mekoprint

Creating together

Annual Report 2021/2022

01.10.2021 – 30.09.2022

Mekoprint A/S
Hermesvej 2
9530 Støvring
Denmark
CVR no. 1082 5598

This annual report has been adopted at the annual general meeting on 05.01.2023.

Jan Vestergaard Olsen
Chairman of the meeting

MEKOPRINT DEVELOPS AND MANUFACTURES CUSTOMER SPECIFIC COMPONENTS FOR ELECTRONIC- AND INDUSTRIAL COMPANIES

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CVR no. 1082 5598
Financial year:
01.10.2021 – 30.09.2022

Auditor
Beierholm
Statsautoriseret
Revisionspartnerselskab
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DEAR READER

The Mekoprint year of 2021/22 has been characterized by record high customer demand and a record number of challenges and crisis situations to be handled. This has led to an all-time high Turnover level and a Profit level status-quo with 2020/21, which has only been possible with world class team-work.

Some of the major challenges that were handled throughout 2021/22 were:

- The last wave of the Covid-19 pandemic with organizational high-alert due to the Omikron variant
- Russia's attack on Ukraine leading to a shut-down of the Mekoprint Ukraine factory for 1½ months
- Chronic supply-chain delivery issues and constant price increases from suppliers
- Energy cost increases of >300 % and >750 % for Electricity and Natural Gas respectively
- Significant inflation- and interest rate increases leading to uncertain customer activity outlook

In addition to these general challenges, a number of major events have characterized the year at each Business Division incl. the largest strategic acquisition in the history of Mekoprint, which you can read about in further detail in page 10-17.

With the demonstrated growth results and challenges in mind, we would like to thank everyone involved – both internally and externally – making 2021/22 another truly great year characterized by our motto **"creating together"**

The Mekoprint overall Management Team, from left to right: Morten Lundgreen Division Director Graphic Electronics, Søren Holmboe Division Director Mechanics, Benny Albrektsen Division Director Micromechanics, Anders Kold CEO, Lars Bo Nielsen CIO, Marianne Reenberg HR Development Director, Torben Jensen CFO, Alex Laursen, Business Development Director Lars Rasmussen Division Director Cables.

MEKOPRINT GROUP
COMPANIES AND ACTIVITIES

This Annual Report for Mekoprint A/S is related to the period 1st of October 2021 until 30th of September 2022 and comprises the Management Review, Income Statement, Balance Sheet, Statement of changes in equity, Cash Flow Statement and Notes.

Mekoprint A/S is the main operating company within the Mekoprint Group, which is majority owned by the founding family "Kold" and minority owned by employees in Denmark and three external investors, of which two are external members of the Board of Directors.

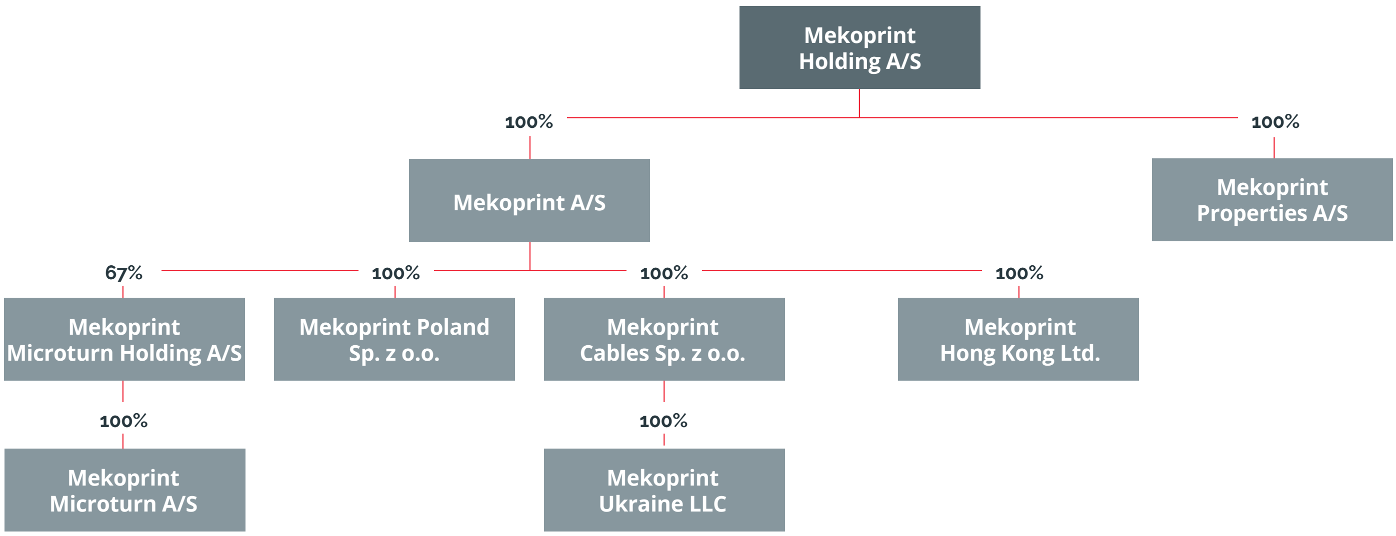
Mekoprint Holding A/S is the parent company of a group with the following entities:

1. Mekoprint A/S as the operational company in Denmark with the following international subsidiaries:

    a) Mekoprint Microturn Holding A/S as a Micromechanics division company for the subsidiary
        i) Mekoprint Microturn A/S as a company specialized in microturning
    b) Mekoprint Hong Kong Ltd as a regional sales, sourcing and customer support office
    c) Mekoprint Poland Sp. z o.o. as a Mechanics production site with Mekoprint A/S as the only customer
    d) Mekoprint Cables Sp. z o.o. as the Cables division company with the subsidiary
        i) Mekoprint Ukraine LLC as a Cables production site with Cables SP. z. o.o as the only customer

2. Mekoprint Properties A/S as a property company with Mekoprint A/S as the main customer.

The business of Mekoprint A/S is split in four Divisions described in further detail on page 10-17 incl. main events in 2021/22.



OVERALL
FINANCIAL DEVELOPMENT

Mekoprint A/S increased its revenue by 28 % to DKK 727 million and generated a Profit after tax of DKK 36,5 million which is status quo with DKK 36,7 million in 2020/21. This translates to a drop in the Profit margin after tax from 6,4 % in 2020/21 to 5 % in 2021/22. However, due to a high number of unforeseen extraordinary costs related to Energy, raw materials, currency fluctuations, interest rate levels and the Ukraine situation, the 2021/22 Profit after tax still represents a satisfactory financial performance level. Due to the significant revenue increase, the 2021/22 Profit after tax is also higher than expected in the original budget.

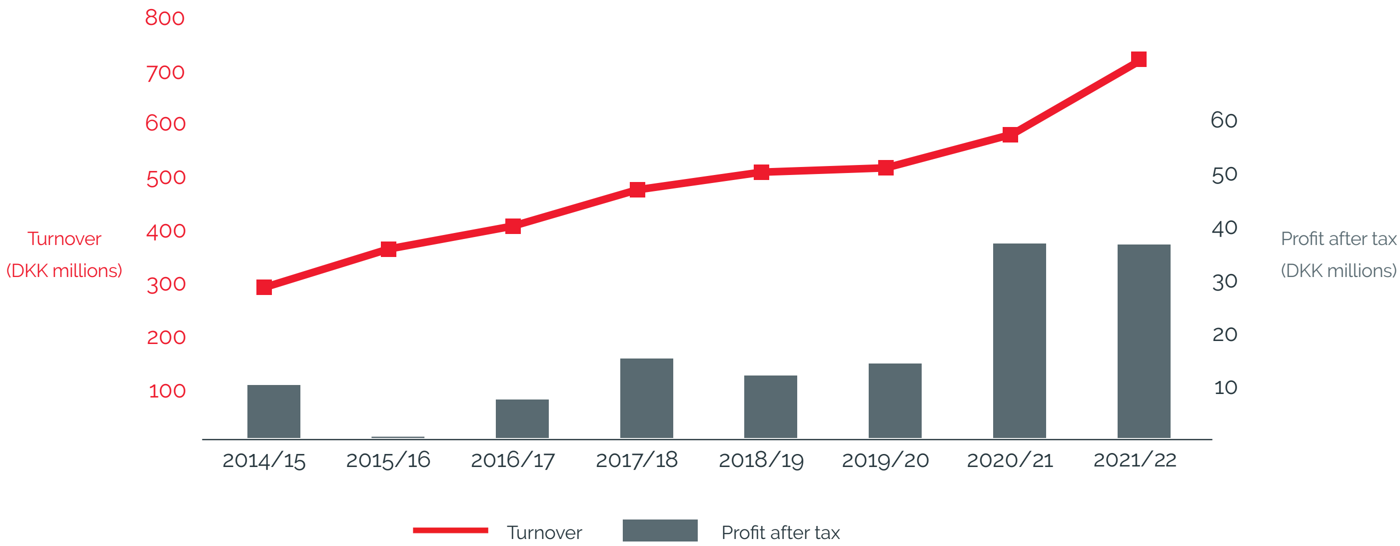
Cash flows from operating activities for 2021/22 were positive at DKK 1,2 million compared to DKK 7,4 million in 2020/21. This drop in cash flow is primarily related to a significant increase in stock levels and receivables across all Mekoprint business areas. After investments and financing, the year's total cash flows were positive at DKK 2,0 million in 2021/22 against a total cash flow of DKK 0,3 million in 2020/21.

FINANCIAL OUTLOOK 2022/23

The Turnover level for the financial year 2022/23 is expected to grow up to 5 % compared to 2021/22, but this remains highly uncertain due to the general macro-economic situation. At the other end of the Income Statement, the Profit level after tax for the financial year 2022/23 is expected to be lower than 2021/22, mainly due to increased salary costs and a new record-high investment level in continued growth.

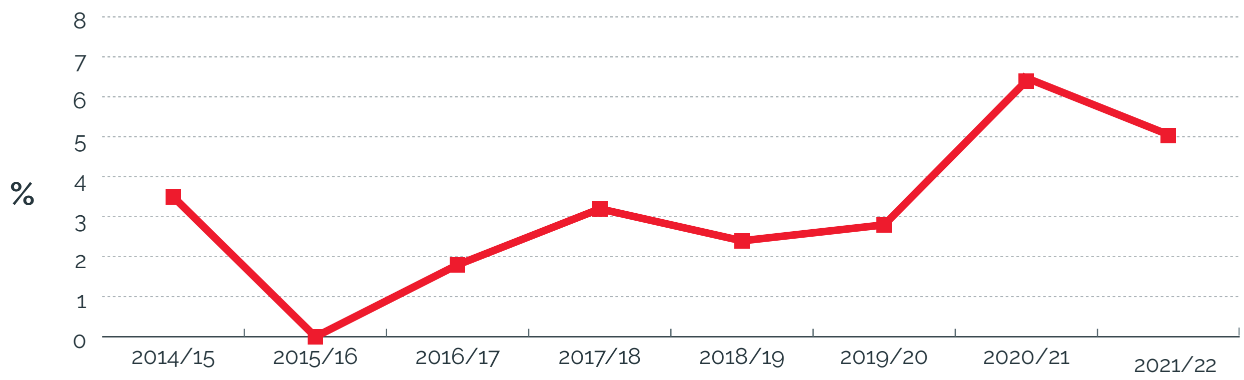
Turnover and Profit after tax 2014/15 – 2021/22

The Mekoprint Group Turnover has grown by an annual average of 15 % since 2014/15. During this period the Profit after tax did not change significantly until 2020/21 based on the positive investment effects of the previous years. Profit after tax in 2021/22 did not develop in line with the Turnover growth due to a number of extraordinary costs and increased long term investments in organization and technology.



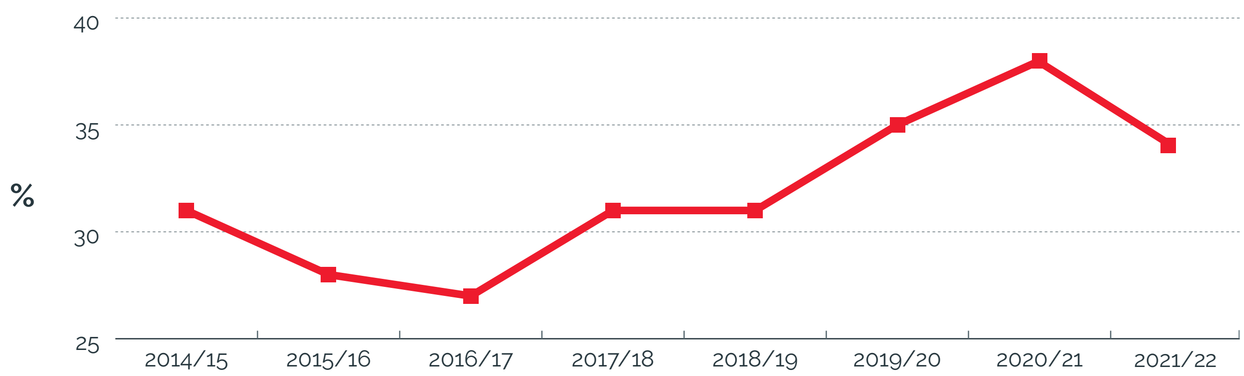
Profit after tax 2014/15 – 2021/22

After 5 years drop in the Profit margin after tax, the 2020/21 result of 6,4 % was close to the 2025 target of 7 %. In the Financial year of 2021/22 however, the Profit margin after tax dropped once again to a level 5 % due to the growth in Turnover and status quo Profit level.



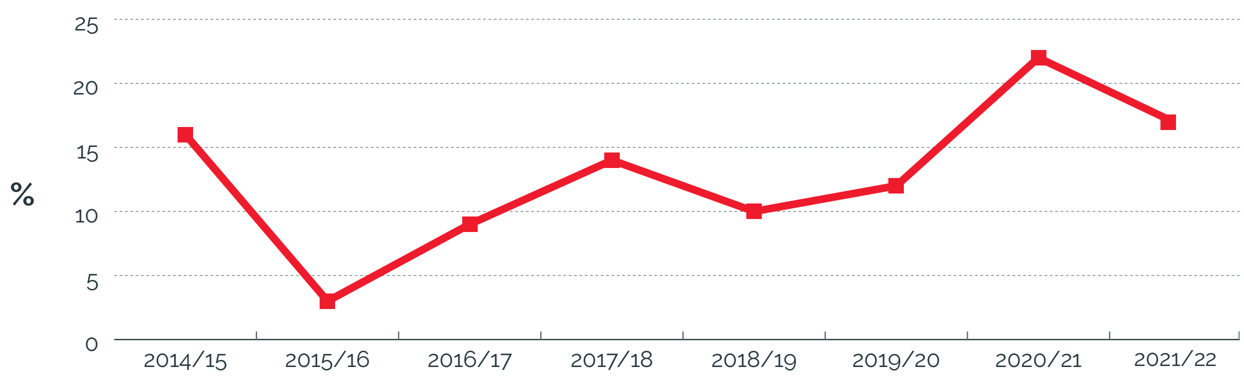
Equity ratio 2014/15 – 2021/22

The Solidity % has dropped from 2020/21 to 2021/22 due to increased working capital needs and increased investment levels incl. majority shareholder acquisition of Microturn



Return on Invested Capital 2014/15 – 2021/22

The Return on Invested Capital (ROIC) % level has dropped in 2021/22 due to status-quo Profits vs. increased invested capital – which is related to increased stock levels and technology investments in particular.



ABOUT **US**

Mekoprint is built upon many years of experience and unique specialist competences within independent product teams dedicated to our motto – **creating together.**

As a customer and collaboration partner at Mekoprint, you will find that we are keen to develop a mutually respectful and obligating way of working together. We go out of our way to make things better, and take pride in aligning expectations and common goals, so we can deliver on our promises. We make sure to set the right team, which understands the needs of our customer. We never work according to our own agenda, but allow ourselves to challenge initial proposals with new or alternative solutions that contribute in a better way to the business development, operation and bottom line of our customers and partners.

The foundation is our improvement culture, which builds upon a unique team spirit with mutual respect for our differences and a long term development focus. This is complemented with ambitious investments, expanded global presence and being a front-runner in the transition to a more sustainable future. With the addition of increased digital process automation we strive to become even better at creating together.

PEOPLE

>700

employees in total at 30th of September 2022 in Denmark, Poland, Ukraine and China.

>40 % employees outside of Denmark
~25 % customer facing & administrative employees.

PARTNERSHIPS

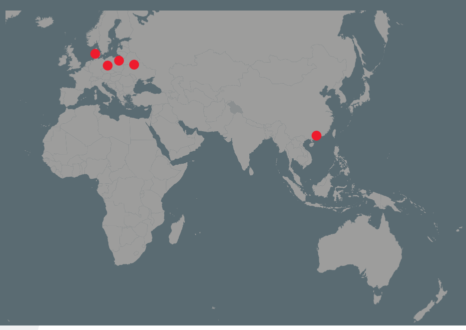
>50%

of the Turnover is related to long-term Customer Partnerships for more than 10 years. Only 11 % of the Turnover is related to less than 5 year old Customer Relations

>1.000 active customers in 2021/22
+10.000 unique customer-specific components produced.

LOCATIONS

9 factories and 2 sales & sourcing offices
>50.000 m2 production area.



MARKETS

40 % Danmark, 60% International Export.

TECHNOLOGIES

>35

different production technologies from low to high volume.

>850 million DKK investments over the lifetime of Mekoprint in Machinery and Buildings.

INDUSTRIES

>45%

related to green-tech from Energy & Utilities to Automation and Electric Vehicles.

Other main industries are Medical & Professional Equipment, Appliances and Machinery.

MEKOPRINT
DIVISIONS

Mekoprint is organized in four main Divisions, which are further split up into Product related teams. Each Product team is increasingly developed independently incl. separate strategies and financials within the overall Mekoprint frame of reference, to ensure decision powers as close to the customers as possible.

mekoprint
graphic electronics

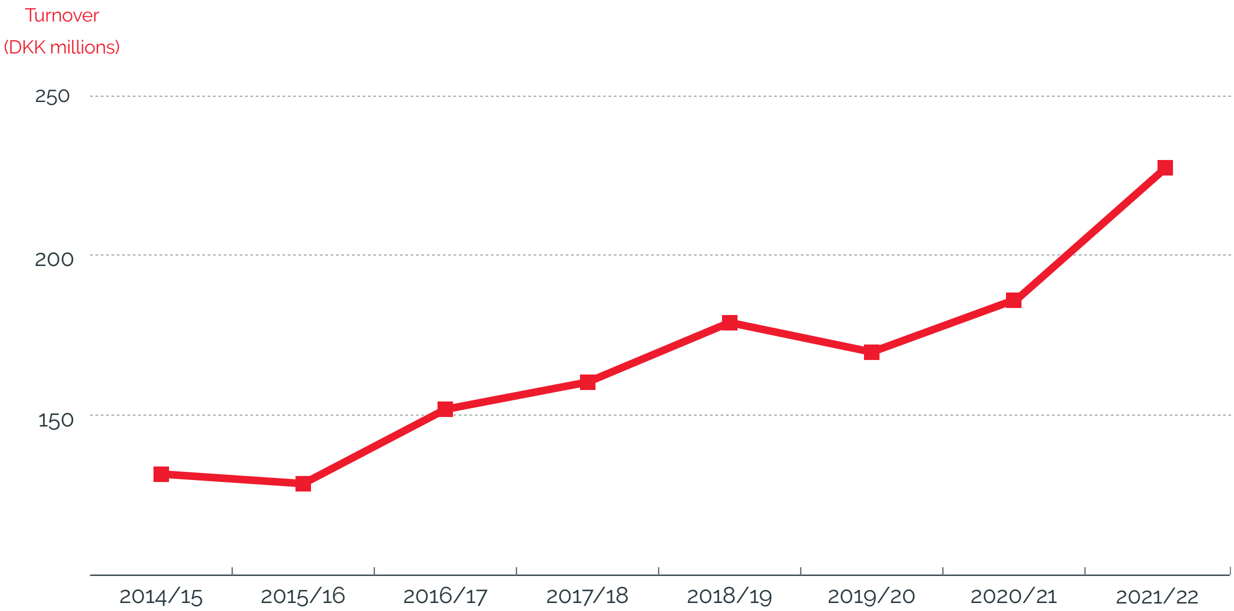
The Graphic Electronics Division provides innovative design & development assistance and a global manufacturing setup from low to high volume customized User Interfaces, Industrial Graphics and Printed Electronics.

The division roots go back to 1972 when Mekoprint started making Industrial Graphical foils for the Agricultural Machine sector. Ten years later Mekoprint were among the first producers of foil based Membrane Switches in Europe and through-out the 1990's high-volume roll-to-roll Printed Electronics capabilities were developed in parallel with Production Partners in Asia for User Interfaces incl. silicon Keypads.

Today the Graphic Electronic business is split into two main business areas with continued growth from the +12.000 m2 factories in Denmark and with Production Partners in Asia:

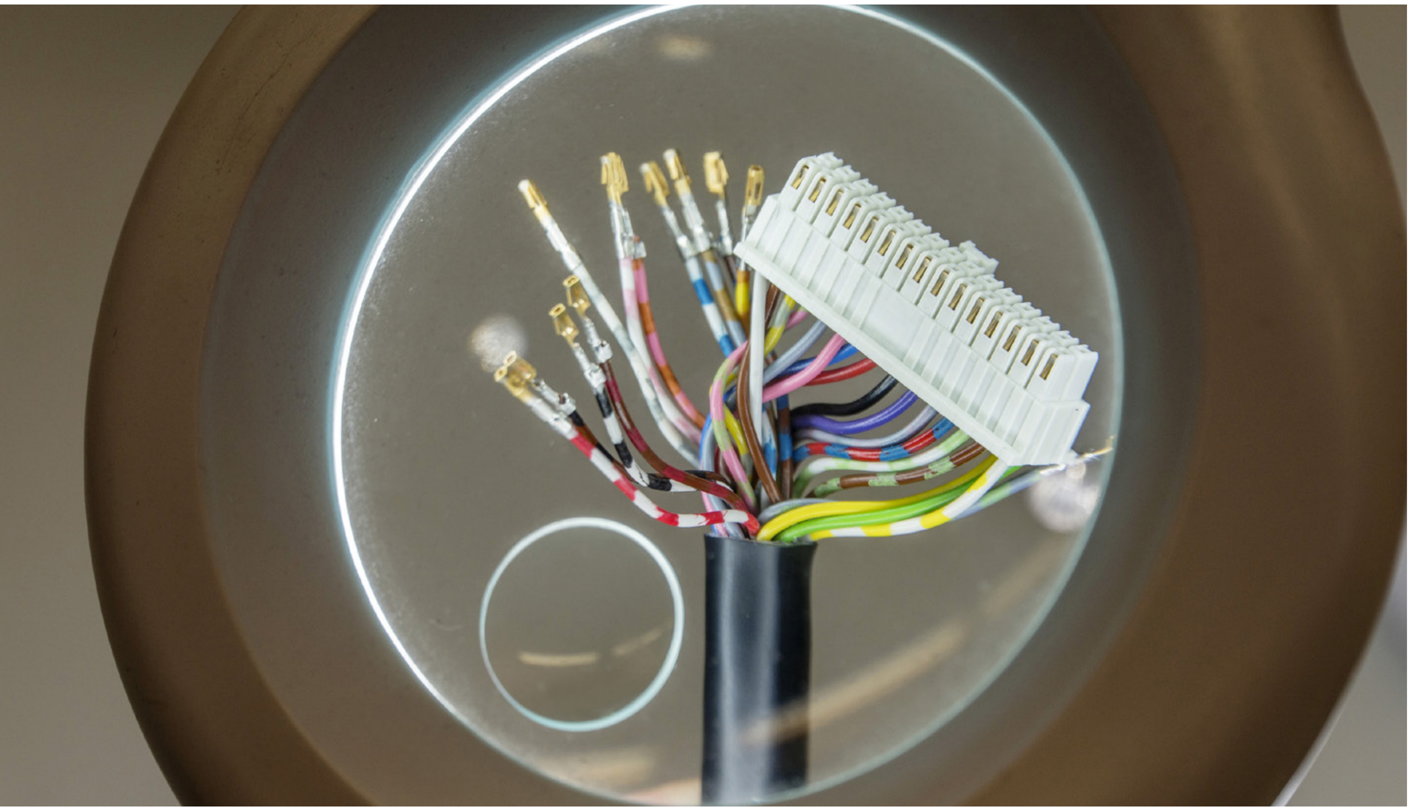
- User Interfaces and Graphical solutions – for low-medium volume Professional use based on single piece production
- Printed Electronics – for high-volume needs based on roll-to-roll printing, converting and delivery

In 2021/22 the Graphic Electronics division realized a significant growth of 19 % compared to 2020/21 due to a general increase in customer demand and new project ramp-up. The division has also won new business at a record-high level in 2021/22 comparable to 2020/21, which will ensure continued growth in the coming 2-3 years.



The strategic development target is to be a leading development and production partner within selected markets for European companies with an increasing level of integrated solutions and components shipped directly to customer assembly lines without incoming quality inspection.

Among the highlights in 2021/22, the division has successfully commissioned a production line for non-woven stretchable sensors related to "wearables", made a breakthrough in Automated Optical Inspection (AOI) of the production and insourced a number of produced parts from Asia to European-based production in Denmark.



mekoprint
cables

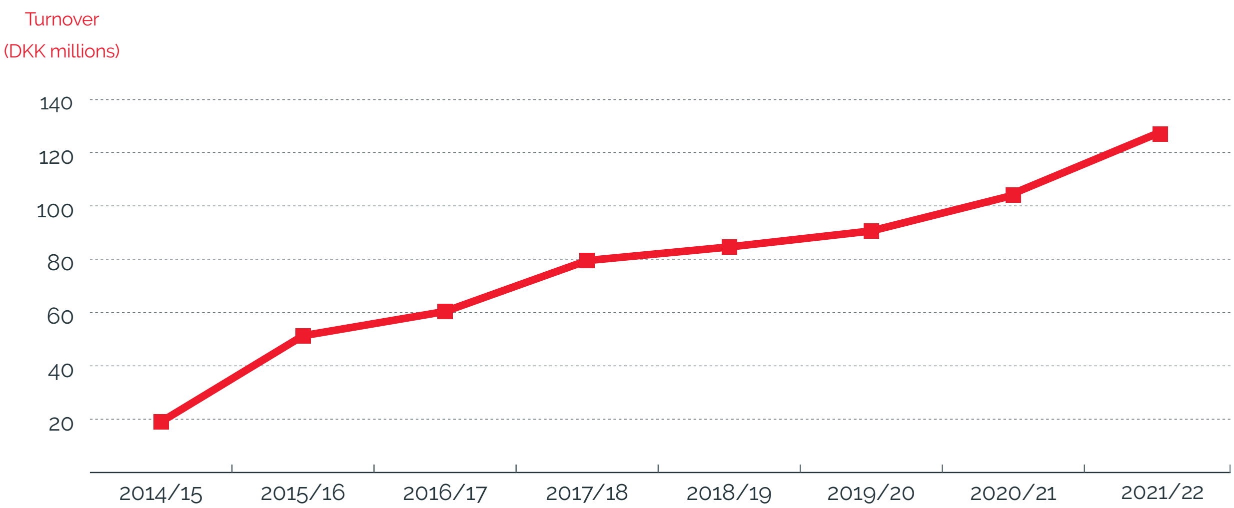
The Cables division provides a one-stop-shop for design assistance, fast prototyping and production of most types of custom cobber-based wire and cable harnesses for Electronic devices and Industrial needs.

The division roots within Mekoprint dates back to 2011 when the Danish cable harness company "S-Pro" was acquired to strengthen the total product portfolio within electromechanical needs. Later in 2015 the Danish-Polish "Molex-Knutsen" cable harness company was acquired and merged with the former "S-pro" activities to establish Mekoprint Cables as an independent Mekoprint division
.
Today the Cables division is fully integrated in Mekoprint with shared large customer partners, a fully digital shop-floor and an additional production facility in Ukraine to complement the Polish facility, which was originally established in 1995 close to Warszaw.

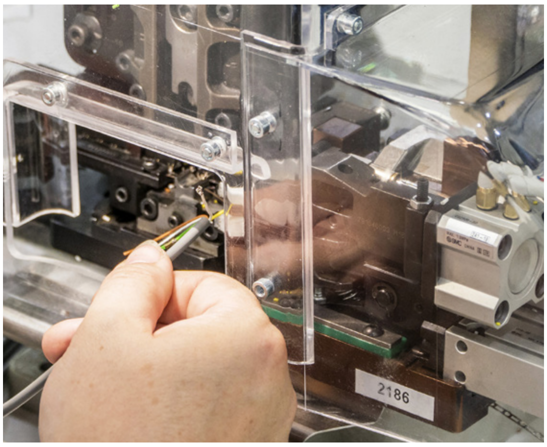
The Cables division employs more than 280 employees divided into specialty teams such as:

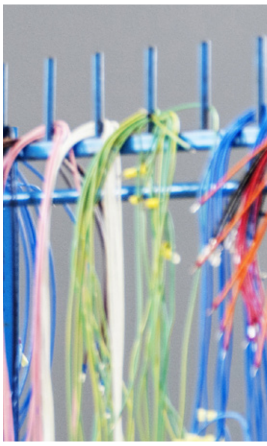
- Single wires
- Coax cables
- Multicore cables
- Wire harnesses
- Boxbuilding & Subassemblies
- Low and high pressure over-moulded solutions

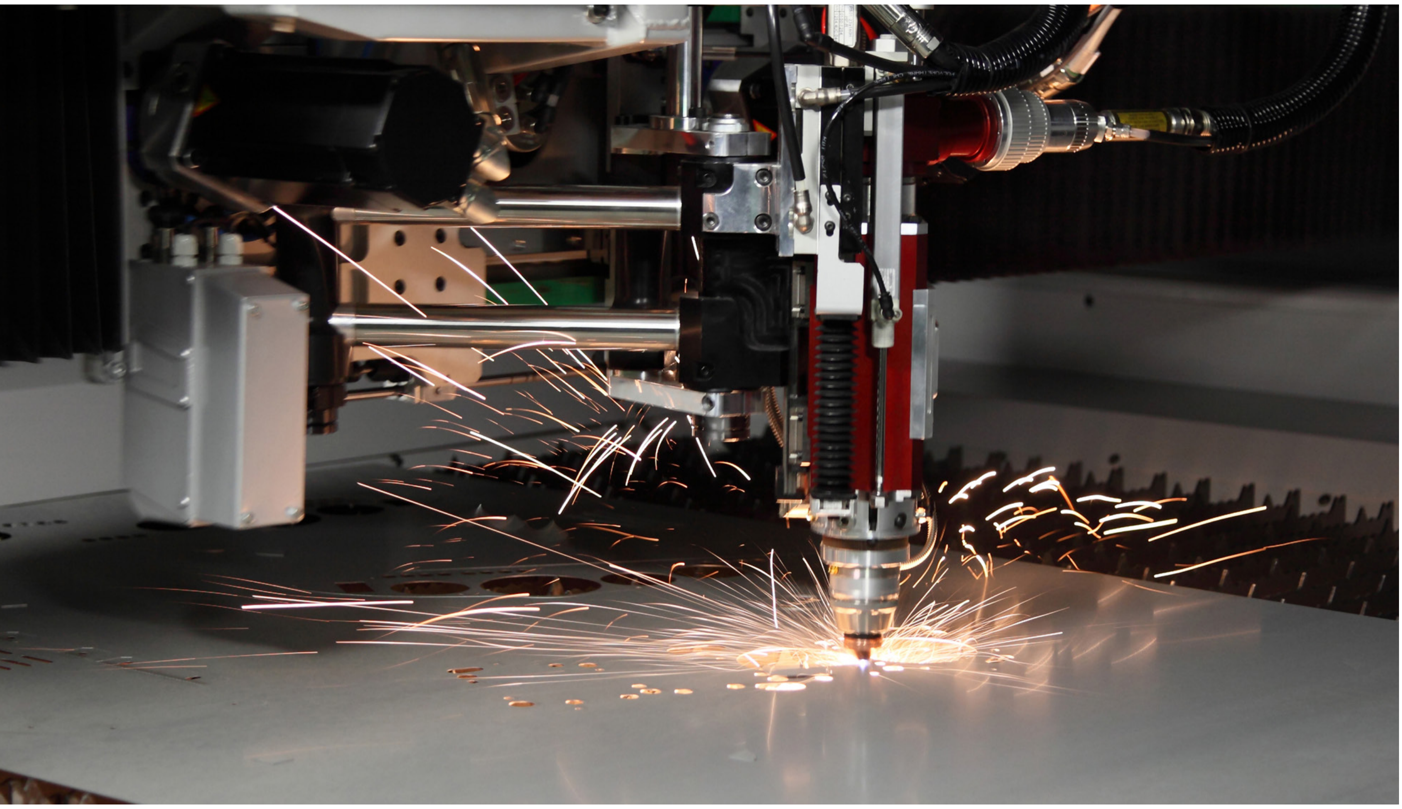
In 2021/22 the Cables division Turnover reached 127 million DKK, which represents a significant growth of 19 % compared to 2020/21 due to a general increase in customer demand and new project ramp-up. The division has also won new business at a record-high level in 2021/22 related to the green-tech industries in particular, which will ensure continued significant growth in the coming 2-3 years.



In 2021/22 the Cables division has been challenged with two historic challenges in particular. Throughout the year the supply of raw cables and connectors has been an ongoing struggle and source of frustration with recurrent delivery delays and dramatic price increases. However, the single most challenging event was the Russian invasion of Ukraine leading to an immediate closure of the Mekoprint Cables factory in Ukraine, which lasted for one and a half months. The Cables organization proved to be very professional and resilient handling all customer needs from Poland while the factory in Ukraine was closed. Since May 2022 the factory in Ukraine has been fully operational with continued construction of a new 3.600 m2 factory to be opened in the first half of 2023. With this expansion, the division will be one step closer becoming a leading partner within custom cable wire harnesses to selected markets in Northern Europe.







mekoprint
mechanics

The Mechanics division provides a unique combination of Metal related product development assistance with fast prototyping, cost-effective design and scalable production from single plates to high-volume coil-based solutions.

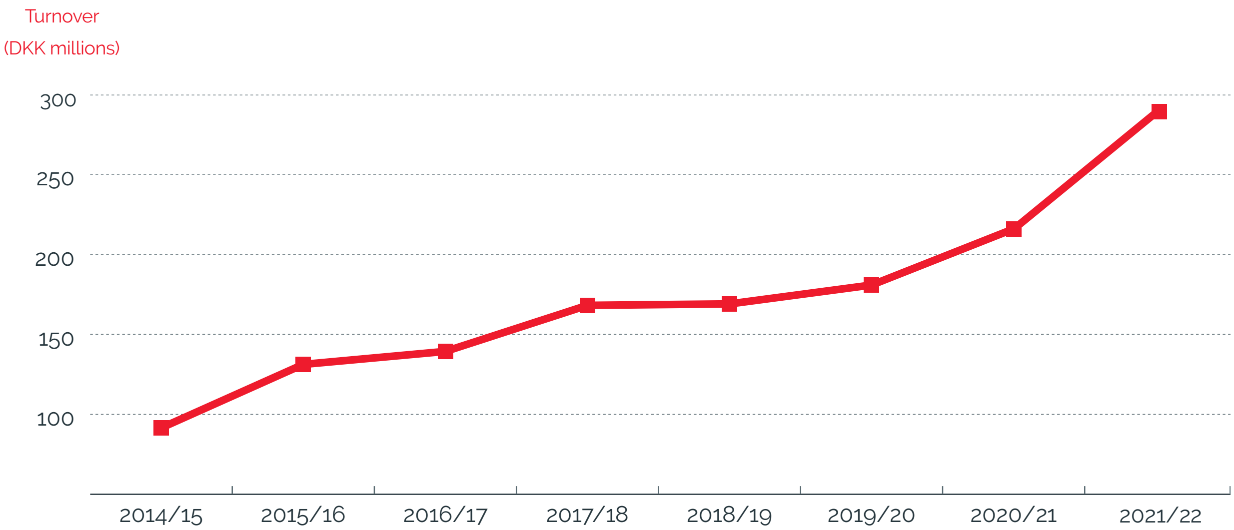
The division roots go back to 1978 when existing customers encouraged Mekoprint to expand into the Metal solution area. By following the needs of an increasing number of long-term customers, the Metal business quickly became one of the key parts of Mekoprint's Product portfolio.

Today the Mechanics division consist of two factories in Denmark and one factory in Poland with a total of more than 180 specialists. The philosophy is to integrate production processes in highly optimized product flows to ensure cost-effective stable quality and scalability.

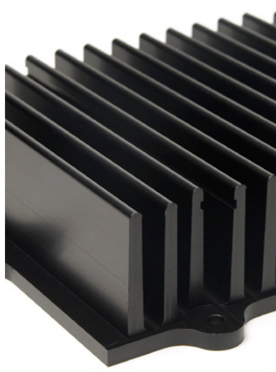
The division is split into four main Product areas:

- High volume coil-based solutions – based on highly automated production processes incl. surface treatment
- Plate solutions – based on a broad array of production technologies to quality demanding requirements
- Welded system solutions – for industrial business needs of flexible production to enable mass customization
- Milled solutions – based on stand-alone machines and fully automated processes

The Mechanics division has experienced a high level of activity throughout the turbulent "Corona-years" with a number of ongoing supply chain challenges in the supply of raw materials. In 2021/22 the customer demands increased in all product areas leading to a record Turnover of DKK 290 million, which represents a very significant growth of 35 %.



Despite of new won business at a high level in 2021/22, the division Turnover is expected to decrease in 2022/23 due to a drop in selected large account customers demand and slightly lower raw material prices. This coincides with a record number and size of division investments incl. a construction of 2.400 m2 additional production area, a new 500 tons Hydraulic coil-press, five new milling machines, a fully automated fiber-laser and punching machine. Based on these investments the division continues a strong development to become a leading partner for the development and production of globally competitive precision metal components within selected markets for Northern European companies.



mekoprint
micromechanics

The Micromechanics division co-develops and produces customized high-precision fine mechanical components and total solutions from small battery connectors to special 3D components, EMI shielding and Metal Nameplates.

The division roots go back to the very beginning of Mekoprint in 1954 with the production of Metal Nameplates for the Agricultural Machine Industry. The core technologies of screen printing, chemical etching, punching, bending and welding have since evolved into a number of specialty product areas and complemented with new production technologies incl. milling, turning, laser cutting, welding and engraving.

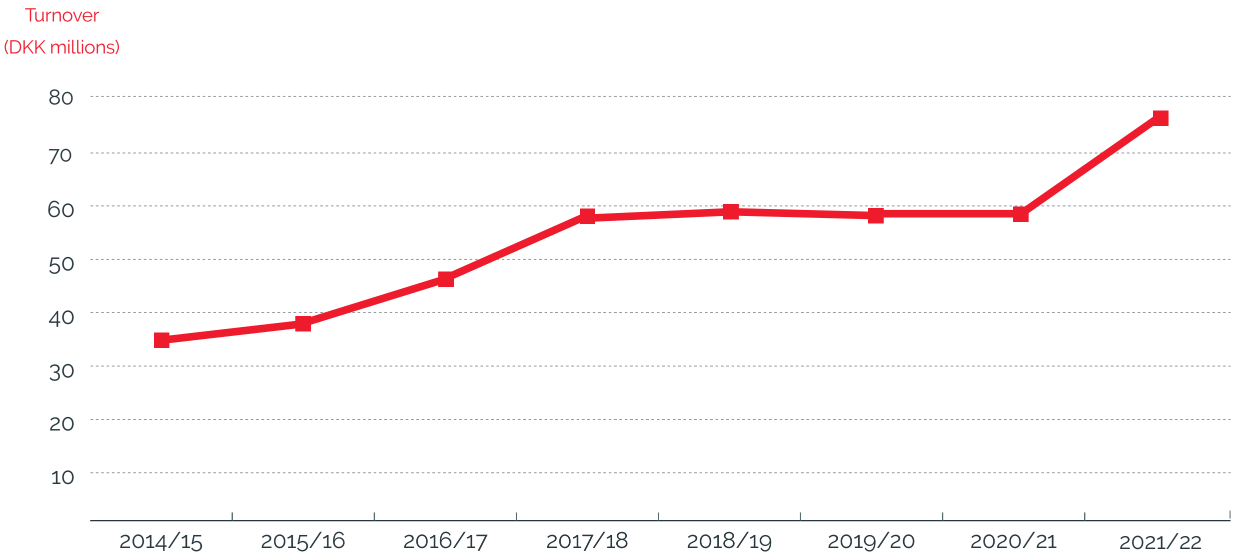
The Micromechanics division was known as Chemigraphics in the majority of 2021/22, but on the 31st of August 2022 the division name was changed to reflect the breadth of micromechanical production technologies.

Today the division has evolved from an etching specialist to become a valued development and production partner within fine mechanical components for Northern European companies.

This is based on a unique combination of production technologies split into four product areas:

- Micro-machined components – addressing 1-2 mikron milling and turning tolerance requirements
- Micro-plate components – based on etching, micro laser-cutting, punching, bending and welding
- Custom EMI solutions – to shield or separate Electro Magnetic Interference from within Electronic devices
- Metal Nameplate solutions – for Product branding and identification

The single most important business event at the Micromechanics division in 2021/22 was the acquisition of a 67 % majority stake in the Danish based Microturn company with +20 years of dedicated experience within microturning. The company has now been renamed "Mekoprint Microturn" and is part of the Micromechanics division with continued microturning in both Danish division locations.



In a combination of increased market demands and the acquisition of Microturn, the Micromechanics division Turnover increased to 76 million DKK, which represents 31 % growth compared to 2020/21. The largest division customer has discontinued a major product line with significant production at Mekoprint, but based on a high level of new incoming business and the acquisition of Microturn, the Micromechanics Turnover is expected to reach a level of 100 million DKK in 2022/23. Based on this the division is on a very clear path to become one of the leading companies within the development and production of fine mechanical solutions in Northern Europe.

OVERALL **STRATEGY**

The overall strategy of the Mekoprint Group serves our Purpose, is driven by an Ambition for a defined period of time and is guided by our Values:

PURPOSE

Creating a better world together with declining resource consumption and increasing positive environmental impact in partnerships throughout the supply chain

.

AMBITION 2025

To be an international company with DKK 1 billion Turnover and four bottom lines in balance

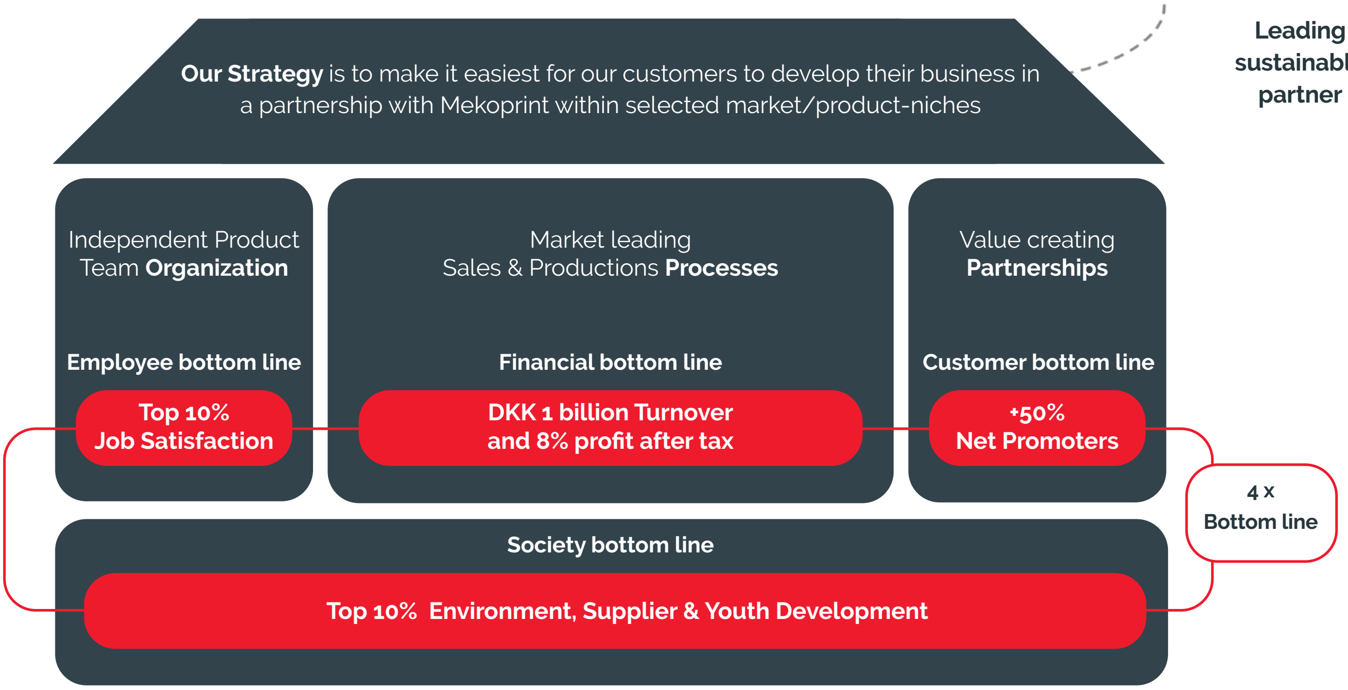
VALUES

Curious, Ambitious, Action oriented and Responsible

The overall strategy is summarized in the “Mekoprint Strategy House” below with three main pillars to support the overall strategy and our surrounding society as the foundation we are based upon.

The key to the strategy is to ensure a balanced development of all areas, which we pursue with a quadruple bottom line in mind representing all stakeholders.

This we believe can only be done by making long term strategic investments combined with short term performance in line with the dynamic needs of all stakeholders. To support the growth ambitions and strategic directions for each Division and Product Area, the expected Investment Programme until 2024/25 is in excess of DKK 150 million. The long term 2030 ambition is to become a leading sustainable partner, which requires a phased approach described in the following pages.



EMPLOYEE JOB SATISFACTION
– is measured several times a year based on 10 key questions with external benchmark through Peakon Workday. In the most recent survey in 2022 the Job Satisfaction status remains at the top 10 % level as an average across the Mekoprint Group.

FINANCIAL PERFORMANCE
– is measured on a Product Team level to provide transparency and clear ownership for targeted cost improvement and business development actions. The overall bottom-line focus is Profit after tax and Return on Invested Capital.

CUSTOMER SATISFACTION
– is measured once a year with an open survey to provide feedback from customer contacts directly to the Mekoprint counterparts which allows immediate follow-up. In 2022 the Net Promotor Score showed a decrease to 37 %, which is below the strategic target.

SOCIETY IMPACT
– is overall measured in relation to “Corporate Social Responsibility” once a year by the third party company EcoVadis. In 2022 the auditor provided Mekoprint with an improved score, but reduced the ranking to a top 25 % Silver level due to a change of criteria. The target is to improve the score further in 2023 and regain a top 5 % Gold level ranking due to improvements described on the following pages.

SUSTAINABILITY
AT MEKOPRINT

The 17 UN Sustainable Development Goals towards 2030 have been evaluated and prioritized in relation to the areas where Mekoprint can make the biggest difference in relation to the company's ambition to become a leading sustainable development and production partner by the end of 2030. Based on that evaluation, 5 UN SDGs of particular relevance for Mekoprint and all four bottom lines have been selected, simultaneously representing all the company's stakeholders.

> We want to be a pioneer in the development of a more sustainable future. This requires both short-term actions and long-term investments as an integral part of our strategy and the quadruple bottom line.
>
> **CEO, Anders Kold**

WE SUPPORT
UN GLOBAL COMPACT

The first step in converting previous farm land to 3 hectares protected "climate forest" as a permanent contribution to CO2 reduction and increased biodiversity.

Gender equality has always been natural at Mekoprint, as has equality in general across age, geographical origin and religious as well as sexual orientations. This applies to e.g. equal pay for equal qualifications and equal respect for all.

This Global Goal is supported by Mekoprint targets for "Women in management" and "Freedom of opinion (as an expression of diversity in general)". Please read further details on page 23.

Decent work and economic growth have always gone hand in hand at Mekoprint. The management philosophy is that high job satisfaction is crucial for developing happy customers, which in turn are crucial for natural and thus sustainable economic growth. This Global Goal is supported by Mekoprint targets for "Job satisfaction", "Proportion under education" and "Economic annual growth".

Long-term investments in smarter technologies with better resource utilisation are among the most important characteristics of Mekoprint's continued development. This Global Goal is supported by targets for "Infrastructure investment % of Turnover", "Annual new job creation" and "Organizational investment in competencies for Green Transition and Customer Advisory".

Mekoprint's overall purpose as a company is to create a better world together, with declining resource consumption and an increased positive environmental impact in partnerships throughout the supply chain. Therefore, responsible consumption and production is a completely natural part of everyday life for all employees – in all processes. This Global Goal is supported by Mekoprint targets for "CO2 footprint", "Reduced electricity consumption", "Reduced scrap" and "Environmentally friendly packaging".

In order to create the best possible solutions with a sustainable use of resources, there is a need to activate knowledge and encourage action among all parties involved. That is why "Partnerships for the Goals" is crucial for us to succeed in developing products that are increasingly sustainable. This Global Goal is supported by Mekoprint targets for "Revenue share for customers with a focus on Green Transition", "Customer satisfaction with advice on increased sustainability", "Supplier share with a Sustainable profile" and "External maturity validation".

For more information about our targets and status please refer to our latest UN Communication of Progress: "Sustainability in Mekoprint 2022" on www.mekoprint.com.

CORPORATE
SOCIAL REPSONSIBILITY

Mekoprint has worked systematically with Corporate Social Responsibility since it was triple-certified within ISO 9001, ISO 14001 and ISO 45000 in 1999 as the first Danish company and among the first in the world. All three management systems were audited for all Mekoprint Divisions in 2022.

Three stakeholder receive particular attention from our strategy with a number of recent actions:

1

External environment
In 2021/22 a total of 24,000 trees has been planted and a plan has been made to substitute heating based on Natural Gas with Electric Heat Pumps in order to become carbon neutral on scope 1-2 level by 2025. Additionally, more than 95 % of all packaging material has been converted into environmentally friendly alternatives by the end of 2021/22.

2

Suppliers, including respect for human rights, anticorruption and bribery
Since 2012, the Group's relations with its suppliers have followed a code of conduct, which is a set of ethical rules that guide the cooperation between Mekoprint, Mekoprint's employees and Mekoprint's suppliers to ensure that the production of products and provision of services are consistent with Mekoprint's objective to act responsibly and fairly towards all groups of stakeholders. In 2021/22 a Sustainable Supplier Survey was performed to assess the level of Sustainability in the Supply Chain of Mekoprint and establish the baseline for a yearly assessment and categorization of top 200 Suppliers. Based on the Sustainability Survey a Supplier was awarded with "Sustainable Supplier initiative of the year".

3

Training and education
The long-term objective is to be a positive contributor by providing training and education of more trainees and apprentices, and having more internships and other forms of collaboration with students than Mekoprint needs itself. Since 2020, the number of employees in educational job-programs is more than twice as large as the minimum requirement for companies of our size.

GENDER **DIVERSITY**

As part of Mekoprint Group's corporate responsibility, the company also uses target figures and policies for the gender composition of its management. In Mekoprint group, the objective by 2026 is to have no underrepresented gender in the Board of Directors and Executive Board. At the end of 2021/22 the company's Board of Directors consists of four male members elected by the general meeting. The company's Executive Board consists of two members – both men. Consequently, the group's objective is not yet met by 30 September 2022. Attempts to meet the objective will be made in connection with any future changes to the existing composition of the Board of Directors and Executive Board.

The Mekoprint Group's objective is also not to have an underrepresented gender at other management levels. At the end of 2021/22, the Group employs 67 managers at various management levels, of whom 28 % are women and 72 % are men. The Group's goal by 2026 is to ensure that one gender does not make up less than 40 % has therefore not yet been reached, but the objective is to achieve this through internal management development and new appointments within the next four years. To the extent possible the Group will seek to have a female candidate among the last 2-3 candidates for a management position. Notwithstanding the objective concerning the underrepresented gender, the Mekoprint Group appoints members of management and any other position according to qualified candidates rather than gender.

The overall gender distribution in the Mekoprint Group is 50 % female and 50 % male employees with the following geographical differences:

- Employees at Mekoprint A/S in Denmark: 36 % female and 64 % male
- Employees at international subsidiaries: 70 % female and 30 % male

Diversity in general is a natural part of the Mekoprint Group with a culture that is open to our differences as people from opinions and motivational preferences to gender, nationality, religion or sexual orientation. To underline our support to diversity, the Mekoprint Group has signed "The gender diversity pledge" from the Danish Industry Association, which includes 16 principles for diversity in general. The Industry objective is to reach a 40/60 female/male distribution by 2030 with a positive development in all companies incl. the Mekoprint Group.

RISK MANAGEMENT & **DATA ETHICS**

Operating and activity risks

As a manufacture-to-order company, Mekoprint A/S is dependent on customer activity, and the ability to adapt production capacity to market needs in an agile manner is deemed to be the company's most important operational risk.

The company closely monitors the activity risk, which covers a large number of customers in various industries and markets. The activity risk cannot be eliminated, but is deemed to be reduced to a reasonable level by this spread and distribution.

Currency risks

The majority of the group's transactions take place in DKK and EUR. The group is only to a limited extent exposed to other currencies.

Interest rate risks

The group's interest rate risks, which are solely associated with operating credits and mortgage debt, are considered to be minimal.

Credit risks

The group's receivables are distributed on a large number of customers and large receivables from well-consolidated business partners. No special risks are deemed to exist in this regard.

Data ethics

The extent of the digitalization and data quantity is developing rapidly, which is making high demands on to process and protect data. The management expects, that the Mekoprint Group is acting in a responsible manner, also in relation to data, and that the level of transparency is increasing in relation to customers, employees and business partners. In order to comply with this approach, a policy on data ethics is in the process of being prepared and is going to be implemented during 2022/23

SUBSEQUENT **EVENTS**

No important events have occurred after the end of the financial year.

KEY **FIGURES**

Figures in dkk '000	2021/2022	2020/21	2019/20	2018/19	2017/18
Profit/loss					
Turnover	727,377	569,534	507,673	500,542	475,552
Index	153	120	107	105	100
Operating profit/loss	51,690	49,875	21,688	17,693	21,905
Index	236	228	99	81	100
Total net financials	-5,505	-2,403	-3,993	-3,015	-2,795
Index	197	86	143	108	100
Profit for the year	36,530	36,672	14,019	11,849	14,977
Index	244	245	94	79	100
Balance					
Total assets	533,132	372,386	300,711	300,472	260,050
Index	205	143	116	116	100
Investments in property, plant and equipment	48,746	25,440	26,610	41,866	18,931
Index	257	134	141	221	100
Equity	179,826	143,049	106,663	92,729	80,950
Index	222	177	132	115	100
Cashflow					
Net cash flow:					
Operating activities	1,153	7,440	31,940	33,849	14,700
Investing activities	-112,511	-23,555	-26,610	-41,866	-18,931
Financing activities	113,346	16,401	15,282	15,327	152
Cash flows for the year	1,988	286	20,612	7,310	-4,079

KEY **FIGURES**

Ratios	2021/22	2020/21	2019/20	2018/19	2017/18
Profitability					
Return on equity	21%	29%	14%	14%	20%
Return on invested capital	17%	22%	12%	10%	14%
Profit margin	7%	9%	4%	4%	5%
Asset turnover	1.6	1.7	1.7	1.8	1.9
Equity ratio					
Solvency ratio	34%	38%	35%	31%	31%
Others					
Number of employees (average)	665	618	589	534	525

Cash consist of cash at the end of 2021/22. In previous years, these consisted of cash and short-term payables to credit institutions. The comparative figures for 2020/21 have been restated in accordance with the new accounting policies. Financial highlights for the past 2 to 4 years have not been restated in accordance with the change in accounting policies, see section 101(3) of the Danish Financial Statements Act.

Statement of the Board of Directors and Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.10.21 - 30.09.22 for Mekoprint A/S.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 30.09.22 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.10.21 - 30.09.22.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Støvring, November 29, 2022

Executive Board

Anders Kold CEO	Torben Jensen CFO

Board of Directors

Jan Vestergaard Olsen Chairman	Esben Kold Vice-chairman	Anders Kold
Per Rasmus Rasmussen	Claus Laustsen	Peter Glad

Independent auditor’s report

To the Shareholder of Mekoprint A/S

Opinion

We have audited the consolidated financial statements and parent company financial statements of Mekoprint A/S for the financial year 01.10.21 - 30.09.22, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 30.09.22 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.10.21 - 30.09.22 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements and parent company financial statements” section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement regarding the management’s review

Management is responsible for management’s review.

Our opinion on the consolidated financial statements and parent company financial statements does not cover management’s review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that management’s review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management’s review.

Management's responsibility for the consolidated financial statements and parent company financial statements

The 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. Furthermore the Management is responsible for the internal control as the Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated financial statements and parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

Independent auditor's report

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company 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 per-formance of the group audit. We remain solely responsible for our audit opinion.

Independent auditor's report

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.

Aalborg, November 29, 2022

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Henrik Bjørn

State Authorized Public Accountant
MNE-no. mne28606

Income statement

Note		Group		Parent	
		2021/22 DKK '000	2020/21 DKK '000	2021/22 DKK '000	2020/21 DKK '000
3	**Turnover**	**727,377**	**569,534**	**582,669**	**461,002**
	Other operating income	0	233	0	233
	Costs of raw materials and consumables	-279,474	-192,597	-221,673	-151,665
	Other external expenses	-141,201	-107,272	-111,613	-82,665
	Gross profit	**306,702**	**269,898**	**249,383**	**226,905**
4	Staff costs	-228,603	-198,687	-188,629	-168,377
	Profit before depreciation, amortisation, write-downs and impairment losses	**78,099**	**71,211**	**60,754**	**58,528**
6	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-25,776	-21,318	-20,980	-19,051
	Other operating expenses	-633	-18	-633	-18
	Operating profit	**51,690**	**49,875**	**39,141**	**39,459**
7	Income from equity investments in group enterprises	0	0	7,115	7,137
8	Financial income	154	680	790	717
9	Financial expenses	-5,659	-3,083	-1,935	-1,951
	Profit before tax	**46,185**	**47,472**	**45,111**	**45,362**
10	Tax on profit for the year	-9,655	-10,800	-8,908	-8,690
	Profit for the year	**36,530**	**36,672**	**36,203**	**36,672**

11 Distribution of net profit

Balance sheet

ASSETS

Note		Group		Parent	
		30.09.22 DKK '000	30.09.21 DKK '000	30.09.22 DKK '000	30.09.21 DKK '000
	Goodwill	47,173	0	0	0
12	**Total intangible assets**	**47,173**	**0**	**0**	**0**
	Land and buildings	5,631	6,101	0	0
	Leasehold improvements	2,057	0	0	0
	Plant and machinery	150,627	108,014	114,727	95,242
	Other fixtures and fittings, tools and equipment	12,141	13,023	12,122	13,004
	Property, plant and equipment under construction	1,749	4,002	1,749	4,002
13	**Total property, plant and equipment**	**172,205**	**131,140**	**128,598**	**112,248**
14	Equity investments in group enterprises	0	0	41,933	13,618
15	Deposits	13,008	13,053	12,582	12,582
	Total investments	**13,008**	**13,053**	**54,515**	**26,200**
	Total non-current assets	**232,386**	**144,193**	**183,113**	**138,448**
	Raw materials and consumables	79,135	57,276	43,970	34,878
	Work in progress	19,285	17,626	16,466	15,758
	Manufactured goods and goods for resale	53,551	37,457	37,638	30,019
	Total inventories	**151,971**	**112,359**	**98,074**	**80,655**
	Trade receivables	122,481	103,150	91,679	76,435
	Receivables from group enterprises	6,201	0	61,130	31,504
	Other receivables	9,130	5,849	2,528	2,304
16	Prepayments	6,212	4,072	6,149	4,072
	Total receivables	**144,024**	**113,071**	**161,486**	**114,315**
	Cash	**4,751**	**2,763**	**0**	**0**
	Total current assets	**300,746**	**228,193**	**259,560**	**194,970**
	Total assets	**533,132**	**372,386**	**442,673**	**333,418**

EQUITY AND LIABILITIES

Note		Group 30.09.22 DKK '000	Group 30.09.21 DKK '000	Parent 30.09.22 DKK '000	Parent 30.09.21 DKK '000
17	Contributed capital	5,000	5,000	5,000	5,000
	Reserve for net revaluation according to the equity method	0	0	15,860	9,131
	Foreign currency translation reserve	-672	-286	-672	-286
	Retained earnings	164,539	128,335	148,679	119,204
	Proposed dividend for the financial year	0	10,000	0	10,000
	Equity attributable to owners of the parent	**168,867**	**143,049**	**168,867**	**143,049**
18	Non-controlling interests	10,959	0	0	0
	Total equity	**179,826**	**143,049**	**168,867**	**143,049**
19	Provisions for deferred tax	11,091	9,537	9,917	9,352
	Total provisions	**11,091**	**9,537**	**9,917**	**9,352**
20	Payables to other credit institutions	55,704	2,328	29,617	0
20	Lease commitments	50,817	40,091	50,129	39,538
20	Payables to associates	3,511	0	0	0
20	Other payables	15,357	15,190	15,357	15,190
	Total long-term payables	**125,389**	**57,609**	**95,103**	**54,728**
20	Short-term part of long-term payables	22,895	9,430	16,370	9,140
	Payables to other credit institutions	92,588	33,584	73,804	20,638
	Trade payables	60,047	52,585	43,855	35,881
	Payables to group enterprises	0	17,145	0	17,145
	Income taxes	9,273	7,269	8,342	7,386
	Other payables	32,023	42,178	26,415	36,099
	Total short-term payables	**216,826**	**162,191**	**168,786**	**126,289**
	Total payables	**342,215**	**219,800**	**263,889**	**181,017**
	Total equity and liabilities	**533,132**	**372,386**	**442,673**	**333,418**

21 Contingent liabilities
22 Charges and security
23 Related parties

Statement of changes in equity

Figures in DKK '000	Contributed capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group:								
Statement of changes in equity for 01.10.20 - 30.09.21								
Balance as at 01.10.20	5,000	0	0	101,663	0	106,663	0	106,663
Foreign currency translation adjustment of foreign enterprises	0	0	-286	0	0	-286	0	-286
Net profit/loss for the year	0	0	0	26,672	10,000	36,672	0	36,672
Balance as at 30.09.21	5,000	0	-286	128,335	10,000	143,049	0	143,049
Statement of changes in equity for 01.10.21 - 30.09.22								
Balance as at 01.10.21	5,000	0	-286	128,335	10,000	143,049	0	143,049
Foreign currency translation adjustment of foreign enterprises	0	0	-386	0	0	-386	0	-386
Capital increase	0	0	0	0	0	0	10,631	10,631
Dividend paid	0	0	0	0	-10,000	-10,000	0	-10,000
Net profit/loss for the year	0	0	0	36,204	0	36,204	328	36,532
Balance as at 30.09.22	5,000	0	-672	164,539	0	168,867	10,959	179,826

Statement of changes in equity

Figures in DKK '000	Contributed capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Parent:								
Statement of changes in equity for 01.10.20 - 30.09.21								
Balance as at 01.10.20	5,000	2,280	0	99,383	0	106,663	0	106,663
Foreign currency translation adjustment of foreign enterprises	0	0	-286	0	0	-286	0	-286
Net profit/loss for the year	0	6,851	0	19,821	10,000	36,672	0	36,672
Balance as at 30.09.21	5,000	9,131	-286	119,204	10,000	143,049	0	143,049
Statement of changes in equity for 01.10.21 - 30.09.22								
Balance as at 01.10.21	5,000	9,131	-286	119,204	10,000	143,049	0	143,049
Foreign currency translation adjustment of foreign enterprises	0	0	-386	0	0	-386	0	-386
Dividend paid	0	0	0	0	-10,000	-10,000	0	-10,000
Net profit/loss for the year	0	6,729	0	29,475	0	36,204	0	36,204
Balance as at 30.09.22	5,000	15,860	-672	148,679	0	168,867	0	168,867

Consolidated cash flow statement

Note		Group 2021/22 DKK '000	Group 2020/21 DKK '000
	Profit for the year	**36,530**	**36,672**
24	Adjustments	41,569	34,455
	Change in working capital:		
	Inventories	-34,386	-34,749
	Receivables	-19,303	-34,338
	Trade payables	4,299	12,893
	Other payables relating to operating activities	-10,980	-205
	Cash flows from operating activities before net financials	**17,729**	**14,728**
	Interest income and similar income received	154	681
	Interest expenses and similar expenses paid	-5,660	-3,083
	Income tax paid	-11,070	-4,886
	Cash flows from operating activities	**1,153**	**7,440**
	Purchase of intangible assets	-48,383	0
	Purchase of property, plant and equipment	-48,746	-25,440
	Sale of property, plant and equipment	670	1,885
	Purchase of subsidaries and operations	-16,052	0
	Cash flows from investing activities	**-112,511**	**-23,555**
	Raising of additional capital	10,631	0
	Dividend paid	-10,000	0
	Repayment of payables to credit institutions	122,159	21,738
	Repayment of lease commitments	14,191	-5,510
	Repayment of payables to group entreprises	-27,313	0
	Repayment of payables to associates	3,511	0
	Repayment of other long-term payables	167	173
	Cash flows from financing activities	**113,346**	**16,401**
	Total cash flows for the year	**1,988**	**286**
	Cash, beginning of year	2,763	2,477
	Cash, end of year	**4,751**	**2,763**
	Cash, end of year, comprises:		
	Cash	4,751	2,763
	Total	**4,751**	**2,763**

1. Subsequent events

No important events have occurred after the end of the financial year.

2. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

Special items:	Recognised in the income statement in:	Group 2021/22 DKK '000	Group 2020/21 DKK '000	Parent 2021/22 DKK '000	Parent 2020/21 DKK '000
Public grants	Other operating income	0	233	0	233
Loss on disposal of property, plant and equipment	Other operating expenses	-633	-18	-633	-18
Total		-633	215	-633	215

3. Turnover

Information about the distribution of turnover by activities and geographical markets is provided below. The segment information is prepared in accordance with the company's accounting policies and follows the company's internal financial management.

	Group		Parent	
	2021/22 DKK '000	2020/21 DKK '000	2021/22 DKK '000	2020/21 DKK '000
Turnover comprises the following activities:				
Micromechanics	76,041	58,240	67,362	58,240
Mechanics	290,272	215,313	290,272	215,313
Graphic Electronics	214,997	180,520	205,502	174,806
Cables	126,572	103,447	38	628
Other	19,495	12,014	19,495	12,015
Total	727,377	569,534	582,669	461,002
Turnover comprises the following geographical markets:				
Denmark	294,014	228,863	233,402	186,862
Other countries	433,363	340,671	349,267	274,140
Total	727,377	569,534	582,669	461,002

	Group		Parent	
	2021/22 DKK '000	2020/21 DKK '000	2021/22 DKK '000	2020/21 DKK '000
4. Staff costs				
Wages and salaries	206,462	179,987	171,648	153,696
Pensions	13,354	11,619	13,254	11,586
Other social security costs	1,347	1,132	1,268	1,132
Other staff costs	7,440	5,949	2,459	1,963
Total	228,603	198,687	188,629	168,377
Average number of employees during the year	665	618	359	318
Remuneration for the management:				
Salaries for the Executive Board	3,550	4,314	3,550	4,314
Pension for the Executive Board	253	247	253	247
Total remuneration for the Executive Board	3,803	4,561	3,803	4,561
Remuneration for the Board of Directors	360	360	360	360
Remuneration for the Executive Board and Board of Directors	4,163	4,921	4,163	4,921

5. Fees to auditors appointed by the general meeting

	Group 2021/22	Group 2020/21	Parent 2021/22	Parent 2020/21
Statutory audit of the financial statements	463	341	299	286
Other services	94	71	75	53
Total	557	412	374	339

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

6. Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment

	2021/22	2020/21	2021/22	2020/21
Amortisation of intangible assets	1,210	34	0	6
Depreciation of property, plant and equipment	24,566	21,284	20,980	19,045
Total	25,776	21,318	20,980	19,051

7. Income from equity investments in group enterprises

	2021/22	2020/21	2021/22	2020/21
Share of profit or loss of group enterprises	0	0	7,115	7,137

8. Financial income

	2021/22	2020/21	2021/22	2020/21
Interest, group enterprises	0	0	676	625
Other financial income	154	680	114	92
Total	154	680	790	717

9. Financial expenses

	2021/22	2020/21	2021/22	2020/21
Interest, group enterprises	59	306	60	305
Other financial expenses	5,600	2,777	1,875	1,646
Total	5,659	3,083	1,935	1,951

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

10. Tax on profit or loss for the year

Current tax for the year	10,051	9,360	8,342	7,386
Adjustment of deferred tax for the year	-396	1,440	566	1,304
Total	9,655	10,800	8,908	8,690

11. Distribution of net profit

Reserve for net revaluation according to the equity method	0	0	6,729	6,851
Proposed dividend for the financial year	0	10,000	0	10,000
Non-controlling interests	328	0	0	0
Retained earnings	36,201	26,672	29,474	19,821
Total	36,529	36,672	36,203	36,672

12. Intangible assets

Figures in DKK '000	Goodwill
Group:	
Cost as at 01.10.21	2,072
Additions during the year	48,383
Cost as at 30.09.22	50,455
Amortisation and impairment losses as at 01.10.21	-2,072
Amortisation during the year	-1,210
Amortisation and impairment losses as at 30.09.22	-3,282
Carrying amount as at 30.09.22	47,173
Parent:	
Cost as at 01.10.21	550
Cost as at 30.09.22	550
Amortisation and impairment losses as at 01.10.21	-550
Amortisation and impairment losses as at 30.09.22	-550
Carrying amount as at 30.09.22	0

13. Property, plant and equipment

Figures in DKK '000	Land and buildings	Leasehold improve-ments	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction
Group:					
Cost as at 01.10.21	7,311	0	391,426	56,590	4,002
Additions relating to mergers and acquisition of enterprises	0	3,194	44,331	0	0
Foreign currency translation adjustment of foreign enterprises	-272	0	-36	0	0
Additions during the year	0	0	43,282	3,775	1,690
Disposals during the year	0	0	-11,604	-297	0
Transfers during the year to/from other items	0	0	3,943	0	-3,943
Cost as at 30.09.22	7,039	3,194	471,342	60,068	1,749
Depreciation and impairment losses as at 01.10.21	-1,209	0	-283,412	-43,567	0
Additions relating to mergers and acquisition of enterprises	0	-1,137	-28,205	0	0
Depreciation during the year	-199	0	-19,750	-4,617	0
Reversal of depreciation of and impairment losses on disposed assets	0	0	33	0	0
Depreciation of and impairment losses on disposed assets for the year	0	0	10,619	257	0
Depreciation and impairment losses as at 30.09.22	-1,408	-1,137	-320,715	-47,927	0
Carrying amount as at 30.09.22	5,631	2,057	150,627	12,141	1,749

13. Property, plant and equipment - continued -

Figures in DKK '000	Land and buildings	Leasehold improve-ments	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction
Parent:					
Cost as at 01.10.21	0	0	370,380	56,506	4,002
Additions during the year	0	0	36,773	3,761	1,690
Disposals during the year	0	0	-11,530	-297	-3,943
Cost as at 30.09.22	0	0	395,623	59,970	1,749
Depreciation and impairment losses as at 01.10.21	0	0	-275,138	-43,502	0
Depreciation during the year	0	0	-16,377	-4,603	0
Depreciation of and impairment losses on disposed assets for the year	0	0	10,619	257	0
Depreciation and impairment losses as at 30.09.22	0	0	-280,896	-47,848	0
Carrying amount as at 30.09.22	0	0	114,727	12,122	1,749
Carrying amount of assets held under finance leases as at 30.09.22	0	0	75,028	0	0

14. Equity investments in group enterprises

Figures in DKK '000	Equity investments in group enterprises
Parent:	
Cost as at 01.10.21	4,487
Additions during the year	21,586
Cost as at 30.09.22	26,073
Revaluations as at 01.10.21	9,131
Foreign currency translation adjustment of foreign enterprises	-386
Net profit/loss from equity investments	7,115
Revaluations as at 30.09.22	15,860
Carrying amount as at 30.09.22	41,933
Positive balances ascertainable on initial recognition of equity investments measured at equity value	0

Name and registered office:	Ownership interest
Subsidiaries:	
Mekoprint Sp. z.o.o., Polen	100%
Mekoprint Hong Kong Ltd., Hong Kong	100%
Mekoprint Cables Sp. z.o.o., Polen	100%
Mekoprint Microturn Holding A/S, Rebild	67%

15. Other non-current financial assets

Figures in DKK '000	Deposits
Group:	
Cost as at 01.10.21	13,053
Foreign currency translation adjustment of foreign enterprises	-45
Cost as at 30.09.22	13,008
Carrying amount as at 30.09.22	13,008
Parent:	
Cost as at 01.10.21	12,582
Cost as at 30.09.22	12,582
Carrying amount as at 30.09.22	12,582

	Group		Parent	
	30.09.22 DKK '000	30.09.21 DKK '000	30.09.22 DKK '000	30.09.21 DKK '000
16. Prepayments				
Other prepayments	6,212	4,072	6,149	4,072

17. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK'000
Share class A	10	500
Share class A	20	2,000
Share class B	10	500
Share class B	20	2,000
Total		5,000

	Group		Parent	
	30.09.22 DKK '000	30.09.21 DKK '000	30.09.22 DKK '000	30.09.21 DKK '000

18. Non-controlling interests

Capital increase	10,631	0	0	0
Net profit/loss for the year (distribution of net profit)	328	0	0	0
Total	10,959	0	0	0

19. Deferred tax

Deferred tax as at 01.10.21	9,536	8,097	9,351	8,048
Additions relating to mergers and acquisition of enterprises	1,951	0	0	0
Deferred tax recognised in the income statement	-396	1,440	566	1,304
Deferred tax as at 30.09.22	11,091	9,537	9,917	9,352

20. Long-term payables

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 30.09.22	Total payables at 30.09.21
Group:				
Payables to credit institutions	10,132	21,617	65,836	2,460
Lease commitments	12,763	9,704	63,580	49,389
Payables to associates	0	0	3,511	0
Other payables	0	15,357	15,357	15,190
Total	22,895	46,678	148,284	67,039
Parent:				
Payables to credit institutions	4,000	21,617	33,617	0
Lease commitments	12,370	9,704	62,499	48,678
Other payables	0	15,357	15,357	15,190
Total	16,370	46,678	111,473	63,868

21. Contingent liabilities

Group:

Lease commitments

The group has concluded operating lease agreements on tools and cars amounting to DKK 892k, and all agreements ends before 31.12.24.

The group has lease commitments with an annual lease of DKK 16,376k. There is a term of notice of up to 12 month of DKK 16,376k and more than 12 month of DKK 3,888k.

Recourse guarantee commitments

The group has placed a guarantee to credit institutions in Mekoprint Properties A/S outstanding balance DKK 73,155k at 30.09.22.

Parent:

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

22. Charges and security

Group:

The group has placed a pledge to Danske Bank and Nykredit not to pay dividens resulting in a solvency ratio less than 25%.

The group has pledged nom. DKK 670k capital in Mekoprint Microturn Holding A/S to Danske Bank and not to make any kind of pledge in the assets or take out loans without the banks concents.

Parent:

The company has given statement to Danske Bank not to pledge or provide security to third parties in machinery without their consent.

The company has placed a warrenty to Danske Bank of DKK 20,000k for Mekoprint Cables Sp. z.o.o. and an unlimited warrenty for Microturn A/S og Mekoprint Microturn Holding A/S.

23. Related parties

Controlling influence	Basis of influence
Mekoprint Holding A/S, Rebild	Capital owner

The company is included in the consolidated financial statements of the parents Mekoprint Holding A/S, Rebild og Samek ApS, Rebild.

	Group	
	2021/22 DKK '000	2020/21 DKK '000
24. Adjustments for the cash flow statement		
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	25,775	21,235
Other operating expenses	633	18
Financial income	-154	-681
Financial expenses	5,660	3,083
Tax on profit or loss for the year	9,655	10,800
Total	41,569	34,455

25. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control. Enterprises in which the group holds equity investments, between 20% and 50% of the voting rights and in which it has significant interest but not control, are considered associates.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

25. Accounting policies - continued -

Non-controlling interests

The financial items of the subsidiaries are recognised in full in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' equity is classified as a part of consolidated equity. The subsidiaries' results are distributed proportionately to non-controlling interests and the parent's equity interest.

Purchase and sale of non-controlling interests in a subsidiary which do not result in changes in control of the subsidiary are treated in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the parent's equity interest.

BUSINESS COMBINATIONS

Newly acquired or newly founded enterprises are recognised as from the date of acquisition and the date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained. Divested or discontinued enterprises are recognised until the date of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Acquired enterprises are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

The cost of the equity investments in the acquired enterprises is offset against the proportionate share of the fair value of the enterprises' net assets at the acquisition date.

On acquisition of subsidiaries, goodwill is recognised on a proportionate basis in the balance sheet of the parent based on the actual ownership interest in the acquired equity investments. In the consolidated financial statements, goodwill is recognised in full regardless of the ownership interest held in the subsidiary, i.e. including goodwill relating to the shares of non-controlling interests in subsidiaries.

The goodwill (positive difference) determined at the date of acquisition is recognised under intangible assets in the consolidated financial statements and under equity investments in subsidiaries in the parent's balance sheet. Goodwill from acquired enterprises is adjusted until 12 months after the acquisition date.

25. Accounting policies - continued -

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

LEASES

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

25. Accounting policies - continued -

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT

Turnover

Income from the sale of services is recognised in the income statement in line with completion of services, which means that turnover corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as turnover according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise production costs, selling costs, cost of premises and administrative expenses as well as other capacity costs, including bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

25. Accounting policies - continued -

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Goodwill	10	0
Buildings	40	60
Leasehold improvements	20	0
Plant and machinery	7-20	0-15
Other plant, fixtures and fittings, tools and equipment	3-10	0-15

Goodwill is amortised over 10 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

Land is not depreciated.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including losses on the sale of intangible assets and property, plant and equipment.

Income from equity investments in group entreprises

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

25. Accounting policies - continued -

Other net financials

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

25. Accounting policies - continued -

Property, plant and equipment

Property, plant and equipment comprise land and buildings, leasehold improvements, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Property, plant and equipment under construction

Property, plant and equipment under construction are measured at cost. Costs incurred on property, plant and equipment under construction are transferred to the relevant asset category when the asset is ready for use.

Gains and losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method.

Accounting policies for the acquisition of subsidiaries are stated in the 'Business combinations' section.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred.

25. Accounting policies - continued -

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

On the acquisition of non-controlling interests in subsidiaries, the principles for business combinations in the balance sheet of the parent, see the description in the 'Business combinations' section, are applied.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 10 years for equity investments in subsidiaries. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the companys realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

25. Accounting policies - continued -

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The cost of manufactured finished goods and work in progress is determined as the value of direct material and labour costs. Interest on loans arranged to finance production is not included in the cost.

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

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

25. Accounting policies - continued -

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management’s intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

25. Accounting policies - continued -

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables. Cash flows from financing activities also comprise finance lease payments.

Cash and cash equivalents at the beginning and end of the year comprise cash.

Ratios definition

Ratios definitions

Return on equity:	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$
Return on invested capital:	$\frac{\text{EBITA x 100}}{\text{Avg. invested capital excl. goodwill}}$
EBITA:	Operating profit plus amortisation and im-pairment losses on goodwill.
Invested capital excl. goodwill:	Sum of intangible operating assets and property, plant and equipment (excl. goodwill) as well as net working capital.
Profit margin:	$\frac{\text{Operating profit/loss x 100}}{\text{Turnover}}$
Asset turnover:	$\frac{\text{Turnover}}{\text{Avg. total assets}}$
Solvency ratio:	$\frac{\text{Equity, end of year x 100}}{\text{Total assets}}$

MEKOPRINT

THANK YOU TO ALL STAKEHOLDERS

Mekoprint is a reflection of the quality of relations between people inside and outside of the company.

We would like to express our gratitude to all of the extraordinary efforts made by everyone from employees to customers, suppliers and local partners to bring us through all the demands and challenges of 2021/22 with a continued positive outlook for the coming years.

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