Deloitte.

dnp denmark a/s

Skruegangen 2
2690 Karlslunde
CVR No. 12759444

Annual report 01.04.2021 - 31.03.2022

The Annual General Meeting adopted the annual report on 24.08.2022

Niels Hermansen
Chairman of the General Meeting

Contents

Entity details

Entity

dnp denmark a/s

Skruegangen 2

2690 Karlslunde

Business Registration No.: 12759444

Registered office: Greve

Financial year: 01.04.2021 - 31.03.2022

Phone number: +45 46165100

Board of Directors

Malene Sølvsten Millard
Hajime Miyashita
Tomohiro Seyama
Niels Hermansen
Mitsuru Tsuchiya

Executive Board

Hajime Miyashita

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of dnp denmark a/s for the financial year 01.04.2021 - 31.03.2022.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.03.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.04.2021 - 31.03.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Karlslunde, 24.08.2022

Executive Board

Hajime Miyashita

Board of Directors

Malene Sølvsten Millard

Hajime Miyashita

Tomohiro Seyama

Niels Hermansen

Mitsuru Tsuchiya

Independent auditor's report

To the shareholders of dnp denmark a/s

Qualified opinion

We have audited the consolidated financial statements and the parent financial statements of dnp denmark a/s for the financial year 01.04.2021 - 31.03.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the matter specified in the "Basis for qualified opinion" section, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's as well as the Parent's financial position at 31.03.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.04.2021 - 31.03.2022 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

In our opinion, goodwill, having been recognised at DKK 10,200 thousand in the balance sheet, is overstated by DKK 10,200 thousand due to non-writedown of goodwill. Consequently, equity and profit for the year have been overstated by DKK 10,200 thousand. There is no tax effect of the lack of write-down.

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity 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 the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

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 consolidated financial statements and the parent 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 Entity'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 the parent 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 Entity'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 the parent 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Copenhagen, 24.08.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Jørgensen Baes
State Authorised Public Accountant
Identification No (MNE) mne14956

Frederik Juhl Hestbæk
State Authorised Public Accountant
Identification No (MNE) mne47807

Management commentary

Financial highlights

	2021/22 DKK'000	2020/21 DKK'000	2019/20 DKK'000	2018/19 DKK'000	2017/18 DKK'000
Key figures					
Gross profit/loss	35,793	16,591	17,024	24,216	33,993
Operating profit/loss	(20,734)	(23,432)	(19,603)	(5,577)	(2,725)
Net financials	(153)	(1,625)	(726)	(25)	169
Profit/loss for the year	(20,887)	(25,057)	(19,215)	(4,238)	(1,994)
Balance sheet total	196,073	236,463	298,095	273,147	283,174
Investments in property, plant and equipment	3,598	1,606	5,357	1,314	2,240
Equity	166,925	187,821	213,018	232,089	236,327
Ratios					
Return on equity (%)	(11.78)	(12.50)	(8.63)	(1.81)	(0.84)
Equity ratio (%)	85.13	79.43	71.46	84.97	83.46

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):
Profit/loss for the year * 100
Average equity

Equity ratio (%):
Equity * 100
Balance sheet total

Primary activities

The Company's primary activities consist of producing and selling optical screens, display solutions, and marketing and selling components for the solar cell industry and other market segments. More than 90% of the Company's sales are exported.

Development in activities and finances

Performance for the year

Gross profit for the year amounts to DKK 35.8 million compared to DKK 16.6 million last year. On the other hand, loss from ordinary activities after tax amounts to DKK 20.9 million compared to DKK 25.1 million last year.

The revenue realised is lower than last year. The decrease in revenue mainly relates to the solar business, with 40% lower sales than last year, whereas sales of screens and solutions have increased. However, sales of screens and solar were still lower than anticipated as the market has taken longer to recover after COVID-19 than expected.

After the acquisition of Visiosign A/S in January 2020, Visiosign A/S merged with dnp denmark as of 1 April 2021. This merger was part of a long-term strategy to get a stronger presence on the Scandinavian market and to offer our partners a broader range of solutions. The merger should also improve the cooperation across the different departments, optimise the internal processes and help realise the synergies between the two companies.

Earnings are slightly better due to a significantly better margin as an effect of change in the sales mix.

Management considers the performance unsatisfactory.

New products

During the year, dnp denmark continued to improve and upgrade the Visiosign Cloud platform and introduced new line extensions to the Supernova. The new products and Visiosign Cloud are expected to strengthen the Company's market position further.

Investments

The Company invested in intangible assets during the financial year. Investments in property, plant and equipment mainly comprise current updating and replacement of buildings and production equipment.

Capital resources

dnp denmark is well-consolidated. The equity ratio is 85.1% (2020/21: 79.4%), corresponding to equity of DKK 166.9 million at 31.03.2022 (2020/21: DKK 187.8 million). At year-end, the Company's financial resources amount to DKK 107.7 million (2020/21: DKK 155.2 million), consisting solely of cash.

Particular risk

The Company must be on the cutting edge of the technological development of digital signage. Due to the Company's solvency and capital resources, the Company is only exposed to changes in the level of interest rates to a minimal extent.

Currency risks

The Company is exposed to currency risks in respect of current operations. The Company invoices in EUR, JPY and USD, whereas parts of its purchases are invoiced in JPY and USD. Depending on Management's expectations of movements in foreign exchange rates, forward exchange contracts are concluded to hedge expected net income/expenses.

Credit risks

The Company is not exposed to any significant risks relating to one single customer or partner, as the Company has credit-insured its receivables considerably.

Profit/loss for the year in relation to expected developments

The company performed lower than the expected developments last year due to the COVID-19 pandemic. As of 1 April 2021 VisioSign A/S was succesfully merged with dnp denmark A/S.

As a result of the COVID-19 pandemic the revenue did not develop as expected. Management expected an increase in revenue from the solar business but the revenue developed negatively as the market has taken longer to recover after COVID-19 than expected.

As expected the competition continued to pressure the contribution margin and focus on efficiency and processes was important to keep costs down.

Uncertainty relating to recognition and measurement

The annual report does not include material assumptions or uncertainties other than those customary for the business. In the year of 2019/20 dnp denmark has acquired the Visiosign group which resulted in a goodwill which naturally has a degree of assumption and uncertainty.

Outlook

The outlook for the coming year is still very uncertain due to the geopolitical situation, general economic outlook and inflation. After the merger between Visiosign and dnp denmark, the next step is to move Visiosign to the dnp denmark location in summer 2022.

In the second half of 2022, dnp denmark will start the production of a new product line for a new growing market segment utterly different from the current screen and solution business. Management expects that revenue will be significantly higher with the new business, and earnings will increase, but a loss is still expected due to running the new production.

Sales of special foils to the European solar industry will continue with a relatively lower margin in the coming year.

Competition from new technologies is expected to continue, thus maintaining pressure on the contribution margin.

The enhanced focus on efficiency and internal processes will continue to keep costs down. By May 2022, a new CRM system will be implemented to increase order processing efficiency and lead follow-up. The increased focus on sales channels, including working with the right partners, will continue in the coming year and is expected to influence sales positively. The Company will focus on developing and expanding solutions in the coming year, just as it will explore new market segments. A precondition is, however, that the US dollar exchange rate will not be subject to significant changes compared to the level of late March 2022.

Environmental performance

The Company's production environment has been environmentally approved. This approval sets limits for the impact on the external environment, and the observance of the approval helps ensure that production takes place without significant pollution of the surroundings. In 2021/22, the Company complied with the terms of the environmental approval.

Research and development activities

In the financial year, expenses incurred for development activities in connection with the improvement of the Visiosign Cloud and the new Supernova line extension, as well as the improvement of the existing models.

Events after the balance sheet date

No events have occurred after the balance sheet date, which affect the annual report.

Consolidated income statement for 2021/22

	Notes	2021/22 DKK	2020/21 DKK
Gross profit/loss	1	**35,793,010**	**16,590,503**
Distribution costs		(11,398,058)	(9,242,117)
Administrative expenses		(45,129,241)	(30,780,780)
Operating profit/loss		**(20,734,289)**	**(23,432,394)**
Other financial income		869,759	110,319
Other financial expenses	4	(1,022,947)	(1,735,300)
Profit/loss before tax		**(20,887,477)**	**(25,057,375)**
Tax on profit/loss for the year		0	0
Profit/loss for the year	5	**(20,887,477)**	**(25,057,375)**

Consolidated balance sheet at 31.03.2022

Assets

	Notes	2021/22 DKK	2020/21 DKK
Completed development projects	7	3,338,682	0
Acquired rights		1,412,410	294,192
Goodwill		10,200,000	11,936,131
Development projects in progress	7	0	3,159,541
Intangible assets	6	**14,951,092**	**15,389,864**
Land and buildings		20,098,423	20,958,101
Plant and machinery		266,820	704,579
Other fixtures and fittings, tools and equipment		2,428,703	3,309,945
Property, plant and equipment in progress		2,964,128	0
Property, plant and equipment	8	**25,758,074**	**24,972,625**
Other receivables		28,620	98,727
Financial assets	9	**28,620**	**98,727**
Fixed assets		**40,737,786**	**40,461,216**
Raw materials and consumables		21,791,259	21,155,492
Work in progress		126,662	96,551
Manufactured goods and goods for resale		4,790,712	5,587,535
Inventories		**26,708,633**	**26,839,578**

Trade receivables		13,037,309	7,728,076
Other receivables		4,537,214	1,381,076
Tax receivable		580,000	567,000
Prepayments	10	2,774,270	4,257,606
Receivables		**20,928,793**	**13,933,758**
Cash		**107,697,888**	**155,228,442**
Current assets		**155,335,314**	**196,001,778**
Assets		**196,073,100**	**236,462,994**

Equity and liabilities

	Notes	2021/22 DKK	2020/21 DKK
Contributed capital	11	135,000,000	135,000,000
Reserve for development costs		3,338,682	3,159,541
Retained earnings		28,586,692	49,661,665
Equity		**166,925,374**	**187,821,206**
Other provisions	12	281,690	319,102
Provisions		**281,690**	**319,102**
Prepayments received from customers		5,669,821	2,573,356
Trade payables		1,515,638	10,884,545
Payables to group enterprises		10,454,814	21,476,536
Other payables	13	5,458,887	7,351,717
Deferred income	14	5,766,876	6,036,532
Current liabilities other than provisions		**28,866,036**	**48,322,686**
Liabilities other than provisions		**28,866,036**	**48,322,686**
Equity and liabilities		**196,073,100**	**236,462,994**

Staff costs	2
Amortisation, depreciation and impairment losses	3
Unrecognised rental and lease commitments	16
Transactions with related parties	17
Group relations	18
Subsidiaries	19

Consolidated statement of changes in equity for 2021/22

	Contributed capital DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	135,000,000	3,159,541	49,661,665	187,821,206
Exchange rate adjustments	0	0	(8,355)	(8,355)
Transfer to reserves	0	179,141	(179,141)	0
Profit/loss for the year	0	0	(20,887,477)	(20,887,477)
Equity end of year	**135,000,000**	**3,338,682**	**28,586,692**	**166,925,374**

Consolidated cash flow statement for 2021/22

	Notes	2021/22 DKK	2020/21 DKK
Operating profit/loss		(20,734,289)	(23,432,394)
Amortisation, depreciation and impairment losses		5,194,643	4,814,370
Other provisions		(37,412)	98,663
Working capital changes	15	(26,311,015)	(16,739,172)
Cash flow from ordinary operating activities		**(41,888,073)**	**(35,258,533)**
Financial income received		869,759	110,318
Financial expenses paid		(1,022,947)	(1,735,300)
Taxes refunded/(paid)		(13,000)	846,000
Cash flows from operating activities		**(42,054,261)**	**(36,037,515)**
Acquisition etc. of intangible assets		(2,072,459)	(1,223,906)
Acquisition etc. of property, plant and equipment		(3,508,833)	(1,606,232)
Sale of property, plant and equipment		104,999	325,000
Cash flows from investing activities		**(5,476,293)**	**(2,505,138)**
Free cash flows generated from operations and investments before financing		**(47,530,554)**	**(38,542,653)**
Increase/decrease in cash and cash equivalents		**(47,530,554)**	**(38,542,653)**
Cash and cash equivalents beginning of year		155,228,442	193,771,095
Cash and cash equivalents end of year		**107,697,888**	**155,228,442**
Cash and cash equivalents at year-end are composed of:			
Cash		107,697,888	155,228,442
Cash and cash equivalents end of year		**107,697,888**	**155,228,442**

Notes to consolidated financial statements

1 Gross profit/loss

The Group has for the financial year received a total compensation of DKK 0 (2020/21: DKK 1,782 thousand) from the COVID-19 compensation packages. The compensation comprise compensation of salary of DKK 0 (2020/21: DKK 1,782 thousand). The received compensation is recognised under other operating income.

2 Staff costs

	2021/22 DKK	2020/21 DKK
Wages and salaries	29,800,665	28,985,570
Pension costs	2,635,112	2,487,645
Other social security costs	944,017	699,734
Other staff costs	1,451,168	1,012,138
	34,830,962	**33,185,087**

Average number of full-time employees	**55**	**61**

The Board of Directors did not receive any remuneration in the financial year.

Pursuant to section 98b(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed in the financial statements.

3 Depreciation, amortisation and impairment losses

	2021/22 DKK	2020/21 DKK
Amortisation of intangible assets	2,050,100	1,997,749
Impairment losses on intangible assets	461,131	0
Depreciation on property, plant and equipment	2,683,412	2,997,775
Profit/loss from sale of intangible assets and property, plant and equipment	24,264	(42,416)
	5,218,907	**4,953,108**

4 Other financial expenses

	2021/22 DKK	2020/21 DKK
Exchange rate adjustments	11,651	0
Other financial expenses	1,011,296	1,735,300
	1,022,947	**1,735,300**

5 Proposed distribution of profit/loss

	2021/22 DKK	2020/21 DKK
Retained earnings	(20,887,477)	(25,057,375)
	(20,887,477)	**(25,057,375)**

6 Intangible assets

	Completed development projects DKK	Acquired rights DKK	Goodwill DKK	Development projects in progress DKK
Cost beginning of year	9,530,455	12,963,121	13,264,476	3,159,541
Transfers	3,159,541	0	0	(3,159,541)
Additions	895,540	1,176,919	0	0
Cost end of year	**13,585,536**	**14,140,040**	**13,264,476**	**0**
Amortisation and impairment losses beginning of year	(9,530,455)	(12,668,929)	(1,328,345)	0
Impairment losses for the year	0	0	(461,131)	0
Amortisation for the year	(716,399)	(58,701)	(1,275,000)	0
Amortisation and impairment losses end of year	**(10,246,854)**	**(12,727,630)**	**(3,064,476)**	**0**
Carrying amount end of year	**3,338,682**	**1,412,410**	**10,200,000**	**0**

7 Development projects

Developments projects comprise development of software and IT solutions developed for a specific client base. The Company expects to utilise the completed development projects over a time period of 5 years.

8 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	86,888,127	58,765,483	12,988,483	0
Additions	93,933	0	540,064	2,964,128
Disposals	0	(39,936)	(375,568)	0
Cost end of year	**86,982,060**	**58,725,547**	**13,152,979**	**2,964,128**
Depreciation and impairment losses beginning of year	(65,930,026)	(58,060,904)	(9,678,538)	0
Depreciation for the year	(953,611)	(437,759)	(1,292,042)	0
Reversal regarding disposals	0	39,936	246,304	0
Depreciation and impairment losses end of year	**(66,883,637)**	**(58,458,727)**	**(10,724,276)**	**0**
Carrying amount end of year	**20,098,423**	**266,820**	**2,428,703**	**2,964,128**

9 Financial assets

	Other receivables DKK
Cost beginning of year	2,801,581
Disposals	(2,772,961)
Cost end of year	**28,620**
Impairment losses beginning of year	(2,702,854)
Reversal of impairment losses	2,702,854
Impairment losses end of year	**0**
Carrying amount end of year	**28,620**

10 Prepayments

Prepayments consist of cost for 2021-22.

11 Contributed capital

	Number	Par value DKK	Nominal value DKK
Dai Nippon Printing Co. Ltd., Tokyo	135,000	1000	135,000,000
	135,000		**135,000,000**

12 Other provisions

Other provisions comprise provision for complaints.

13 Other payables

	2021/22 DKK	2020/21 DKK
VAT and duties	433,958	382,043
Wages and salaries, personal income taxes, social security costs, etc. payable	158,655	1,012,889
Holiday pay obligation	2,506,527	2,699,646
Other costs payable	2,359,747	3,257,139
	5,458,887	**7,351,717**

14 Deferred income

Deferred income comprise deferred hosting income from annual contracts for 2022-23.

15 Changes in working capital

	2021/22 DKK	2020/21 DKK
Increase/decrease in inventories	130,945	7,589,447
Increase/decrease in receivables	(6,982,035)	11,972,610
Increase/decrease in trade payables etc.	(19,459,925)	(36,301,229)
	(26,311,015)	**(16,739,172)**

16 Unrecognised rental and lease commitments

	2021/22 DKK	2020/21 DKK
Total liabilities under rental or lease agreements until maturity	726,833	983,011

17 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

18 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
dnp denmark a/s is included in the consolidated financial statements of Dai Nippon Printing Co. Ltd., Tokyo.

19 Subsidiaries

	Registered in	Corporate form	Ownership %
Visiosign Sverige AB	Sweden	AB	100

Parent income statement for 2021/22

	Notes	2021/22 DKK	2020/21 DKK
Gross profit/loss		**35,382,782**	**5,859,092**
Distribution costs		(11,398,058)	(9,242,117)
Administrative expenses		(44,068,163)	(18,213,575)
Operating profit/loss		**(20,083,439)**	**(21,596,600)**
Income from investments in group enterprises		(714,883)	(1,875,693)
Other financial income	3	869,553	166,271
Other financial expenses	4	(958,708)	(1,751,353)
Profit/loss before tax		**(20,887,477)**	**(25,057,375)**
Tax on profit/loss for the year		0	0
Profit/loss for the year	5	**(20,887,477)**	**(25,057,375)**

Parent balance sheet at 31.03.2022

Assets

	Notes	2021/22 DKK	2020/21 DKK
Completed development projects	7	3,338,682	0
Acquired rights		1,412,410	294,192
Goodwill		10,200,000	0
Intangible assets	6	**14,951,092**	**294,192**
Land and buildings		20,098,423	20,958,101
Plant and machinery		266,819	704,578
Other fixtures and fittings, tools and equipment		2,423,327	2,270,320
Property, plant and equipment in progress		2,964,128	0
Property, plant and equipment	8	**25,752,697**	**23,932,999**
Investments in group enterprises		105,104	9,788,747
Other receivables		28,620	98,727
Financial assets	9	**133,724**	**9,887,474**
Fixed assets		**40,837,513**	**34,114,665**

Raw materials and consumables		21,791,259	21,155,492
Work in progress		126,662	96,551
Manufactured goods and goods for resale		4,790,712	3,347,059
Inventories		**26,708,633**	**24,599,102**
Trade receivables		12,492,919	6,864,765
Receivables from group enterprises		0	2,536,712
Other receivables		4,537,192	1,323,466
Tax receivable		580,000	567,000
Prepayments	10	2,774,270	3,767,610
Receivables		**20,384,381**	**15,059,553**
Cash		**107,426,699**	**153,927,358**
Current assets		**154,519,713**	**193,586,013**
Assets		**195,357,226**	**227,700,678**

Equity and liabilities

	Notes	2021/22 DKK	2020/21 DKK
Contributed capital		135,000,000	135,000,000
Reserve for development costs		3,338,682	0
Retained earnings		28,586,692	52,821,206
Equity		**166,925,374**	**187,821,206**
Other provisions	11	281,690	319,102
Provisions		**281,690**	**319,102**
Prepayments received from customers		5,669,821	2,573,356
Trade payables		1,483,281	10,853,305
Payables to group enterprises		10,392,361	21,476,536
Other payables	12	4,837,823	4,657,173
Deferred income	13	5,766,876	0
Current liabilities other than provisions		**28,150,162**	**39,560,370**
Liabilities other than provisions		**28,150,162**	**39,560,370**
Equity and liabilities		**195,357,226**	**227,700,678**
Staff costs	1		
Amortisation, depreciation and impairment losses	2		
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Related parties with controlling interest	16		
Transactions with related parties	17		

Parent statement of changes in equity for 2021/22

	Contributed capital DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	135,000,000	0	52,821,206	187,821,206
Exchange rate adjustments	0	0	(8,355)	(8,355)
Transfer to reserves	0	3,338,682	(3,338,682)	0
Profit/loss for the year	0	0	(20,887,477)	(20,887,477)
Equity end of year	**135,000,000**	**3,338,682**	**28,586,692**	**166,925,374**

Notes to parent financial statements

1 Staff costs

	2021/22 DKK	2020/21 DKK
Wages and salaries	29,191,874	19,868,322
Pension costs	2,635,112	1,941,690
Other social security costs	629,624	590,037
Other staff costs	1,346,487	724,174
	33,803,097	**23,124,223**

Average number of full-time employees	**55**	**40**

2 Depreciation, amortisation and impairment losses

	2021/22 DKK	2020/21 DKK
Amortisation of intangible assets	2,050,100	541,817
Depreciation on property, plant and equipment	2,806,270	2,717,678
Profit/loss from sale of intangible assets and property, plant and equipment	24,264	(42,416)
	4,880,634	**3,217,079**

3 Other financial income

	2021/22 DKK	2020/21 DKK
Financial income from group enterprises	0	52,584
Exchange rate adjustments	831,263	0
Other financial income	38,290	113,687
	869,553	**166,271**

4 Other financial expenses

	2021/22 DKK	2020/21 DKK
Exchange rate adjustments	11,651	820,646
Other financial expenses	947,057	930,707
	958,708	**1,751,353**

5 Proposed distribution of profit and loss

	2021/22 DKK	2020/21 DKK
Retained earnings	(20,887,477)	(25,057,375)
	(20,887,477)	**(25,057,375)**

6 Intangible assets

	Completed development projects DKK	Acquired rights DKK	Goodwill DKK
Cost beginning of year	2,089,997	12,963,121	0
Addition through business combinations etc	10,599,999	0	12,750,000
Additions	895,540	1,176,919	0
Cost end of year	**13,585,536**	**14,140,040**	**12,750,000**
Amortisation and impairment losses beginning of year	(2,089,997)	(12,668,929)	0
Addition through business combinations etc	(7,440,458)	0	(1,275,000)
Amortisation for the year	(716,399)	(58,701)	(1,275,000)
Amortisation and impairment losses end of year	**(10,246,854)**	**(12,727,630)**	**(2,550,000)**
Carrying amount end of year	**3,338,682**	**1,412,410**	**10,200,000**

7 Development projects

Developments projects comprise development of software and IT solutions.

8 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	86,888,127	58,765,482	9,410,877	0
Addition through business combinations etc	0	0	3,442,804	0
Additions	93,933	0	669,490	2,964,128
Disposals	0	(39,936)	(375,568)	0
Cost end of year	**86,982,060**	**58,725,546**	**13,147,603**	**2,964,128**
Depreciation and impairment losses beginning of year	(65,930,026)	(58,060,904)	(7,140,557)	0
Addition through business combinations etc	0	0	(2,415,123)	0
Depreciation for the year	(953,611)	(437,759)	(1,414,900)	0
Reversal regarding disposals	0	39,936	246,304	0
Depreciation and impairment losses end of year	**(66,883,637)**	**(58,458,727)**	**(10,724,276)**	**0**
Carrying amount end of year	**20,098,423**	**266,819**	**2,423,327**	**2,964,128**

9 Financial assets

	Investments in group enterprises DKK	Other receivables DKK
Cost beginning of year	12,750,000	2,801,581
Addition through business combinations etc	612,914	0
Disposals on divestments etc.	(12,750,000)	0
Disposals	0	(2,772,961)
Cost end of year	**612,914**	**28,620**
Impairment losses beginning of year	(2,961,253)	(2,702,854)
Addition through business combinations etc	215,429	0
Disposals on divestments etc.	2,961,253	0
Exchange rate adjustments	(8,355)	0
Amortisation of goodwill	(51,237)	0
Impairment losses on goodwill	(409,895)	0
Share of profit/loss for the year	(253,752)	0
Reversal of impairment losses	0	2,702,854
Impairment losses end of year	**(507,810)**	**0**
Carrying amount end of year	**105,104**	**28,620**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

Disposals on divestments etc. relates to merger with Visiosign A/S as of 01.04.2021.

10 Prepayments
Prepayments consist of prepaid costs for 2022-23.

11 Other provisions
Other provisions comprise provision for complaints.

12 Other payables

	2021/22 DKK	2020/21 DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	34,397	724,637
Holiday pay obligation	2,443,677	939,531
Other costs payable	2,359,749	2,993,005
	4,837,823	**4,657,173**

13 Deferred income
Deferred income comprises accruals relating to revenue.

14 Unrecognised rental and lease commitments

	2021/22 DKK	2020/21 DKK
Total liabilities under rental or lease agreements until maturity	726,833	0

15 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

16 Related parties with controlling interest

Dai Nippon Printing Co. Ltd., Tokyo owns all shares in the Entity, thus exercising control.

17 Non-arm’s length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class
This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Pursuant to section 32 of the Danish Financial Statements Act, Management has decided not to disclose the Company's revenue, other operating income and cost of goods sold.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group’s accounting policies.

Subsidiaries’ financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries’ net assets at the takeover date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue for sale of services and hosting is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary writedown of inventories.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc., and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses
Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income
Other financial income comprises interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.
Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and #indirect costs of materials, components, subsuppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10-50 years
Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.
Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.