production costs	-1,748,011	-1,779,289
5,978	**7,523**		**Contribution margin**	**858,311**	**877,053**
10,065	12,760	5	Other operating income	2,738	3,118
-8,467	-8,358	6	External expenses	-119,552	-107,960
-21,273	-25,268	6,7,8	Staff costs	-300,507	-293,766
-13,697	**-13,343**		**Profit/loss before depreciation, amortisation and impairment losses (EBITDA)**	**440,990**	**478,445**
-4,184	-4,219	9	Depreciation, amortisation and impairment losses	-199,754	-182,315
-17,881	**-17,562**		**Profit/loss before net financials (EBIT)**	**241,236**	**296,130**
72,439	96,469	10	Dividends from subsidiaries	-	-
7,162	16,407	11	Financial income	21,751	2,696
-14,769	-37,557	12	Financial expenses	-61,927	-30,295
46,951	**57,757**		**Profit/loss before tax**	**201,060**	**268,531**
4,998	7,415	13	Tax for the year	-41,838	-55,088
51,949	**65,172**		**Profit/loss for the year**	**159,222**	**213,443**
			Attributable to:		
			The Parent Company's shareholders	158,507	212,842
			Non-controlling interests	715	601
				159,222	**213,443**
			Earnings per share (EPS)		
		14	Earnings per share (DKK)	13.04	17.49
		14	Earnings per share, diluted (DKK)	13.04	17.49
			Proposed distribution of profit/loss		
37,470	37,470		Dividend		
14,479	27,702		Retained earnings		
51,949	**65,172**				

Statement of comprehensive income

PARENT				GROUP	
2022	2023	Note	DKK'000	2023	2022
51,949	65,172		**Profit/loss for the year**	159,222	213,443
			Other comprehensive income:		
			Items that may be reclassified to the income statement:		
0	0		Exchange rate adjustments relating to foreign subsidiaries	11,589	-989
			Value adjustments of hedging instruments		
0	0		Value adjustments for the year	96,693	22,287
0	0		Value adjustments transferred to revenue	-6,888	-2,555
0	0	13	Tax on other comprehensive income	-20,207	-3,749
0	**0**		**Other comprehensive income**	**81,187**	**14,994**
51,949	**65,172**		**Total comprehensive income**	**240,409**	**228,437**
			Attributable to:		
			The Parent Company's shareholders	239,683	227,913
			Non-controlling interests	726	524
				240,409	**228,437**

Balance sheet at 31 December

20240807001138

PARENT				GROUP	
2022	2023	Note	DKK'000	2023	2022
1,939	1,801		Trademarks	1,801	1,939
199	461		Software	5,129	7,595
0	0		Customer files	63,060	74,582
0	0		Goodwill	330,939	332,079
0	0		Completed development projects	35,932	35,009
0	0		Development projects in progress	4,669	7,348
2,138	**2,262**	15	**Intangible assets**	**441,530**	**458,552**
80,905	83,425	16	Land and buildings	416,428	415,363
160	0	16	Plant and machinery	524,523	512,105
595	2,027	16	Fixtures and fittings, tools and equipment	54,105	44,479
0	0	16	Leasehold improvements	48,348	34,675
0	0	16	Property, plant and equipment under construction	79,791	51,860
570	108	17	Leased assets	263,561	234,688
82,230	**85,560**		**Property, plant and equipment**	**1,386,756**	**1,293,170**
739,985	739,985	18	Equity investments in subsidiaries	-	-
400	409	19	Equity investments in associates	300	363
0	0		Deposits	1,326	1,398
0	0	28	Deferred tax assets	9,709	9,445
740,385	**740,394**		**Other non-current assets**	**11,335**	**11,206**
824,753	**828,216**		**Non-current assets**	**1,839,621**	**1,762,928**
0	**0**	20	**Inventories**	**676,895**	**739,236**
0	0	21,22	Trade receivables	328,775	314,297
357,148	371,688		Receivables from subsidiaries	-	-
0	0	22	Contract assets	0	0
25,255	18,057		Corporation tax receivable	12,540	6,716
339	103	23	Other receivables	97,098	30,758
2,964	3,991		Prepayments	14,428	14,543
385,706	**393,839**		**Receivables**	**452,841**	**366,314**
0	**0**	24	**Cash**	**50,277**	**93,424**
385,706	**393,839**		**Current assets**	**1,180,013**	**1,198,974**
1,210,459	**1,222,055**		**Assets**	**3,019,634**	**2,961,902**

Balance sheet at 31 December

PARENT				GROUP	
2022	**2023**	**Note**	DKK'000	**2023**	**2022**
24,980	24,980	25	Share capital	24,980	24,980
7,854	12,514	26	Other reserves	53,304	-32,532
-118,734	-128,718		Reserve for treasury shares	-128,718	-118,734
422,198	449,753		Retained earnings	1,472,354	1,351,464
37,470	37,470		Dividend proposed for the year	37,470	37,470
373,768	**395,999**		**Equity attributable to the Parent Company's shareholders**	**1,459,390**	**1,262,648**
-	-		**Equity attributable to non-controlling interests**	**4,180**	**3,454**
373,768	**395,999**		**Equity**	**1,463,570**	**1,266,102**
337,039	254,592	27	Bank debt	286,762	376,451
49,288	33,025	27	Financial institutions	120,884	136,214
70	17	17,27	Lease commitments	167,906	151,535
21,733	12,000	27	Other non-current liabilities	28,985	54,497
3,849	4,763	28	Deferred tax liabilities	106,112	87,322
411,979	**304,397**		**Non-current liabilities**	**710,649**	**806,019**
126,578	102,340	17,27	Current portion of non-current liabilities	196,912	217,872
33,739	135,352		Bank debt	309,257	259,950
0	0	22	Contractual obligations	53,790	56,407
828	1,849	29	Trade payables	165,377	192,838
246,867	275,739		Payables to subsidiaries	-	-
0	0		Corporation tax	7,807	9,445
0	0	30	Provisions	1,436	1,376
16,700	6,379	31	Other payables	110,836	151,893
424,712	**521,659**		**Current liabilities**	**845,415**	**889,781**
836,691	**826,056**		**Liabilities**	**1,556,064**	**1,695,800**
1,210,459	**1,222,055**		**Equity and liabilities**	**3,019,634**	**2,961,902**

32-33 Collateral and contingent liabilities, etc.

34-46 Other notes

Statement of changes in equity

20240807001139

							GROUP	
DKK'000	Share capital	Other reserves*	Reserve for treasury shares	Retained earnings	Proposed dividend	Equity attributable to the Parent Company's shareholders	Equity attributable to non-controlling interests	Total equity
Equity at 01/01/2022	**24,980**	**-49,646**	**-113,943**	**1,182,231**	**37,470**	**1,081,092**	**2,930**	**1,084,022**
Profit/loss for the year	0	0	0	175,372	37,470	212,842	601	213,443
Exchange rate adjustments relating to foreign subsidiaries	0	-912	0	0	0	-912	-77	-989
Value adjustments of financial instruments held to hedge future cash flows	0	22,287	0	0	0	22,287	0	22,287
Value adjustments transferred to revenue	0	-2,555	0	0	0	-2,555	0	-2,555
Tax on other comprehensive income	0	-3,749	0	0	0	-3,749	0	-3,749
Comprehensive income for the financial year	**0**	**15,071**	**0**	**175,372**	**37,470**	**227,913**	**524**	**228,437**
Share-based payment	0	3,388	0	0	0	3,388	0	3,388
Share-based payment, changes in the year	0	-1,345	0	1,345	0	0	0	0
Acquisition of treasury shares	0	0	-39,247	0	0	-39,247	0	-39,247
Sale of treasury shares, warrant programme	0	0	34,456	-8,487	0	25,969	0	25,969
Tax on acquisition/sale of treasury shares	0	0	0	216	0	216	0	216
Distribution of dividend	0	0	0	0	-36,683	-36,683	0	-36,683
Distribution of dividend, treasury shares	0	0	0	787	-787	0	0	
Other changes in equity	**0**	**2,043**	**-4,791**	**-6,139**	**-37,470**	**-46,357**	**0**	**-46,357**
Equity at 31/12/2022	**24,980**	**-32,532**	**-118,734**	**1,351,464**	**37,470**	**1,262,648**	**3,454**	**1,266,102**
Profit/loss for the year	0	0	0	121,037	37,470	158,507	715	159,222
Exchange rate adjustments relating to foreign subsidiaries	0	11,578	0	0	0	11,578	11	11,589
Value adjustments of financial instruments held to hedge future cash flows	0	96,693	0	0	0	96,693	0	96,693
Value adjustments transferred to revenue	0	-6,888	0	0	0	-6,888	0	-6,888
Tax on other comprehensive income	0	-20,207	0	0	0	-20,207	0	-20,207
Comprehensive income for the financial year	**0**	**81,176**	**0**	**121,037**	**37,470**	**239,683**	**726**	**240,409**
Share-based payment	0	4,924	0	0	0	4,924	0	4,924
Share-based payment, changes in the year	0	-264	0	264	0	0	0	0
Acquisition of treasury shares	0	0	-14,163	0	0	-14,163	0	-14,163
Sale of treasury shares, warrant programme	0	0	4,179	-1,543	0	2,636	0	2,636
Tax on acquisition/sale of treasury shares	0	0	0	0	0	0	0	0
Distribution of dividend	0	0	0	0	-36,338	-36,338	0	-36,338
Distribution of dividend, treasury shares	0	0	0	1,132	-1,132	0	0	0
Other changes in equity	**0**	**4,660**	**-9,984**	**-147**	**-37,470**	**-42,941**	**0**	**-42,941**
Equity at 31/12/2023	**24,980**	**53,304**	**-128,718**	**1,472,354**	**37,470**	**1,459,390**	**4,180**	**1,463,570**

* Please refer to note 26 for a specification of Other reserves.

Statement of changes in equity

						PARENT
DKK'000	Share capital	Other reserves*	Reserve for treasury shares	Retained earnings	Proposed dividend	Total equity
Equity at 01/01/2022	**24,980**	**5,811**	**-113,943**	**413,858**	**37,470**	**368,176**
Profit/loss for the year	0	0	0	14,479	37,470	51,949
Value adjustments of financial instruments held to hedge future cash flows	0	0	0	0	0	0
Tax on other comprehensive income	0	0	0	0	0	0
Comprehensive income for the financial year	**0**	**0**	**0**	**14,479**	**37,470**	**51,949**
Share-based payment	0	3,388	0	0	0	3,388
Share-based payment, changes in the year	0	-1,345	0	1,345	0	0
Acquisition of treasury shares	0	0	-39,247	0	0	-39,247
Sale of treasury shares, warrant programme	0	0	34,456	-8,487	0	25,969
Tax on acquisition/sale of treasury shares	0	0	0	216	0	216
Distribution of dividend	0	0	0	0	-36,683	-36,683
Distribution of dividend, treasury shares	0	0	0	787	-787	0
Other changes in equity	**0**	**2,043**	**-4,791**	**-6,139**	**-37,470**	**-46,357**
Equity at 31/12/2022	**24,980**	**7,854**	**-118,734**	**422,198**	**37,470**	**373,768**
Profit/loss for the year	0	0	0	27,702	37,470	65,172
Value adjustments of financial instruments held to hedge future cash flows	0	0	0	0	0	0
Tax on other comprehensive income	0	0	0	0	0	0
Comprehensive income for the financial year	**0**	**0**	**0**	**27,702**	**37,470**	**65,172**
Share-based payment	0	4,924	0	0	0	4,924
Share-based payment, changes in the year	0	-264	0	264	0	0
Acquisition of treasury shares	0	0	-14,163	0	0	-14,163
Sale of treasury shares, warrant programme	0	0	4,179	-1,543	0	2,636
Tax on acquisition/sale of treasury shares	0	0	0	0	0	0
Distribution of dividend	0	0	0	0	-36,338	-36,338
Distribution of dividend, treasury shares	0	0	0	1,132	-1,132	0
Other changes in equity	**0**	**4,660**	**-9,984**	**-147**	**-37,470**	**-42,941**
Equity at 31/12/2023	**24,980**	**12,514**	**-128,718**	**449,753**	**37,470**	**395,999**

* Please refer to note 26 for a specification of Other reserves

Cash flow statement

PARENT				GROUP	
2022	2023	Note	DKK'000	2023	2022
-17,881	-17,562		Profit/loss before net financials (EBIT)	241,236	296,130
4,184	4,219		Depreciation, amortisation and impairment losses	199,754	182,315
3,388	4,924		Share-based payment	4,924	3,388
-305	565		Value adjustments, etc.	-699	-936
-80,915	4,249	34	Changes in net working capital	5,010	-128,159
-91,529	**-3,605**		**Cash generated from operations**	**450,225**	**352,738**
5,431	18,010		Interest income, etc., received	21,751	896
-13,570	-36,446		Interest expenses, etc., paid	-61,927	-30,295
-1,859	12,625		Corporation tax received/paid	-49,677	-58,848
-101,527	**-9,416**		**Cash flows from operating activities**	**360,372**	**264,491**
72,439	96,469		Dividends from subsidiaries	-	-
-35,406	0		Acquisition of entity	0	-92,258
-123	-430		Acquisition of intangible assets	-5,870	-15,217
-2,993	-7,205		Acquisition of property, plant and equipment	-183,285	-213,943
0	0		Disposal of property, plant and equipment	1,694	491
33,917	**88,834**		**Cash flows from investing activities**	**-187,461**	**-320,927**
-36,683	-36,338		Dividend distributed	-36,338	-36,683
0	0		Deposits, adjustment	71	-177
-39,247	-14,163		Acquisition of treasury shares	-14,163	-39,247
25,969	2,636		Sale of treasury shares	2,636	25,969
229,610	0		Raising of long-term loans	34,131	312,205
-90,298	-132,666		Repayment of non-current liabilities, ex lease liabilities	-212,543	-158,364
-559	-500		Repayment of lease liabilities	-39,159	-33,135
-27,678	101,613		Change in short-term bank debt	49,307	-2,871
61,114	**-79,418**		**Cash flows from financing activities**	**-216,058**	**67,697**
-6,496	**0**		**Cash flows for the year**	**-43,147**	**11,261**
6,496	0		Cash and cash equivalents at 1 January	93,424	82,163
0	**0**	35	**Cash and cash equivalents 31 December**	**50,277**	**93,424**

The cash flow statement cannot be directly derived from the other components of the financial statements.

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1. Accounting policies

SP Group A/S is a public limited company with its registered office in Denmark. The annual report for the period 1 January – 31 December 2023 comprises both the consolidated financial statements of SP Group A/S and its subsidiaries (the Group) and separate parent company financial statements.

The consolidated financial statements and parent company financial statements of SP Group A/S for 2023 are prepared in accordance with IFRS Accounting Standards (IFRS®) as adopted by the EU and additional requirements of the Danish Financial Statements Act.

On 21 March 2024, the Board of Directors and the Executive Board discussed and approved the annual report of SP Group A/S for 2023.

The annual report will be presented to the shareholders of SP Group A/S for approval at the annual general meeting on 25 April 2024.

Basis for preparation

The consolidated financial statements and the parent company financial statements are presented in Danish kroner (DKK), which is the presentation currency for the Group's activities and the Parent Company's functional currency.

The accounting policies described below have been applied consistently to the financial year and the comparative figures. For standards implemented prospectively, comparative figures are not restated.

iXBRL reporting

SP Group A/S has published its annual report in European Single Electronic Format (ESEF), XHTML, which can be opened by all standard web browsers. The annual report is tagged using inline eXtensible Business Reporting Language (iXBRL), which is in accordance with the delegated regulation and the ESEF taxonomy. The annual report, which is submitted to the Danish Business Authority, is in an XHTML document together with specific technical files, which are all included in the file SPGroup-2023-12-31-da.zip.

Going concern statement

In connection with the financial reporting, the Board of Directors, the Audit Committee and the Executive Board assessed whether presentation of the annual report under the going concern assumption is well-founded. The Board of Directors, the Audit Committee and the Executive Board have concluded that no such factors exist at the statement of financial position date that could raise doubt about the Group's and the Parent Company's ability to continue as a going concern at least until the next statement of financial position date. The conclusion drawn is based on knowledge of the Group and the Parent Company, the estimated outlook and the uncertainties and risks identified in this respect as well as an examination of budgets, including the expected developments in liquidity, capital base, etc., existing credit facilities, including contractual and expected maturity periods, as well as other terms. Thus, it is considered appropriate, reasonable and well-founded to base the financial reporting on the going concern assumption.

Implementation of new or amended standards and interpretations
Effective from 1 January 2023, SP Group A/S has implemented the following new or amended standards and interpretations:

- Amendments to IAS 12 Income Taxes regarding deferred tax related to assets and liabilities arising from a single transaction.
- Amendments to IAS 1 Presentation of Financial Statements and Practice Statements 2: Assessment of materiality regarding information on accounting policies
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors regarding the definition of accounting estimates

None of the above amendments have affected recognition and measurement in 2023 or are expected to affect the Group.

New accounting regulation

A number of new standards and interpretations that are not compulsory for SP Group A/S in preparing the annual report for 2023 have been issued. None of them are expected to have a material impact on the financial reporting of SP Group A/S.

Consolidated financial statements

The consolidated financial statements comprise the parent company SP Group A/S (the Company) and subsidiaries controlled by SP Group A/S.

The Group controls another entity if the Group is exposed to or is entitled to variable returns due to its interest in the entity and can impact these returns through its controlling interest in the entity.

When assessing whether the Group exercises control, allowance is made for de facto control and potential voting rights that are real and of substance at the reporting date.

Consolidation principles
The consolidated financial statements are prepared on the basis of the financial statements of SP Group A/S and its subsidiaries. The consolidated financial statements are prepared by combining financial statement items of a uniform nature. The financial statements used for the consolidation are prepared in accordance with the Group's accounting policies.

Upon consolidation, intra-group income and expenses, intra-group balances and dividends as well as gains and losses on intra-group transactions are eliminated.

The subsidiaries' financial statement items are included 100%in the consolidated financial statements.

Non-controlling interests
On initial recognition, non-controlling interest are either measured at fair value or at their proportionate share of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Choice of method is made for each individual transaction. Non-controlling interests are subsequently adjusted for their proportionate share of changes in the subsidiary's equity. Comprehensive income is allocated to the non-controlling interests, irrespective of whether the non-controlling interest will thus become negative.

Acquisitions and disposals of non-controlling interests in a subsidiary that do not result in loss of control are accounted for in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the Company's share of equity.

Business combinations
Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. The acquisition date is the date at which control of the entity is in fact acquired. Divested or wound-up entities are recognised in the consolidated income statement up to the date of the divestment or winding-up. The divestment date is the date at which control of the entity does in fact pass to a third party.

The purchase method is applied to acquisition of new entities over which the Group obtains control, implying that identifiable assets, liabilities and contingent liabilities of the acquirees are measured at fair value at the acquisition date. However, non-currents assets acquired for the purpose of resale are measured at fair value less anticipated selling costs. Restructuring costs are only recognised in the pre-acquisition balance sheet if they constitute a liability for the acquiree. Allowance is made for the tax effect of revaluations made.

The cost of an entity consists in the fair value of the consideration paid for the acquiree. If the final determination of the consideration is conditional upon one or several future events, these are recognised at fair value at the acquisition date. Expenses which are attributable to the acquisition of the entity are recognised directly in profit/loss when incurred.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interest in the acquiree and the fair value of previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as an asset under intangible assets and are tested for impairment at least once a year. The asset is written down to the lower of the carrying amount and the recoverable amount.

For negative differences (negative goodwill), the calculated fair values, the calculated consideration for the entity, the value of non-controlling interest in the acquiree and the fair value of previously acquired equity investments are reassessed. If the difference is still negative, the difference is recognised as income in the income statement.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. The provisional values may be adjusted, or additional assets or liabilities may be recognised, up to 12 months after the acquisition if any such new information is provided on matters existing at the acquisition date as would have affected the calculation of the values at the acquisition date had the information been known.

Changes in estimates of contingent considerations are generally recognised directly in profit/loss.

Gains or losses from divestment or winding-up of subsidiaries and associates
Gains or losses from divestment or winding-up of subsidiaries which result in loss of control or significant influence, respectively, are calculated as the difference between, on the one hand, the fair value of the sales proceeds or the settlement price and the fair value of any remaining equity investments and, on the other hand, the carrying amount of net assets at the time of divestment or winding-up, including goodwill, less any non-controlling interests. The calculated gain or loss from such divestment or winding-up is recognised in profit/loss together with accumulated exchange rate adjustments, which were previously recognised in other comprehensive income.

Foreign currency translation

On initial recognition, transactions denominated in other currencies that the individual entity's functional currency are translated at the exchange rates at the transaction date. Receivables, liabilities and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment and the balance sheet date, respectively, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets purchased in foreign currencies and measured on the basis of historical cost are translated at the exchange rates at the transaction date. Non-monetary items that are restated at fair value are translated at the exchange rates at the date of restatement.

When entities that present their financial statements in a functional currency different from DKK are recognised in the consolidated financial statements, such entities' income statement items are translated at average exchange rates on a monthly basis unless such rates vary significantly from the actual exchange rates at the transaction dates. In the latter case, the actual exchange rates are used. Balance sheet items are translated at closing rates. Goodwill is considered to belong to the acquiree in question and is translated at closing rates.

Foreign exchange differences arising on translation of foreign entities' balance sheet items at the beginning of the year at closing rates and on translation of income statement items from average rates to closing rates are recognised in other comprehensive income. Similarly, foreign exchange differences arising from changes made directly in the foreign entity's equity are also recognised in other comprehensive income.

Derivative financial instruments

On initial recognition, derivative financial instruments are measured at the fair value at the date of settlement.

Subsequently, derivative financial instruments are measured at the fair value at the balance sheet date. Positive and negative fair values of derivative financial instruments are recognised in other receivables or other payables, respectively.

Changes in the fair value of derivative financial instruments classified as and qualifying for designation as hedges of the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and qualifying for designation as effective hedges of future transac-

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tions are recognised in other comprehensive income. The ineffective part is recognised immediately in the income statement. When the hedged transactions are realised, the accumulated changes are recognised as part of the cost of the relevant transactions.

Derivative financial instruments not qualifying for designation as hedging instruments are considered trading portfolios and are measured at fair value with recognition of fair value adjustments on an ongoing basis in the income statement under financial income or financial expenses.

Share-based payment

Share-based incentive schemes under which executive officers may only opt to purchase shares in the Company (equity-settled share-based payment arrangements) are measured at the fair value of the equity instruments at the grant date and are recognised in the income statement under staff costs over the vesting period. The counter entry is recognised directly in equity.

On initial recognition of the incentive programme an estimate is made of the number of shares which the employees are expected to vest. That estimate is subsequently revised for changes so that the total recognition is based on the actual number of shares vested.

The fair value of the equity instruments is measured by using the Black-Scholes model with the parameters indicated in note 8.

Tax authorities

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit/loss for the year and directly in equity or other comprehensive income by the portion attributable to entries directly in equity or in other comprehensive income, respectively. Exchange rate adjustments in respect of deferred tax are recognised as part of the deferred tax adjustments for the year.

Current tax payables or receivables are recognised in the balance sheet stated as the estimated tax charge for the year, adjusted for tax paid on account.

When calculating the current tax for the year, the tax rates and tax rules effective at the balance sheet date are used.

Deferred tax is recognised in accordance with the balance-sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities, except for deferred tax on all temporary differences arising on initial recognition of goodwill or on initial recognition of a transaction which is not a business combination and where the temporary difference identified at the time of initial recognition neither affects the profit/loss for the year nor the taxable income.

Deferred tax is recognised on all temporary differences related to equity investments in subsidiaries unless the Company is able to control when the deferred tax is realised and it is probable that the deferred tax will not crystallise as current tax in the foreseeable future.

Deferred tax is calculated based on the planned use of each asset and the settlement of each liability, respectively.

Deferred tax is measured on the basis of the tax rates and tax laws applicable in the relevant countries, which – based on tax laws enacted or substantially enacted at the balance sheet date – are expected to apply when the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changed tax rates or tax rules are recognised in the income statement unless the deferred tax is attributable to transactions previously recognised directly in equity or other comprehensive income. In the latter case, such changes are also recognised directly in equity or other comprehensive income, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at the expected value of their realisation, either as a set-off against deferred tax liabilities or as net tax assets for set-off against future positive taxable income. At the balance sheet date, it is assessed whether taxable income sufficient for the deferred tax asset to be utilised is likely to be generated in the future.

The Parent Company is jointly taxed with all of its Danish subsidiaries. The current Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income.

Discontinued operations and assets classified as held for sale

Discontinued operations comprise material business or geographical segments already sold or planned to be held for sale.

Results from discontinued operations are presented in the income statement as a separate item consisting of the profit/loss after tax of the relevant operation and any gains or losses from fair value adjustments or sale of the assets and liabilities related to the operation.

Assets and groups of assets held for sale are presented separately in the balance sheet as current assets. Liabilities directly related to the relevant assets are presented as current liabilities in the balance sheet.

Assets held for sale are not depreciated, but are written down to the lower of fair value less estimated selling costs and the carrying amount.

Income statement

Revenue

The Group's revenue comprises sale of moulded plastic and composite components and coatings on plastic and metal components. To a minor extent, the Group also performs customised moulds and validation tasks.

The Group's sales agreements are divided into individually identifiable performance obligations, which are recognised and measured separately at fair value. If a sales agreement comprises several performance obligations, the total selling price of the sales agreement is allocated proportionately to the individual performance obligations of the agreement.

Revenue is recognised when control over the individual identifiable performance obligation is transferred to the customer.

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

The part of the total remuneration that is variable, for example in the form of discounts, bonus payments, penalty payments, etc., is only recognised in revenue when it is reasonably certain that no subsequent reimbursement thereof will occur, for example due to lack of fulfilment.

Sale of goods
Sale of goods for resale and finished goods comprises sale of moulded plastic and composite components as well as coatings on plastic and metal components and is recognised in revenue when control over the individual identifiable performance obligation in the sales agreement is transferred to the customer, which takes place at the time of delivery according to the sales conditions. Even though a sales agreement regarding sale of finished goods and goods for resale often contains several performance obligations, they are treated as one performance obligation as delivery typically takes place at the same time.

Construction contracts
Construction contracts comprise moulds and validations with a high degree of customisation. The construction contracts typically comprise one performance obligation, which is recognised in revenue on an ongoing basis as production is carried out. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

The ongoing transfer of control over the work performed takes place because the nature of the moulds and validations is so special that they cannot be used for other purposes without disproportionate expenses and the customer is obligated to pay for the work performed on an ongoing basis, including a reasonable profit on the work performed.

Recognition is made using input-based accounting methods based on actual costs incurred compared with the total expected costs, as this method is deemed to best reflect the ongoing transfer of control.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised solely at an amount corresponding to the costs incurred if it is probable that they will be recovered.

Payment terms in the Group's sales agreements
The payment terms in the Group's sales agreements with customers are partly dependent on the underlying performance obligation and partly dependent on the underlying customer relationship.

For sale of goods where control is transferred at a specific point in time, the payment terms will typically be invoice month + 1-3 months.

For sale of construction contracts where control is transferred on an ongoing basis, the payment pattern will typically entail that requests for on-account payments will be made regularly – typically monthly or quarterly – in accordance with an agreed payment profile. The agreed invoicing on account does not necessarily reflect the work performed, which is reflected in the balance sheet as construction contracts under liabilities.

The Group does not enter into sales agreements with a credit period of more than 12 months. Accordingly, the Group does not adjust the agreed contract price with a finance charge. For large projects, security is usually requested in the form of prepayments. For these projects, customers will typically be entitled to withhold part of the total payment until satisfactory functionality in the products sold has been confirmed and accepted by the customer.

Production costs
Production costs comprise expenses incurred in generating revenue for the year. Commercial entities include cost of sales in production costs, and manufacturing entities include costs of raw materials, consumables and production staff as well as maintenance of the property, plant and equipment and intangible assets applied in the manufacturing process.

Power purchase agreements (PPA) have concluded for the Group's Danish companies on the power supply for a number of years. Based on the contractual basis and the relation between power supply and the related price agreement, the PPA agreement is treated as a commodity contract.

Other operating income
Other operating income comprises income of a secondary nature to the Group's principal activities, including in particular external leases and compensations.

External expenses
External expenses comprise expenses for sale, advertising, administration, premises, bad debts, etc.

External expenses also include expenses relating to development projects which do not satisfy the criteria for recognition in the balance sheet.

Staff costs
Staff costs comprise salaries and wages, social security costs, pension contributions, etc., relating to the Company's staff.

Government grants
Government grants are recognised when it is considered probable that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised proportionally in the income statement over the periods in which the related expenses are recognised. The grants are set off against expenses incurred.

Net financials
Financial income and expenses comprise interest income and interest expenses, the interest element of finance lease payments, realised and unrealised capital gains and losses on securities, liabilities and transactions denominated in foreign currencies, mortgage amortisation premium or allowance on mortgage debt, etc., as well as surcharges and refunds under the on-account tax scheme.

Interest income and expenses are accrued based on the principal amount and the effective interest rate. The effective interest rate is the discount rate used to discount expected future payments related to the financial asset or the financial liability in order for the present value of such asset or liability to match its carrying amount.

Dividends from equity investments are recognised once final title to the dividends has been obtained. This is typically the date at which the general meeting adopts distribution of dividend from the relevant entity.

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Balance sheet

Goodwill

On initial recognition, goodwill is recognised and measured as the difference between, on the one hand, the cost of the acquiree, the value of non-controlling interests in the acquiree and the fair value of previously acquired equity investments and, on the other hand, the fair value of the acquired assets, liabilities and contingent liabilities; see the description under the section on consolidated financial statements.

When goodwill is recognised, it is allocated to those of the Group's activities that generate separate payments (cash-generating units). The determination of cash-generating units follows the Group's managerial structure, internal financial management and reporting.

Goodwill is not amortised, but is tested for impairment at least annually, see below.

Other intangible assets

Development projects regarding clearly defined and identifiable products and processes are recognised as intangible assets if it is probable that the product or the process will generate future economic benefits for the Group and if the development costs of each asset can be reliably measured. Other development costs are expensed in the income statement as incurred.

On initial recognition, development projects are measured at cost. The cost of development projects comprises expenses, including salaries and amortisation, which are directly attributable to the development projects and which are required to complete the project, calculated from the date at which the development project qualifies for recognition as an asset for the first time.

Completed development projects are amortised on a straight-line basis over the estimated useful lives of the assets. The period of amortisation is 5-10 years depending on the nature of the development projects.

Development projects are written down to any lower recoverable amount, see below. Development projects in progress are tested for impairment at least annually.

Acquired intellectual property rights in the form of software and customer files are measured at cost less accumulated amortisation and impairment losses.

Depreciation is provided on a straight-line basis over the following expected useful lives:

Trademarks	10 years
Software	3-5 years
Customer files	10 years

Acquired intellectual property rights are written down to any lower recoverable amount, see below.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated. Cost comprises the acquisition price, expenses directly attributable to the acquisition and expenses to prepare the asset until such time as it is ready to be put into operation. For self-constructed assets, cost comprises expenses directly attributable to the construction of the asset, including materials, components, sub-suppliers and wages. For assets held under finance leases, cost is the lower of the fair value of the asset and the present value of future lease payments. Interest expenses on loans raised to finance the manufacturing of property, plant and equipment are recognised in cost if they relate to the manufacturing period. Other borrowing costs are recognised in the income statement.

The basis of depreciation is cost less the residual value. The residual value is the expected amount that could be obtained if the asset was sold today, net of selling costs, if the asset already had the age and condition which it is expected to have at the end of the useful life. Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the following expected useful lives:

Buildings	40 years
Building installations	10 years
Plant and machinery	5-25 years
Fixtures and fittings, tools and equipment	5-10 years
IT equipment	3-5 years

Leasehold improvements are depreciated over the rental period, however not exceeding 10 years.

Photovoltaic systems are included in production assets and machinery and are depreciated over a period of up to 25 years.

Depreciation methods, useful lives and residual amounts are reassessed annually.

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

Leases

Leased assets and lease commitments are recognised in the balance sheet when the leased asset under a lease entered into regarding a specific identifiable asset is made available to the Group in the lease term, and when the Group in this connection obtains the right to almost all economic benefits from the use of the identified asset and the right to control the use of the identified asset.

On initial recognition, lease liabilities are measured at the present value of the future lease payments discounted by an incremental borrowing rate. The following lease payments are recognised as part of the lease liability:

- Fixed payments.
- Variable payments that change concurrently with changes to an index or an interest rate based on said index or interest rate.
- Payments due subject to a residual value guarantee.
- Exercise price of call options that it is highly probable that Management will exercise.
- Payments subject to an extension option that it is highly probable that the Group will exercise.
- Penalty related to a termination option unless it is highly probable that the Group will not exercise the option.

The lease commitment is measured at amortised cost according to the effective interest method. The lease liability is recalculated when the underlying contractual cash flows change due to changes in an index or interest rate, if the Group's estimate of a residual value guarantee changes or if the Group changes its assessment of whether call options, extension options or termination options can reasonably be expected to be exercised.

On initial recognition, the leased asset is measured at cost, which corresponds to the value of the lease liabilities adjusted for prepaid lease payments plus directly related costs and estimated costs for demolition, repairs or the like less discounts or other types of incentive payments from the lessor.

Subsequently, the asset is measured at cost less accumulated depreciation and impairment losses. Leased assets are depreciated over the shorter of the lease term and the useful life of the leased asset. Depreciation charges are recognised on a straight-line basis in the income statement.

The leased asset is adjusted for changes to the lease commitment due to changes to the terms of the lease or changes to the cash flows of the lease concurrently with changes to an index or an interest rate.

Leased assets are depreciated over the expected lease term/useful life, which is:

Operating equipment	1-15 years
Primary production properties	5-20 years
Other properties	1-5 years

The Group presents the leased asset and the lease liability separately in the statement of financial position.

The Group recognises all leased assets and service obligations.

Equity investments in subsidiaries in the parent company financial statements
Equity investments in subsidiaries are measured at cost in the parent company financial statements.

If cost exceeds the recoverable amount of the investments, the equity investments are written down to this lower value, see the section on impairment above. Distribution of dividend in excess of the entity's aggregate earnings since the Parent Company acquired the equity investments is regarded as indication of impairment, see below paragraph on impairment losses.

In connection with sale of equity investments in subsidiaries, profits or losses are calculated as the difference between the carrying amount of the equity investments sold and the fair value of the sales proceeds.

Equity investments in associates
Equity investments in associates are measured at cost in the parent company financial statements. Cost includes the consideration measured at fair value plus direct acquisition costs. Where cost exceeds the recoverable amount, write-down is made to this lower value. An impairment test is prepared if the dividends received exceed the proportionate share of the profit/loss for the year or if the carrying amount of the equity investments exceeds the proportionate share of the net assets in the underlying entity.

Equity investments in associates are measured according to the equity method in the consolidated financial statements, whereby equity investments in the balance sheet, based on the Group's accounting policies, are measured at the proportionate share of the companies' net asset value minus or plus the proportionate share of unrealised intra-group gains and losses with the addition of excess capital upon acquisition, including goodwill.

Equity investments in associates are tested for impairment when there is indication of impairment.

Associates with a negative net asset value are measured at zero. If the Group has a legal or constructive obligation to cover a deficit in the associate, the amount is recognised under provisions.

The proportionate share of profits/losses of associates is recognised in the consolidated income statement after elimination of the proportionate share of intra-group gains/losses.

Other non-current assets
The carrying amount of other non-current assets is tested annually for indications of impairment. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use.

Impairment of property, plant and equipment, intangible assets as well as equity investments in subsidiaries
The carrying amounts of property, plant and equipment and intangible assets with definite useful lives as well as equity investments in subsidiaries are tested at the balance sheet date for indication of impairment. If there is indication of impairment, the recoverable amount of the asset is made up to determine if an impairment loss need be recognised – and at what amount.

The recoverable amount of development projects and goodwill is estimated annually irrespective of whether there is indication of impairment.

If the asset does not generate cash independently of other assets, the recoverable amount of the smallest cash-generating unit in which the assets is included is estimated.

The recoverable amount is calculated as the highest of the fair value of the asset or the cash-generating unit less selling costs and the value in use. When the value in use is determined, estimated future cash flows are discounted at present value using a discount rate that reflects current market estimates of the time value of money, as well as the particular risks related to the asset and the cash-generating unit, respectively, and for which no adjustment has been made in the estimated future cash flows.

If the recoverable amount of the asset or the cash-generating unit, respectively, is lower than the carrying amount, the carrying amount is written down to the recoverable amount. Impairment losses for a cash-generating unit are allocated so that the carrying amount of any goodwill allocated to the cash-generating unit is reduced first and then any remaining impairment losses are allocated to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit, though the carrying amount of an individual asset is not reduced to an amount lower than its fair value less estimated costs of disposal.

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Impairment losses are recognised in the income statement. In case of any subsequent reversals of impairment losses resulting from changes in the assumptions of the estimated recoverable amount, the carrying amount of the asset and the cash-generating unit, respectively, is increased to the adjusted estimate of the recoverable amount, however, not exceeding the carrying amount which the asset or the cash generating unit would have had if the write-down had not been performed. Impairment losses relating to goodwill are not reversed.

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

Goods for resale, raw materials and consumables are measured at cost, comprising purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs as well as allocated fixed and variable indirect production costs.

Variable indirect production costs include indirect materials and payroll and are allocated based on pre-calculations of the goods actually produced. Fixed indirect production costs comprise costs of maintenance of and depreciation on machinery, factory buildings and equipment applied for the manufacturing process as well as general costs relating to factory administration and management. Fixed production costs are allocated on the basis of the normal capacity of the production plant.

The net realisable value of inventories is calculated as the expected selling price less costs of completion and expenses incurred to effect the sale.

Receivables
Receivables are measured at amortised cost. Write-down for bad and doubtful debts is made in accordance with the simplified expected credit loss model according to which the total loss is recognised immediately in the income statement at the same time as the receivable is recognised in the statement of financial position based on the expected loss in the useful life of the receivable.

Impairment of financial assets measured at amortised cost
The simplified expected credit loss model is used for financial assets relating to trade receivables and construction contracts according to which the expected loss over the useful life of the financial asset is recognised immediately in the income statement. The financial asset is monitored continuously according to the Group's risk management until realisation. The impairment loss is estimated based on the expected loss ratio, which is estimated for financial assets by geographic location. The loss ratio is estimated based on historical data adjusted for estimates over the effect of expected changes in relevant parameters such as financial development, political risks, etc., in the relevant market.

Contract assets
Construction contracts are measured at the selling price of the work performed less progress billings and anticipated losses. Construction contracts entail a significant degree of design customisation of produced goods. Moreover, before any work is commenced, a binding agreement must have been entered into, which will imply a penalty or damages on subsequent termination of the agreement.

The selling price is measured by reference to the percentage of completion at the end of the reporting period and the total expected income from the contract. The percentage of completion is determined on the basis of an assessment of the work performed, which is usually measured as the proportion of contract costs incurred for work performed to date relative to the total estimated contract costs.

When it is probable that the total contract costs will exceed the total contract revenue, the anticipated loss on the contract is immediately recognised as an expense and a provision.

When income and expenses on a construction contract cannot be determined reliably, the selling price is measured solely at the costs incurred in so far as they are likely to be recovered.

Where the selling price of work performed exceeds progress billings on construction contracts and anticipated losses, the excess amount is recognised under receivables. If progress billings and anticipated losses exceed the selling price of a construction contract, the deficit is recognised under contractual obligations.

Prepayments from customers are recognised under contractual obligations.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Prepayments
Prepayments comprise expenses incurred concerning subsequent financial years. Prepayments are measured at cost.

Dividend
Dividends are recognised as a liability at the date when they are adopted at the general meeting.

Reserve for treasury shares
Reserve for treasury shares comprises the cost of acquisition of the Company's treasury shares. Dividend from treasury shares and gains and losses on the disposal of treasury shares are taken directly to retained earnings under equity.

Pension obligations, etc.
Under defined contribution plans, the Group pays fixed contributions to independent pension providers, etc., on an ongoing basis. The contributions are recognised in the income statement in the period in which the employees have performed the work making them eligible for pension contributions. Due amounts are recognised in the balance sheet as a liability.

Financial liabilities
Financial liabilities comprise bank debt, mortgage debt and trade payables, etc.

On initial recognition, financial liabilities are measured at fair value less any transaction costs. Subsequently, the liabilities are measured at amortised cost using the effective interest method to the effect that the

difference between the proceeds and the nominal amount is recognised in the income statement as a financial expense over the term of the loan.

Non-financial liabilities are measured at net realisable value.

Provisions
Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation.

The amount recognised as a provision is Management's best estimate of the expenses required to settle the obligation.

Other payables
Other payables comprise payables to public authorities, holiday pay obligations, etc., and are measured at amortised cost, which usually corresponds to the nominal value.

Fair Value
Fair value is determined based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability. All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

If a reliable fair value cannot be estimated according to the above levels, the asset or liability is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from acquisition and divestment of entities are shown separately under cash flows from investing activities. Cash flows from acquisitions of entities are recognised in the cash flow statement from the date of acquisition. Cash flows from divestment of entities are recognised up until the date of divestment.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, changes in working capital as well as financial income, financial expenses and income taxes.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of entities and financial assets as well as acquisition, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the Company's share capital and any related expenses as well as the raising and settlement of loans, instalments on interest-bearing debt, purchase of treasury shares, distribution of dividend and changes to operating credits.

Cash flows in currencies other than the functional currency are recognised in the cash flow statement using average exchange rates for the months unless they differ significantly from the actual exchange rates at the transaction dates. In the latter case, the actual exchange rates of each day are applied.

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

Notes

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Financial highlights

The financial ratios stated in the annual report have been calculated as follows:

Key figures

The calculation of *earnings per share and diluted earnings per share* is specified in note 14.

Net working capital (NWC) is defined as the value of inventories, receivables and other operating current assets less trade payables and other short-term operating liabilities. Cash is not included in net working capital.

Net interest-bearing debt (NIBD) is defined as interest-bearing liabilities less interest-bearing assets, including cash.

Ratios	Calculation formula	Ratios reflect
Operating profit/loss, EBITDA margin (%)	EBITDA x 100 / Revenue	The Company's operating profitability expressed as the Company's ability to generate profits on operating activities
Profit margin EBIT margin (%)	Profit/loss before net financials (EBIT) x 100 / Revenue	The Company's operating profitability expressed as the Company's ability to generate profits on operating activities before net financials
Return on invested capital incl. goodwill (%)	Profit/loss before net financials (EBIT) x 100 / Average invested capital, incl. goodwill	The return generated by the Company on investors' funds through operating activities
Return on invested capital ex goodwill (%)	Profit/loss before net financials (EBIT) x 100 / Average invested capital, ex goodwill	The return generated by the Company on investors' funds through operating activities
Return on equity (ROE) ex non-controlling interests	Profit/loss for the year, ex non-controlling interests x 100 / Average equity, ex non-controlling interests	The Company's ability to generate return to the Company's shareholders when considering the Company's capital base
Financial gearing	Net interest-bearing debt / Equity	The Company's financial gearing expressed as the Company's sensitivity to fluctuations in the interest rate level, etc.
Equity ratio, ex non-controlling interests	Equity ratio, ex non-controlling interests x 100 / Total assets	The Company's solvency ratio
Equity ratio, incl. non-controlling interests	Equity ratio, incl. non-controlling interests x 100 / Total assets	The Company's solvency ratio
Equity value per share	Equity ratio, ex non-controlling interests / Number of shares at year end	The value of equity per share according to the Company's annual report
Cash flow per share	Cash flows from operating activities / Average number of diluted shares	Cash flows from operating activities generated per share by the Company

2. Significant accounting estimates, assumptions and judgements

Several financial statement items cannot be reliably measured, only estimated. Such estimates comprise assessments based on the latest information available at the time of the financial reporting. It may be necessary to change previous estimates due to changes in the conditions on which the estimate was based or due to additional information, further experience or subsequent events.

Significant accounting estimates

When applying the accounting policies described in note 1, Management has made accounting estimates of, for example, valuation of goodwill, valuation of development costs, measurement of inventories and measurement of receivables, purchase price allocations in connection with acquisitions, expectations of earn-out payments after acquisitions as well as measurement of equity investments in subsidiaries in the parent company financial statements.

Assumptions and uncertainties relating to significant estimates are described below. Management is not otherwise considered having made accounting estimates that materially affect the annual report, nor are the accounting estimates made considered to be associated with significant uncertainty.

Changes in accounting estimates
No significant changes have been made in accounting estimates in the financial year.

Significant assumptions and uncertainties
Recognition and measurement of assets and liabilities often depend on future events subject to some uncertainty. In this connection, it is necessary to assume a course of events, etc., reflecting Management's assessment of the most likely course of events. When determining the fair value of assets and liabilities the Group has taken into account the potential effect of macro-economic and climate-related issues, if they are significant. At present, no particular risks are identified in relation to extreme weather and climate change, and at present, the Group does not assess that there is any transition risk relating to amendments to environmental legislation, which have a material impact on the Group's operations and recognition and measurement in the annual report. Russia's invasion of Ukraine and barriers to trade between the USA and China may still have a significant impact on global economy and thus SP Group's customers and suppliers. A potentially higher interest rate level will also have an adverse effect on the development in SP Group. Hopefully, inflation will soon come down to a lower level, so that central banks dare to cut interest rates again.

In the annual report for 2023 as well as in annual reports for previous years, the following assumptions and uncertainties should be noted as they have significantly affected the assets and liabilities recognised in the annual report and may require corrections in subsequent financial years if the courses of events assumed are not realised as expected.

Recoverable amount of goodwill
An assessment of indication of impairment of recognised goodwill amounts requires a calculation of the values in use of the cash-generating units (CGUs) to which the goodwill amounts are allocated. The determination of the value in use requires an estimate of the expected future cash flows in each CGU as well as a determination of a reasonable discount rate. The carrying amount of goodwill amounted to DKK 330.9 million at 31 December 2023. For a further description of the applied discount rates, etc., see note 15. The impairment tests performed show that the value in use of the CGUs is significantly higher than the carrying amount of the assets related to the CGUs.

Capitalised development projects
An assessment has been made of indications of impairment of development projects based on expectations of future utilisation and earnings potential, including on projects which commercially are at an early stage. The carrying amount of development projects amounts to DKK 40.6 million. For a further description of the projects recognised, see note 15.

PPA (Power Purchase Agreement)
A power purchase agreement has been concluded for the Group's Danish companies according to which the companies purchase power produced by wind turbines and solar cells, respectively, through a collective agreement with a supplier. The agreement is concluded for 2023-2027 to cover a considerable part of the Danish companies' expected consump-tion of power. Based on assessments and guidelines available, the agreement is classified as a mutual agreement (commodity contract) and is treated accordingly for accounting purposes

Acquisition of entity
In connection with corporate acquisitions, the acquiree's identifiable assets, liabilities and contingent liabilities must be recognised at fair value in accordance with the acquisition method. The acquiree's core assets are usually goodwill, property, plant and equipment, intangible assets, receivables and inventories. There are no active markets that can be used to determine the fair value of a large part of the acquired assets and liabilities. This is particularly true for acquired intangible assets. The methods typically used are based on the net present value of expected future net cash flows related to the asset, or the cost method, which is based on, e.g., the replacement cost. Therefore, Management makes estimates

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2. Significant accounting estimates, assumptions and judgements (continued)

when determining the fair value of the acquired assets, liabilities and contingent liabilities. Depending on the nature of the item, determining the fair value can be associated with uncertainty and, potentially, be subject to subsequent adjustment.

The fair value of the identifiable assets, liabilities and contingent liabilities is described in notes 42 and 43, which also show the methods applied to determine the fair values of the acquisitions.

Assessment of liabilities in relation to contingent considerations
When acquiring entities, the expected payment of contingent considerations to the seller is recognised as a liability. If expectations change so that the contingent consideration is expected to be paid at another amount than the recognised liability, the adjustment amount must be recognised as revenue/expensed under net financials. In 2023, allocated contingent considerations/purchase price allocations of DKK 0 million were recognised as income in relation to acquisition of entities where payment of the final consideration was lower than expected. Remaining contingent considerations amount to DKK 12.0 million. Final calculation of contingent considerations is dependent on the financial performance of the entities acquired in 2024-2025 and is subject to estimates.

Provisions
Provisions are made based on realised complaints costs and an assessment of the complaints in question.

Equity investments in subsidiaries in the parent company financial statements
The assessment of the need for impairment write-down of equity investments in subsidiaries requires the determination of values in use of the individual subsidiaries. The determination of the value in use requires an estimate of the expected future cash flows in each subsidiary as well as a determination of a reasonable discount rate. In connection with the valuation, the same discount rate was used as in connection with the impairment test for goodwill. Please see note 15. The tests performed show values exceeding the carrying amount of the individual equity investments.

Determination of the lease term in leases
The lease term covers the non-cancellable lease term of the lease plus periods covered by an extension option that the Group is reasonably likely to exercise and plus periods covered by a termination option that the Group is reasonably unlikely to exercise.

Some of the Group's leases on properties include options that grant the Group a right to extend the lease for an additional lease term. On initial recognition of the leased asset, the Group assesses whether the extension option is reasonably likely to be exercised. The Group reassesses this estimate in case of significant events or significant changes to circumstances that the Group can control.

Determination of discount rate in leases
When measuring future lease payments at present value, the Group uses its incremental borrowing rate. When assessing the incremental borrowing rate, the Group has classified its portfolio of leased assets based on the nature of the assets and in particular where the assets are located. The Company's leased assets primarily comprise properties in Eastern Europe and China where interest levels are higher. The average incremental borrowing rate is determined at 5-10% per year.

PARENT			GROUP	
2022	2023	DKK'000	2023	2022

3. Revenue

5,978	7,523	Sale of goods	2,599,434	2,653,787
0	0	Sale of the year's production output relating to construction contracts	0	0
0	0	Gains/losses on hedging instruments reclassified from equity via other comprehensive income	6,888	2,555
5,978	**7,523**		**2,606,322**	**2,656,342**
		Breakdown of revenue by customer groups		
0	0	Healthcare	867,700	897,700
1,839	2,843	Cleantech	805,300	745,900
0	0	Food-related	319,200	366,500
0	0	Automotive	141,400	149,500
4,139	4,680	Other demanding industries	472,722	496,742
5,978	**7,523**		**2,606,322**	**2,656,342**

Moreover, reference is made to note 22 and note 40 for a description of contract assets and the break-down of revenue on geographical markets

4. Production costs

0	0	Cost of sales	1,331,169	1,362,616
0	0	Inventory write-down	443	1,435
0	0	Reversed inventory write-downs	-1,430	-48
0	0	Staff costs	417,829	415,286
0	**0**		**1,748,011**	**1,779,289**

Reversal of inventory write-downs relates to the disposal of inventories written down.

5. Other operating income

6,165	6,596	Rent	824	1,143
0	0	Gain on sale of non-current assets	697	807
3,900	6,164	Group management fee	0	0
0	0	Government grants, etc.	1,217	1,168
10,065	**12,760**		**2,738**	**3,118**

6. Development costs

0	0	Research and development costs incurred	4,758	11,836
0	0	Amount capitalised for accounting purposes	-4,749	-11,816
0	**0**	**Expensed in the financial year**	**9**	**20**

Development costs substantially relate to payroll costs.

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PARENT			GROUP	
2022	2023	DKK'000	2023	2022
		7. Staff costs		
16,046	17,709	Wages and salaries	595,797	596,867
524	701	Pension contributions, defined contribution plan	51,643	45,832
131	107	Other social security costs	43,508	42,655
1,184	1,827	Other staff costs	30,625	29,855
3,388	4,924	Share-based payment	4,924	3,388
0	0	Refunds from public authorities	-8,161	-9,545
21,273	**25,268**		**718,336**	**709,052**
		Breakdown of staff costs:		
0	0	Production costs	417,829	415,286
21,273	25,268	Staff costs	300,507	293,766
21,273	**25,268**		**718,336**	**709,052**
10	**10**	**Average number of employees**	**2,351**	**2,485**

Remuneration of Management

Breakdown of remuneration of the members of the Parent Company's Board of Directors and Executive Board:

	GROUP			
	Board of Directors		Executive Board	
DKK'000	2023	2022	2023	2022
Remuneration of the Board of Directors	1,750	1,550	-	-
Remuneration, committee members	50	50	-	-
Wages and salaries	0	0	11,704	11,304
Share-based payment	0	0	982	678
	1,800	**1,600**	**12,686**	**11,982**

	PARENT		
	Board of Directors		Executive Board	
DKK'000	2023	2022	2023	2022
Remuneration of the Board of Directors	1,750	1,550	-	-
Remuneration, committee members	50	50	-	-
Wages and salaries	0	0	9,738	9,384
Share-based payment	0	0	982	678
	1,800	**1,600**	**10,720**	**10,062**

The Company has entered into defined contribution plans for the majority of its employees in Denmark.
The Executive Board does not receive any separate pension contribution.
According to the agreements entered into, the Company pays a monthly contribution to independent pension providers.

PARENT			GROUP	
2022	2023	DKK'000	2023	2022
524	701	Expensed contributions to defined pension plans	51,643	45,832

8. Share-based payment

Equity-settled share option plans, Parent Company and Group

To tie the Executive Board and other executive officers more closely to the Group, SP Group A/S has set up the following share-based payment arrangements:

Warrant programme 2023
In 2023, the Group set up an incentive programme for the Company's Executive Board and 41 executive officers. The programme is based on warrants. A total of 120,000 warrants were issued in the year, of which 22,500 were granted to the Executive Board and the rest to executive officers.

The warrants were granted based on a wish to tie the Company's executive officers more closely to the Group.

The exercise price is fixed at DKK 260.00 per share of nominally DKK 2 plus 7.5% p.a., calculated from 1 April 2023 and until the warrants are in fact exercised. The exercise price is fixed based on market conditions on 23 March 2023. The warrants issued will expire without net settlement if the warrants are not exercised. The right to the warrants is earned over the period.

The warrants issued may be exercised to subscribe for shares in the Company in the period from 1 April 2026 to 31 March 2029.

The estimated fair value of the warrants issued is calculated at approx. DKK 4,751 thousand on the assumption that the warrants granted will be exercised in April 2026. The warrants are valued using the Black-Scholes pricing model. The valuation is based on the following assumptions:

Volatility	38.5%
Risk-free interest rate	2.6%
Share price (closing price on 23 March 2023)	230.5

Volatility is calculated based on the Company's share prices in the past 12 months.

Warrant programme 2022
In 2022, the Group set up an incentive programme for the Company's Executive Board and 39 executive officers. The programme is based on warrants. A total of 115,000 warrants were issued in the year, of which 22,500 were granted to the Executive Board and the rest to executive officers.

The warrants were granted based on a wish to tie the Company's executive officers more closely to the Group.

The exercise price is fixed at DKK 400.00 per share of nominally DKK 2 plus 7.5% p.a., calculated from 1 April 2022 and until the warrants are in fact exercised. The exercise price is fixed based on market conditions on 24 March 2022. The warrants issued will expire without net settlement if the warrants are not exercised. The right to the warrants is earned over the period.

The warrants issued may be exercised to subscribe for shares in the Company in the period from 1 April 2025 to 31 March 2028.

The estimated fair value of the warrants issued is calculated at approx. DKK 4,926 thousand on the assumption that the warrants granted will be exercised in April 2025. The warrants are valued using the Black-Scholes pricing model. The valuation is based on the following assumptions:

Volatility	35.3%
Risk-free interest rate	0.33%
Share price (closing price on 24 March 2022)	346

Volatility is calculated based on the Company's share prices in the past 12 months.

Warrant programme 2021
In 2021, the Group set up an incentive programme for the Company's Executive Board and 41 executive officers. The programme is based on warrants. A total of 108,750 warrants were issued in the year, of which 22,500 were granted to the Executive Board and the rest to executive officers.

The warrants were granted based on a wish to tie the Company's executive officers more closely to the Group.

The exercise price is fixed at DKK 400.00 per share of nominally DKK 2 plus 7.5% p.a., calculated from 1 April 2021 and until the warrants are in fact exercised. The exercise price is fixed based on market conditions on 25 March 2021. The warrants issued will expire without net settlement if the warrants are not exercised. The right to the warrants is earned over the period.

The warrants issued may be exercised to subscribe for shares in the Company in the period from 1 April 2024 to 31 March 2027.

The estimated fair value of the warrants issued is calculated at approx. DKK 6,355 thousand on the assumption that the warrants granted will be exercised in April 2024. The warrants are valued using the Black-Scholes pricing model. The valuation is based on the following assumptions:

Volatility	39.6%
Risk-free interest rate	0.00%
Share price (closing price on 25 March 2021)	361

Volatility is calculated based on the Company's share prices in the past 36 months.

Warrant programme 2020
No warrants were issued in 2020.

Warrant programme 2019
In 2019, the Group set up an incentive programme for the Company's Executive Board and 42 executive officers. The programme is based on warrants. A total of 240,000 warrants were issued in the year, of which 30,000 were granted to the Executive Board and the rest to executive officers.

The warrants were granted based on a wish to tie the Company's executive officers more closely to the Group.

The exercise price is fixed at DKK 210.00 per share of nominally DKK 2 plus 7.5% p.a., calculated from 1 April 2019 and until the warrants are in fact exercised. The exercise price is fixed based on market conditions on 27 March 2019. The warrants issued will expire without net settlement if the warrants are not exercised. The right to the warrants is earned over the period.

The warrants issued may be exercised to subscribe for shares in the Company in the period from 1 April 2022 to 31 March 2025. Alternatively, the

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Executive Board and the 42 executive officers could purchase the warrants at market price, see below, against cash payment. The purchase option could be exercised on 27 March 2019. The Executive Board and 17 executive officers decided to exercise this option.

The estimated fair value of the warrants issued is calculated at approx. DKK 1,805 thousand on the assumption that the warrants granted will be exercised in April 2022. The warrants are valued using the Black-Scholes pricing model. The valuation is based on the following assumptions:

Volatility	20.5%
Risk-free interest rate	0.00%
Share price (closing price on 26 March 2019)	196

Volatility is calculated based on the Company's share prices in the past 3 months.

Warrant programme 2018
(one warrant comprises 5 shares of nom. DKK 2)
In 2018, the Group set up an incentive programme for the Company's Executive Board and 41 executive officers. The programme is based on warrants. A total of 41,500 warrants were issued in the year, of which 5,000 were granted to the Executive Board and the rest to executive officers.

The warrants were granted based on a wish to tie the Company's executive officers more closely to the Group.

The exercise price is fixed at DKK 1,250 per share of nominally DKK 10 plus 7.5% p.a., calculated from 1 April 2018 and until the warrants are in fact exercised. The exercise price is fixed based on market conditions immediately before and after the publication of the annual report on 22 March 2018. The warrants issued will expire without net settlement if the warrants are not exercised. The right to the warrants is earned over the period.

The warrants issued may be exercised to subscribe for shares in the Company in the period from 1 April 2021 to 31 March 2024. Alternatively, the Executive Board and the 41 executive officers could purchase the warrants at market price, see below, against cash payment. The purchase option could be exercised until 30 June 2018. The Executive Board and 16 executive officers decided to exercise this option.

The estimated fair value of the warrants issued is calculated at approx. DKK 2,678 thousand on the assumption that the warrants granted will be exercised in April 2021. The warrants are valued using the Black-Scholes pricing model. The valuation is based on the following assumptions:

Volatility	27%
Risk-free interest rate	0.00%
Share price	1,075

Volatility is calculated based on the Company's share prices in the past 3 months.

Development in the year
The development in outstanding warrants can be specified as follows:

Number of shares.	Number of warrants 2023	Number of warrants 2022	Average exercise price, warrants 2023	Average exercise price, warrants 2022
Outstanding warrants at 1 January	465,544	463,601	379	320
Granted in the financial year	120,000	115,000	323	497
Exercised in the financial year	-12,000	-103,500	220	251
Expired/cancelled in the financial year	-11,650	-9,557	-	-
	561,894	**465,544**	**373**	**379**
Exercisable at 31 December	227,866	246,066		

Of the outstanding warrants, 67,500 (2022: 45,000) have been granted to the Executive Board and 494,394 (2022: 420,544) to executive officers.
In 2023, 22,500 warrants were issued to the Executive Board (2022: 22,500), who exercised a total of 0 warrants (2022: 45,000).

The fair values of the warrants issued calculated at the grant date are recognised proportionally in the income statement as staff costs over the period up to the exercise date.

PARENT 2022	PARENT 2023	DKK'000	GROUP 2023	GROUP 2022
		Equity-settled share option plans		
3,388	4,924	Share-based payment recognised in income statement, equity-settled share option plan	4,924	3,388

PARENT			GROUP	
2022	2023	DKK'000	2023	2022
		9. Depreciation, amortisation and impairment losses		
294	306	Amortisation of intangible assets	22,362	18,527
3,890	3,913	Depreciation on property, plant and equipment	177,392	163,788
4,184	**4,219**		**199,754**	**182,315**
		10. Dividends from subsidiaries		
72,439	96,469	Dividends from subsidiaries	-	-
72,439	**96,469**		**-**	**-**
		11. Financial income		
0	2	Interest, etc	5,206	896
0	0	Positive adjustment of forward contracts	16,545	0
5,431	16,405	Interest from group entities	-	-
5,431	**16,407**	**Interest income from financial assets not measured at fair value through profit/loss**	**21,751**	**896**
0	0	Exchange rate adjustments	0	69
1,731	0	Adjustment, contingent purchase consideration/purchase price	0	1,731
7,162	**16,407**		**21,751**	**2,696**
		12. Financial expenses		
10,740	26,070	Interest, etc.	61,927	30,295
4,029	11,487	Interest to group entities	-	-
14,769	**37,557**	**Interest expenses on financial liabilities not measured at fair value through profit/loss**	**61,927**	**30,295**
0	0	Value adjustment of hedging transactions	0	0
14,769	**37,557**		**61,927**	**30,295**

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PARENT			GROUP	
2022	2023	DKK'000	2023	2022
		13. Tax for the year		
-5,944	-8,330	Current tax	43,716	49,605
946	915	Changes in deferred tax	-1,878	5,483
-4,998	**-7,415**		**41,838**	**55,088**
		The current corporation tax charge for the financial year is calculated based on a tax rate of 22.0% (2022: 22.0%) for Danish entities. For foreign entities, the current tax rate in the country in question is applied.		
		Tax on other changes in equity		
-216	0	Tax on acquisition/sale of treasury shares	0	-216
-216	**0**		**0**	**-216**
		Tax on other comprehensive income		
0	0	Fair value adjustment of financial instruments held to hedge future cash flows	20,207	3,749
0	**0**		**20,207**	**3,749**
		Tax on items recognised in other comprehensive income can be specified as follows:		
0	0	Current tax	210	786
0	0	Changes in deferred tax	19,997	2,963
0	**0**		**20,207**	**3,749**
		Reconciliation of tax rate		
22.0	22.0	Danish tax rate	22.0	22.0
0.0	0.0	Effect of differences in tax rates for foreign entities	-2.5	-0.4
0.1	3.7	Effect of adjustments made to previous years	1.6	-0.9
-0.8	0.0	Effect of contingent consideration recognised as income	0.0	-0.1
-31.9	-38.5	Effect of permanent differences	-0.3	-0.1
-10.6	**-12.8**	**Effective tax rate for the year**	**20.8**	**20.5**
		The Parent Company's tax rate was materially affected by tax-exempt dividends from subsidiaries in both 2022 and 2023.		
		Breakdown of the computed current tax charge for the year:		
		Denmark	13,666	13,413
		Poland	7,958	11,268
		The US	14,878	18,460
		China	1,918	755
		Latvia	155	34
		Slovakia	1,472	2,963
		Norway	222	442
		Sweden	2,280	2,052
		Finland	122	4
		The Netherlands	1,045	214
		Thailand	0	0
			43,716	**49,605**

DKK'000	GROUP 2023	2022

14. Earnings per share

The calculation of earnings per share is based on the following

Profit to the Parent Company's shareholders	**158,507**	**212,842**

Number of shares.	2023	2022
Average number of shares issued	12,490,000	12,490,000
Average number of treasury shares	-333,259	-321,663
Number of shares used to calculate earnings per share	**12,156,741**	**12,168,337**
Average dilution effect of outstanding warrants	**0**	**2,459**
Number of shares used to calculate diluted earnings per share	**12,156,741**	**12,170,796**

561,894 warrants (2022: 447,344 warrants), which are out-of-the-money, but which potentially could dilute earnings per share in future, were excluded from the calculation of diluted earnings per share

GROUP

DKK'000	Trademarks	Software	Client files	Goodwill	Completed development projects	Ongoing development projects

15. Intangible assets

Cost at 1 January 2023	2,519	39,959	120,260	333,940	79,926	7,348
Value adjustment	0	281	8	-1,140	692	0
Reclassification	0	0	0	0	0	0
Additions relating to acquisition of entity	0	0	0	0	0	0
Additions	118	1,003	0	0	7,428	3,354
Disposals	0	-180	0	0	-70	-6,033
Cost at 31 December 2023	**2,637**	**41,063**	**120,268**	**332,800**	**87,976**	**4,669**
Amortisation and impairment losses at 1 January 2023	580	32,364	45,678	1,861	44,917	0
Value adjustment	0	254	2	0	-7	0
Reclassification	0	0	0	0	0	0
Depreciation and amortisation for the year	256	3,496	11,528	0	7,082	0
Reversal on disposal	0	-180	0	0	52	0
Amortisation and impairment losses at 31 December 2023	**836**	**35,934**	**57,208**	**1,861**	**52,044**	**0**
Carrying amount at 31 December 2023	**1,801**	**5,129**	**63,060**	**330,939**	**35,932**	**4,669**
Cost at 1 January 2022	2,396	36,389	85,859	244,661	48,468	27,074
Value adjustment	0	-114	1	859	-14	-70
Reclassification	0	534	0	0	0	0
Additions relating to acquisition of entity	0	0	34,400	88,420	0	0
Additions	123	3,278	0	0	31,472	6,836
Disposals	0	-128	0	0	0	-26,492
Cost at 31 December 2022	**2,519**	**39,959**	**120,260**	**333,940**	**79,926**	**7,348**
Amortisation and impairment losses at 1 January 2022	336	29,311	35,388	1,861	40,105	0
Value adjustment	0	-80	0	0	-17	0
Reclassification	0	66	0	0	0	0
Depreciation and amortisation for the year	244	3,164	10,290	0	4,829	0
Reversal on disposal	0	-97	0	0	0	0
Amortisation and impairment losses at 31 December 2022	**580**	**32,364**	**45,678**	**1,861**	**44,917**	**0**
Carrying amount at 31 December 2022	**1,939**	**7,595**	**74,582**	**332,079**	**35,009**	**7,348**

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	PARENT			
	Trademarks		Software	
DKK'000	2023	2022	2023	2022
15. Intangible assets (continued)				
Cost at 1 January	2,519	2,396	1,301	1,301
Additions	118	123	312	0
Disposals	0	0	0	0
Cost at 31 December	**2,637**	**2,519**	**1,613**	**1,301**
Amortisation and impairment losses at 1 January	580	336	1,102	1,052
Amortisation for the year	256	244	50	50
Reversal on disposal	0	0	0	0
Amortisation and impairment losses at 31 December	**836**	**580**	**1,152**	**1,102**
Carrying amount at 31 December	**1,801**	**1,939**	**461**	**199**

Goodwill

Goodwill arising from business acquisitions is distributed at the acquisition date to the cash-generating units that are expected to obtain financial benefits from the business combination.

The carrying amount of goodwill is distributed as follows by cash-generating units:

	GROUP	
DKK'000	2023	2022
Neptun Plast A/S	0	15,684
DAVINCI 3D A/S	17,112	17,112
SP Group (exclusive of DAVINCI 3D A/S)	313,827	299,283
	330,939	**332,079**

Compared to 2022, goodwill regarding Neptun Plast (DKK 15,684 thousand) is aggregated with the cash-generating unit, SP Group (exclusive of DAVINCI 3D A/S).

The Group manages and monitors goodwill collectively for SP Group (exclusive of DAVINCI 3D A/S). DAVINCI 3D A/S is monitored separately.

15. Intangible assets (continued)

Goodwill
Goodwill is tested for impairment at least annually and if there is indication of impairment. The annual impairment test is usually performed at 31 December

No impairment losses were recognised in respect of goodwill in 2022 or 2023

The recoverable amount of the cash-generating units to which the goodwill amounts relate is calculated on the basis of a calculation of value in use. In this relation, the most significant uncertainties are attributable to the determination of discount rates and growth rates as well as sales expectations

The discount rates determined reflect the market assessments of the time value of money expressed as a risk-free interest rate and the specific risks related to the cash-generating unit

The fixed sales prices, production costs and growth rates are based on historical experience as well as expectations of future market changes. Revenue from the individual cash-generating units stems from multiple industries and is therefore not particularly dependent on sectors or individual customers

The calculation of the value in use is based on the cash flows stated in the most recent budget for 2024 approved by Management and forecasts for 2025 and 2026. For financial years after the forecast period, cash flows have been extrapolated for the most recent forecast periods, adjusted for an expected growth rate

The most significant parameters applied in calculating recoverable amounts are as follows

DKK'000	2023	2022
Discount rate after tax	8.3%	8.3%
Discount rate before tax	9.9%	9.9%
Growth rate in the terminal period	2.0%	2.0%

The above parameters have been used for all cash-generating units, as it is assessed that there are no material differences in the parameters affecting the value in use in the individual cash-generating units.

Ongoing and completed development projects
Ongoing and completed development projects include the development and test of new products for the Group's customers. The projects comprise among other things new packaging concepts under own brand, including Divibax and Clear Vials as well as Guidewires. SP Medical and Meditec have upgraded the quality system and product certificates for the new Medical Device Regulation (MDR) to ensure continued patient safety and meet customers' increasing need for authority documentation.

In 2023, Management carried out an impairment test of the carrying amount of ongoing and completed development projects. The recoverable amount in the form of the value in use is deemed to exceed the carrying amount

The carrying amount totalled DKK 40.6 million at 31 December 2023 and is expected to result in considerable competitive advantages and, thus, an increase in the Group's level of activity and results of operations in the coming years

Other intangible assets
Apart from goodwill, all intangible assets are considered to have definite useful lives over which the assets are amortised; see the description of accounting policies

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16. Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other plant, etc.	Leasehold improve-ments	Property, plant and equip. in the course of construction
					GROUP
Cost at 1 January 2023	580,509	1,356,115	173,026	73,583	51,860
Value adjustment	2,522	20,169	1,064	343	1,105
Reclassification	0	0	47	0	0
Transferred from note 17	0	7,244	0	0	0
Additions relating to acquisition of entity	0	0	0	0	0
Additions	14,161	95,511	24,006	22,781	97,705
Disposals	-999	-15,476	-5,270	-2,385	-70,879
Cost at 31 December 2023	**596,193**	**1,463,563**	**192,873**	**94,322**	**79,791**
Amortisation and impairment losses at 1 January 2023	165,146	844,010	128,547	38,908	0
Value adjustment	572	10,698	782	932	0
Reclassification	0	3	142	0	0
Transferred from note 17	0	3,207	0	0	0
Depreciation and amortisation for the year	14,563	93,164	13,850	7,415	0
Reversal on disposal	-516	-12,042	-4,553	-1,281	0
Amortisation and impairment losses at 31 December 2023	**179,765**	**939,040**	**138,768**	**45,974**	**0**
Carrying amount at 31 December 2023	**416,428**	**524,523**	**54,105**	**48,348**	**79,791**
Cost at 1 January 2022	466,629	1,188,799	161,763	64,809	61,844
Value adjustment	735	-6,407	-490	-948	-312
Reclassification	0	-12	-534	13	0
Transferred from asset held under a lease	29,875	27,360	0	0	0
Additions relating to acquisition of entity	22,263	15,577	636	0	0
Additions	62,818	137,807	13,281	9,709	91,670
Disposals	-1,811	-7,009	-1,630	0	-101,342
Cost at 31 December 2022	**580,509**	**1,356,115**	**173,026**	**73,583**	**51,860**
Amortisation and impairment losses at 1 January 2022	151,098	753,105	116,561	34,037	0
Value adjustment	-74	-2,775	-308	-587	0
Reclassification	0	-48	26	12	0
Transferred from asset held under a lease	1,207	10,684	0	0	0
Amortisation for the year	13,280	89,067	13,493	5,446	0
Reversal on disposal	-365	-6,023	-1,225	0	0
Amortisation and impairment losses at 31 December 2022	**165,146**	**844,010**	**128,547**	**38,908**	**0**
Carrying amount at 31 December 2022	**415,363**	**512,105**	**44,479**	**34,675**	**51,860**

Agreements regarding the acquisition of machinery for future delivery, approx. DKK 5 million (2022: approx. DKK 20 million).

DKK'000	Land and buildings	Plant and machinery	Other plant etc.	Plant in the course of construction
			PARENT	
16. Property, plant and equipment (continued)				
Cost at 1 January 2023	115,125	1,680	2,736	0
Additions	5,483	0	1,722	0
Disposals	0	0	0	0
Cost at 31 December 2023	**120,608**	**1,680**	**4,458**	**0**
Amortisation and impairment losses at 1 January 2023	34,220	1,520	2,141	0
Depreciation and amortisation for the year	2,963	160	290	0
Reversal on disposal	0	0	0	0
Amortisation and impairment losses at 31 December 2023	**37,183**	**1,680**	**2,431**	**0**
Carrying amount at 31 December 2023	**83,425**	**0**	**2,027**	**0**
Cost at 1 January 2022	112,423	1,680	2,445	0
Additions	2,702	0	291	0
Disposals	0	0	0	0
Cost at 31 December 2022	**115,125**	**1,680**	**2,736**	**0**
Amortisation and impairment losses at 1 January 2022	31,637	1,040	1,884	0
Depreciation and amortisation for the year	2,583	480	257	0
Reversal on disposal	0	0	0	0
Amortisation and impairment losses at 31 December 2022	**34,220**	**1,520**	**2,141**	**0**
Carrying amount at 31 December 2022	**80,905**	**160**	**595**	**0**

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	GROUP			
DKK'000	Land and buildings	Plant and machinery	Other plant, etc.	Total
17. Leases				
Leased assets				
Balance sheet at 01 January 2023	**131,889**	**94,818**	**7,981**	**234,688**
Value adjustment	3,861	31	0	3,892
Additions	19,422	27,710	4,092	51,224
Additions relating to acquisition of entity	0	0	0	0
Transferred to note 16	0	-4,037	0	-4,037
Disposals	0	0	0	0
Remeasurement of lease liability	26,194	0	0	26,194
Depreciation/amortisation for the year	-35,335	-9,241	-3,824	-48,400
Carrying amount at 31 December 2023	**146,031**	**109,281**	**8,249**	**263,561**
Balance sheet at 01 January 2022	**152,127**	**70,377**	**8,861**	**231,365**
Value adjustment	-1,564	0	0	-1,564
Additions	30,904	31,303	2,664	64,871
Additions relating to acquisition of entity	0	16,477	667	17,144
Transferred to note 16	-28,668	-16,676	0	-45,344
Disposals	0	0	0	0
Remeasurement of lease liability	10,718	0	0	10,718
Depreciation/amortisation for the year	-31,628	-6,663	-4,211	-42,502
Carrying amount at 31 December 2022	**131,889**	**94,818**	**7,981**	**234,688**

Agreements regarding the acquisition of machinery for future delivery, approx. DKK 5 million (2022: approx. DKK 20 million).

	GROUP	
DKK'000	2023	2022
Lease liabilities – maturity analysis		
Less than 1 year	67,580	62,894
Between 1 and 3 years	98,551	89,771
Between 3 and 5 years	60,070	47,887
Exceeding 5 years	51,362	48,334
Total non-discounted lease liabilities at 31 December	**277,563**	**248,886**
Lease liabilities recognised in the balance sheet		
Short-term	64,739	60,297
Long-term	167,906	151,535
	232,645	**211,832**
Rental expenses are recognised in the income statement		
Interest expenses relating to lease liabilities	8,813	7,742
	8,813	**7,742**

For 2023, the Group paid DKK 68.9 million (2022: DKK 75.2 million) regarding leases of which interest payments related to recognised lease liabilities totalled DKK 8.8 million (2022: DKK 7.7 million) and repayment of recognised lease liabilities totalled DKK 60.1 million (2022: DKK 67.5 million).

Reference is made to note 2 for a description of the determination of the lease term and discount rate in leases.

DKK'000	PARENT Other plant, etc.

17. Leases (continued)

Leased assets

Balance sheet at 01 January 2023	**570**
Additions	0
Disposals	0
Remeasurement of lease liability	38
Depreciation/amortisation for the year	-500
Carrying amount at 31 December 2023	**108**
Balance sheet at 01 January 2022	**1,129**
Additions	0
Disposals	0
Remeasurement of lease liability	11
Depreciation/amortisation for the year	-570
Carrying amount at 31 December 2022	**570**

DKK'000	PARENT 2023	 2022
Lease liabilities – maturity analysis		
Less than 1 year	93	510
Between 1 and 3 years	18	73
Between 3 and 5 years	0	0
Exceeding 5 years	0	0
Total non-discounted lease liabilities at 31 December	**111**	**583**
Lease liabilities recognised in the balance sheet		
Short-term	91	500
Long-term	17	70
	108	**570**
Lease liabilities recognised in the income statement		
Interest expenses relating to lease liabilities	11	11
	11	**11**

In 2023, the Parent Company paid DKK 0.5 million (2022: DKK 0.6 million) regarding leases of which interest payments related to recognised lease liabilities totalled DKK 0.0 million (2022: DKK 0 0 million) and repayment of recognised lease liabilities totalled DKK 0.5 million (2022 DKK 0 6 million)

Reference is made to note 2 for a description of the determination of the lease term and discount rate in leases.

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DKK'000	PARENT 2023	2022
18. Equity investments in subsidiaries		
Cost at 1 January	981,752	908,177
Additions	0	73,575
Disposals	0	0
Cost at 31 December	**981,752**	**981,752**
Impairment losses at 1 January	241,767	241,767
Impairment losses for the year	0	0
Reversed impairment write-downs	0	0
Impairment losses at 31 December	**241,767**	**241,767**
Carrying amount at 31 December	**739,985**	**739,985**

Reference is made to note 43 for a specification of additions to equity investments.

Equity investments in subsidiaries directly owned by the Parent Company comprise:

	Registered office	Ownership interest		Share of voting rights		
		2023	2022	2023	2022	
SP Moulding	Denmark	100%	100%	100%	100%	Production and sale of injection-moulded components
Ulstrup Plast A/S	Denmark	100%	100%	100%	100%	Production and sale of injection-moulded components
Coreplast Laitila Oy	Finland	100%	100%	100%	100%	Production and sale of injection-moulded components
MedicoPack A/S	Denmark	100%	100%	100%	100%	Production and sale of blow-moulded components
Gibo Plast	Denmark	100%	100%	100%	100%	Production and sale of vacuum-formed components
Accoat A/S	Denmark	100%	100%	100%	100%	Production and sale of coatings
Ergomat A/S	Denmark	100%	100%	100%	100%	Production and sale of ergonomics solutions
Tinby A/S	Denmark	100%	100%	100%	100%	Production and sale of polyurethane products
TPI Polytechniek B.V.	The Netherlands	100%	100%	100%	100%	Sale of ventilation components
Brdr. Bourghardt AB	Sweden	100%	100%	100%	100%	Production and sale of Telene products
Baltic Rim SIA	Latvia	100%	100%	100%	100%	Production and sale of Telene products
MM Composite A/S	Denmark	100%	100%	100%	100%	Production and sale of composite products
DAVINCI 3D A/S	Denmark	100%	100%	100%	100%	Production and sale of 3D printed components
Bovil ApS	Denmark	100%	100%	100%	100%	Production and sale of CNC processed components
SP Moulding Denmark A/S	Denmark	100%	100%	100%	100%	Sale of plastic components and technologies
SP Technology ApS	Denmark	100%	100%	100%	100%	Sale of plastic components and technologies
SP R&D A/S	Denmark	100%	100%	100%	100%	Development company
SPG Ejendomme 1 ApS	Denmark	100%	100%	100%	100%	Property company
SPG Ejendomme 2 ApS	Denmark	100%	100%	100%	100%	Property company
SPG Ejendomme 3 ApS	Denmark	100%	100%	100%	100%	Property company
SPG Ejendomme 4 ApS	Denmark	100%	100%	100%	100%	Property company
SPG Ejendomme 5 ApS	Denmark	100%	100%	100%	100%	Property company
SPG Ejendomme 6 ApS	Denmark	100%	100%	100%	100%	Property company
SP Real Estate LLC	The US	100%	0%	100%	0%	Property company

Note 46 includes an overview of all entities in the Group.

PARENT			GROUP	
2022	2023	DKK'000	2023	2022
		19. Equity investments in associates		
400	400	Cost at 1 January	400	400
0	9	Additions	9	0
400	**409**	**Cost at 31 December**	**409**	**400**
0	0	Adjustments at 1 January	-37	0
0	0	Exchange rate adjustments	0	0
0	0	Share of profit/loss	-72	-37
0	0	Transferred to subsidiary	0	0
0	**0**	**Adjustments at 31 December**	**-109**	**-37**
400	**409**	**Carrying amount at 31 December**	**300**	**363**

SP Group acquired 20.51% of the shares in the company Juelsmindehalvøens Solar A/S
According to the annual report for 2023, the company generated a loss for the year of DKK 329 thousand and equity came in at DKK 1,467 thousand

		20. Inventories		
0	0	Raw materials and consumables	283,567	336,669
0	0	Work in progress	70,391	73,738
0	0	Finished goods and goods for resale	322,937	328,829
0	**0**		**676,895**	**739,236**

		21. Trade receivables		
0	0	Write-downs for the year recognised in the income statement	56	8

Write-down for bad and doubtful debts is determined based on the simplified expected credit loss model.
Please see note 38.

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PARENT			GROUP	
2022	2023	DKK'000	2023	2022

22. Contract assets

Contract assets

0	0	Trade receivables	328,775	314,297
0	0	Construction contracts	0	0
0	0	Refund assets	0	0
0	0	Costs incurred in obtaining construction contracts	0	0
0	**0**		**328,775**	**314,297**

Contractual obligations

0	0	Construction contracts	0	0
0	0	Prepayments from customers	53,790	56,407
0	0	Refund liabilities	0	0
0	**0**		**53,790**	**56,407**

The number of construction contracts in the Group is limited. Pursuant to IFRS 15.121, the Group has not disclosed unfulfilled terms of delivery as the expected duration of the Group's construction contracts is less than a year.
According to the commercial circumstances, there are no refund liabilities.

23. Other receivables

Receivables are not associated with any special credit risks, and as in the previous year, no impairment losses have been recognised in that regard.
None of the receivables have fallen due. They will fall due in 2024-2026.
In 2025-2026 DKK 52.5 million falls due.

24. Cash

The Group's and the Parent Company's cash primarily consists of deposits in banks with high credit ratings. Consequently, cash is not considered to be associated with any particular credit risk.

25. Share capital

The share capital consists of 12,490,000 shares The shares are fully paid-up The shares are not divided into classes
All shares rank equally

	Shares issued			
	No. of shares		Nom. value	
DKK	2023	2022	2023	2022
1 January	12,490,000	12,490,000	24,980,000	24,980,000
31.12	**12,490,000**	**12,490,000**	**24,980,000**	**24,980,000**

In June 2020, capital was increased by nom DKK 2,200,000 (1,100,000 shares)

	Treasury shares					
	No. of shares		Nom. value		% of share capital	
DKK	2023	2022	2023	2022	2023	2022
1 January	332,565	310,761	665,130	621,522	2 7%	2 5%
Acquired	56,996	125,304	113,992	250,608	0 5%	1 0%
Sold	-12,000	-103,500	-24,000	-207,000	-0.1%	-0 8%
31 December	**377,561**	**332,565**	**755,122**	**665,130**	**3.0%**	**2.7%**

Acquisitions in 2022 and 2023 were made in order to partially fund existing warrant programmes.
Sales in 2022 and 2023 relate to the exercise of warrant programmes.

Capital management

The Group continually assesses the need to adjust its capital structure to weigh the higher yield requirement applicable to equity against the increased uncertainty associated with loan capital At year-end 2023, equity accounted for 48.5% of total assets (2022: 42.7%). It is the Group's objective to have a solvency ratio of 25-45%. Capital is managed for the Group as a whole

It is SP Group A/S' policy that the shareholders should yield a return on their investment in the form of price increases and dividend It is the ambition that earnings per share should increase by an average of 20% annually over a five-year period. Payment of dividends must be made taking into consideration the necessary consolidation of equity as a basis for the Group's continued expansion For 2023, dividends of DKK 3 per share has been proposed, corresponding to 23 5% of the profit for the year

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26. Other reserves

	GROUP			
DKK'000	Translation reserve	Reserve for sharebased remune re-muneration	Reserve for hedging transactions	Total
Reserve at 1 January 2022	-12,338	5,811	-43,119	-49,646
Exchange rate adjustment relating to foreign entities	-912	0	0	-912
Recognition of share-based payment	0	3,388	0	3,388
Share-based payment, exercised arrangements	0	-1,163	0	-1,163
Share-based payment, expired/reduced arrangements	0	-182	0	-182
Value adjustments of financial instruments held to hedge future cash flows, net	0	0	15,983	15,983
Reserve at 31 December 2022	**-13,250**	**7,854**	**-27,136**	**-32,532**
Exchange rate adjustment relating to foreign entities	11,578	0	0	11,578
Recognition of share-based payment	0	4,924	0	4,924
Share-based payment, exercised arrangements	0	-25	0	-25
Share-based payment, expired/reduced arrangements	0	-239	0	-239
Value adjustments of financial instruments held to hedge future cash flows, net	0	0	69,598	69,598
Reserve at 31 December 2023	**-1,672**	**12,514**	**42,462**	**53,304**

	PARENT		
DKK'000	Reserve for sharebased remune re-muneration	Reserve for hedging transactions	Total
Reserve at 1 January 2022	5,811	0	5,811
Recognition of share-based payment	3,388	0	3,388
Share-based payment, exercised arrangements	-1,163	0	-1,163
Share-based payment, expired/reduced arrangements	-182	0	-182
Value adjustments of financial instruments held to hedge future cash flows, net	0	0	0
Reserve at 31 December 2022	**7,854**	**0**	**7,854**
Recognition of share-based payment	4,924	0	4,924
Share-based payment, exercised arrangements	-25	0	-25
Share-based payment, expired/reduced arrangements	-239	0	-239
Value adjustments of financial instruments held to hedge future cash flows, net	0	0	0
Reserve at 31 December 2023	**12,514**	**0**	**12,514**

The translation reserve comprises all exchange rate adjustments arising on translation of financial statements of entities with a functional currency other than DKK.

The reserve for share-based payment comprises the accumulated value of the vested right to share option plans (equity-settled share option plans) measured at the fair value of the equity instruments at the grant date and recognised over the vesting period. The reserve is dissolved as the employees exercise the vested right to acquire shares, the employees resign before fully vested or as the options expire without having been exercised.

The hedging reserve comprises the accumulated net change in the fair value of hedging transactions that qualify for designation as hedges of future cash flows where the hedged transaction has not yet been realised.

	GROUP							
	Bank debt		Financial institutions		Lease liabilities		Other non-current liabilities	
DKK'000	2023	2022	2023	2022	2023	2022	2023	2022

27. Non-current liabilities

Non-current liabilities fall due as follows:

Within one year from the balance sheet date	94,902	98,104	19,434	27,448	64,739	60,297	17,837	32,023
Between one and two years from the balance sheet date	93,493	97,831	10,908	19,854	49,084	48,948	13,053	19,117
Between two and three years from the balance sheet date	67,686	95,811	10,696	11,272	40,071	33,261	1,053	15,641
Between three and four years from the balance sheet date	49,029	69,427	8,103	11,038	30,462	24,088	1,053	5,117
Between four and five years from the balance sheet date	46,837	49,817	6,342	8,336	18,028	16,765	1,053	1,117
After five years from the balance sheet date	29,717	63,565	84,835	85,714	30,261	28,473	12,773	13,505
	381,664	**474,555**	**140,318**	**163,662**	**232,645**	**211,832**	**46,822**	**86,520**
Liabilities are recognised in the balance sheet as follows:								
Current liabilities	94,902	98,104	19,434	27,448	64,739	60,297	17,837	32,023
Non-current liabilities	286,762	376,451	120,884	136,214	167,906	151,535	28,985	54,497
	381,664	**474,555**	**140,318**	**163,662**	**232,645**	**211,832**	**46,822**	**86,520**
Fair value	381,664	474,555	140,687	154,308	234,253	213,440	46,822	86,520

The fair value of fixed-rate debt is calculated at the present value of the future payments of interest and instalments using the current market rate.

Other non-current liabilities include the net present value of expected earn-out payments and debt instruments in connection with acquisitions of entities in 2021 and 2022 and frozen holiday pay

See note 38 on liquidity risks for information on covenants agreed with the financial lenders.

Liabilities from financing activities in 2023

Bank debt, financial institutions and lease liabilities	Opening balance	Cash flows	Non-cash changes: Acquisitions	Non-cash changes: Leases	Non-cash changes: Value adjustments	Closing balance
Short-term bank debt	259,950	49,307	0	0	0	309,257
Bank debt	474,555	-92,891	0	0	0	381,664
Financial institutions	163,662	-23,344	0	0	0	140,318
Lease commitments	211,832	-60,190	0	77,111	3,892	232,645
Other non-current liabilities other than provisions	86,520	-41,146	0	0	1,448	46,822
	1,196,519	**-168,264**	**0**	**77,111**	**5,340**	**1,110,706**

Liabilities from financing activities in 2022

Bank debt, financial institutions and lease liabilities	Opening balance	Cash flows	Non-cash changes: Acquisitions	Non-cash changes: Leases	Non-cash changes: Value adjustments	Closing balance
Short-term bank debt	262,821	-2,871	0	0	0	259,950
Bank debt	313,699	160,856	0	0	0	474,555
Financial institutions	106,449	44,805	12,408	0	0	163,662
Lease liabilities	202,183	-67,509	17,144	61,578	-1,564	211,832
Other non-current liabilities other than provisions	48,765	-17,446	55,181	0	20	86,520
	933,917	**117,835**	**84,733**	**61,578**	**-1,544**	**1,196,519**

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PARENT

DKK'000	Bank debt 2023	Bank debt 2022	Financial institutions 2023	Financial institutions 2022	Lease liabilities 2023	Lease liabilities 2022	Other non-current liabilities 2023	Other non-current liabilities 2022

27. Non-current liabilities (continued)

Non-current liabilities fall due as follows:								
Within one year from the balance sheet date	86,053	89,454	11,363	19,309	91	500	4,833	17,315
Between one and two years from the balance sheet date	85,152	89,454	3,713	11,665	17	70	12,000	8,833
Between two and three years from the balance sheet date	59,853	87,954	3,414	4,019	0	0	0	8,900
Between three and four years from the balance sheet date	45,309	62,054	2,499	3,726	0	0	0	4,000
Between four and five years from the balance sheet date	44,259	46,254	1,787	2,816	0	0	0	0
After five years from the balance sheet date	20,019	51,323	21,612	27,062	0	0	0	0
	340,645	**426,493**	**44,388**	**68,597**	**108**	**570**	**16,833**	**39,048**
Liabilities are recognised in the balance sheet as follows:								
Current liabilities	86,053	89,454	11,363	19,309	91	500	4,833	17,315
Non-current liabilities	254,592	337,039	33,025	49,288	17	70	12,000	21,733
	340,645	**426,493**	**44,388**	**68,597**	**108**	**570**	**16,833**	**39,048**
Fair value	340,645	426,493	44,323	66,178	108	570	16,833	39,048

The fair value of fixed-rate debt is calculated at the present value of the future payments of interest and instalments using the current market rate.

Other non-current liabilities include the net present value of expected earn-out payments and debt instruments in connection with acquisitions of entities in 2022.

See note 38 on liquidity risks for information on covenants agreed with the financial lenders.

Liabilities from financing activities in 2023

Bank debt, financial institutions and lease liabilities	Opening balance	Cash flows	Non-cash changes: Acquisitions	Non-cash changes: Leases	Non-cash changes: Value adjustments	Closing balance
Short-term bank debt	33,739	101,613	0	0	0	135,352
Bank debt	426,493	-85,848	0	0	0	340,645
Financial institutions	68,597	-24,268	0	0	59	44,388
Lease commitments	570	-500	0	0	38	108
Other non-current liabilities	39,048	-22,550	0	0	335	16,833
	568,447	**-31,553**	**0**	**0**	**432**	**537,326**

Liabilities from financing activities in 2022

Bank debt, financial institutions and lease liabilities	Opening balance	Cash flows	Non-cash changes: Acquisitions	Non-cash changes: Leases	Non-cash changes: Value adjustments	Closing balance
Short-term bank debt	61,417	-27,678	0	0	0	33,739
Bank debt	290,100	136,393	0	0	0	426,493
Financial institutions	65,678	2,919	0	0	0	68,597
Lease liabilities	1,129	-559	0	0	0	570
Other non-current liabilities other than provisions	1,707	0	39,048	0	-1,707	39,048
	420,031	**111,075**	**39,048**	**0**	**-1,707**	**568,447**

PARENT			GROUP	
Deferred tax assets	Deferred tax liabilities	DKK'000	Deferred tax assets	Deferred tax liabilities
		28. Deferred tax		
0	2,903	Deferred tax at 1 January 2022	10,997	70,253
0	0	Exchange rate adjustment	-170	-105
0	0	Addition, acquisition	120	9,859
0	946	Change in deferred tax recognised in the income statement	-496	5,358
0	0	Change in deferred tax recognised in other comprehensive income	-1,006	1,957
0	**3,849**	**Deferred tax at 31 December 2022**	**9,445**	**87,322**
0	0	Exchange rate adjustment	14	750
0	0	Addition, acquisition	0	0
0	914	Change in deferred tax recognised in the income statement	250	-1,957
0	0	Change in deferred tax recognised in other comprehensive income	0	19,997
0	**4,763**	**Deferred tax at 31 December 2023**	**9,709**	**106,112**

PARENT			GROUP	
2022	2023	DKK'000	2023	2022
		Deferred tax is recognised in the balance sheet as follows		
0	0	Deferred tax assets	9,709	9,445
-3,849	-4,763	Deferred tax liabilities	-106,112	-87,322
-3,849	**-4,763**		**-96,403**	**-77,877**

The Group's tax assets comprise the tax value of tax loss carryforwards in a few foreign subsidiaries as well as timing differences.
The tax assets are expected to be utilised within three years

There are no tax assets or tax liabilities that have not been recognised in the balance sheet

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28. Deferred tax (continued)

				GROUP			
DKK'000	01.01.	Recognised in the income statement	Recognised in other comprehen-sive income	Recognised in equity	Recognised in connect. with entity	Value adjust-ments, etc.	31.12.
2023							
Intangible assets	32,301	-2,745	0	0	0	37	29,593
Property, plant and equipment	59,209	-3,344	0	0	0	70	55,935
Inventories	5,478	110	0	0	0	7	5,595
Receivables	3,543	178	0	0	0	5	3,726
Liabilities	-11,612	2,693	0	0	0	-11	-8,930
Value adjustment of derivative financial instruments	-7,601	3,144	19,997	0	0	635	16,175
Tax loss carryforwards	-3,441	-2,243	0	0	0	-7	-5,691
	77,877	**-2,207**	**19,997**	**0**	**0**	**736**	**96,403**
2022							
Intangible assets	27,049	-1,800	0	0	7,567	-515	32,301
Property, plant and equipment	49,802	8,204	0	0	2,149	-946	59,209
Inventories	3,658	1,764	0	0	143	-87	5,478
Receivables	2,500	1,099	0	0	0	-56	3,543
Liabilities	-9,939	-1,738	0	0	-120	185	-11,612
Value adjustment of derivative financial instruments	-11,993	0	2,963	0	0	1,429	-7,601
Tax loss carryforwards	-1,821	-1,675	0	0	0	55	-3,441
	59,256	**5,854**	**2,963**	**0**	**9,739**	**65**	**77,877**

				PARENT			
DKK'000	01.01.	Recognised in the income statement	Recognised in other comprehen-sive income	Recognised in equity	Recognised in connect. with entity	Transfer, subsidiary	31.12.
2023							
Intangible assets	471	27	0	0	0	0	498
Property, plant and equipment	3,983	758	0	0	0	0	4,741
Liabilities	-605	129	0	0	0	0	-476
Tax loss carryforwards	0	0	0	0	0	0	0
	3,849	**914**	**0**	**0**	**0**	**0**	**4,763**
2022							
Intangible assets	508	-37	0	0	0	0	471
Property, plant and equipment	3,322	661	0	0	0	0	3,983
Liabilities	-927	322	0	0	0	0	-605
Tax loss carryforwards	0	0	0	-216	0	216	0
	2,903	**946**	**0**	**-216**	**0**	**216**	**3,849**

PARENT			GROUP	
2022	2023	DKK'000	2023	2022

29. Trade payables

828	1,849	**Trade payables**	165,377	192,838

The carrying amount corresponds to the fair value of the liabilities

30. Provisions (warranty commitments)

0	0	Provisions at 1 January	1,376	1,657
0	0	Additions	1,436	1,376
0	0	Disposals	-1,376	-1,657
0	**0**	**Provisions at 31 December**	**1,436**	**1,376**

Provisions for warranty commitments relate to sold, but defective items. Provisions have been calculated based on expected remedial costs. Such costs are expected to be incurred primarily during 2024

31. Other payables

The item comprises payables relating to payroll, withholding taxes, social security contributions, holiday pay, VAT, duties, etc

The holiday pay obligation represents the Group's obligation to pay salary to employees during holidays which, at the balance sheet date, they are entitled to take in the subsequent financial year

32. Collateral

Mortgage debt of DKK 133 million (of which DKK 37 million relates to the Parent Company) is secured by way of mortgage on properties The mortgage also comprises such items of plant and machinery that are deemed part of the properties.

Moreover, loans with banks and financial institutions are secured by way of a letter of indemnity on real property and mortgages registered to the mortgagor with secondary liability, totalling a nominal amount of DKK 60 million (2022: DKK 60 million)

80,509	83,425	**Carrying amount of mortgaged properties**	250,472	253,591

Bank debt is secured by way of collateral on equity investments in the Parent Company's Danish subsidiaries owned in 2008.

298,288	298,288	**Carrying amount of pledged investments (cost)**	-	-

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PARENT			GROUP	
2022	2023	DKK'000	2023	2022

33. Recourse guarantee commitments and contingent liabilities

Together with its subsidiaries, the Parent Company has entered into bank commitments under which the Parent Company is liable for all bank overdraft withdrawals.

252,997	189,966	**Subsidiaries' bank debt**		

The Parent Company has guaranteed the subsidiaries' debt to financial institutions or has joint and several liability.
The Parent Company has issued a letter of support for two foreign subsidiaries' balance with other group companies.

95,289	96,069	**Surety, guarantee and liability**		

The Parent Company is jointly and severally liable for the subsidiaries' lease liabilities.

55,064	74,813	**Minimum lease payments**		

On behalf of a subsidiary, the Parent Company has provided a payment guarantee of DKK 1,560 thousand to a supplier (2022: DKK 3,565 thousand).

The Parent Company is jointly taxed with other Danish entities in SP Group. As administration company, the Company has joint and several liability, together with the other jointly taxed entities, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. At 31 December 2023, the jointly taxed entities' total net payable to the Danish Customs and Tax Administration amounted to approx. DKK 7.2 million (31 December 2022: net receivable from the Danish Customs and Tax Administration of DKK 5.6 million).

34. Changes in net working capital

0	0	Changes in inventories	69,259	-125,170
-156,588	-15,332	Changes in receivables	-27,526	19,798
75,673	19,572	Changes in trade payables, etc.	-36,723	-22,787
-80,915	**4,240**		**5,010**	**-128,159**

35. Cash and cash equivalents

0	0	Cash	50,277	93,424
0	**0**		**50,277**	**93,424**

36. Fees to the Parent Company's auditor appointed by the general meeting

External expenses include fees to the Parent Company's auditor appointed by the general meeting:

		EY		
430	503	Statutory audit	3,551	3,086
0	0	Other assurance engagements	0	0
326	80	Tax and VAT advisory services	138	346
354	282	Other assistance	562	587
1,110	**865**		**4,251**	**4,019**

Tax and VAT advisory services comprise review of schedules to the income tax return, TP documentation and general advisory services regarding VAT and tax matters.

Other services include most importantly discussions of accounting matters and other assistance.

37. Related parties

Related parties exercising control over the Group and the Parent Company
There are no related parties exercising control over SP Group A/S. Shareholders holding more than 5% of the share capital are disclosed in note 41

For an outline of subsidiaries, see the group chart in note 46

Related party transactions, Group
In 2023, the Group had ordinary sale of goods in the amount of DKK 189 thousand (2022: DKK 505 thousand) to a company which is a related party of the chair of the Board

The Group did not carry out any other related party transactions in 2022 and 2023 apart from remuneration of the members of the Board of Directors and the Executive Board and distribution of dividend

Related party transactions, Parent Company

DKK'000	Rental income	Lease expenses	Sale of goods and services	Purchase of goods and services	Interest income	Interest expenses	Group contri-bution	Receiva-bles	Payables
2023									
From subsidiaries	6,596	0	8,498	120	16,405	11,487	6,165	371,688	275,739
2022									
From subsidiaries	6,165	0	7,009	120	5,431	4,028	3,900	357,148	246,867

In addition, SP Group A/S received dividends from subsidiaries in the amount of DKK 96,469 thousand (2022: DKK 72,439 thousand).

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with the accounting policies

Rental income relates to the Parent Company's renting of properties to subsidiaries. The rent is fixed on a market basis

Sale of services relates to assistance provided to subsidiaries. Intra-group acquisitions and sales are made at cost plus a mark-up

No security or guarantees have been provided for intra-group balances at the balance sheet apart from what is disclosed in note 32. Receivables as well as payables will be settled in cash. The Group has not recorded any bad debts relating to related parties or made provisions for probable bad debts.

Remuneration of the Board of Directors and the Executive Board
For information on the remuneration of the Group's Board of Directors and Executive Board, see note 7.

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PARENT			GROUP	
2022	2023	DKK'000	2023	2022

38. Financial risks and financial instruments

Financial instrument categories

0	0	Derivative financial instruments held to hedge future cash flows (recognised in other receivables)	53,606	0
0	**0**	**Financial assets applied as hedging instruments**	**53,606**	**0**
0	0	Deposits	1,326	1,398
0	0	Trade receivables	328,775	314,297
357,148	371,688	Receivables from subsidiaries	-	-
339	103	Other receivables	43,492	30,758
0	0	Cash	50,277	93,424
357,487	**371,791**	**Loans, receivables and cash**	**423,870**	**439,877**
0	0	Derivative financial instruments held to hedge future cash flows (recognised in other payables)	0	33,272
0	**0**	**Financial liabilities applied as hedging instruments**	**0**	**33,272**
460,232	475,997	Bank debt	690,921	734,505
68,597	44,388	Financial institutions	140,318	163,662
570	108	Lease liabilities	232,645	211,832
39,048	16,833	Other non-current liabilities	46,822	86,520
828	1,849	Trade payables	165,377	192,838
246,867	275,739	Payables to subsidiaries	-	-
816,142	**814,914**	**Financial liabilities measured at amortised cost**	**1,276,083**	**1,389,357**

The fair value of the financial instruments corresponds to the carrying amount, both in the Parent Company and in the Group, except for the fact that the fair value of the financial liabilities has increased by DKK 2.0 million (2022: decrease of DKK 7.7 million) in the Group and a decrease of DKK 0.1 million (2022: decrease of DKK 2.4 million) in the Parent Company. The fair value of financial liabilities is determined based on quoted values, i.e. bank debt, financial institutions, lease liabilities and derivative financial instruments at level 2 and considerations and contingent considerations, which are included in other non-current liabilities at level 3.

The fair value of contingent consideration is based on expected payments based on assessment of target attainment compared with the concluded earn-out conditions. Contingent consideration and liabilities were discounted at present value. Non-observable input comprises earnings projections and the discount rate applied. Reference is made to notes 42 and 43 for additional information on recognised liabilities in relation to acquisitions as well as note 11 for information on the year's adjustment of contingent consideration.

The Parent Company's and the Group's currency risks and interest rate risks are shown below. The individual risks, including the Group's policy for management of financial risks and sensitivity provisions, are further described in the Management's review.

Currency risks

The Group is exposed to exchange rate fluctuations.

In general, there is a good balance between income and expenses. As most sales are settled in DKK or EUR and the most significant parts of fixed group costs are settled in DKK or EUR. The primary commercial currency risk is indirect and relates to the customers' sales outside Europe. Similarly, purchases are primarily conducted in DKK and EUR.

27% of the Group's financing has been raised in EUR, and 73% has been raised in DKK. The Company has bank deposits in USD, NOK and RMB.

A fluctuation of 1% in the EUR rate against DKK may therefore affect results of operations by up to approx. DKK 2.8 million.

In order to hedge the currency risk on future sale of goods in EUR from the Polish entities and sales in USD from several of the Group's entities, derivative financial instruments have been entered into in accordance with the Group's currency policy, which has been approved by the Board of Directors, hedging part of the currency risk related to these sales for a period of up to four years.

At 31 December 2023, an instrument for the sale of EUR against PLN in the amount of DKK 835 million (2022: DKK 1,149 million) was entered into. The hedging instrument falls due by DKK 265 million within 1 year (2022: DKK 351 million) and DKK 570 million within 1-4 years (2022: DKK 798 million).
Due to the favourable development in PLN against EUR a part of the above-mentioned forward exchange contracts were terminated in October 2023 by the conclusion of sale of PLN against EUR for a total amount of DKK 768 million (2022: DKK 0 million). The hedging instrument falls due by DKK 265 million within 1 year (2022: DKK 0 million) and DKK 503 million within 1-4 years (2022: DKK 0 million).

At 31 December 2023, no hedges in USD were concluded (2022: DKK 0 million).

Due to the Group's use of derivative financial instruments for hedging the Group's exposure in relation to expected sales transactions, recognition of the effective part of the fair value adjustments of hedging instruments in the cash flow hedge reserve adversely affected the Group's equity in the year by net DKK 89.8 million before tax and DKK 72.7 million after tax. (2022: DKK 19.7 million before tax and DKK 16 million after tax). The income statement is affected by inefficient hedging totalling DKK 16.5 million before tax (2022: DKK 0 million).

38. Financial risks and financial instruments (continued)

	GROUP				
DKK'000	Cash and cash equivalents	Receivables	Liabilities	Hedged amount	Net position
EUR	8,434	204,119	-411,190	0	-198,637
PLN	0	24,109	-83,503	0	-59,394
USD	27,962	76,744	0	0	104,706
CAD	1,086	3,090	-458	0	3,718
SEK	434	11,881	-41,097	0	-28,782
NOK	111	770	-1,392	0	-511
RMB	8,378	33,764	-60,565	0	-18,423
CHF	0	1,543	-15	0	1,528
GBP	855	343	-205	0	993
THB	1,578	6,303	-5,339	0	2,542
31 December 2023	**48,838**	**362,666**	**-603,764**	**0**	**-192,260**
EUR	6,562	160,478	-384,723	0	-217,683
PLN	226	14,632	-93,632	0	-78,774
USD	29,131	50,378	-27,994	0	51,515
CAD	7,690	2,337	-1,402	0	8,625
SEK	583	10,977	-21,219	0	-9,659
NOK	2,040	2,064	-1,350	0	2,754
RMB	9,305	35,374	-55,663	0	-10,984
CHF	0	2,116	-74	0	2,042
GBP	1	44	715	0	760
THB	1,358	4,799	-2,158	0	3,999
31 December 2022	**56,896**	**283,199**	**-587,500**	**0**	**-247,405**

	PARENT				
DKK'000	Cash and cash equivalents	Receivables	Liabilities	Hedged amount	Net position
EUR	2,445	0	-77,163	0	-74,718
PLN	23	0	0	0	23
USD	26,360	0	0	0	26,360
SEK	14	0	-21,724	0	-21,710
NOK	0	0	-27	0	-27
31 December 2023	**28,842**	**0**	**-98,914**	**0**	**-70,072**
EUR	4,691	0	-46,961	0	-42,270
PLN	76	0	0	0	76
USD	325	0	0	0	325
SEK	495	0	-7,080	0	-6,585
NOK	0	0	-21	0	-21
31 December 2022	**5,587**	**0**	**-54,062**	**0**	**-48,475**

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38. Financial risks and financial instruments (continued)

Interest rate risks

Interest rate risks primarily relate to net interest-bearing debt, i.e. lease liabilities and bank debt less cash and cash equivalents. At year end, the net interest-bearing debt amounted to DKK 1,030.6 million. 80% of the debt carried floating interest. A one percentage point increase in the general interest level will result in an increase in the Group's interest expenses before tax of approx. DKK 8.4 million.

SP Group focuses on increasing cash flows from operating activities so that the net interest-bearing debt can be reduced and the Group can finance investments via operating activities. The Group also aims at reducing debt by selling non-value-creating assets and activities.

The interest rate risk associated with financial assets and liabilities can be described as follows with the disclosure of date of interest rate adjustment or maturity, whichever occurs first, and effective interest rates.

GROUP

	Date of interest rate adjustment or maturity					
DKK'000	Within 1 years	Between 1 and 5 years	After 5 years	Total	Hereof fixed-interest	Effective
Bank deposits	50,277	0	0	50,277	0	3.7%
Financial institutions	-32,397	-107,921	0	-140,318	-7,692	2.1%
Lease liabilities	-64,739	-137,645	-30,261	-232,645	-181,442	4.5%
Share of other payables (frozen holiday pay)	0	-4,248	-12,744	-16,992	0	1.4%
Bank debt	-690,921	0	0	-690,921	0	5.3%
31 December 2023	**-737,780**	**-249,814**	**-43,005**	**-1,030,599**	**-189,134**	
Bank deposits	93,424	0	0	93,424	0	1.1%
Financial institutions	-1,351	-157,116	-5,195	-163,662	-29,350	1.7%
Lease liabilities	-60,297	-123,062	-28,473	-211,832	-174,982	4.1%
Share of other payables (frozen holiday pay)	0	-4,493	-13,480	-17,973	0	1.4%
Bank debt	-734,505	0	0	-734,505	0	3.8%
31 December 2022	**-702,729**	**-284,671**	**-47,148**	**-1,034,548**	**-204,332**	

PARENT

	Date of interest rate adjustment or maturity					
DKK'000	Within 1 years	Between 1 and 5 years	After 5 years	Total	Hereof fixed-interest	Effective
Bank deposits	0	0	0	0	0	3.7%
Financial institutions	-951	-43,437	0	-44,388	-7,692	2.5%
Lease liabilities	-91	-17	0	-108	0	2.0%
Bank debt	-475,997	0	0	-475,997	0	4.9%
31 December 2023	**-477,039**	**-43,454**	**0**	**-520,493**	**-7,692**	
Bank deposits	0	0	0	0	0	0.0%
Financial institutions	-1,351	-62,138	-5,108	-68,597	-28,185	1.6%
Lease liabilities	-500	-70	0	-570	0	2.0%
Bank debt	-460,232	0	0	-460,232	0	3.9%
31 December 2022	**-462,083**	**-62,208**	**-5,108**	**-529,399**	**-28,185**	

38. Financial risks and financial instruments (continued)

Credit risks

The primary credit risk in the Group is associated with trade receivables. SP Group systematically and continually monitors the credit rating of customers and business partners Credit risks are partially hedged through insurance and sale of invoices No individual customers or business partners pose an unusual credit risk to the Group. As the Group's customers and business partners are usually well-reputed companies operating in many different business sectors and countries, the overall credit risk is reduced The maximum credit risk associated with financial assets is reflected in the carrying amounts in the balance sheet

PARENT			GROUP	
2022	**2023**	DKK'000	**2023**	**2022**
		Receivables past due not written down		
0	0	Past due by up to one month	76,655	56,020
0	0	Past due between one and two months	14,501	13,504
0	0	Past due between two and three months	4,970	7,253
0	0	Past due by more than three months	522	7,922
0	**0**		**96,648**	**84,699**

Historically, the Group has not recorded any significant bad debts In the past three years, the loss ratio has been approx 0 01% of group revenue. Based on the low loss ratio, the loss has been estimated at 0 0% according to the simplified expected credit loss model

The loss ratio is expected to be 0% going forward too despite the current market conditions due to the above management tools with the sale of invoices and credit insurance as well as the Group's composition of customers

DKK'000	Loss ratio	Amount receivable	Expected loss	Total
2023				
Not past due	0.0%	232,223	0	232,223
Past due by up to one month	0 0%	76,651	0	76,651
Past due between one and two months	0.0%	14,501	0	14,501
Past due between two and three months	0 0%	4,970	0	4,970
Past due by more than three months	18 3%	526	96	430
		328,871	**96**	**328,775**
2022				
Not past due	0 0%	229,697	0	229,697
Past due by up to one month	0 0%	56,020	0	56,020
Past due between one and two months	0 0%	13,504	0	13,504
Past due between two and three months	0.0%	7,253	0	7,253
Past due by more than three months	1,2%	7,922	99	7,823
		314,396	**99**	**314,297**

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38. Financial risks and financial instruments (continued)

Liquidity risks

It is the Group's objective to have sufficient cash resources to be able to continually make appropriate arrangements in case of unforeseen changes in cash outflows. It is Management's opinion that the Company still has adequate capital resources considering its operations and sufficient liquidity to meet its present and future liabilities. The Group's long-term co-operation with its financial business partners is fruitful and constructive. This is expected to continue. The Group has neither neglected nor been in breach of loan agreements in the financial year or the comparative year. The Group has calculated its cash resources at DKK 387 million at year-end 2023.

In addition to usual loan covenants, the following financial covenants have been agreed with the financial lenders:

- Net interest-bearing debt (NIBD) cannot amount to more than 3.5 times EBITDA for the last 12 months, however, up to 4.0 times EBITDA in the first two quarters following a debt-financed acquisition
- The equity ratio must always be at least 25%.

The term to maturity of financial liabilities is specified below. The amounts specified represent the amounts falling due, including interest calculated based on current interest rates.

	GROUP				
DKK'000	**Within 1 years**	**Between 1 and 3 years**	**Between 3 and 5 years**	**After 5 years**	**Total**
2023					
Non-derivative financial liabilities					
Bank debt	404,159	161,179	95,866	29,717	690,921
Financial institutions	19,434	21,604	14,445	84,835	140,318
Lease liabilities	64,739	89,155	48,490	30,261	232,645
Other non-current liabilities	17,837	14,106	2,106	12,773	46,822
Trade payables	165,377	0	0	0	165,377
Interest	41,448	32,648	14,377	14,526	102,999
	712,994	**318,692**	**175,284**	**172,112**	**1,379,082**
Derivative financial instruments					
Derivative financial instruments held to hedge future cash flows	9,694	41,781	2,131	0	53,606
	722,688	**360,473**	**177,415**	**172,112**	**1,432,688**
2022					
Non-derivative financial liabilities					
Bank debt	358,054	193,642	119,244	63,565	734,505
Financial institutions	27,448	31,126	19,374	85,714	163,662
Lease liabilities	60,297	82,209	40,853	28,473	211,832
Other non-current liabilities	32,023	34,758	6,234	13,505	86,520
Trade payables	192,838	0	0	0	192,838
Interest	32,188	32,065	16,130	11,201	91,584
	702,848	**373,800**	**201,835**	**202,458**	**1,480,941**
Derivative financial instruments					
Derivative financial instruments held to hedge future cash flows	-7,922	-30,717	5,367	0	-33,272
	694,926	**343,083**	**207,202**	**202,458**	**1,447,669**

Derivative financial instruments are measured in accordance with a valuation method according to which all material data are based on observable market data, i.e. level 2. The Group has no other assets and liabilities measured at fair value.

38. Financial risks and financial instruments (continued)

	PARENT				
DKK'000	Within 1 years	Between 1 and 3 years	Between 3 and 5 years	After 5 years	Total
2023					
Non-derivative financial liabilities					
Bank debt	221,405	145,005	89,568	20,019	475,997
Financial institutions	11,363	7,127	4,286	21,612	44,388
Lease liabilities	97	11	0	0	108
Other non-current liabilities	4,833	12,000	0	0	16,833
Trade payables	1,849	0	0	0	1,849
Interest	26,129	23,951	9,471	3,500	63,051
	265,676	**188,094**	**103,325**	**45,131**	**602,226**
Derivative financial instruments					
Derivative financial instruments held to hedge future cash flows	0	0	0	0	0
	265,676	**188,094**	**103,325**	**45,131**	**602,226**
2022					
Non-derivative financial liabilities					
Bank debt	123,193	177,408	108,308	51,323	460,232
Financial institutions	19,309	15,684	6,542	27,062	68,597
Lease liabilities	60	510	0	0	570
Other non-current liabilities	17,315	17,733	4,000	0	39,048
Trade payables	828	0	0	0	828
Interest	19,142	25,024	12,166	3,233	59,565
	179,847	**236,359**	**131,016**	**81,618**	**628,840**
Derivative financial instruments					
Derivative financial instruments held to hedge future cash flows	0	0	0	0	0
	179,847	**236,359**	**131,016**	**81,618**	**628,840**

39. Sale of financial assets

As in previous years, the Group sold selected trade receivables without recourse as part of its credit and risk management. The Group's continued involvement is limited to administration of the receivables sold and a limited financial expense regarding the risk of late payment. Thus, the Group has only maintained an insignificant risk exposure. The sale has not affected the income statement. There are no remaining assets or liabilities in the balance sheet regarding the receivables sold. The nominal value of the receivables sold amounts to DKK 148 million (2022: DKK 166 million). The maturity date is within a period of less than 4 months

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40. Segment information for the Group

Geographical segments

The Group has only one business segment as the same employees and the same capital stock serve several product types and customers. Therefore, business segments are not reported.

The Group's activities are primarily located in Denmark, rest of Europe, the Americas, Asia, Australia and Africa. The following table shows the Group's sale of goods by geographical market.

DKK'000	2023	2022
Denmark	751,478	738,904
Rest of Europe	1,266,834	1,244,661
Americas	367,086	395,917
Asia (incl. the Middle East)	200,816	257,943
Australia	13,575	12,455
Africa	6,533	6,462
	2,606,322	**2,656,342**
Sale of goods	2,606,322	2,656,342
Selling price of the year's production output relating to construction contracts	0	0
	2,606,322	**2,656,342**

In 2023, the Group had a customer which accounted for 12.6% of group revenue (DKK 327.9 million). The Group had no customers in 2022 who accounted for more than 10% of group revenue.

The below table specifies the carrying amounts and the year's additions of non-current property, plant and equipment and intangible assets by geographical market on the basis of the physical location of the assets.

	Non-current assets		Additions of intangible assets and property, plant and equipment	
DKK'000	2023	2022	2023	2022
Denmark	997,891	997,010	91,559	313,028
Norway	1,231	1,375	57	1,183
Sweden	49,451	53,830	3,313	3,637
Finland	95,371	85,969	16,473	12,379
Latvia	22,921	23,023	6,174	2,513
Slovakia	97,519	96,040	10,610	39,967
The Netherlands	22,244	23,264	2,519	1,244
Poland	342,490	311,238	55,690	84,318
North America	109,843	72,122	42,608	162
China	95,741	95,162	9,383	10,145
Thailand	4,919	3,895	1,993	3,895
	1,839,621	**1,762,928**	**240,379**	**472,471**

41. Shareholder information

In mid-March 2024, SP Group A/S registered the following shareholders as holding more than 5% of the voting share capital or of the nominal value of the share capital

Schur Finance a/s (incl related parties), Horsens (16.0%)
Frank Gad (incl. related parties), Frederiksberg (12.3%)
Odin Fund Management, Oslo (9.3%)
Lannebo Fonder AB, Stockholm (6.1%)
Arbejdsmarkedets Tillægspension, Hillerød (5.1%)

42. Acquisition of subsidiaries in 2023

No subsidiaries were acquired in 2023

43. Acquisition of subsidiary in 2022

Effective from 4 February 2022, the Group acquired all the shares in **DAVINCI 3D A/S**, which is a company specialising in 3D print of technical plastics and construction of parts.

The fair value of assets and liabilities at the acquisition date has been distributed as follows (DKK'000).

Customer files	8,600
Property, plant and equipment	14,109
Inventories	784
Volume of orders	300
Trade receivables	1,675
Other receivables	88
Cash and cash equivalents	601
Deferred tax	-1,957
Trade payables	-163
Other payables	-770
Net assets acquired	**23,267**
Goodwill	17,122
Total consideration	**40,389**
Cash consideration	23,835
Debt instruments	4,910
Contingent consideration	11,644
Total consideration	**40,389**

EBITDA amounted to approx DKK 6.5 million in the acquired entity in the most recent financial year before the acquisition

The consideration totals up to DKK 40,389 thousand, of which DKK 23,835 thousand has been paid in cash

Debt instruments of a nominal DKK 5,100 thousand falling due in the period 2023-2024 have been issued. The discounted amount is DKK 4,910 thousand

In connection with the acquisition of the entity, an agreement has been made as part of the purchase agreement on acquisition of the production property where DAVINCI 3D carries out its operations as well as purchase of production equipment The property and production equipment are recognised as property, plant and equipment in the purchase price calculation

There is a conditional consideration of a nominal DKK 12,000 thousand The discounted amount is DKK 11,644 thousand The contingent consideration has been recognised at fair value at the acquisition date and at the maximum amount that may become payable, as it is expected that the criteria for future earnings will be met

Costs of purchase amounted to DKK 0.3 million and were expensed in 2022.

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill arising on acquisition is calculated at DKK 17,122 thousand Goodwill represents the expected value of synergies and know-how from the combination with SP Group Goodwill is non-deductible for tax purposes

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43. Acquisition of subsidiary in 2022 (continued)

Effective from 9 March 2022, the Group acquired all the shares in **Bovil ApS**, which is a company specialising in CNC processing of technical plastics.

The fair value of assets and liabilities at the acquisition date has been distributed as follows (DKK'000):

Customer files	11,300
Property, plant and equipment	8,585
Inventories	1,302
Volume of orders	84
Trade receivables	5,433
Other receivables	342
Cash and cash equivalents	1,310
Deferred tax	-3,319
Trade payables	-819
Other payables	-3,673
Net assets acquired	**20,545**
Goodwill	23,469
Total consideration	**44,014**
Cash consideration	22,400
Debt instruments	9,243
Contingent consideration	12,371
Total consideration	**44,014**

Normalised EBITDA amounted to approx. DKK 6.6 million in the acquired entity in the most recent financial year before the acquisition.

The consideration totals up to DKK 44,014 thousand, of which DKK 22,400 thousand has been paid in cash.

Debt instruments of a nominal DKK 9,600 thousand falling due in the period 2023-2024 have been issued. The discounted amount is DKK 9,243 thousand.

There is a conditional consideration of a nominal DKK 12,750 thousand. The discounted amount is DKK 12,371 thousand. The contingent consideration has been recognised at fair value at the acquisition date and at the maximum amount that may become payable, as it is expected that the criteria for future earnings will be met.

Costs of purchase amounted to DKK 0.3 million and were expensed in 2022.

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill arising on acquisition is calculated at DKK 23,469 thousand. Goodwill represents the expected value of synergies and know-how from the combination with SP Group. Goodwill is non-deductible for tax purposes.

In a separate transaction, SP Group acquired the modern property from which Bovil ApS operates.

On 3 October 2022, the Group acquired all assets in **Meditec Plast-støbning A/S**, which is a modern company specialised in injection moulding within the healthcare industry.

The fair value of assets and liabilities at the acquisition date has been distributed as follows (DKK'000):

Customer files	14,500
Property, plant and equipment	25,148
Inventories	5,664
Volume of orders	266
Trade receivables	5,566
Other receivables	1,587
Bank debt	-2,223
Deferred tax	-4,381
Lease liability	-12,173
Trade payables	-3,270
Work in progress	-1,480
Other payables	-2,690
Net assets acquired	**26,514**
Goodwill	47,829
Total consideration	**74,343**
Cash consideration	57,330
Debt instruments	17,013
Total consideration	**74,343**

Normalised EBITDA amounted to approx. DKK 16 million in the acquired entity in the most recent financial year before the acquisition.

The consideration amounts to DKK 74,343 thousand, of which DKK 57,330 thousand has been paid in cash.

Debt instruments of a nominal DKK 17,670 thousand falling due in the period 2023-2025 have been issued. The discounted amount is DKK 17,013 thousand.

Costs of purchase amounted to DKK 0.9 million and were expensed in 2022.

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill arising on acquisition is calculated at DKK 47,829 thousand. Goodwill represents the expected value of synergies and know-how from the combination with SP Group. Goodwill is non-deductible for tax purposes.

In a separate transaction, SP Group acquired the modern production facilities of approx. 3,400 square meters from which Bovil A/S operates.

44. Events after the balance sheet date

No significant events have occurred after the balance sheet date until the publication of this annual report that have not already been incorporated or disclosed in this annual report and that change the assessment of the Group's or the Parent Company's financial position

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PARENT				GROUP	
2022	2023	Note	DKK'000	2023	2022
			45. Income statement classified by nature		
5,978	7,523	3	Revenue	2,606,322	2,656,342
0	0	4,7	Production costs	-1,330,182	-1,364,003
5,978	**7,523**		**Contribution margin**	**1,276,140**	**1,292,339**
10,065	12,760	5	Other operating income	2,738	3,118
-8,467	-8,358	6	External expenses	-119,552	-107,960
-21,273	-25,268	6,7,8	Staff costs	-718,336	-709,052
-13,697	**-13,343**		**Profit/loss before depreciation, amortisation and impairment losses (EBITDA)**	**440,990**	**478,445**
-4,184	-4,219	9	Depreciation, amortisation and impairment losses	-199,754	-182,315
-17,881	**-17,562**		**Profit/loss before net financials (EBIT)**	**241,236**	**296,130**
72,439	96,469	10	Dividends from subsidiaries	-	-
7,162	16,407	11	Other financial income	21,751	2,696
-14,769	-37,557	12	Financial expenses	-61,927	-30,295
46,951	**57,757**		**Profit/loss before tax**	**201,060**	**268,531**
4,998	7,415	13	Tax for the year	-41,838	-55,088
51,949	**65,172**		**Profit/loss for the year**	**159,222**	**213,443**
			Attributable to:		
			The Parent Company's shareholders	158,507	212,842
			Non-controlling interests	715	601
				159,222	**213,443**
			Earnings per share (EPS)		
		14	Earnings per share (DKK)	13.04	17.49
		14	Earnings per share, diluted (DKK)	13.04	17.49
			Proposed distribution of profit/loss		
37,470	37,470		Dividend		
14,479	27,702		Retained earnings		
51,949	**65,172**				

46. Group chart at 31 December 2023

			Nominal share capital ('000)	Ownership interest
SP Group A/S	**Denmark**	**DKK**	**24,980**	
SP Moulding	Denmark	DKK	50,000	100%
SP Medical Sp. z o.o	Poland	PLN	1,000	100%
SP Moulding Poland Sp z o.o	Poland	PLN	1,100	100%
Sander Tech ApS	Denmark	DKK	80	100%
Neptun Plast A/S	Denmark	DKK	950	100%
Atlantic Floats Denmark A/S	Denmark	DKK	1,000	100%
Meditec Plaststøbning A/S	Denmark	DKK	500	100%
SP Meditec Inc.	The US	USD	300	100%
SP International A/S	Denmark	DKK	5,600	100%
SP Moulding (Suzhou) Co., Ltd.	China	USD	4,080	100%
Ulstrup Plast A/S	Denmark	DKK	1,590	100%
Ulstrup Plast s r o	Slovakia	EUR	7	100%
Kodaň Plast s.r.o.	Slovakia	EUR	10	52%
Coreplast Laitila Oy	Finland	EUR	50	100%
Jollmax Coating Oy	Finland	EUR	3	100%
MedicoPack A/S	Denmark	DKK	20,000	100%
Gibo Plast A/S	Denmark	DKK	40,000	100%
Gibo Danmark A/S	Denmark	DKK	6,000	100%
Gibo Sp z o.o	Poland	PLN	3,005	100%
Gibo Poland z o.o.	Poland	PLN	3,005	100%
Gibo Inc	The US	USD	1,000	100%
Gibo Plast Technology co , Ltd.	China	USD	0	100%
Dan-Hill-Plast A/S	Denmark	DKK	500	100%
Plexx AS	Norway	NOK	3,541	100%
Opido AB	Sweden	SEK	100	100%
SPG Fastigheter AB	Sweden	SEK	50	100%
Nycopac AB	Sweden	SEK	1,000	100%
PlexxOpido Sp. z o.o.	Poland	PLN	200	100%
Accoat A/S	Denmark	DKK	10,000	100%
Ergomat A/S	Denmark	DKK	10,000	100%
Ergomat Sp z o o	Poland	PLN	2,005	100%
Ergomat Sweden AB	Sweden	SEK	100	60%
Ergomat Inc.	The US	USD	360	100%
Ergomat Canada Inc	Canada	CAD	0	100%
Tinby A/S	Denmark	DKK	10,000	100%
Tinby Denmark A/S	Denmark	DKK	500	100%
Tinby Sp z o.o	Poland	PLN	50	100%
Tinby Inc	The US	USD	100	100%
Tinby Co., Ltd.	China	USD	210	100%
TPI Polytechniek B.V	The Netherlands	EUR	113	100%
TPI Polytechnics Inc.	The US	USD	0	100%
TPI Polytechnics Co , Ltd.	China	USD	0	100%
Bröderna Bourghardt AB	Sweden	SEK	100	100%
SEA Radomes Company, Ltd.	Thailand	THB	4,000	100%
Baltic Rim SIA	Latvia	EUR	3	100%
Tinby SIA	Latvia	EUR	3	100%
MM Composite A/S	Denmark	DKK	500	100%
MM Composite Inc.	The US	USD	0	100%
MM Composite Co., Ltd.	China	USD	0	100%
MM Trading Co., Ltd.	China	USD	0	100%
DAVINCI 3D A/S	Denmark	DKK	500	100%
Bovil ApS	Denmark	DKK	125	100%
SP Moulding Denmark A/S	Denmark	DKK	500	100%
SP Technology ApS	Denmark	DKK	200	100%
SP R&D A/S	Denmark	DKK	1,000	100%
SPG Ejendomme 1 ApS	Denmark	DKK	81	100%
SPG Ejendomme 2 ApS	Denmark	DKK	125	100%
SPG Ejendomme 3 ApS	Denmark	DKK	125	100%
SPG Ejendomme 4 ApS	Denmark	DKK	500	100%
SPG Ejendomme 5 ApS	Denmark	DKK	40	100%
SPG Ejendomme 6 ApS	Denmark	DKK	500	100%
SP Real Estate LLC	The US	USD	0	100%

SP Real Estate LLC was established in 2023

SP Meditec Inc was established in 2023

Tinby AB was sold in 2023.

Ergomat Nederland B V. was closed down in 2023.

SP Group A/S

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