OJ Electronics A/S

Stenager 13 B, Ulkebøl, 6400 Sønderborg, Denmark

CVR no. 10 64 35 97

Annual report 2021/22

Approved at the Company's annual general meeting on 17 June 2022

Chair of the meeting:

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Allan Olsen

Contents

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 2021 – 30 April 2022.

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 2022 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 2021 – 30 April 2022.

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, 17 June 2022
Executive Board:

Erik Damsgaard
CEO

Board of Directors:

Ole Strange Chairman	Mads Pauli Ringkjøbing-Christiansen	Lars Pauli Christiansen

Claus Omann

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 2021 – 30 April 2022, 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 2022 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 2021 – 30 April 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Aabenraa, 17 June 2022
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 (Chairman) Mads Pauli Ringkjøbing-Christiansen Lars Pauli Christiansen Claus Omann
Executive Board	Erik Damsgaard
Auditor	EY Godkendt Revisionspartnerselskab Skibbroen 16, 6200 Aabenraa, Denmark

Management's review

Group financial highlights

DKK'000	2021/22	2020/21	2019/20	2018/19	2017/18
Key figures					
Revenue	424,003	367,097	341,646	327,153	323,999
Gross profit	117,224	114,670	88,741	72,444	77,614
Profit from ordinary activities	75,507	76,845	49,988	33,485	37,282
Profit/loss from financial income and expenses, net	6,017	-4,439	378	526	-3,293
Profit before tax	81,525	72,406	50,366	34,011	33,989
Profit for the year	64,231	58,017	39,355	26,742	26,523
Non-current assets	100,199	83,383	92,259	102,494	118,458
Current assets	175,104	142,253	110,632	110,157	108,992
Total assets	275,303	225,636	202,891	212,651	227,450
Share capital	1,040	1,040	1,040	1,040	1,040
Equity	159,409	142,817	117,290	117,943	114,896
Provisions	15,927	11,971	13,932	18,299	21,254
Non-current liabilities	11,282	13,223	20,043	17,096	19,023
Current liabilities	88,685	57,625	51,626	59,313	72,277
Financial ratios					
Cash flows from operating activities	79,536	68,261	71,106	47,738	44,190
Net cash flows from investing activities	-33,246	-13,098	-14,342	-14,354	-22,377
Portion relating to investments in items of plant, machinery and equipment	-12,029	-3,955	-4,357	-5,489	-6,282
Cash flows from financing activities	-49,931	-34,938	-41,940	-24,907	-14,892
Total cash flows	-3,641	20,225	14,824	8,477	6,921
Development costs for the year	43,394	32,633	35,260	32,607	35,437
Development costs for the year recognised in income statement	31,042	36,657	40,742	44,683	35,359
Financial ratios					
Growth	15,5%	7,4%	4.4%	1.0%	18.6%
Operating margin	17,8%	20,9%	14.6%	10.2%	11.5%
PBT ratio	19,2%	19,7%	14.7%	10.4%	10.5%
Return on invested capital	54,9%	59,0%	36.1%	22.7%	26.0%
Return on investment	35,6%	41,1%	25.6%	15.6%	17.0%
Gross margin	27,6%	31,2%	26.0%	22.1%	24.0%
Current ratio	197,4	246,9%	214.3%	185.7%	150.8%
Solvency ratio	57,9%	63,3%	57.8%	55.5%	50.5%
Return on equity	42,5%	44,6%	33.5%	23.0%	24.6%
Average number of full-time employees	158	149	152	159	154

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.

Business Model

Mission for OJ Electronics is "Improving the climate. Always". We go to work every day to improve the climate between colleagues, in our business cooperation's and for the planet on which we all live. We develop and bring to market HVAC and floor heating solutions improving the comfort and indoor climate in thousands of residential and commercial buildings all over the world. Our products are designed to be energy efficient to benefit the climate on our planet.
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.

Development in activities and financial position

Profit/loss for the year

The group has generated a revenue of DKK 424 million. The growth was 15.5% 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. 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. Reluctance in cost spending has reduced the overall fixed cost for the Group as some activities and expenditures were reduced due to Covid-19. The Operating profit is DKK 76 million equivalent to an Operating margin of 17.8%. This is a decrease compared to last year where Operating margin was 20.9%. 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 64 million, which is an increase, compared to last year at DKK 6 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 2022/23.

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 a decreased R&D cost level, DKK 31 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 43 million is utilized for additional projects and equipment and increased expenditure for re-designs and upkeeping 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:

	2021/22	2020/21
Expense for the year	43,394	32,633
Hereof additions to development project and equipment in course of construction	-21,772	-15,125
Amortization and impairment of completed development projects	9,420	19,149
Expense for the year recognized in income statement, net	31,042	36,657

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 range between 5-10% growth. The operating margin will decline due to increases in prices we have already experienced from suppliers and a reluctance from our customers to accept the higher cost levels. The group has focussed on securing that we can manage even quite difficult conditions. The strategy will be reviewed and updated in 2022/23. This will be in line with a normal strategy renewal process.

Based on early predictions the profit margin will decline but will remain stable and at a high level.

Special risks

Financial risks

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

Currency risks

Main trading currencies are DKK, USD and EUR. Group policy minimizes the currency risk using 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

OJ Electronics has a sustainable approach to "doing business" being aware of coexistence with and possibility to affect society in different ways and vice versa. We find it relevant in this report to include information of:

- Environment and climate
- Occupational health and safety
- Human rights, anti-corruption and bribery
- Data ethics
- Equal gender representation
- Covid-19

Annually we assess the OJ Electronics' overall positive and negative impact to the UN17 Sustainable Development Goals. In the fiscal year the score for "8 Decent Work and Economic Growth" has been raised with one point due to ISO 45001 certification and the score for "12 Responsible Consumption and Production" has been raised one point due to ISO 14001 certification.

Environment and climate

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

In February 2022 OJ Electronics was certified ISO 14001. Activities to measure waste in categories, expand audit of contract manufacturers with sections of management of waste, pollution, power and water consumption and verification of the commitment to climate and environment for transport suppliers has been made part of the Management System.

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

Management's review

OJ Electronics participates to repurpose what is initially regarded as “waste”. Packaging materials are to a large extend re-used at suppliers or for other purposes locally

Waste, recirculated – accounting principals

OJ Electronics registers mass of waste collected from the company and whether the fraction is re-circulated or goes out of the loop. Waste turned into energy is regarded as “not re-circulated”. 70 % of waste is recirculated, including organic waste.

Transport of goods impacts the environment and climate, and OJ Electronics works to reduce this impact by choosing transporters with a declared focus to reduce the negative impact on environment and climate from their activities.

Goods shipped under stated commitment to protect climate and environment – accounting principals

OJ Electronics has researched what transport companies state on their company website regarding climate and environment.

99 % of goods shipped from OJ Electronics are carried under a stated commitment to protect climate and environment.

In the fiscal year 2022/2023 the main activities regarding environment and climate will be:

- “Declarations of Environment and Materials” for HVAC products provided as a service to customers.
- Establish competences to calculate CO2 emission scope 1 and 2 to make the right priorities.

Occupational health and safety

At OJ Electronics our employees are the most important resource. We include all relevant factors when 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 safe and secure working environment for all employees no matter assigned as temps or long term, gender, nationality, precarious employment or other distinctions.

In February 2022 OJ Electronics was certified ISO 45001 with routines anchored in the Management System. In addition to our own enhanced routines, issues of occupational health and safety is now part of assessment criteria for suppliers and contract manufacturers.

Dialogues of employees’ well-being including a self-assessed score is part of a defined annual cycle. HR collects scores for well-being in anonymous form to monitor development.

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

Work-related accidents – accounting principals

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

‘Near accidents’ are work-related incidents that could have become an accident, but without any personal injury. ’Accidents’ are work-related incidents which implies personal injury. The company classifies such accidents into accidents with sickness absence and without sickness absence.

	2021/22	2020/21	2019/20
Near accidents	2	3	6
Accidents without sickness absence	9	3	7
Accidents with sickness absence	1	1	1

Management's review

The company sees the low count of registered "near accidents" as unfortunate as the count of accidents has increased in 2021/2022, and activities are initiated to raise the awareness of "near accidents".

Absence due to illness within OJ Electronics has a satisfying level. Through the first month of 2022 the Covid-19 pandemic including restrictions of isolation caused an elevated level of absence. As we expect the pandemic to reduce in DK, we expect the attendance to return to a satisfying level.

Human rights, anti-corruption and bribery

Suppliers to OJ Electronics are a valuable extension to our own value chain and we expect suppliers to comply to the same high standards as OJ itself. We strive to ensure human rights, avoid slavery, child labour and bribery, and ensure adequate and equitable sanitation and hygiene for everybody involved in activities through OJ Electronics. Internally at OJ Electronics gifts representing a low value unable to affect decisions are accepted.

The main risk that OJ electronics faces regarding anticorruption and human rights is to ensure that business is conducted fairly and honestly.

No matter the products and services supplied to customers of OJ Electronics are manufactured in Denmark or in e.g. Asia and Eastern Europe, OJ Electronics assesses and manages both financial and non-financial risks to protect our employees, assets and reputation. Where relevant and necessary, suppliers are required to sign the OJ Electronics Code of Conduct, which all contract manufactures have done. OJ Electronics works to ensure suppliers and subcontractors comply to the same values as OJ Electronics itself.

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

OJ Electronics is committed to ensure 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. Internally at OJ Electronics gifts representing a value unable to affect decisions are accepted.

The group has not identified any breaches in 2021/22 in the Code of Conduct regarding human rights, anti-corruption and bribery.

As a response to the Russian invasion of Ukraine OJ Electronics has ceased its sales to markets in Russia and Belarus.

Data ethics

In a world of increased digitalisation OJ Electronics identifies a risk of mismatch between legal options for data collections and protection of users' privacy. OJ Electronics wishes to participate to protect the right to privacy for every individual. Collection of data points is limited as it is considered an advantage for the users of OJ products and services.

To ensure usage and handling of digital data from customers, website visitors and end-users in an ethical acceptable manor OJ has established a data ethics policy including an ethics compass. The data ethics policy and compass are subject to internal audit as part of the Management System.

Equal gender representation

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 internal representation of this diversity to create successful solutions and business. Yet it is the policy of OJ Electronics that all positions are occupied by the most qualified candidates.

Management routines including a Leadership Toolbox helps managers activate and develop employee competences equally for employees.

Management's review

Board of directors

By 30th April 2022 the board of directors includes 4 members, all men. Despite the ambition to ensure diversity OJ Electronics operates in an industry historically dominated by men, and no female candidates with the right qualifications was found during the latest recruitment process. It is a target to have female representation of 25 % by 2023.

Management

Management includes all management levels of OJ Electronics. In order to ensure gender diversity, OJ Electronics strives to ensure at least one female candidate among the final 3 candidates for management positions. By 30th April 2022 women occupied 25 % of management positions, which is the same split as by 30th April 2021.

Covid-19

OJ Electronics participates in reducing the occurrence of Covid-19 virus and followed restrictions and recommendations from government and national health authorities during the period, where Covid-19 was classified as a decease critical to society. Management at OJ continuously evaluated the practical implications for our employees and kept updated information visible.

Routines for cleaning, usage of meeting rooms and canteen were changed, and Covid-19 tests supported. Where possible employees have been working from home. Production has been isolated from external guests as well as internal physical interaction has been kept at a minimum.

Events after the balance sheet date

On the back of the Covid-19 pandemic a worldwide shortage of electronic components and other raw materials has become widespread. Further a widespread shortage of transportation capacity has become evident. Dependant on the duration and severity of the shortages this can affect the ability to deliver and manufacture products and can negatively affect the financial performance of the Group.

Because of the current global outbreak of Covid-19 and the global shortage on electronic components, we see a potential negative impact on demand in the Group's markets. The impact on the Group's operations and financial position for financial year 2022/23 will depend on the length and scope of both parameters, which is still uncertain at the date of this annual report.

Management believes that OJ Electronics has a strong financial position and available credit facilities in place to get the Group well through this increased uncertainty.

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

Income statement

		Group		Parent	
Note	DKK '000	2021/22	2020/21	2021/22	2020/21
2	**Revenue**	424,003	367,097	401,660	364,629
	Production costs	-275,737	-215,770	-268,203	-215,677
	Development costs	-31,042	-36,657	-31,042	-36,657
	Gross profit	117,224	114,670	102,415	112,295
	Selling and distribution costs	-25,007	-22,892	-23,862	-21,739
3	Administrative expenses	-16,710	-14,933	-16,363	-14,622
	Operating profit	75,507	76,845	62,190	75,934
8	Profit in subsidiaries after tax	0	0	10,046	275
4	Financial income	6,880	211	6,880	212
	Financial expenses	-863	-4,650	-719	-4,370
	Profit before tax	81,524	72,406	78,397	72,051
5	Tax for the year	-17,293	-14,389	-14,166	-14,034
	Profit for the year	64,231	58,017	64,231	58,017
	Breakdown of the consolidated profit:				
	Shareholders in OJ Electronics A/S	64,231	58,017		
	Non-controlling interests	0	0		
		64,231	58,017		

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

Balance sheet

		Group		Parent	
Note	DKK '000	2021/22	2020/21	2021/22	2020/21
	ASSETS				
	Non-current assets				
6	**Intangible assets**				
	Completed development projects	21,215	18,372	21,215	18,372
	Development projects in progress	20,200	11,347	20,200	11,347
		41,415	29,719	41,415	29,719
7	**Property, plant and equipment**				
	Land and buildings	47,142	43,256	47,142	43,256
	Plant, machinery and equipment	11,030	9,535	11,025	9,527
	Equipment under construction	612	873	612	873
		58,784	53,664	58,779	53,656
	Investments				
8	Equity investments in subsidiaries	0	0	200	480
		0	0	200	480
	Total non-current assets	100,199	83,383	100,394	83,855
	Currents assets				
	Inventories				
	Raw materials and consumables	30,596	14,458	30,596	14,458
	Work in progress	12,534	10,469	12,534	10,469
	Finished goods and goods for resale	16,561	14,835	2,487	2,939
		59,691	39,762	45,617	27,866
	Receivables				
	Trade receivables	71,911	64,525	50,412	47,188
	Receivables from group entities	282	243	37,186	33,389
	Other receivables	1,852	1,567	1,852	1,568
	Prepayments	241	681	227	491
		74,286	67,016	89,677	82,636
	Cash	41,127	35,475	39,918	33,774
	Total current assets	175,104	142,253	175,212	144,276
	TOTAL ASSETS	275,303	225,636	275,606	228,131

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

Balance sheet

Note	DKK '000	Group 2021/22	Group 2020/21	Parent 2021/22	Parent 2020/21
	EQUITY AND LIABILITIES				
	Equity				
9	Share capital	1,040	1,040	1,040	1,040
	Reserve for development costs	0	0	32,233	22,727
	Retained earnings	104,571	95,339	72,338	72,612
	Translation reserve	-1,379	-1,454	-1,379	-1,454
	Hedging reserve	177	-108	177	-108
	Proposed dividend	55,000	48,000	55,000	48,000
	Total equity	159,409	142,817	159,409	142,817
	Provisions				
10	Deferred tax	12,828	8,009	14,923	11,819
11	Warranties	3,099	3,962	3,099	3,962
	Total provisions	15,927	11,971	18,022	15,781
	Liabilities				
	Non-current liabilities				
12	Mortgage credit institutions	11,282	13,223	11,282	13,223
	Total non-current liabilities	11,282	13,223	11,282	13,223
	Current liabilities				
	Current portion of non-current liabilities	1,943	1,933	1,943	1,933
	Credit institutions	9,296	3	9,296	3
	Trade payables	57,465	31,628	57,465	31,628
	Corporation tax	9,141	13,911	8,601	13,632
	Other payables	10,840	10,150	9,588	9,114
	Total current liabilities	88,685	57,625	86,893	56,310
	Total liabilities	99,967	70,848	98,175	69,533
	TOTAL LIABILITIES	275,303	225,636	275,606	228,131

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 2020	1,040	0	85,322	-1,859	-213	33,000	117,290
	Dividend distribution	0	0	0	0	0	-33,000	-33,000
	Transferred via distribution of profit	0	0	10,017	0	0	48,000	58,017
	Foreign exchange adjustments, foreign subsidiary	0	0	0	405	0	0	405
	Value adjustment of hedging instruments	0	0	0	0	105	0	105
	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 30 April 2022	1,040	0	104,571	-1,379	177	55,000	159,409

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	22,238	63,084	-1,859	-213	33,000	117,290
	Dividend distribution	0	0	0	0	0	-33,000	-33,000
21	Transferred via distribution of profit	0	489	9,528	0	0	48,000	58,017
	Foreign exchange adjustments, foreign subsidiary	0	0	0	405	0	0	405
	Value adjustment of hedging instruments	0	0	0	0	105	0	105
	Equity at 1 May 2021	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 30 April 2022	1,040	32,233	72,338	-1,379	177	55,000	159,409

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

Cash flow statement

Note	DKK '000	Group 2021/22	Group 2020/21
	Operating profit	75,507	76,845
	Depreciation, amortisation and impairment	16,432	21,972
	Adjustment of provisions for warranties	-863	-84
	Cash generated from operations (operating activities)	91,076	98,733
	Interest received	6,880	212
	Interest paid	-748	-4,722
	Cash generated from operations (ordinary activities)	97,208	94,223
	Changes in inventories	-19,929	1,041
	Changes in trade receivables	-7,386	-15,417
	Changes in other receivables	226	-139
	Changes in trade payables	25,837	6,738
	Changes in other payables	690	-3,414
	Changes in prepayments and deferred income	263	140
	Income taxes paid	-17,373	-14,911
	Cash flows from operating activities	79,536	68,261
	Acquisition of intangible assets	-21,247	-9,143
	Acquisition of property, plant and equipment	-12,029	-3,955
	Disposal of property, plant and equipment	30	0
	Cash flows from investing activities	-33,246	-13,098
	Loan financing:		
	Repayment of non-current liabilities	-1,931	-1,938
	Shareholder:		
	Dividends paid	-48,000	-33,000
	Cash flows from financing activities	-49,931	-34,938
	Net cash flows	-3,641	20,225
	Cash and cash equivalents, beginning of year	35,472	15,247
	Cash and cash equivalents, year-end	31,831	35,472

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 2021/22 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, see below.

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 and associates 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 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 at cost in the reserve for net revaluation according to the equity method.

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

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

Notes

2 **Segment information**

Geographical segments

	Group		Parent	
DKK'000	**2021/22**	**2020/21**	**2021/22**	**2020/21**
Scandinavia	144,928	138,601	144,929	138,601
Rest of Europe	119,488	92,602	119,472	92,405
North America	140,500	115,093	118,173	112,821
Rest of world	19,087	20,801	19,086	20,802
	424,003	367,097	401,660	364,629

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	257	215	257	215
Fee for statutory audit	180	171	180	171
Tax consultancy	50	3	50	3
Non-audit services	27	41	27	41
	257	215	257	215

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

Notes

DKK '000	Group 2021/22	Group 2020/221	Parent 2021/22	Parent 2020/21
4 Financial income				
Interest income from subsidiaries	13	11	13	11
Other interest income	6,867	200	6,867	201
	6,880	211	6,880	212
5 Tax on profit for the year				
Current tax	12,452	17,016	11,065	16,109
Adjustment of tax in respect of previous years	-3	-722	-3	-722
Deferred tax adjustment for the year	4,844	-1,905	3,104	-1,353
	17,293	14,389	14,166	14,034

6 **Intangible assets**

DKK '000	Group: Completed development projects	Group: Development projects under construction	Group: Rights and know how acquired	Group: Total
Cost at 1 May 2021	149,766	11,347	30,280	191,393
Additions	12,395	21,247	0	33,509
Transferred	0	-12,394	0	-12,394
Cost at 30 April 2022	162,161	20,200	30,280	212,641
Amortisation and impairment losses at 1 May 2021	131,394	0	30,280	161,674
Amortisation and impairment	9,552	0	0	9,552
Reversal of accumulated depreciation and impairment of assets disposed	0	0	0	0
Amortisation and impairment losses at 30 April 2022	140,946	0	30,280	171,226
Carrying amount at 30 April 2022	21,215	20,200	0	41,415
Amortised over	3-5 years		5 years	

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

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6 Intangible assets (continued)

	Parent			
DKK '000	Completed development projects	Development projects under construction	Rights and know how acquired	Total
Cost at 1 May 2021	149,766	11,347	30,280	191,393
Additions	12,395	21,114	0	33,509
Transferred	0	-12,394	0	-12,394
Disposals	0	133	0	133
Cost at 30 April 2022	162,161	20,200	30,280	212,641
Amortisation and impairment losses at 1 May 2021	131,394	0	30,280	161,674
Amortisation	9,552	0	0	9,552
Reversal of accumulated depreciation and impairment of assets disposed	0	0	0	0
Amortisation and impairment losses at 30 April 2022	140,946	0	30,280	171,226
Carrying amount at 30 April 2022	21,215	20,200	0	41,415
Amortised over	3-5 years		5 years	

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

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7 **Property, plant and equipment**

DKK '000	Group: Land and buildings	Group: Plant, machinery and equipment	Group: Equipment underconstruction	Group: Total
Cost at 1 May 2021	69,751	108,717	874	179,342
Exchange rate adjustment relating to foreign entities	0	29	0	29
Additions	5,429	6,862	657	12,948
Transferred	0	0	-919	-919
Disposals	0	-344	0	-344
Cost at 30 April 2022	75,180	115,264	612	191,056
Depreciation and impairment losses at 1 May 2021	26,495	99,182	0	125,677
Exchange rate adjustment relating to foreign entities	0	28	0	28
Depreciation and impairment	1,543	5,352	0	6,895
Reversal of accumulated depreciation and impairment of assets disposed	0	-328	0	-328
Depreciation and impairment losses at 30 April 2022	28,038	104,234	0	132,272
Carrying amount at 30 April 2022	47,142	11,030	612	58,784
Depreciated over	25-50 years		3-10 years	

DKK '000	Parent: Land and buildings	Parent: Plant, machinery and equipment	Parent: Equipment under construction	Parent: Total
Cost at 1 May 2021	69,751	108,108	874	178,733
Additions	5,429	6,862	657	12,948
Transferred	0	0	-919	-919
Disposals	0	-344	0	-344
Cost at 30 April 2022	75,180	114,626	612	190,418
Depreciation and impairment losses at 1 May 2021	26,495	98,581	0	125,077
Depreciation	1,543	5,348	0	6,891
Disposals	0	-328	0	-328
Depreciation and impairment losses at 30 April 2022	28,038	103,601	0	131,640
Carrying amount at 30 April 2022	47,142	11,025	612	58,779
Depreciated over	25-50 years		3-10 years	

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

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DKK '000	Parent 2021/22	Parent 2020/21
8 **Equity investments in subsidiaries**		
Cost at 1 May 2021	5,007	5,007
Value adjustments at 1 May 2021	-16,917	-15,078
Foreign exchange adjustment	65	405
Profit/loss for the year	10,046	275
Distributed dividend	-4,350	-2,520
Value adjustments at 30 April 2022	-11,156	-16,918
Carrying amount at 30 April 2022	-6,149	-11,911
Hereof recognised as investments	200	480
Hereof written down under receivables from group entities	-6,349	-12,391
	-6,149	-11,911

Name	Registered office	Voting rights and ownership	Equity DKK'000	Profit/loss DKK'000
OJ Electronics Ltd.	England	100 %	200	-31
OJ Electronics Inc.	The US	100 %	503	4,314
			703	4,283
Internal gains and losses at 30 April 2022			-8,784	7,389
Deferred tax on intra-group gains and losses			1,932	-1,626
			-6,149	10,046

The subsidiaries are considered independent entities.

DKK '000	Group 2021/22	Group 2020/21	Parent 2021/22	Parent 2020/21
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.

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DKK '000	Group 2021/22	Group 2020/21	Parent 2021/22	Parent 2020/21
10 Deferred tax				
Deferred tax at 1 May	8,009	9,886	11,819	13,172
Foreign Exchange adjustment	-25	28	0	0
Deferred tax adjustment for the year	4,844	-1,905	3,104	-1,353
Deferred tax at 30 April	12,828	8,009	14,923	11,819
Deferred tax relates to:				
Development projects	9,111	6,538	9,111	6,538
Properties	5,480	4,940	5,480	4,940
Plant and machinery	256	294	256	294
Other	-2,019	-3,763	76	47
	12,828	8,009	14,923	11,819
Deferred tax liabilities are expected to be set off within:				
0-1 year	-2,019	-3,763	76	47
1-5 years	9,367	6,832	9,367	6,832
> 5 years	5,480	4,940	5,480	4,940
	12,828	8,009	14,923	11,819

11 Warranties

The OJ ELECTRONICS Group has provided guarantee for certain products. A provision of DKK 3,099 thousand has been provided (2020/21: DKK 3,962 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 2021/22	Group 2020/21	Parent 2021/22	Parent 2020/21
0-1 years	1,419	1,504	1,419	1,504
1-5 years	1,680	2,458	1,680	2,458
	3,099	3,962	3,099	3,962

DKK '000	Group 2021/22	Group 2020/21	Parent 2021/22	Parent 2020/21
12 Credit institutions				
Long-term debt falling due after five years	4,279	5,553	4,279	5,553

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		Group		Parent	
	DKK '000	2021/22	2020/21	2021/22	2020/21
13	**Staff costs**				
	Average number of full-time employees	158	149	157	148
	Total staff costs include:				
	Wages and salaries	78,278	72,243	77,480	71,389
	Pensions	6,390	5,654	6,348	5,616
	Other social security costs	561	543	357	336
		85,229	78,440	84,185	77,341
	Staff costs are recognised in the consolidated financial statements and the parent company financial statements as follows:				
	Production costs	34,701	31,422	34,701	31,422
	Development costs	22,423	21,002	22,423	21,002
	Selling and distribution costs	17,106	16,251	16,062	15,152
	Administrative expenses	10,999	9,765	10,999	9,765
		85,229	78,440	84,185	77,341
	Management remuneration	4,714	3,442	4,714	3,442

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.

		Group		Parent	
14	**Depreciation, amortisation and impairment losses**				
	Land and buildings	1,543	1,535	1,543	1,535
	Plant and equipment	5,351	6,410	5,347	6,405
	Gain on the disposal of equipment	-19	0	-19	0
	Development projects	9,552	19,149	9,552	19,149
		16,427	27,094	16,423	27,089
	Amortisation, depreciation and impairment losses are recognised in the consolidated financial statements and the parent company financial statements as follows:				
	Production costs	4,479	5,340	4,479	5,340
	Development costs	10,091	19,640	10,091	19,640
	Selling and distribution costs	621	528	621	528
	Administrative expenses	1,236	1,586	1,232	1,581
		16,427	27,094	16,423	27,089

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

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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 volume of procurement commitments is increasing as a result of the current supply chain situation on the world markets. The Group and the Company expects all procurement commitments to be settled as part of normal trade.

Operating lease liabilities

The Company has entered into operating leases with an average annual lease payment of DKK 176 thousand and a remaining term of 6 months. The remaining lease obligation totals DKK 88 thousand.

The Group has entered into operating leases with an average annual lease payment of DKK 176 thousand and a remaining term of 6 months. The remaining lease obligation totals DKK 88 thousand.

16 Mortgages and collateral

Land and buildings with a carrying amount of DKK 47,142 thousand at 30 April 2022 (2020/21: DKK 43,256 thousand) have been provided as collateral for mortgage loans of DKK 13,225 thousand (2020/21: DKK 15,156 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.

	2021/22				2020/21			
DKK'000	Notional principal	Value adjust-ment recogn-ised in equity	Fair value	Term to maturity	Notional principal	Value adjust-ment recogn-ised in equity	Fair value	Term to maturity
				months				months
Interest rate swaps	6,023	367	77	74	6,959	104	-290	86

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

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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.

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.

		Parent	
	DKK '000	2021/22	2020/21
19	**Distribution of profit**		
	Proposed distribution of profit		
	Proposed dividend	55,000	48,000
	Reserve for development costs	9,506	489
	Retained earnings	-274	9,528
		64,232	58,017

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

Erik Damsgaard
CEO
På vegne af: OJ Electronics A/S
Serienummer: PID:9208-2002-2-155439254346
IP: 46.32.xxx.xxx
2022-06-17 13:01:26 UTC
NEM ID

Mads Pauli Ringkjøbing-Christiansen
Board of Directors
På vegne af: OJ Electronics A/S
Serienummer: PID:9208-2002-2-776789291089
IP: 77.241.xxx.xxx
2022-06-17 13:03:57 UTC
NEM ID

Ole Strange
Chairman
På vegne af: OJ Electronics A/S
Serienummer: PID:9208-2002-2-556143434548
IP: 77.241.xxx.xxx
2022-06-17 13:04:04 UTC
NEM ID

Lars Pauli Christiansen
Board of Directors
På vegne af: OJ Electronics A/S
Serienummer: PID:9208-2002-2-606540209615
IP: 77.241.xxx.xxx
2022-06-17 13:05:36 UTC
NEM ID

Claus Omann
Board of Directors
På vegne af: OJ Electronics A/S
Serienummer: PID:9208-2002-2-825283910092
IP: 212.112.xxx.xxx
2022-06-17 13:12:08 UTC
NEM ID

Jon Midtgaard
State Authorised Public Accountant
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:11522188
IP: 145.62.xxx.xxx
2022-06-17 13:51:22 UTC
NEM ID

Allan Voltelen Ohlsen
Chairman
På vegne af: OJ Electronics A/S
Serienummer: PID:9208-2002-2-720825958894
IP: 46.32.xxx.xxx
2022-06-20 05:17:07 UTC
NEM ID