

ACHTON A/S

Glasvej 2, 4220 Korsør

CVR no. 10 98 06 90

**Annual report for the period
1 January to 31 December 2021**

Adopted at the annual general meeting on 28 March
2022

Steen Erik Rasmussen
chairman



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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of ACHTON A/S for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Korsør, 28 March 2022

Executive board

Kim Achton

Supervisory board

Morten Achton
chairman

Kim Achton

Steen Erik Rasmussen

Independent auditor's report

To the shareholder of ACHTON A/S

Opinion

We have audited the financial statements of ACHTON A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about 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 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 financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on management's review

Management is responsible for management's review.

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

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether 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 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 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 management's review.

Odense, 28 March 2022

Baker Tilly Denmark
 Godkendt Revisionspartnerselskab
 CVR no. 35 25 76 91

Christian Hansen
 State Authorized Public Accountant
 MNE no. mne33313

Company details

The company	<p>ACHTON A/S Glasvej 2 4220 Korsør</p> <p>CVR no.: 10 98 06 90</p> <p>Reporting period: 1 January - 31 December 2021</p> <p>Incorporated: 16 juni 1987</p> <p>Domicile: Slagelse</p>
Supervisory board	<p>Morten Achton, chairman Kim Achton Steen Erik Rasmussen</p>
Executive board	<p>Kim Achton</p>
Auditors	<p>Baker Tilly Denmark Godkendt Revisionspartnerselskab Hjallesøvej 126 5230 Odense M</p>

Management's review

Business review

The company's activities comprise the design and manufacturing of professional dispensingsystems.

Financial review

The company's income statement for the year ended 31. december 2021 shows a profit of DKK 10.347.648, and the balance sheet at 31 December 2021 shows equity of DKK 16.030.151.

The management considers the net profit for the year to be satisfactory.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2021 DKK	2020 TDKK
Gross profit		26.443.036	35.818
Staff costs	1	-9.520.026	-11.780
Profit/loss before amortisation/depreciation and impairment losses		16.923.010	24.038
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3.252.401	-3.024
Profit/loss before net financials		13.670.609	21.014
Financial income	2	187.827	438
Financial costs	3	-589.261	-624
Profit/loss before tax		13.269.175	20.828
Tax on profit/loss for the year	4	-2.921.527	-4.586
Profit/loss for the year		10.347.648	16.242
Recommended appropriation of profit/loss			
Proposed dividend for the year		10.000.000	15.000
Retained earnings		347.648	1.242
		10.347.648	16.242

Balance sheet 31 December

	Note	2021 DKK	2020 TDKK
Assets			
Plant and machinery		14.514.835	14.264
Other fixtures and fittings, tools and equipment		707.758	842
Leasehold improvements		1.884.403	2.188
Prepayments for tangible fixed assets		0	50
Tangible assets	5	17.106.996	17.344
Deposits		2.582.735	2.509
Fixed asset investments		2.582.735	2.509
Total non-current assets		19.689.731	19.853
Raw materials and consumables		3.276.993	2.316
Work in progress		215.160	784
Finished goods and goods for resale		2.628.586	3.410
Stocks		6.120.739	6.510
Trade receivables		10.439.300	5.733
Receivables from subsidiaries		12.104	6.151
Other receivables		1.052.783	501
Prepayments		206.781	196
Receivables		11.710.968	12.581
Cash at bank and in hand		64.077	234
Total current assets		17.895.784	19.325
Total assets		37.585.515	39.178

Balance sheet 31 December

	Note	2021 DKK	2020 TDKK
Equity and liabilities			
Share capital		1.000.000	1.000
Revaluation reserve		0	-69
Retained earnings		5.030.151	4.753
Proposed dividend for the year		10.000.000	15.000
Equity		16.030.151	20.684
Provision for deferred tax		1.383.444	1.229
Total provisions		1.383.444	1.229
Lease obligations		3.951.227	4.675
Other payables		826.154	915
Total non-current liabilities	6	4.777.381	5.590
Short-term part of long-term debet	6	2.170.000	2.600
Other credit institutions		3.388.126	64
Trade payables		6.157.951	3.143
Payables to subsidiaries		0	6
Payables to shareholders and management		97.141	15
Corporation tax		2.766.656	4.305
Other payables		814.665	1.542
Total current liabilities		15.394.539	11.675
Total liabilities		20.171.920	17.265
Total equity and liabilities		37.585.515	39.178
Contingent liabilities	7		
Mortgages and collateral	8		

Statement of changes in equity

	Share capital	Reserve for current value of hedging	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	1.000.000	-69.770	4.752.273	15.000.000	20.682.503
Ordinary dividend paid	0	0	0	-15.000.000	-15.000.000
Fair value adjustment of hedging instruments	0	69.770	-69.770	0	0
Net profit/loss for the year	0	0	347.648	10.000.000	10.347.648
Equity at 31 December	1.000.000	0	5.030.151	10.000.000	16.030.151

Notes

	2021	2020
	DKK	TDKK
1 Staff costs		
Wages and salaries	8.046.179	10.308
Pensions	985.584	1.038
Other social security costs	293.340	260
Other staff costs	194.923	174
	9.520.026	11.780
Average number of employees	25	27
2 Financial income		
Interest received from subsidiaries	175.457	369
Other financial income	1.109	0
Other adjustments of financial income	11.261	69
	187.827	438
3 Financial costs		
Interest paid to subsidiaries	103.205	0
Other financial costs	367.854	383
Exchange loss	118.202	241
	589.261	624

Notes

	2021 DKK	2020 TDKK
4 Tax on profit/loss for the year		
Current tax for the year	2.766.656	4.324
Adjustment of deferred tax concerning previous years	154.871	262
	<u>2.921.527</u>	<u>4.586</u>

5 Tangible assets

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Prepayments for tangible fixed assets DKK
Cost at 1 January	45.248.426	6.964.521	3.069.415	49.524
Additions for the year	5.059.225	0	0	0
Disposals for the year	-2.276.422	0	0	-49.524
Cost at 31 December	<u>48.031.229</u>	<u>6.964.521</u>	<u>3.069.415</u>	<u>0</u>
Impairment losses and depreciation at 1 January	30.983.170	6.124.928	881.811	0
Depreciation for the year	2.817.365	131.835	303.201	0
Reversal of impairment and depreciation of sold assets	-284.141	0	0	0
Impairment losses and depreciation at 31 December	<u>33.516.394</u>	<u>6.256.763</u>	<u>1.185.012</u>	<u>0</u>
Carrying amount at 31 December	<u>14.514.835</u>	<u>707.758</u>	<u>1.884.403</u>	<u>0</u>
Value of leased assets	<u>10.918.028</u>	<u>0</u>	<u>0</u>	<u>0</u>

Notes

6 Long term debt

	Debt at 1 January DKK	Debt at 31 December DKK	Instalment next year DKK	Debt outstanding after 5 years DKK
Lease obligations	7.275.286	3.951.227	2.170.000	0
Other payables	914.677	826.154	0	704.056
	8.189.963	4.777.381	2.170.000	704.056

7 Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 3-23 months and with a total minimum lease payment of DKK 426k. This includes lease agreements concluded with group enterprises but the agreements are also specified separately below.

The company has concluded lease agreements with group enterprises with terms to maturity of 5-6 months and with a total minimum lease payment of DKK 1,366k.

Other contingent liabilities

The company is taxed jointly with the other 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.

8 Mortgages and collateral

To guarantee debt to credit institutions, chattels have been provided as security by way of a letter of indemnity for DKK 5,000k nominal, secured upon operating equipment and tools and leasehold rights with a carrying amount of DKK 6,189k.

In addition, debt to credit institutions of DKK 64k, have been secured by way of a floating charge for DKK 10,000k comprising inventories and trade receivable. The total carrying amount of the comprised assets is DKK 16,451k.

Accounting policies

The annual report of ACHTON A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in DKK

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 amortisation, depreciation and impairment losses, 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 the asset 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 the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Expenses for raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Accounting policies

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax 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 tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, 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.

Balance sheet

Tangible assets

Items of plant and machinery, other fixtures and fittings, tools and equipment and leasehold improvement are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Leasehold improvements	10 years	0 %
Plant and machinery	5-10 years	0 %
Other fixtures and fittings, tools and equipments	5-10 years	0 %

Assets costing less than DKK 30.700 are expensed in the year of acquisition.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Accounting policies

Leases

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment 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 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 rent agreements are disclosed under 'Contingencies, etc.'.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

Production overheads include the indirect cost of materials, wages and salaries 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 in the cost.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

The compensated absence commitment which the company's employees earn during the transitional period from 1 September 2019 to 31 August 2020, is administered by the company and is paid in to the Danish Holiday Fund before the employee reaches the pensionable age. Other debt is measured at amortised cost, which usually corresponds to the nominal value.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Derivative financial instruments

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