

Furuno Danmark A/S

Hammerholmen 44-48, DK-2650 Hvidovre

Annual Report for 2023

CVR-no.. 10 99 97 31

*The Annual Report was presented and adopted
at the Annual General Meeting of the company
on 31 / 5 - 2024*

*Freddie Hansen
Chairman of the general meeting*

Indholdsfortegnelse

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Management's Statement on the Annual Report

The Executive and Supervisory Boards have today presented the Annual Report of Furuno Danmark A/S for 2023.

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

We consider the accounting policies applied appropriate, and in our opinion the Annual Report gives a true and fair view of the financial position and the results of operations and cash flows of the company and Group.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hvidovre March 21, 2024

Executive Board

Freddie Hansen

Supervisory Board

Gen Tomoshige
(Chairman of the Board)

Kazuma Waimatsu
(Vice chairman)

Kenichi Shida

Freddie Hansen

Jonas Terp Straarup
(Elected by employees)

Carsten Hvid
(Elected by employees)

Independent Auditor's Report

To the Shareholder of Furuno Danmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Furuno Danmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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' 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 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.

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, in our view, 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 in Management's Review.

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 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.

As part of an audit conducted in accordance with ISAs 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 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.

Copenhagen March 21, 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR/VAT no. 33 77 12 31

Allan Kamp Jensen
State Authorised Public Accountant
MNE 15126

Company information

The Company

Furuno Danmark A/S
Hammerholmen 44-48
2650 Hvidovre
Danmark

Telephone 36774500
E-mail : furuno@furuno.dk
Home page: www.furuno.dk

CVR-no: 10 99 97 31
Financial year: 1. januar – 31 december
Location: Hvidovre

Supervisory Board

Gen Tomohige
Kazuma Waimatsu
Kenichi Shida
Freddie Hansen
Jonas Terp Straarup
Carsten Hvid

Executive Board

Freddie Hansen

Auditors

PricewaterhouseCoopers
Strandvejen 44
Postboks 2709
2900 Hellerup

Management's Review

Company's Core Operations

Our company specializes in providing advanced equipment, comprehensive system solutions, and dedicated services to entities within the maritime sector, including shipping companies, shipyards, and offshore enterprises. We are witnessing a growing demand for specialized solutions, and our offerings encompass turnkey infrastructure for communications, navigation systems, dynamic positioning systems, fish-finding equipment, maritime training, and meteorological services.

Our expertise is tailored to meet the evolving needs of our clients, ensuring precision, reliability, and innovation in every project we undertake.

Market Overview

The market opportunities for our company are intricately linked to several key factors that shape the maritime, offshore industries and the utility communities.

These include global political issues resulting in instabilities in the freight market driving investments in retrofitting, the volume of services and utility communities' investments/budgets on addressing climate change through advanced weather radar technologies.

Increasing safety regulations at sea, stringent environmental mandates for bird monitoring in proximity to wind farms and airports, the growth of the offshore sector and developments within the fishing industry governed by EU quota policies and global fish market prices are pivotal.

Additionally, the economic progression of Baltic and Eastern European nations plays a significant role in defining our market opportunities.

Our company remains at the forefront of innovation, responding proactively to dynamic market conditions with solutions that not only meet but exceed the expectations of our stakeholders.

Developments in 2023

Economic conditions

In 2023, FDK achieved an exceptional performance, significantly surpassing budget expectations and last year's performance with an Operating Profit of DKK 20.5 Mio vs. DKK 10.5 Mio. last financial year.

The profit after tax of the year DKK 21,7 Mio. was highly satisfactory against last financial year DKK -1.6 Mio. (included losses from subsidiary company EMRI A/S and sale of subsidiary company FEO in Russia (2022)).

With a Return on Assets (ROA) of 9.3% and a Return of Equity (ROE) of 11,5% the result from 2023 is considered highly satisfactory.

The past year and follow-up on last year's expected development

The notable success was driven by multiple factors, including improved delivery capabilities, great sales performance with Deep Sea Owners, a remarkable sales growth in Eastern Europe (showcasing a large market penetration), exceptional sales performance in offshore retrofitting for drilling rigs and a bulky increase in demand for Service and Spare parts.

Notwithstanding these achievements, the fishing market presented challenges, influenced by high fuel costs, quota reductions, and delays in both local and international fishing agreements, affecting investments in new equipment.

In summary, FDK's performance and strategic achievements in 2023 not only reflected our commitment to excellence and innovation but also positioned us strongly for continued success in the coming years.

Expectations for the future.

Management anticipates that the company's financial performance in the first and second quarters of the upcoming fiscal year will align with the previous year's results. However, it is projected that revenues and profits for the third and fourth quarters may decline compared to 2023, primarily due to a reduced backlog of package supplies for new building projects.

Additionally, the revenue from sales of spare parts and accessories in the latter half of 2024 is expected to face a decline, because of the decreased delivery volumes of complete packages for new buildings. Contrarywise, sales of services are forecasted to maintain the improved level achieved last year.

Our budgets for 2024 have been carefully assessed for each geographical area, for which we - based on available information about the individual markets - have set our targets for sales 11% lower than the extraordinary result realized in 2023, the gross margins have been budgeted on a par with the realized results for 2023; however, the prevailing uncertainty may to a relatively large extent affect the group's revenue and earnings in 2024.

Given these projections, the management anticipates reaching a positive outcome from Operating Profit, estimated to be at the level of DKK 8 million for the year 2024.

Subsequent events

Subsequent to 2023 year-end no special event have occurred which will have any significant impact on the Annual Accounts for 2023.

Unusual conditions

The company's assets, liabilities and financial position on December 31, 2023 - as well as the result of the company's activities for 2023 - are not affected by any unusual circumstances.

The company did not experience any significant events in 2023 that do not appear in the annual report!

Capital Contingency Plan

Cash and deposit are solid and sufficient to cover the needs for the necessary working capital.

Special risks – operational risks and financial risks

Apart from the risks associated with the Global Political unstable situation the company do not face any known special Operational or Financial risks.

Operational

The company is owned by the company's largest supplier FURUNO ELECTRIC COMPANY LTD., JAPAN. To complement the product portfolio for diversified business areas, the Company also has many distribution agreements with vendors e.g. MaxSea in France, McMurdo UK, FLIR , David Clark, Airmar and USA, 3M and Kramer in Sweden, J. Hatteland and Jotron in Norway, ENL in New Zealand and Danimex and EMRI in Denmark.

Market Risks

The global shipping industry will in 2024 continues to struggle with the volatility experienced during the pandemic, indicating a period of adjustment to a significantly changed environment and a focus on capturing savings in a depressed freight rate market.

The supply and demand balance and global structural factors are critical areas of focus, suggesting a prolonged period of difficulty especially for containerized shipping.

Geo-political tensions and military conflicts are also expected to influence international trade patterns and economic engagement in 2024.

Moreover, extreme weather events could impact shipping by affecting water levels at crucial passages like the Panama Canal and rivers crucial for barge transport.

Based upon agreements with the United Kingdom, Norway, The Faroe Islands and Iceland to manage shared fish stocks we expect a moderate growth in the fishing sector in Denmark, The Faroe Islands and Greenland.

Activities in the offshore market (oil/gas/wind energy) will improve.

Environmental conditions

Shipping companies are required to comply with various regulations aimed at limiting energy consumption and carbon emissions; regulations which require investments and higher operational expenses which may have a positive effect on service on the expense of retrofittings with new equipment.

Currency risks / financial income / expenses

January 1st, 2023, our parent company implemented EUR as trading currency, mitigating the risk of currency fluctuation to DKK for sales of Furuno products.

Volatile exchange rates primarily for purchases and sales in foreign currencies (other than EUR) resulted in an exchange loss for the company in 2023 of approx. DKK 565K.

The company generally has no tradition of hedging currency risks.

Strategy and targets

Furuno Denmark strives to grow faster than its competitors in all areas.

Furuno Denmark will continue its overall objective of creating a profit for the company's shareholders, meeting the shareholders' requirements for return on their invested capital.

With a focus on specific product solutions for the individual markets, competencies to ensure professional services from the project stage to final delivery and training of customers and authorized dealers, we expect a continued consolidation of our market position.

Certifications

Furuno Denmark and all subsidiaries are ISO-9001 certified. Furuno Denmark is also certified according to ISO-45001 and approved by classification societies such as DNV-GL, Lloyds, Rina, ABS, Nippon Kaiji Kyokai, Maritime Coast Guard, Bureau Veritas and others as well as by the Danish Maritime Authority.

Accounting policies

Basis of preparation

The Annual Report of Furuno Danmark A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to mid-size enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statement is prepared in DKK

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Furuno Electric Co. Ltd, the Company has not prepared consolidated financial statements

Recognition and measurement

All revenues are recognised in the income statement as earned based on the following criteria:

Delivery has been made before year end, a binding sales agreement has been made, the sales price has been determined, and payment has been received at the time of sale or may with reasonable certainty be expected to be received.

Based on the above, revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairments losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Investments in subsidiaries

Investments in subsidiaries and associates are recognised and measured under the equity method

The items "Income from investments in affiliated companies" include the proportionate share of the profit.

The items "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated under the accounting policies of the Parent Company with deduction or addition of unrealised inter company profits or losses and with addition or deduction of any remaining value of positive or negative differences.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity.

Leases

Leases in respect of property, plant and equipment in terms of which the individual group enterprises assume substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the fair value of the leased asset, if measurable. Alternatively, the net present value, if lower, of future lease payments at the inception of the lease is applied. When computing the net present value, the interest rate implicit in the lease is applied as the discount rate or an approximated value. Assets acquired under finance leases are depreciated and written down for impairment like the other property, plant and equipment of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement over the lease term.

Translation policies

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Foreign subsidiaries of the Company that are separate legal entities, income statements are translated at average exchange rate and balance are translated at the exchange rates at the balance sheet date.

Exchange adjustments arising on the translation of the opening equity of independent foreign enterprises and exchange adjustments arising from the translation at average exchange rates of the income statements of independent foreign enterprises are recognised directly in equity

Corporation tax and deferred tax

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity. Any share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes or other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability, respectively.

Adjustment is made for deferred tax concerning unrealised inter company gains and losses.

Deferred tax is measured on the basis of the tax rules and tax rates of the respective countries that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Income Statement

Turnover

The net turnover consist of sales of goods together with sales of service and service agreements in accordance with general accounting policy hereby that delivery and risk has taken place before end of financial year, the amount is trustworthy and is expected to be received. Net turnover is excluding VAT and discounts given to secure the sale.

Gross profit

Gross profit contains net sales less costs of goods sold as with reference to section 32 of the Danish Financial Statement Act.

Distribution- sale and advertising costs

Distribution costs contains cost related to sale distribution, marketing and advertising as well as car expenses, depreciations etc.

Administration costs

Administration costs contains costs for management, office expenses, depreciations etc.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments.

Balance Sheet

Intangible assets

Goodwill

Goodwill is amortised on a straight line basis over the estimated useful life of 10 years determined on the basis of Management's experience with the individual business areas.

The amortisation period is measured by reference to an assessment of, among other factors as the nature of the market position of the business, the stability of the industry and earnings, the market position of the acquired entity and what is considered as normal in the business.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Land	Not depreciated
Buildings	24 - 30 years
Automobiles	4 years
Equipment, IT and software	3 - 10 years

Goodwill & other intangible assets 10 years

Impairment of fixed assets

The carrying amounts of both intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount. The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets should be assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

The cost of goods for resale, raw materials and consumables equals landed cost.

Inventories

Finished goods are assessed at acquisition costs including costs of transportation less write down for technical obsolescence.

Spare parts are assessed at acquisition costs including costs of transportation. Write down for technical obsolescence and slow moving items has been made.

Receivables

Receivables are realizable in the balance sheet at the lower of amortised cost and net realizable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience.

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums and subscriptions.

Equity

Dividend

Dividend expected to be distributed for the year is disclosed as a separate line in Equity.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-2 years. Provisions are measured and recognised based on experience with guarantee work.

Other debt

Other debt is recognized to amortized cost price, which normally correspond to nominal value
Prepayments and deferred income

Prepayments include expenses incurred in respect of subsequent financial years, including fair value adjustments of derivative financial instruments with a positive fair value. Such expenses are typically prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred income

Deferred income includes payments received in respect of income in subsequent years as well as fair value adjustments of derivative financial instruments with a negative fair value

Prepayments and deferred income

Cash flow statement

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for non-cash operating items such as depreciation, amortization and impairment losses, provisions as well as changes in working capital, interest received and paid and corporation tax paid. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" in current assets.

Accounting Policies

Financial ratios

The financial ratios have been calculated in accordance with the guidelines issued by the Danish Society of Financial Analysts.

The financial ratios have been calculated as follows:

$$\text{Return on net assets} = \frac{\text{Profit before financials} \times 100}{\text{Total assets}}$$

$$\text{Solvency ratio} = \frac{\text{Equity at year end} \times 100}{\text{Total assets}}$$

$$\text{Return on equity} = \frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	2023	2022	2021	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Profit/loss:					
Operating profit/loss	77.029	64.357	56.254	49.647	54.592
Profit/loss before financial income and expenses	20.510	10.524	4.176	1.065	3.999
Net financials	31	-2.277	90	-1.494	784
Net profit/loss for the year after tax	21.723	-1.566	17.819	6.642	9.410
Balance Sheet					
Balance sheet total	219.957	197.398	199.807	194.477	177.669
Equity	199.677	177.215	174.474	165.230	160.906
Ratios:					
Return on assets	9,3%	5,3%	2,1%	0,5%	2,3%
Solvency ratio	90,8%	89,8%	87,3%	85,0%	90,6%
Return on equity	11,5%	-0,9%	10,5%	4,1%	6,0%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Income Statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit	1	77.029.271	64.357.263
Distribution expenses		40.913.450	38.799.091
Administration expenses		15.606.287	15.034.641
Operating profit/loss		20.509.534	10.523.531
Income from investment in subsidiaries after tax	3	5.776.237	-7.891.720
Financial income	4	4.250.779	4.547.708
Financial expenses	5	4.219.976	6.825.485
Profit/loss before tax		26.316.574	354.034
Tax on profit/loss for the year	6	4.593.542	1.919.685
Net profit /loss for the year	7	21.723.032	-1.565.651

Balance sheet 31 December

Assets

	Note	2023 DKK	2022 DKK
Goodwill		766.667	966.667
Intangible assets	8	766.667	966.667
Land and buildings		2.480.422	2.562.583
Cars		0	0
Other fixtures and fittings, tools and equipment		1.995.748	1.928.967
Property, plant and equipment	9	4.476.170	4.491.550
Investments in subsidiaries	10	32.076.346	35.056.399
Loan to group companies	11	31.595.596	25.005.918
Deposits	12	54.735	54.735
Fixed asset investments		63.726.677	60.117.052
Fixed assets		68.969.514	65.575.269
Finished goods and goods for resale	13	40.161.632	27.235.520
Trade receivables		25.156.120	21.348.259
Receivables from group enterprises		42.084.999	43.824.763
Other receivables	14	7.416.983	8.042.042
Corporation tax		0	53.960
Prepayments	15	482.519	519.275
Receivables		75.140.621	73.788.299
Cash at bank and in hand		35.685.452	30.798.430
Current assets		150.987.705	131.822.250
Assets		219.957.219	197.397.519

	Note	2023 DKK	2022 DKK
Balance sheet 31 December			
Liabilities and equity			
	Note	2023 DKK	2022 DKK
Share capital		15.000.000	15.000.000
Reserve for net revaluation under the equity method		30.682.924	22.662.977
Retained earnings		112.994.510	139.552.067
Proposed dividend for the year		41.000.000	0
Equity		199.677.434	177.215.044
Provision for deferred tax	16	125.000	170.000
Other provisions	17	778.000	986.000
Provisions		903.000	1.156.000
Prepayments received from customers		2.532.142	334.529
Trade payables		8.367.038	5.419.416
Payables to group enterprises		929.203	4.730.749
Corporation tax payable to group enterprises		2.342.645	1.478.777
Other payables		5.205.756	7.020.505
Deferred income	18	0	42.500
Short-term debt		19.376.784	19.026.475
Debt		19.376.784	19.026.475
Liabilities and equity		219.957.219	197.397.519
Contingent assets, liabilities and other financial obligations	19		
Related parties and ownership	20		
Subsequent events	21		

Statement of changes in equity

	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January 2023:	15.000.000	22.662.977	139.552.067	0	177.215.044
Change in intercompany profit on inventories	0	-36.000	36.000	0	0
Exchange adjustments relating to separate foreign legal entities	0	739.358	0	0	739.358
Substraction for the year, EMRI A/S sold		-9.495.648	9.495.648	0	0
Cost price EMRI A/S		11.000.000	-11.000.000		
Net profit/loss for the year	0	5.812.237	15.910.795	0	21.723.032
Proposed dividend for the year	0	0	-41.000.000	41.000.000	0
Equity at 31 December	15.000.000	30.682.924	112.994.510	41.000.000	199.677.434

	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January 2022:	15.000.000	38.735.659	120.738.336	0	174.473.995
Dividend paid				0	0
Change in intercompany profit on inventories	0	301.000	-301.000	0	0
Exchange adjustments relating to separate foreign legal entities	0	4.306.700	0	0	4.306.700
Dividend from Furuno Polska Z.o.o	0	0	-	0	0
Net profit/loss for the year	0	-3.897.565	2.331.914	0	-1.565.651
Substractec for the year, Furuno Eurus sold	0	-16.782.817	16.782.817	0	0
Proposed dividend for the year	0	0	0	0	0
Transferred to cover loss	0	0	0	0	0
Equity at 31 December	15.000.000	22.662.977	139.552.067	0	177.215.044

Cash Flow Statement

	Note	2023	2022
		DKK	DKK
Net profit/loss for the year		21.723.032	-1.565.651
Adjustments	22	-1.208.206	4.047.213
Change in working capital	23	-11.252.407	-11.534.813
Cash flows from operating activities before financial income and expenses		9.262.420	-9.053.252
Financial income		4.250.779	4.547.708
Financial expenses		-4.219.976	-6.825.485
Cash flows from ordinary activities		9.293.222	-11.331.028
Corporation tax paid/received		-3.720.718	-287.762
Exchange adjustment of investment in subsidiaries		739.357	4.306.699
Cash flows from operating activities		6.311.861	-7.312.091
Purchase of intangible assets		0	-1.000.000
Purchase of property, plant and equipment		-577.668	-178.316
Sale of subsidiary		9.495.654	16.784.756
Loan to daughter company and former daughter company		-6.589.678	-5.314.550
Sale of fixed asset investments		48.399	0
Pengestømme fra investeringsaktivitet		2.376.707	10.291.890
Cash flows from investing activities		-3.801.546	-2.887.934
Repayment of payables to group enterprises		-3.801.546	-2.887.934
Cash flows from financing activities		-3.801.546	-2.887.934
Change in cash and cash equivalents		4.887.022	91.865
Cash and cash equivalents at 1 January		30.798.430	30.706.565
Cash and cash equivalents at December		35.685.452	30.798.430
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		35.685.452	30.798.430
Cash and cash equivalents at December		35.685.452	30.798.430

Note to the Annual Report

1 Special Items

In the Income Statement for 2022 an amount of DKK - 4,295K is recognized in the income form investment in subsidiaries. The amount relates to the loss from the sale of the company's subsidiary in Russia, forced by the war in Ukraine.

	2023	2022
	DKK	DKK
2 Staff		
Wages and salaries	40.738.516	38.561.420
Pensions	3.161.414	2.910.216
Other social security expenses	659.856	676.139
	44.559.786	42.147.775
Wages and salaries, pensions and other social security expenses are recognised in the following items:		
Distribution expenses	36.500.574	34.968.754
Administrative expenses	8.059.212	7.179.022
	44.559.786	42.147.775
Average number of employees	58	58

Total staff costs includes salary and benefits etc to the executive and directors of DKK 2.675 thousand.
(2022: total staff costs includes salary and benefits etc to the executive and directors of DKK 2.964 thousand)

3 Income from investments in subsidiaries

Share of profits of subsidiaries	5.812.237	3.747.265
Share of losses of subsidiaries	0	-7.644.829
Loss on sale of subsidiary	0	-4.295.156
Change in intercompany profit on inventories purchased within the Group	-36.000	301.000
	5.776.237	-7.891.720

Note to the Annual Report

	<u>2023</u>	<u>2022</u>
	DKK	DKK
4 Financial income		
Exchange adjustments	1.913.548	3.547.237
Interest group company	1.700.090	437.213
Other financial income	637.141	563.259
	<u>4.250.779</u>	<u>4.547.708</u>
5 Financial expenses		
Exchange adjustments	4.081.547	6.714.169
Other financial expenses	138.429	111.316
	<u>4.219.976</u>	<u>6.825.485</u>
6 Tax on profit/loss for the year		
Current tax for the year	4.639.659	1.980.777
Deferred tax for the year	-45.000	-61.000
Tax related to previous years	-1.117	-92
Total tax for the year	<u>4.593.542</u>	<u>1.919.685</u>
7 Distribution of profit		
Proposed dividend for the year	41.000.000	0
Reserve for net revaluation under the equity method	8.019.947	-3.897.565
Retained earnings	<u>-27.296.915</u>	<u>2.331.914</u>
	<u>21.723.032</u>	<u>-1.565.651</u>

Note to the Annual Report

8 Intangible assets

	<u>Goodwill</u>
	DKK
Cost at 1 January	<u>1.000.000</u>
Cost at 31 December	<u>1.000.000</u>
Impairment losses and amortisation at 1 January	33.333
Impairment losses for the year	0
Amortisation for the year	<u>200.000</u>
Impairment losses and amortisation at 31 December	<u>233.333</u>
Carrying amount at 31 December	<u>766.667</u>
Amortised over	<u>5 years</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Depreciation and impairment of goodwill is recognised in the following items:		
Distribution expenses	<u>200.000</u>	<u>33.000</u>
	<u>200.000</u>	<u>33.000</u>

9 Property, plant and equipment

	Land and buildings	Cars	Other fixtures and fittings, tools and equipment
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Cost at 1 January	25.304.404	172.545	8.990.532
Additions for the year	0	0	577.668
Disposals for the year	0	0	-545.825
Impairment	0	0	0
Cost at 31 December	<u>25.304.404</u>	<u>172.545</u>	<u>9.022.375</u>

Note to the Annual Report

	<i>Land and buildings</i>	<i>Cars</i>	<i>Other fixtures and fittings, tools and equipment</i>
	DKK	DKK	DKK
Impairment losses and depreciation at 1 January	22.741.821	172.545	7.061.564
Impairment losses for the year	0	0	0
Depreciation for the year	82.161	0	462.489
Impairment and depreciation of sold assets for the year	0	0	0
Reversal of impairment and depreciation of sold assets	0	0	-497.426
Impairment losses and depreciation at 31 December	<u>22.823.982</u>	<u>172.545</u>	<u>7.026.627</u>
Carrying amount at 31 December	<u>2.480.422</u>	<u>0</u>	<u>1.995.748</u>
Depreciated over	<u>24-30 years</u>	<u>4 year</u>	<u>3-10 years</u>

According to the official property assessment at 1 January 2009, the value of the Danish land and buildings amounts to kDKK 18,000.

	2023	2022
	DKK	DKK
Depreciation and impairment of property, plant and equipment are recognised in the following items:		
Cost of sales	0	0
Distribution expenses	168.010	165.274
Administration expenses	376.640	361.280
	<u>544.650</u>	<u>526.554</u>

Note to the Annual Report

10 Investments in subsidiaries

	2023	2022
	DKK	DKK
Accounting value 1st of January	12.393.421	12.395.361
Subtracted for the year, Furuno Eurus sold	0	-1.940
Subtracted for the year, EMRI sold	-11.000.000	0
Cost at 31 December	<u>1.393.421</u>	<u>12.393.421</u>
Beginning of year	22.662.978	38.735.659
Exchange adjustment	739.358	4.306.701
Net profit/loss for the year	2.698.776	-3.897.565
Subtracted for the year, EMRI /(2022:Furuno Eurus sold)	4.617.813	-16.782.817
Change in intercompany profit on inventories	-36.000	301.000
Revaluations at 31 December	<u>30.682.925</u>	<u>22.662.978</u>
Carrying amount at 31 December	<u>32.076.346</u>	<u>35.056.399</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Furuno Sverige AB	Gruvgatan 23, Gothenburg	100%
Furuno Polska Z.o.o	Ul. Wolnosci 20, Gdynia	100%

All subsidiaries are recognised and measured as separate entities.

11 Loan to group companies

	2023	2022
Cost at 1st January	25.005.918	19.691.368
Additions during the year	6.589.678	5.314.550
Costsprice at 31. December	<u>31.595.596</u>	<u>25.005.918</u>

Note to the Annual Report

	<u>2023</u>	<u>2022</u>
12 Deposits		
Cost at 1st January	54.735	54.735
Costsprice at 31. December	<u>54.735</u>	<u>54.735</u>
13 Inventories		
Finished goods and goods for resale	40.161.632	27.235.520
	<u>40.161.632</u>	<u>27.235.520</u>
14 Other receivables		
The following receivables fall due more than 1 year after year end	5.384.506	8.042.042
	<u>5.384.506</u>	<u>8.042.042</u>
15 Prepayments		
Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest		
16 Provision for deferred tax		
Deferred tax 1. January	170.000	231.000
Amounts recognized in the income statement for the year	-45.000	-61.000
Deferred tax 31. December	<u>125.000</u>	<u>170.000</u>
Intangible assets		
Fixed assets	295.060	310.140
Trade receivables	-170.060	-140.140
	<u>125.000</u>	<u>170.000</u>

Deferred tax has been provided at 22% corresponding to the current tax rate.

Note to the Annual Report

17 Other provisions

Furuno Danmark provides warranties of 1 to 2 years on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of kDKK 778 (2022: kDKK 986) have been recognised for expected warranty claims for the company.

	2023	2022
	DKK	DKK
Warranty provisions	778.000	986.000
	778.000	986.000

18 Deferred income

Deferred income consist of prepaid serviceagreements etc

19 Contingent assets, liabilities and other financial obligations

Lease obligations under operating leases. Total future lease payments.

Within 1 year	646.250	634.109
Between 1 and 5 years	711.267	741.769
After 5 years	0	0
	1.357.517	1.375.878

Contractual obligations

Morgage DKK 100.000 has been issued in favour of House owner association.

100.000	100.000
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The Company is jointly taxed with EMRI A/S and 'severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income
Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Note to the Annual Report

20 Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

<u>Name</u>	<u>Place of registered office</u>
Furuno Electric Co. Ltd.	Nishinomiya-shi, Japan

The Group Annual Report can be obtained at the following address:

9-52 Ashihara-cho
Nishinomiya-shi
662-8580 Hyogo-ken
Japan

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

21 Subsequent events

No subsequent events that will or has been considered to be reported as adjusting event.

22 Cash flow statement - adjustments

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Financial income	-4.250.779	-4.547.708
Financial expenses	4.219.976	6.825.485
Depreciation, amortisation and impairment losses, including losses and gains on sales	744.650	559.887
Loss on sale of Subsidiary	0	-4.295.156
Income from investments in subsidiaries after tax	-5.776.237	7.891.720
Skat af årets resultat	4.593.542	1.919.685
Other adjustments	-739.358	-4.306.700
	<u>-1.208.206</u>	<u>4.047.213</u>

Note to the Annual Report

	2023	2022
	<u>DKK</u>	<u>DKK</u>
23 Cash flow statement - change in working capital		
Change in inventories	-12.926.112	1.199.610
Change in receivables	-1.406.281	-9.053.654
Change in other provisions	-208.000	387.000
Change in trade payables, etc.	3.287.987	-4.067.769
	<u>-11.252.407</u>	<u>-11.534.813</u>