

OJ Electronics A/S

Stenager 13 B, Ulkebøl, 6400 Sønderborg, Denmark

CVR no. 10 64 35 97

Annual report 2022/23

Approved at the Company's annual general meeting on 15 June 2023

Chair of the meeting:

.....
Allan Olsen

Contents

Statement by Management on the annual report	2
Independent auditor's report	3
Management's review	6
Consolidated financial statements and parent company financial statements 1 May - 30 April	17
Income statement	17
Balance sheet	18
Statement of changes in equity	20
Cash flow statement	21
Notes	22

Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of OJ Electronics A/S for the financial year 1 May 2022 - 30 April 2023.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 April 2023 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 1 May 2022 - 30 April 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 operations and financial matters and the results of the Group's and the Parent Company's operations and financial position.

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

Sønderborg, 15 June 2023
Executive Board:

.....
Erik Damsgaard
CEO

Board of Directors:

.....
Ole Strange
Chairman

.....
Lars Pauli Christiansen

.....
Mads Pauli
Ringkjøbing-Christiansen

Independent auditor's report

To the shareholders of OJ Electronics A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of OJ Electronics A/S for the financial year 1 May 2022 - 30 April 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for both the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 April 2023 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 May 2022 - 30 April 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.

Independence

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

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 Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Independent auditor's report

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

Sønderborg, 15 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jon Midtgaard
State Authorised
Public Accountant
mne28657

Management's review

Company details

Name	OJ Electronics A/S
Address	Stenager 13 B
Postal code and city	6400 Sønderborg, Denmark
CVR no.	10 64 35 97
Established	1986
Registered office	Sønderborg
Financial year	1 May - 30 April
Website	www.ojelectronics.com
Telephone	+45 73 12 13 14
Board of Directors	Ole Strange (chair) Lars Pauli Christiansen Mads Pauli Ringkjøbing-Christiansen
Executive Board	Erik Damsgaard
Auditor	EY Godkendt Revisionspartnerselskab Nørre Havnegade 43, 6400 Sønderborg

Management's review

Group financial highlights

DKK'000	2022/23	2021/22	2020/21	2019/20	2018/19
Key figures					
Revenue	471,263	424,003	367,097	341,646	327,153
Gross profit	112,426	117,224	114,670	88,741	72,444
Profit from ordinary activities	61,480	75,507	76,845	49,988	33,485
Profit/loss from financial income and expenses, net	-3,762	6,017	-4,439	378	526
Profit before tax	57,718	81,525	72,406	50,366	34,011
Profit for the year	45,187	64,231	58,017	39,355	26,742
Non-current assets	121,030	100,199	83,383	92,259	102,494
Current assets	189,553	175,104	142,253	110,632	110,157
Total assets	310,583	275,303	225,636	202,891	212,651
Share capital	1,040	1,040	1,040	1,040	1,040
Equity	149,227	159,409	142,817	117,290	117,943
Provisions	24,286	15,927	11,971	13,932	18,299
Non-current liabilities	14,487	11,282	13,223	20,043	17,096
Current liabilities	122,583	88,685	57,625	51,626	59,313
Cash flows from operating activities	48,614	79,536	68,261	71,106	47,738
Net cash flows from investing activities	-37,133	-33,246	-13,098	-14,342	-14,354
Portion relating to investments in items of plant, machinery and equipment	-13,735	-12,029	-3,955	-4,357	-5,489
Cash flows from financing activities	-24,502	-40,638	-34,938	-41,940	-24,907
Total cash flows	-13,021	5,652	20,225	14,824	8,477
Development costs for the year	53,277	43,394	32,633	35,260	32,607
Development costs for the year recognised in income statement	35,571	31,042	36,657	40,742	44,683
Financial ratios					
Growth	11,1%	15,5%	7,4%	4,4%	1,0%
Operating margin	13,0%	17,8%	20,9%	14,6%	10,2%
PBT ratio	12,2%	19,2%	19,7%	14,7%	10,4%
Return on invested capital	41,4%	54,9%	59,0%	36,1%	22,7%
Return on investment	23,8%	35,6%	41,1%	25,6%	15,6%
Gross margin	23,9%	27,6%	31,2%	26,0%	22,1%
Current ratio	154,6%	197,4%	246,9%	214,3%	185,7%
Solvency ratio	48,0%	57,9%	63,3%	57,8%	55,5%
Return on equity	29,3%	42,5%	44,6%	33,5%	23,0%
Average number of full-time employees	176	158	149	152	159

Financial ratios are calculated in accordance with the recommendations of the Danish Finance Society's guidelines. Please refer to sections under accounting policies.

Management's review

Operating review

Principal activity

On a continuous basis the Group activities are centred on development, manufacturing and distribution of control- and monitoring electronic solutions and components for the improvement of human comfort and the physical environment.

Activities are electronic systems and components for electric underfloor heating and further activities are directed against electronic systems, drives and components for the HVAC industry.

Development in activities and financial position

Profit/loss for the year

The Group has generated a revenue of DKK 471 million. The growth was 11.1% against last year's revenue. Growth was achieved through a strong development at some of the larger customers of the Group and through existing market segments. Throughout the year the Group was favoured by a strong demand on the back of the Covid-19 decline. In some segments the demand was higher than possible supply. The Group still sees growth as a result of investments and co-creation with our customers in development of leading products and solutions for the market. The current investment rate is in balance with the overall growth of the company. On a continuous basis, the Group invests in re-designing components and solutions in order to optimize availability of the company products. These activities have been intensified through the year. Processes and procedures are optimized through designated initiatives in order to stay competitive. Some build up demand for activities and investments has resulted in increases in the fixed costs for the Group. The Operating profit is DKK 61 million equivalent to an Operating margin of 13%. This is a decrease compared to last year where Operating margin was 17.8%. A major investment in maintaining and securing the supply chain is the main driver for the decline in Operating margin. The result for the year is a profit of DKK 45 million, which is a decrease, compared to last year at DKK 19 million.

New products

We focus on energy-efficient products and an increased demand for products supporting cross system optimizations and connectivity. A large part of the products contain functionality for use in connection with or over the Internet. High comfort remains a focus point with market adaptation of the product specifications.

The Group has invested in extensive product developments. Products are based on specific customers and market expectations and have resulted in several platforms that will form the framework for more products in the coming years.

Re-design for availability has renewed technology in selected products and solutions.

Investments

The Group invests in improved operating processes and manufacturing and has a strong supplier base under continuous improvement. The investments strengthen the profit and reduces risk in the coming years.

Management's review

Capital resources

The Group's primary capital resources comprise liquid assets and unutilized credit facilities. Current capital resources are estimated to be sufficient to realize the budgeted activity for 2023/24.

Research and development activities

The Group primary development activities are focused on products with improved user friendliness and supporting the increased requirements for connectivity with other systems and remote user access. These activities increase in importance while energy efficiency and comfort remain the important primary functions of the products and systems.

The Group shows an increased R&D cost level, DKK 36 million, in line with the strategy and in line with a balance between the level of R&D and the growth potential. An increase in the total expense to DKK 53 million is utilized for additional projects and equipment and increased expenditure for re-designs and upkeep of the market positions. The P&L effect is lower due to lower amortizations and impairments.

The link between the expense for the year and expense recognized in the income statement is shown below:

	2022/23	2021/22
Expense for the year	53,277	43,394
Hereof additions to development project and equipment in course of construction	-27,039	-21,772
Amortization and impairment of completed development projects	9,333	9,420
Expense for the year recognized in income statement, net	<u>35,571</u>	<u>31,042</u>

Other activities for the year

The development activities remain important for realizing the growth in the coming years. To accommodate increased focus on cost and development just-in-time flexibility is built into the development process based on extensive cooperation with external partners. Further this is an important activity to scale to activities and strengthen the activities with required competences for the coming years.

Outlook

The Group expects an increased but stable revenue based on the outlook for the global economy. We expect a growth above 10% based on early predictions from selected customers and markets. The operating margin will stay stable, as the Group balance the increases in prices we have already experienced from suppliers and a reluctance from our customers to accept the higher cost levels.

Based on early predictions the PBT ratio is expected at a range of 15-20%.

Special risks

Financial risks

The Group solidity and credit facilities reduces the financial risk to an acceptable level.

Currency risks

Main trading currencies are DKK, USD and EUR. Group policy minimizes the currency risk through the use of financial facilities.

Management's review

Interest rate risks

The Group utilizes interest swaps to reduce risk.

Credit risks

The Group's credit risk policy entails that all major customers and other partners are continuously assessed on a regular basis.

Knowledge resources

Management is continuously working on the further development of employee competencies, as well as using substantial resources to attract new qualified employees. Resources are used to develop and maintain cooperation with external partners, where these can contribute to knowledge and flexibility in relation to capabilities that the Group needs. There is particular focus on the development of the Group's management resources.

Corporate Social Responsibility

The group adopt a sustainable approach to conducting business. We acknowledge the impact we have on society and strive to coexist in a positive way. We recognize that society can also affect our business and take necessary measures to address that.

We understand the increased reporting requirements resulting from the EU CSR-Directive, which will be in effect from the fiscal year 2025/26, and we are in process of preparing to meet them. To that end, OJ Electronics will disclose information in the non-financial report for 2022/23 that is already available.

We understand the importance of conducting a double materiality analysis with key stakeholders in the next steps. Our plan is to complete an initial draft of the analysis by 2023 and then discuss the additional process with OJ's Management Group.

In this report, we include information about:

- Employee well-being and diversity
 - Survey of well-being, and satisfaction
 - Bi-annually well-being self-score
 - Employee turnover ratio
 - Occupational health and safety
 - Certifications, occupational health and safety
- Environment and Climate
 - Consumption and CO₂ emissions
 - Recycling of waste
 - Environment and climate activities up-streams and down-streams
 - Certifications, environment, and climate
- Governance
 - Human rights, anti-corruption, and anti-bribery
- Gender representation
- Data Ethics



Annually, the group evaluate the impact of OJ Electronics on the UN17 Sustainable Development Goals, considering both positive and negative effects. There have been no significant changes in the fiscal year 2022/23. OJ Electronics still believes SDG goals 7, 8, and 12 are crucial for our business model.

Management's review

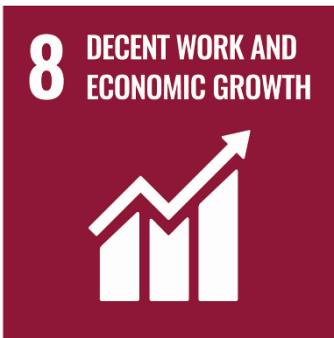
Business Model



OJ Electronics' mission is "Improving the climate through electronic controls - for people, planet, and partners". Well-being for our employees is a priority, we are aware of our responsibility to protect the climate of our planet, and we strive to act as a transparent and reliable business partner. We regard it as a fact that human beings increasingly want to improve their comfort. We develop and bring to market HVAC and floor heating solutions improving the comfort and indoor climate in thousands of buildings and houses all over the world. Our products are designed and produced to be energy efficient to benefit the climate on our planet, and we conduct sourcing and supply chain activities in respect of human rights.

The main activities of OJ Electronics take place in Sønderborg, supported by sales representatives in selected markets, including North America. The supply chain involves long-term agreements of contract manufacturing with companies in Asia and Eastern Europe.

Employee well-being and diversity



At OJ Electronics, our employees are the most important resource. We work to ensure the health, safety, and well-being of our employees, meaning both physical and mental conditions, including the risk of stress and exposure to bullying and other violations. We respect and appreciate labour rights and promote a safe and secure working environment for all employees no matter assigned temporary or long-term, gender, nationality, precarious employment, or other distinctions.

By April 30th, 2023, OJ Electronics employs 192 employees, including employees on temporary contracts. The vast majority of employees are full-time employed - 11% work less than 37 hours weekly.

Survey of well-being and satisfaction

At OJ Electronics, we prioritize monitoring employee job satisfaction through two methods: conducting an anonymous survey every three years and holding bi-annual dialogues between managers and employees. The anonymous survey consistently receives a high response rate and offers valuable insights into the well-being of our staff. The next survey will take place in Q1 2024. An extract of the latest two surveys is shown in the table.

Time	Meaning and quality of work *)	Management of OJ Electronics *)	Response rate
2018	73	57	93
2021	93	87	97
Target	90	90	No target set

*) Definition: Answers "very positive" and "positive" from five possible answers

Bi-annual well-being self-score

At a bi-annual dialogue with managers, employees rate their well-being on a scale from 0 to 100, where 100 being "everything is perfect". The overall score is calculated as a weighted average, where each department having equal weight. Monthly paid employees score satisfaction bi-annually, and hourly paid employees score satisfaction once a year and is part of January figures. Human Resources Director uses figures from the department for dialogues with individual managers.

The validity of data depends upon an open, honest and trusting culture.

Time	Overall result	Target
Jan '20	86	80
Jun '20	81	80
Jan '21	86	80
Jun '21	86	80
Jan '22	84	80
Jun '22	85	80
Jan '23	85	80

Management's review

Employee turnover

As an indicator for well-being and job satisfaction for employees at OJ Electronics, we monitor employee turnover ratio. To enable benchmarking with similar industries, the period for employee turnover ratio is chosen as the calendar year. We aim to maintain a turnover ratio between 10% and 20%. To compare our performance, we refer to the statistics provided by 'Dansk Arbejdsgiverforening (DA)', specifically the 'Jobskiftestatistik, Fremstilling' data set. We anticipate that DA will release its 2022 data by June 21st, 2023.

Period	OJ Electronics	Benchmark
2020	12,2 %	19,3 %
2021	11,3 %	28,8 %
2022	15,2 %	N.a.

Occupational health and safety

Work-related accidents, including near accidents, are registered and analysed to take necessary measures to avoid similar situations in the future.

The company counts working accidents and classifies these into three groups. Data are collected through the internal organisation for occupational health and safety (AMO) and include all employees, temporary employees, external consultants and other guests of the company.

Near accidents

Work-related incidents that could have become an accident, but without personal injury.

Fiscal year	Near accidents	Accidents without sickness absence	Accidents with sickness absence
2020-21	3	3	0
2021-22	2	9	1
2022-23	28	13	2
Target 2022-23	20	No target set	No target set

Accidents without sickness absence

Work-related incidents which imply personal injury. No absence beyond the day itself.

Accidents with sickness absence

Work-related incidents with personal injury and absence beyond the day itself.

After years with low reported numbers of near accidents, OJ Electronics established a target of 20 registered near accidents for 2022-23. The internal organisation for occupational health and safety (AMO) has campaigned to raise awareness of dangers in everyday work. OJ Electronics regards the high number of reported "near accidents" as well as the high number of "accidents without sickness absence" as a positive result of this campaign.

Ideally, the target for accidents with and without sickness absence is zero. A formal, realistic target was not set for 2022-23.

For 2023-24 OJ Electronics will extend with registrations of "observations of danger" and set a target for a high number of registrations. A realistic target will be set to reduce the number of accidents during 2023-24.

OJ Electronics also plans to establish measuring of near accidents and accidents per 10.000 working hours to enable industry benchmark.

Absence due to illness within OJ Electronics has a satisfying level.

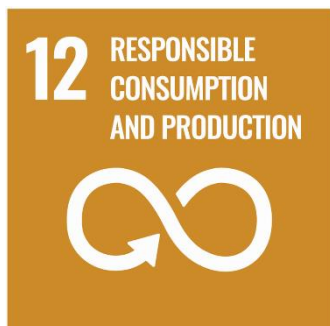
Certifications in occupational health and safety

OJ Electronics' management system for occupational health & safety is certified ISO 45001:2018; the certificate is valid until 23rd March 2025.

OJ Electronics holds a crown smiley according to the Danish "bekendtgørelse nr. 1409 af 26th September 2020".

Management's review

Environment and Climate



At OJ Electronics, we are aware of the negative impact on the climate and environment as a consequence of our business. We see a continual reduction of this impact through the use and disposal of our products as a positive competition parameter. Power and water are consumed through own and derived activities at suppliers and contract manufacturers, and waste is created through own and derived activities. We monitor consumption, emissions and waste generation at our own facility in Sønderborg. Monitoring power and water consumption, as well as waste generation, is the basis for continual activities to reduce the negative impact on climate and the environment.

OJ Electronics is aware of the damage that natural disasters can cause to our suppliers and contract manufacturers, and we require appropriate protection of production facilities to prevent negative impact on the local environment.

Through our membership in Project Zero, Veltec and Clean Energy cluster OJ Electronics contributes to tying companies, utilities, knowledge institutions and the public sector together in market-driven green innovation.

Consumption and CO₂ emissions

OJ Electronics calculates CO₂ emissions, scopes 1 and 2. Scope 1 covers emissions from a company car for warehouse and maintenance purposes and company cars for some Directors. We use "Klimakompasset" by the Danish Authority "Erhvervsstyrelsen" for the emission calculations, and we calculate emissions by calendar year, as available emission factors in "Klimakompasset" represent calendar years.

For CO₂ emissions, scope 1, we enter fuel type and consumption in litres in "Klimakompasset"

Scope 2 emissions contains emissions at providers of electricity and district heating. The electricity source is pure land-based windmill power, and the emission factor includes the construction of windmills and distribution network. For CO₂ emissions, scope 2, we enter kWh consumption for electricity respectively GJ for district heating in "Klimakompasset".

Period	Consumption fuel, litres	Consumption electricity, kWh	Consumption heat, GJ *)	Consumption water, m ³	CO ₂ emissions, scope 1 + 2	Produced volume, pcs.	CO ₂ emission per product, g
2020	-	471,817	1,632	839	40	763,534	52
2021	-	494,513	1,802	939	44	1,042,278	42
2022	3884	500,691	1,618	916	60	1,115,688	54

*)Emissions from local district heating may differ from average stated in "Klimakompasset"

In the year 2022, CO₂ emissions from company cars are included for the first time. All cars use diesel fuel, generating 20 % of scope 1+2 CO₂ emissions. Produced volume increased from 2020 to 2021 mainly on wholesale goods e.g. pressure nipples and metal washers. Included wholesale goods are packed in kits and controlled via a production order.

In the fiscal year 2023-24, OJ Electronic plans to calculate CO₂ emission, scope 3, derived from the purchase of raw materials.

Management's review

Recycling of waste

At OJ Electronics, we believe in repurposing so-called "waste". Our packaging materials are to a large extent re-used by suppliers or for other purposes locally. The company sort waste in 21 sub-categories and registers mass of waste collected from the company.

Recycling includes any other re-use apart from burning and

deposit. 69 % of waste is recirculated, including organic waste. In September a power outage caused unexpected waste of food from cold stores; food waste is not recirculated.

Fiscal year	Waste, kg	Recirculated, kg	Recirculated, %	Target for recirculation, %
2021-22	54,118	37,608	69	-
2022-23	76,753	58,033	69	70

Environment and climate activities up-stream and down-stream

To provide information to customers, OJ has established Declarations of Environment and Materials showing:

- constituent materials, weight of material groups,
- compliance to RoHS3 (Restriction of Hazardous Substances Directives),
- compliance to POP (Persistent Organic Pollutants),
- compliance to REACH (Registration, Authorisation and Restriction of Chemicals),
- absence of nano materials,
- composition of packaging materials,
- CO₂ emissions, scope 2, from manufacturing at OJ site,
- information for disassembling and waste sorting at end-of-life.

Above declarations are available on www.ojelectronics.com for high-runner HVAC products, as these products contain most of the mass sold by OJ Electronics. Further declarations will be established on demand.

Standard condition for sales from OJ Electronics is ex works, meaning the customer organises transport from our warehouse. Transport of goods impacts environment and climate, and where transporter is chosen by OJ Electronics, we reduce this impact by choosing transporters with a declared focus to reduce the negative impact on environment and climate from their activities.

Majority of goods shipped from OJ Electronics are carried by companies with a stated commitment on their website to protect climate and environment. Additional details to be enclosed latest by 2024-25 as part of CO₂ emission, scope 3.

Certifications, environment and climate

The management system at OJ Electronics is certified ISO 14001:2015. The certificate is valid until 23rd March 2025.

Nordlys climate certificate of CO₂ neutral and renewable energy for 2023.

Governance

OJ Electronics wants to create and maintain a workspace for its own employees - our most important resource - and employees at related partners where everyone feels safe, respected and invited to contribute with all her or his competencies.

During 2023-24 the company will establish:

- formal policies for anti-corruption and anti-bribery
- a whistle-blower channel for own employees

Management's review

Human rights, anti-corruption and anti-bribery

OJ Electronics regard the main risk of corruption and bribery to be present in cooperation with suppliers outside Western Europe and in cooperation with customers central in the construction sector, respectively risk of violation of human rights to be present in cooperation with suppliers outside Western Europe. Internally at OJ Electronics, gifts representing a value unable to affect decisions are accepted.

Where relevant and necessary, suppliers are required to sign the OJ Electronics Code of Conduct, which all contract manufacturers have done. OJ Electronics works to ensure suppliers and subcontractors comply with the same values as OJ Electronics itself. The group has not identified any breaches in 2022-23 in the Code of Conduct regarding human rights, anti-corruption and bribery.

At least once a year Management Group reviews the risk exposure associated with the activities of OJ.

OJ Electronics is committed to ensuring that minerals contained in our products are sourced with due respect for human rights, the need to avoid contributing to conflicts and the desire to support development through our supply chain practices.

The sourcing of conflict-free minerals is documented and communicated to customers via Conflict Minerals Reporting Template (CMRT), updated August 2022.

As a response to the Russian invasion of Ukraine, OJ Electronics ceased its sales to markets in Russia and Belarus in 2021-22, and this decision has remained in force during 2022-23.

Equal gender representation in management

Diversity among employees is a cornerstone in securing good solutions and results, and OJ Electronics strives to ensure diversity among employees, including gender diversity. The users of OJ Electronics' products and services are humans all over the globe, and it is important to find an internal representation of this diversity to create successful solutions and businesses. Yet it is the policy of OJ Electronics that all positions are occupied by the most qualified candidates.

Management routines, including a Leadership Toolbox, help managers activate and develop employee competencies equally for employees.

Gender representation

Board of directors

A board member has passed away during the fiscal year, and by 30th April 2023, the board of directors includes 3 members, all males. Despite the ambition to ensure diversity, OJ Electronics operates in an industry historically dominated by men, and no female candidates with the right qualifications were found during the latest recruitment process. It is a target to have a female representation of 25 % by 2023.

Top management group

The top management group includes the Managing director of OJ Electronics A/S and directors referring directly to the Managing director. By 30th April 2023, women occupied 14 % of top management positions, which is lower than by 30th April 2022, where 29 % were women. Currently, no target for distribution is set for the Top management group.

Other management levels

Other management levels include all other management levels of OJ Electronics except top management level. By 30th April 2023, women occupied 23 % of other management positions, which is the same distribution as by 30th April 2022. Currently, no target for distribution is set for other management levels.

To ensure gender diversity, OJ Electronics strives to ensure at least one female candidate among the final 3 candidates for all management positions.

Management's review

Gender representation, total

Gender representation total represents all employees, including top management group and other management levels described above. By April 30th, 2023, OJ Electronics employs 192 employees, including employees on temporary contracts, of which 36 % are women. Currently, no target is set for overall gender distribution.

Data ethics

As technology continues to advance, OJ Electronics recognizes the potential danger of a discrepancy between the legal allowances for data collection and the protection of user privacy. To safeguard individual privacy rights, OJ Electronics has made the limited collection of private data a key competitive advantage.

To ensure that the handling and utilization of digital data from customers, website visitors, and end-users is done in a morally acceptable manner, OJ has created a data ethics policy and an ethics compass. These two guidelines are subject to internal audit as part of the Management System to ensure compliance.

Events after the balance sheet date

After the balance sheet date BITZER Electronics A/S has signed an agreement to acquire all shares in OJ Electronics A/S, subject to closing. Going forward, OJ Electronics A/S will be included in the consolidated financial statements of BITZER SE, Eschenbrünnlestrasse 15, 71065 Sindelfingen, Germany when closing is completed.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Income statement

Note	DKK '000	Group		Parent	
		2022/23	2021/22	2022/23	2021/22
2	Revenue	471,263	424,003	465,605	401,660
	Production costs	-323,266	-275,737	-319,432	-268,203
	Development costs	-35,571	-31,042	-35,571	-31,042
	Gross profit	112,426	117,224	110,602	102,415
	Selling and distribution costs	-30,124	-25,007	-28,549	-23,862
3	Administrative expenses	-20,822	-16,710	-20,462	-16,363
	Operating profit	61,480	75,507	61,591	62,190
8	Profit in subsidiaries after tax	0	0	-463	10,046
4	Financial income	220	6,880	220	6,880
	Financial expenses	-3,982	-863	-3,765	-719
	Profit before tax	57,718	81,524	57,583	78,397
5	Tax for the year	-12,531	-17,293	-12,396	-14,166
	Profit for the year	45,187	64,231	45,187	64,231
	Breakdown of the consolidated profit:				
	Shareholders in OJ Electronics A/S	45,187	64,231		
	Non-controlling interests	0	0		
		45,187	64,231		

Consolidated financial statements and parent company financial statements 1 May - 30 April

Balance sheet

Note	DKK '000	Group		Parent	
		2022/23	2021/22	2022/23	2021/22
	ASSETS				
	Non-current assets				
6	Intangible assets				
	Completed development projects	14,331	21,215	14,331	21,215
	Development projects in progress	41,096	20,200	41,096	20,200
		<u>55,427</u>	<u>41,415</u>	<u>55,427</u>	<u>41,415</u>
7	Property, plant and equipment				
	Land and buildings	46,584	47,142	46,584	47,142
	Plant, machinery and equipment	15,345	11,030	15,345	11,025
	Equipment under construction	3,674	612	3,674	612
		<u>65,603</u>	<u>58,784</u>	<u>65,603</u>	<u>58,779</u>
	Investments				
8	Equity investments in subsidiaries	0	0	143	200
		<u>0</u>	<u>0</u>	<u>143</u>	<u>200</u>
	Total non-current assets	<u>121,030</u>	<u>100,199</u>	<u>121,173</u>	<u>100,394</u>
	Currents assets				
	Inventories				
	Raw materials and consumables	41,922	30,596	41,922	30,596
	Work in progress	17,978	12,534	17,978	12,534
	Finished goods and goods for resale	21,777	16,561	8,396	2,487
		<u>81,677</u>	<u>59,691</u>	<u>68,296</u>	<u>45,617</u>
	Receivables				
	Trade receivables	72,827	71,911	54,226	50,412
	Receivables from affiliates	1,987	282	37,485	37,186
	Other receivables	2,496	1,852	2,497	1,852
	Prepayments	2,460	241	2,460	227
		<u>79,770</u>	<u>74,286</u>	<u>96,668</u>	<u>89,677</u>
	Cash	<u>28,106</u>	<u>41,127</u>	<u>26,732</u>	<u>39,918</u>
	Total current assets	<u>189,553</u>	<u>175,104</u>	<u>191,696</u>	<u>175,212</u>
	TOTAL ASSETS	<u>310,583</u>	<u>275,303</u>	<u>312,869</u>	<u>275,606</u>

Consolidated financial statements and parent company financial statements 1 May - 30 April

Balance sheet

Note	DKK '000	Group		Parent	
		2022/23	2021/22	2022/23	2021/22
		EQUITY AND LIABILITIES			
		Equity			
9	Share capital	1,040	1,040	1,040	1,040
	Reserve for development costs	0	0	43,233	32,233
	Retained earnings	149,759	104,571	106,526	72,338
	Translation reserve	-1,924	-1,379	-1,924	-1,379
	Hedging reserve	352	177	352	177
	Proposed dividend	0	55,000	0	55,000
	Total equity	149,227	159,409	149,227	159,409
		Provisions			
10	Deferred tax	15,262	12,828	18,831	14,923
11	Warranties	9,024	3,099	9,024	3,099
	Total provisions	24,286	15,927	27,855	18,022
		Liabilities			
		Non-current liabilities			
12	Mortgage credit institutions	14,487	11,282	14,487	11,282
	Total non-current liabilities	14,487	11,282	14,487	11,282
		Current liabilities			
	Current portion of non-current liabilities	1,998	1,943	1,998	1,943
	Credit institutions	36,534	9,296	36,535	9,296
	Trade payables	66,796	57,465	66,831	57,465
	Corporation tax	5,379	9,141	5,332	8,601
	Other payables	11,876	10,840	10,604	9,588
	Total current liabilities	122,583	88,685	121,300	86,893
	Total liabilities	137,070	99,967	135,787	98,175
	TOTAL LIABILITIES	310,583	275,303	312,869	275,606

- 1 Accounting policies
- 3 Fees paid to the auditor appointed at the annual general meeting
- 13 Staff costs
- 14 Depreciation, amortisation and impairment losses
- 15 Contractual obligations and contingencies, etc.
- 16 Mortgages and collateral
- 17 Currency and interest rate risks and use of derivative financial instruments
- 18 Related parties
- 19 Distribution of profit

Consolidated financial statements and parent company financial statements 1 May - 30 April

Statement of changes in equity

		Group						
Note	DKK '000	Share capital	Reserve for development costs	Retained earnings	Translation reserve	Hedging reserve	Dividend proposed for the year	Total
	Equity at 1 May 2021	1,040	0	95,339	-1,454	-108	48,000	142,817
	Dividend distribution	0	0	0	0	0	-48,000	-48,000
	Transferred via distribution of profit	0	0	9,232	0	0	55,000	64,232
	Foreign exchange adjustments, foreign subsidiary	0	0	0	75	0	0	75
	Value adjustment of hedging instruments	0	0	0	0	285	0	285
	Equity at 1 May 2022	1,040	0	104,571	-1,379	177	55,000	159,409
	Dividend distribution	0	0	45,188	0	0	-55,000	-9,812
	Transferred via distribution of profit	0	0	0	0	0	0	0
	Foreign exchange adjustments, foreign subsidiary	0	0	0	-545	0	0	-545
	Value adjustment of hedging instruments	0	0	0	0	175	0	175
	Equity at 30 April 2023	1,040	0	149,759	-1,924	352	0	149,227
		Parent						
Note	DKK '000	Share capital	Reserve for development costs	Retained earnings	Translation reserve	Hedging Reserve	Dividend proposed for the year	Total
	Equity at 1 May 2020	1,040	22,727	72,612	-1,454	-108	48,000	142,817
	Dividend distribution	0	0	0	0	0	-48,000	-48,000
21	Transferred via distribution of profit	0	9,506	-274	0	0	55,000	64,232
	Foreign exchange adjustments, foreign subsidiary	0	0	0	75	0	0	75
	Value adjustment of hedging instruments	0	0	0	0	285	0	285
	Equity at 1 May 2022	1,040	32,233	72,338	-1,379	177	55,000	159,409
	Dividend distribution	0	0	0	0	0	-55,000	-55,000
21	Transferred via distribution of profit	0	11,000	34,188	0	0	0	45,188
	Foreign exchange adjustments, foreign subsidiary	0	0	0	-545	0	0	-545
	Value adjustment of hedging instruments	0	0	0	0	175	0	175
	Equity at 30 April 2023	1,040	43,233	106,526	-1,924	352	0	149,227

Consolidated financial statements and parent company financial statements 1 May - 30 April

Cash flow statement

Note	DKK '000	Group	
		2022/23	2021/22
	Operating profit	61,480	75,507
	Depreciation, amortisation and impairment	16,301	16,432
	Adjustment of provisions for warranties	5,925	-863
	Cash generated from operations (operating activities)	83,706	91,076
	Interest received	220	6,880
	Interest paid	-4,049	-748
	Cash generated from operations (ordinary activities)	79,877	97,208
	Changes in inventories	-23,230	-19,929
	Changes in trade receivables	-916	-7,386
	Changes in other receivables	-1,338	226
	Changes in trade payables	9,331	25,837
	Changes in other payables	1,036	690
	Changes in prepayments and deferred income	-2,232	263
	Income taxes paid	-13,914	-17,373
	Cash flows from operating activities	48,614	79,536
	Acquisition of intangible assets	-23,398	-21,247
	Acquisition of property, plant and equipment	-13,735	-12,029
	Disposal of property, plant and equipment	0	30
	Cash flows from investing activities	-37,133	-33,246
	Loan financing:		
	Credit institutions, overdraft facility	27,238	9,293
	Repayment of non-current liabilities	-2,083	-1,931
	Proceeds from incurring mortgage debt	5,343	0
	Shareholder:		
	Dividends paid	-55,000	-48,000
	Cash flows from financing activities	-24,502	-40,638
	Net cash flows	-13,021	5,652
	Cash and cash equivalents, beginning of year	41,127	35,475
	Cash and cash equivalents, year-end	28,106	41,127

The cash flow statement cannot directly be derived from the other components of the consolidated financial statements and the parent company financial statements.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies

The annual report of OJ Electronics A/S for 2022/23 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

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

Presentation currency

The financial statements are presented in Danish Kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company OJ Electronics A/S and subsidiaries controlled by OJ Electronics A/S.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing if the Parent Company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

The group entities' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

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

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Business combinations

Newly acquired entities are recognised in the consolidated financial statements from the acquisition date. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately.

The date of acquisition is the date when the Group actually obtains control of the acquiree.

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Non-controlling interests

The group does not have non-controlling interests.

Foreign currency translation

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

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

Foreign subsidiaries are considered separate entities. The income statements are translated at the average exchange rates, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign entities to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Foreign exchange adjustments of balances with separate foreign subsidiaries which are considered part of the total investment in the subsidiary are taken directly to equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are recognised at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

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

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets and liabilities are recognised in other receivables or other payables and in equity. If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

Income statement

Revenue

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

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

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

Production costs

Production costs comprise costs, including depreciation/amortisation charges and salaries, incurred in generating the year's revenue. Commercial entities recognise their cost of sales, and manufacturing entities recognise their production costs incurred in generating the revenue for the year. Such costs include direct and indirect costs related to raw materials and consumables, wages and salaries, rent and leases as well as impairment losses on production plant.

Development costs

Development costs comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Selling and distribution costs

Selling and distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Administrative expenses

Administrative expenses comprise costs incurred in the year to manage and administer the Company, including expenses related to administrative staff, management, office premises, office expenses and amortisation/depreciation.

Profit/loss from equity investments in subsidiaries (parent company)

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

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit from ordinary activities

The parent Company is subject to the Danish rules on mandatory joint taxation of the Chrispa ApS Group's Danish companies. Subsidiaries are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The Parent Company, Chrispa ApS, acts as management company in the joint taxation arrangement and accordingly settles all income taxes vis-à-vis the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

The tax expense for the year, which comprises the year's current tax charge, joint taxation contributions and changes in the deferred tax charge - including changes arising from changes in tax rates - is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Development projects, patents and licenses

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

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

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

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 3 - 5 years.

Rights, patents and licences are measured at cost less accumulated amortisation and impairment losses. Rights, patents and licences acquired are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the licence term, usually 5 years.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant and equipment

Land and buildings and plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages and salaries. All financing costs regarding the production period are expensed no matter whether they can be attributed to costs.

Individual components of an item 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 expected useful lives of the assets. The expected useful lives are as follows:

Buildings and installations	25 - 50 years
Plant, machinery and equipment	3 - 10 years

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

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

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

Depreciation is recognised in the income statement as "Production costs", "Selling and distribution costs", "Administrative expenses" and "Development costs", respectively.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement in the item under which depreciation on the asset was originally expensed.

Leases

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

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

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

All other leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed in contingencies, etc.

The Group's total liabilities relating to operating leases and other leases are disclosed under "Contractual obligations and contingencies, etc."

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Equity investments in subsidiaries in the parent company financial statements

Equity investments in subsidiaries are measured according to the equity method in the parent company financial statements. The parent company has chosen to consider the equity method a measurement method.

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

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

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies in the consolidated financial statements. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

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

Net revaluation of equity investments is recognised under equity in the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds cost.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and equity investments in subsidiaries is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation made.

An impairment test is conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the recoverable amount and carrying amount.

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

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

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories concerned are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads. Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

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

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are assessed for objective evidence of impairment on a portfolio basis. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Prepayments

Prepayments recognised under "Current assets" comprise expenses incurred concerning subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries is recognised to the extent that the carrying amount exceeds costs.

The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Hedging reserve

The hedging reserve comprises the cumulative net change after tax in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

Dividend

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

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

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax".

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

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised under "Assets" at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions

In addition to deferred tax, provisions comprise anticipated expenses related to warranty commitments. Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Warranty commitments include expenses for remedial action in respect of the contract work within the warranty period of 1-5 years. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience. Liabilities that are expected to be settled after one year after the balance sheet date are discounted at average bond yields.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Liabilities other than provisions

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

Other liabilities are measured at net realisable value.

Deferred income

Deferred income, recognised under "Liabilities", comprises payments received concerning income in subsequent years.

Fair value

Fair value is determined based on the principal market. If no principal market exists, the fair value is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

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.

Cash flow statement

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

The cash flow effect of acquisitions and disposals of enterprises is shown separately in 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 disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities

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

Cash flows from investing activities

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

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Cash flows from financing activities

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to only minor risks of changes in value.

Segment information

Information is disclosed by geographical markets. Segment information is based on the Group's accounting policies, risks and management control.

Financial ratios

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

Growth	$\frac{\text{Development in revenue} \times 100}{\text{Revenue (prior year)}}$
Operating margin	$\frac{\text{Operating profit/loss (EBIT)} \times 100}{\text{Revenue}}$
Profit before tax (PBT) ratio	$\frac{\text{Profit before tax (EBT)} \times 100}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit/loss (EBIT)} \times 100}{\text{Average of net investments}}$
Return on investment	$\frac{\text{Operating profit/loss (EBIT)} \times 100}{\text{Average of total assets}}$
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

DKK'000	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
2 Segment information				
Geographical segments				
Scandinavia	152,264	144,928	152,264	144,929
Rest of Europe	148,807	119,488	148,807	119,472
North America	152,264	140,500	146,606	118,173
Rest of world	17,928	19,087	17,928	19,086
	<u>471,263</u>	<u>424,003</u>	<u>465,605</u>	<u>401,660</u>

The group only has one activity and has therefore not disclosed any activity segments.

3 Fees paid to auditor appointed at the annual general meeting

Total fees to EY	<u>402</u>	<u>257</u>	<u>402</u>	<u>257</u>
Fee for statutory audit	219	180	219	180
Tax consultancy	165	50	165	50
Non-audit services	18	27	18	27
	<u>402</u>	<u>257</u>	<u>402</u>	<u>257</u>

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
DKK '000				
4 Financial income				
Interest income from affiliates	45	13	45	13
Other interest income	175	6,867	175	6,867
	<u>220</u>	<u>6,880</u>	<u>220</u>	<u>6,880</u>
5 Tax on profit for the year				
Current tax	10,103	12,452	8,488	11,065
Adjustment of tax in respect of previous years	0	-3	0	-3
Deferred tax adjustment for the year	2,428	4,844	3,908	3,104
	<u>12,531</u>	<u>17,293</u>	<u>12,396</u>	<u>14,166</u>
6 Intangible assets				
	Group			
DKK '000	Completed development projects	Development projects under construction	Rights and know how acquired	Total
Cost at 1 May 2022	162,161	20,200	30,280	212,641
Additions	2,501	23,346	0	25,847
Transferred	0	-2,450	0	-2,450
Cost at 30 April 2023	<u>164,662</u>	<u>41,096</u>	<u>30,280</u>	<u>236,038</u>
Amortisation and impairment losses at 1 May 2022	140,946	0	30,280	171,226
Amortisation and impairment	9,385	0	0	9,385
Reversal of accumulated depreciation and impairment of assets disposed	0	0	0	0
Amortisation and impairment losses at 30 April 2023	<u>150,331</u>	<u>0</u>	<u>30,280</u>	<u>180,611</u>
Carrying amount at 30 April 2023	<u>14,331</u>	<u>41,096</u>	<u>0</u>	<u>55,427</u>
Amortised over	<u>3-5 years</u>		<u>5 years</u>	

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

6 Intangible assets (continued)

DKK '000	Parent			Total
	Completed development projects	Development projects under construction	Rights and know how acquired	
Cost at 1 May 2022	162,161	20,200	30,280	212,641
Additions	2,501	23,346	0	25,847
Transferred	0	-2,501	0	-2,501
Disposals	0	51	0	51
Cost at 30 April 2023	164,662	41,096	30,280	236,038
Amortisation and impairment losses at 1 May 2022	140,946	0	30,280	171,226
Amortisation	9,385	0	0	9,385
Reversal of accumulated depreciation and impairment of assets disposed	0	0	0	0
Amortisation and impairment losses at 30 April 2023	150,331	0	30,280	180,611
Carrying amount at 30 April 2023	14,331	41,096	0	55,427
Amortised over	3-5 years		5 years	

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

		Parent	
DKK '000		2022/23	2021/22
8	Equity investments in subsidiaries		
	Cost at 1 May 2022	5,007	5,007
	Value adjustments at 1 May 2022	-11,156	-16,917
	Foreign exchange adjustment	-545	65
	Profit/loss for the year	-463	10,046
	Distributed dividend	-4,200	-4,350
	Value adjustments at 30 April 2023	-16,364	-11,156
	Carrying amount at 30 April 2023	-11,357	-6,149
	Hereof recognised as investments	143	200
	Hereof written down under receivables from group entities	-11,500	-6,349
		-11,357	-6,149

Name	Registered office	Voting rights and ownership	Equity DKK'000	Profit/loss DKK'000
OJ Electronics Ltd.	England	100 %	143	-50
OJ Electronics Inc.	The US	100 %	655	4,426
			798	4,376
			-15,583	-6,335
			3,428	1,496
			-11,357	-463

The subsidiaries are considered independent entities.

		Group		Parent	
DKK '000		2022/23	2021/22	2022/23	2021/22
9	Share capital				
	The subscribed capital comprises				
	1,040,000 shares of DKK 1 each.	1,040	1,040	1,040	1,040

The Company has one share class and all shares carry the same rights. The share capital has remained unchanged for the past five years.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

DKK '000	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
10 Deferred tax				
Deferred tax at 1 May	12,828	8,009	14,923	11,819
Foreign Exchange adjustment	6	-25	0	0
Deferred tax adjustment for the year	2,428	4,844	3,908	3,104
Deferred tax at 30 April	15,262	12,828	18,831	14,923
Deferred tax relates to:				
Development projects	12,194	9,111	12,194	9,111
Properties	5,635	5,480	5,635	5,480
Plant and machinery	869	256	869	256
Other	-3,436	-2,019	133	76
	15,262	12,828	18,831	14,923
Deferred tax liabilities are expected to be set off within:				
0-1 year	-3,436	-2,019	133	76
1-5 years	13,063	9,367	13,063	9,367
> 5 years	5,635	5,480	5,635	5,480
	15,262	12,828	18,831	14,923

11 Warranties

The OJ ELECTRONICS Group has provided guarantee for certain products. A provision of DKK 9.024 thousand has been provided (2021/22: DKK 3.099 thousand) for expected warranty claims. The provision has been calculated based on historical information on the level of repairs and returned goods as well as specific warranty cases.

The maturity dates for the warranty obligations are expected to be:

DKK '000	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
0-1 years	7,223	1,419	7,223	1,419
1-5 years	1,801	1,680	1,801	1,680
	9,024	3,099	9,024	3,099

12 Credit institutions

Long-term debt falling due after five years	7,402	4,279	7,402	4,279
---	--------------	--------------	--------------	--------------

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

DKK '000	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
13 Staff costs				
Average number of full-time employees	176	158	175	157
Total staff costs include:				
Wages and salaries	88,983	78,278	88,033	77,480
Pensions	7,301	6,390	7,256	6,348
Other social security costs	649	561	398	357
	<u>96,933</u>	<u>85,229</u>	<u>95,687</u>	<u>84,185</u>

Staff costs are recognised in the consolidated financial statements and the parent company financial statements as follows:

Production costs	39,097	34,701	39,097	34,701
Development costs	25,758	22,423	25,758	22,423
Selling and distribution costs	19,536	17,106	18,290	16,062
Administrative expenses	12,542	10,999	12,542	10,999
	<u>96,933</u>	<u>85,229</u>	<u>95,687</u>	<u>84,185</u>

Management remuneration	<u>5,339</u>	<u>4,714</u>	<u>5,339</u>	<u>4,714</u>
-------------------------	--------------	--------------	--------------	--------------

Management remuneration include Executive Board and Supervisory Board. By reference to section 98b(3), of the Danish Financial Statements Act, remuneration to the group Management include both Executive Board and Board of Directors.

14 Depreciation, amortisation and impairment losses				
Land and buildings	1,644	1,543	1,644	1,543
Plant and equipment	5,269	5,351	5,264	5,347
Gain on the disposal of equipment	4	-19	4	-19
Development projects	9,384	9,552	9,384	9,552
	<u>16,301</u>	<u>16,427</u>	<u>16,296</u>	<u>16,423</u>

Amortisation, depreciation and impairment losses are recognised in the consolidated financial statements and the parent company financial statements as follows:

Production costs	4,799	4,479	4,799	4,479
Development costs	10,080	10,091	10,080	10,091
Selling and distribution costs	647	621	647	621
Administrative expenses	775	1,236	770	1,232
	<u>16,301</u>	<u>16,427</u>	<u>16,296</u>	<u>16,423</u>

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

15 Contractual obligations and contingencies, etc.

Contingent liabilities

There are no pending litigation or disputes that are expected to materially affect the Group's and the Company's financial position.

The Company is jointly taxed with its Danish parent company. The companies included in the joint taxation have joint and several unlimited liability for Danish income tax, withholding taxes on dividends, interest and royalties.

Contractual obligations

The Group and the Company makes ongoing binding procurement commitments as part of normal trade. The Group and the Company expects most procurement commitments to be settled as part of normal trade. Procurement commitments not expected to be settled as part of normal trade have been recognised as liability based on the expected cost for the Group to terminate such commitments.

Operating lease liabilities

The Company has entered into operating leases with an average annual lease payment of DKK 133 thousand and a remaining term of 6 months. The remaining lease obligation totals DKK 71 thousand.

The Group has entered into operating leases with an average annual lease payment of DKK 133 thousand and a remaining term of 6 months. The remaining lease obligation totals DKK 71 thousand.

16 Mortgages and collateral

Land and buildings with a carrying amount of DKK 46,584 thousand at 30 April 2023 (2021/22: DKK 47,142 thousand) have been provided as collateral for mortgage loans of DKK 16,485 thousand (2021/22: DKK 13,225 thousand).

17 Currency and interest rate risks and use of financial instruments

The Group uses interest rate swaps to hedge interest rate risks, whereby floating interest payments are rescheduled into fixed interest payments.

	2022/23				2021/22			
	Notional principal	Value adjustment recognised in equity	Fair value	Term to maturity months	Notional principal	Value adjustment recognised in equity	Fair value	Term to maturity months
DKK'000								
Interest rate swaps	5,087	224	301	62	6,023	367	77	74

The hedged cash flows are expected to be realised and will affect results of operations over the term to maturity of the interest rate swap. The fair value is measured according to fair value level 2.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

18 Related parties

In addition to the disclosures made under "Ownership", the Group's related parties include the members of the Board of Directors and the Executive Board, subsidiaries see note 8 and those companies' Boards of Directors and Executive Boards.

Remuneration/fees to members of the Executive Board and the Board of Directors of the Parent Company are reflected in note 13.

Except for transactions eliminated in the consolidated financial statements, remuneration and dividend distribution no other related party transactions have been performed in the Group. The Parent Company has sales transactions to its subsidiary in the US.

All transactions have been carried out on an arm's length basis.

Ownership

The following shareholders hold more than 5 % of the Company's share capital and/or more than 5 % of the voting share capital:

Chrispa ApS, Jernbanegade 27, 6000 Kolding, Denmark
OJE Holding ApS, Stenager 13 B, 6400 Sønderborg, Denmark
OJE Holding ApS exercises control as majority shareholder.

Chrispa ApS is the ultimate parent company.

Consolidated financial statements

OJ Electronics A/S is included in the consolidated financial statements of Chrispa ApS, Jernbanegade 27, 6000 Kolding, Denmark. The consolidated financial statements are available on www.cvr.dk.

Change in ownership after the balance sheet date

After the balance sheet date BITZER Electronics A/S has signed an agreement to acquire all shares in OJ Electronics A/S, subject to closing. Going forward, OJ Electronics A/S will be included in the consolidated financial statements of BITZER SE, Eschenbrunnlestrasse 15, 71065 Sindelfingen, Germany when closing is completed.

DKK '000	Parent	
	2022/23	2021/22
19 Distribution of profit		
Proposed distribution of profit		
Proposed dividend	0	55,000
Reserve for development costs	11,000	9,506
Retained earnings	34,187	-274
	<u>45,187</u>	<u>64,232</u>

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registeret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Erik Damsgaard

CEO

På vegne af: OJ Electronics A/S

Serienummer: 791e98c5-aa88-458a-89dc-377fc7b72765

IP: 62.198.xxx.xxx

2023-06-15 15:44:10 UTC



Mads Pauli Ringkjøbing-Christiansen

Board of Directors

På vegne af: OJ Electronics A/S

Serienummer: 20dab410-6aea-4c38-9e8a-1b9294a1a298

IP: 77.241.xxx.xxx

2023-06-15 15:55:42 UTC



Ole Strange

Board of Directors, Chair

På vegne af: OJ Electronics A/S

Serienummer: edc7067c-662b-4ea9-8791-25b45d0e518a

IP: 77.241.xxx.xxx

2023-06-15 18:13:13 UTC



Lars Pauli Christiansen

Board of Directors

På vegne af: OJ Electronics A/S

Serienummer: cfcf4b4d-3298-412a-ade6-c79a15b6cd7f

IP: 83.89.xxx.xxx

2023-06-15 19:01:42 UTC



Jon Midtgaard

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: CVR:30700228-RID:11522188

IP: 83.92.xxx.xxx

2023-06-15 19:36:27 UTC



Allan Voltelen Ohlsen

Chairman

På vegne af: OJ Electronics A/S

Serienummer: b93373fa-e8fd-4d15-a59f-5daf47cf4414

IP: 83.137.xxx.xxx

2023-06-15 19:42:53 UTC



Penneo dokumentnøgle: 6ETTP-GWNQ-1M7ED-QHOYS-B44YG-8E7VW

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstempelt med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service** <penneo@penneo.com>. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser i indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validator>