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Dantec Dynamics A/S

Tonsbakken 16-18, 2740 Skovlunde

Company reg. no. 15 10 75 88

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the

Chairman of the meeting

Contents

Management's statement

The board of directors and the managing director have today considered and approved the annual report of Dantec Dynamics A/S for the financial year 1 January - 31 December 2021.

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

We consider the accounting policies appropriate and, in our opinion, the consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2021, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January – 31 December 2021.

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

We recommend that the annual report be approved at the Annual General Meeting.

Skovlunde, 29 June 2022

Managing Director

Jean-Marc Muller

Board of directors

Janet Barbookles	Jean-Marc Muller	Michael Anthony Larkin
Jørgen Frandsen	Jesper Dela	

Independent auditor's report

To the Shareholders of Dantec Dynamics A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Dantec Dynamics A/S for the financial year 1 January to 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our 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 opinion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 company financial statements.

Independent auditor's report

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

Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group´s and the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group´s and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and 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 Management's Review

Management is responsible for Management's Review.

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

Independent auditor's report

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 29 June 2022

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

MBeuchert

Michael Beuchert
State Authorised Public Accountant
mne32794

Company information

The company	Dantec Dynamics A/S Tonsbakken 16-18 2740 Skovlunde Company reg. no. 15 10 75 88 Financial year: 1 January - 31 December
Board of directors	Janet Barbookles Jean-Marc Muller Michael Anthony Larkin Jørgen Frandsen Jesper Dela
Managing Director	Jean-Marc Muller
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Parent company	Dantec Dynamics A/S
Subsidiaries	Dantec Dynamics, Inc., USA Dantec Dynamics Limited, England Dantec Dynamics GmbH, Germany Dantec Dynamics S.A.S, France Dantec Dynamics K.K, Japan

Consolidated financial highlights

DKK in thousands.	2021	2020	2019	2018	2017
Income statement:					
Revenue	134.441	120.902	155.100	156.700	161.600
Profit from operating activities	-2.972	-7.162	-8.500	-4.400	-3.200
Net financials	-1.624	-2.048	-800	-1.200	-2.400
Pre-tax net profit or loss for the year	-4.596	-9.210	-9.285	-5.640	-5.574
Balance sheet total	-4.654	-9.014	-9.700	-6.000	-6.200
Statement of financial position:					
Balance sheet total	98.116	88.336	103.100	103.900	108.100
Investments in property, plant and equipment	1.419	2.200	4.000	3.700	3.300
Equity	24.304	24.333	31.200	42.100	42.200
Employees:					
Average number of full-time employees	95	99	100	103	111
Key figures in %:					
EBIT	-2	-6	-5	-3	-2
EBITDA	3	1	0	2	4
EBIT, adjusted	5	3	2	5	7
EBITDA, adjusted	11	11	7	10	12
Solvency ratio	25	28	30	41	39
Return on equity	-19	-32	-26	-14	-13

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

EBIT margin

$$\frac{\text{Operating profit or loss (EBIT) x 100}}{\text{Revenue}}$$

EBITDA

$$\frac{\text{Operating profit or loss + depreciations + amortisations x 100}}{\text{Revenue}}$$

EBIT, adjusted

$$\frac{\text{Operating profit or loss adjusted for management fee x 100}}{\text{Revenue}}$$

EBITDA, adjusted

$$\frac{\text{Operating profit or loss adjusted for management fee + depreciations + amortisations x 100}}{\text{Revenue}}$$

Consolidated financial highlights

Solvency ratio

$$\frac{\text{Equity, closing balance x 100}}{\text{Total assets, closing balance}}$$

Return on equity

$$\frac{\text{Net profit or loss for the year x 100}}{\text{Average equity}}$$

Management´s review

The principal activities of the group

Dantec Dynamics develops, manufactures and markets measurement equipment and software for measurements and simulation of flows, speed and particle size in liquids and gasses, as well as equipment and software for analyzing strain/stress/vibration and defects in solid materials.

Dantec Dynamics' customers primarily use the products for optimising energy consumption but they can also be used to improve the performance, efficiency and safety in such markets such as aviation, automotive and wind farms. In addition, the products are used to analyse thermal and chemical processes.

Customers include researchers within leading universities and institutes around the world as well as research and development departments in prominent international and domestic industrial companies.

The Group includes a business segment in the UK, which distributes medical measurement equipment and consumables.

In addition to its own sales and service offices in Europe, North America and Japan, Dantec Dynamics has a global network of independent distributors.

Significant events

The spread of COVID-19 virus still caused business disruption in 2021 resulting in a slowdown of new orders from customers, temporary closures at customer sites and a limitation of the activities of our sales and service teams to reach out to customers due to travel restrictions. The effects of the pandemic continued throughout most of 2021 and had a significant negative impact on the revenue of the group.

Development in activities and financial matters

The demand for the Group's products in 2021 increased by 13,285 kDKK from 2020. The Group had an operating result of 7,083 kDKK, exclusive of Related Third Party Management Services and Restructuring Expenses. The Group generated a net loss before tax of 4,597 kDKK in 2021 as compared to a loss of 9,210 kDKK in 2020.

Group Structure

The group structure remained unchanged in 2021.

Financial risks and the use of financial instruments

Due to its international structure and presence, the group's results are affected by exchange rate movements in a number of currencies, primarily EUR, USD, GBP and JPY.

At the end of the financial year, the Group had no open forward exchange contracts.

The group does not engage in speculative foreign exchange positions.

External enviroment

Dantec Dynamics' effect on the external environment is quite limited, as production is not energy intensive, and hazardous chemicals are not used in production. Still the group continuously works to reduce its effects on the external environment.

Management´s review

Knowledge resources

Dantec Dynamics generates the greater part of its earnings from high-tech niche products involving a high degree of self-development and application knowledge. The Group continues to offer competitive measurement systems that address its customers needs. A strength of the Group is its ability to maintain, and if necessary, recruit employees with strong skills in development, production, selling and industry applications. In addition, the Group maintains and promotes collaboration with well-respected strategic research partners to expand its ability to develop and deliver products to meet the needs of its customers.

The Group allocates time and resources for the maintenance and improvement of employee skills and frequently monitors to ensure that the allocated resources are applied as intended.

Development activities

The Group holds dominant global positions within its core activities. With a view to maintaining and strengthening this position, the Group regularly invests in the development of new products. In 2021, the Group capitalized research and development projects amounting to 4,7 mDKK.

Outlook for 2022

The demand for Dantec Dynamics' scientific measurement systems is expected to increase as such systems are a key component in research projects yielding environmentally friendly energy generation and reduction of energy consumption. Based on current trends with Asian markets recovering from the economic crisis triggered by the COVID-19 pandemic, and the European and American markets following, the group expects to continue to invest in the development of new products and applications and to grow revenue to the level of 2019, pre COVID-19.

Events occurring after the end of the financial year

No significant events have occurred after the financial year-end which could significantly affect the Group’s financial position. On March 16th 2022 Jean-Marc Muller was named as Managing Director for the Dantec Group replacing Anders Lisberg Petersen.

Income statement 1 January - 31 December

DKK in thousands.

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Revenue	134.441	120.902	79.450	71.267
	Change in inventories of finished goods and work in progress	813	-2.048	813	-668
	Other operating income	0	4.309	8.851	12.247
	Costs of raw materials and consumables	-56.623	-42.331	-40.002	-31.646
	Other external expenses	-19.940	-21.523	-12.535	-13.362
	Gross profit	**58.691**	**59.309**	**36.577**	**37.838**
1	Staff costs	-54.646	-57.571	-29.970	-30.882
2	Depreciation and amortisation	-7.017	-8.900	-5.816	-7.763
	Operating profit	**-2.972**	**-7.162**	**791**	**-807**
	Income from investments in subsidiaries	0	0	-5.761	-8.235
3	Other financial income	616	870	1.695	1.651
4	Other financial expenses	-2.240	-2.918	-1.349	-1.825
	Pre-tax net profit or loss	**-4.596**	**-9.210**	**-4.624**	**-9.216**
5	Tax on net profit or loss for the year	-58	196	-30	202
6	**Net profit or loss for the year**	**-4.654**	**-9.014**	**-4.654**	**-9.014**

Balance sheet at 31 December

DKK in thousands.

Note	Assets	Group 2021	Group 2020	Parent 2021	Parent 2020
	Non-current assets				
7	Completed development projects	8.792	9.486	8.792	9.486
8	Acquired rights	1.090	1.017	963	990
9	Development projects in progress	2.474	970	2.474	970
	Total intangible assets	12.356	11.473	12.229	11.446
10	Plant and machinery	1.534	2.195	1.534	2.195
11	Other fixtures and fittings, tools and equipment	2.208	2.725	604	358
12	Leasehold improvements	59	92	47	68
	Total property, plant, and equipment	3.801	5.012	2.185	2.621
13	Investments in subsidiaries	0	0	0	148
14	Deposits	1.086	1.050	531	530
	Total investments	1.086	1.050	531	678
	Total non-current assets	**17.243**	**17.535**	**14.945**	**14.745**
	Current assets				
	Raw materials and consumables	9.629	9.357	8.237	8.083
	Production in progress	1.250	1.356	937	1.246
	Manufactured goods and goods for resale	9.699	8.910	6.602	6.569
	Total inventories	20.578	19.623	15.776	15.898
	Trade receivables	33.455	35.689	2.565	11.318
	Receivables from subsidiaries	0	0	34.127	30.458
15	Other receivables	1.222	520	395	131
16	Prepayments	793	676	245	351
	Total receivables	35.470	36.885	37.332	42.258
	Cash	24.825	14.293	7.335	3
	Total current assets	**80.873**	**70.801**	**60.443**	**58.159**
	Total assets	**98.116**	**88.336**	**75.388**	**72.904**

Balance sheet at 31 December

DKK in thousands.

Note	Equity and liabilities	Group 2021	Group 2020	Parent 2021	Parent 2020
	Equity				
17	Share capital	22.721	22.721	22.721	22.721
	Reserve for development costs	8.787	8.160	8.787	8.160
	Retained earnings	-7.204	-6.548	-7.204	-6.548
	Total equity	**24.304**	**24.333**	**24.304**	**24.333**
	Provisions				
18	Provisions for pensions and similar liabilities	3.552	5.523	0	0
19	Provisions for deferred tax	2.581	2.665	2.581	2.665
20	Warranty provisions	316	430	198	311
21	Provisions for investments in subsidiaries	0	0	789	1.075
	Total provisions	**6.449**	**8.618**	**3.568**	**4.051**
	Liabilities other than provisions				
22	Payables to group enterprises	13.363	9.980	13.363	9.980
23	Other payables	2.751	2.983	2.530	2.829
	Total long term liabilities other than provisions	16.114	12.963	15.893	12.809

Balance sheet at 31 December

DKK in thousands.

Equity and liabilities

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Bank loans	4.350	3.949	4.350	3.949
	Prepayments received from customers	7.010	1.220	500	394
	Trade payables	6.475	9.493	2.899	8.704
	Payables to group enterprises	16.491	10.758	16.491	10.758
24	Income tax payable	117	4	113	0
	Other payables	12.589	12.576	3.929	5.418
25	Deferred income	4.217	4.422	3.341	2.488
	Total short term liabilities other than provisions	51.249	42.422	31.623	31.711
	Total liabilities other than provisions	**67.363**	**55.385**	**47.516**	**44.520**
	Total equity and liabilities	**98.116**	**88.336**	**75.388**	**72.904**

26 Charges and security

27 Contingencies

28 Related parties

Consolidated statement of changes in equity

DKK in thousands.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 January 2021	22.721	8.160	-6.548	24.333
Profit or loss for the year brought forward	0	0	-4.654	-4.654
Exchange rate adjustments	0	0	-1.443	-1.443
Reserve for capitalized development projects	0	627	-627	0
Adjustments of pension liabilities	0	0	824	824
Group Contribution	0	0	5.244	5.244
	22.721	**8.787**	**-7.204**	**24.304**

Statement of changes in equity of the parent

DKK in thousands.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 January 2021	22.721	8.160	-6.548	24.333
Profit or loss for the year brought forward	0	0	-4.654	-4.654
Exchange rate adjustments	0	0	-1.443	-1.443
Reserve for capitalized development projects	0	627	-627	0
Adjustments of pension liabilities in subsidiaries	0	0	824	824
Group Contribution	0	0	5.244	5.244
	22.721	**8.787**	**-7.204**	**24.304**

Statement of cash flows 1 January - 31 December

DKK in thousands.

Note		Group 2021	2020
	Net profit or loss for the year	-4.654	-7.162
29	Adjustments	12.140	9.483
30	Change in working capital	8.706	9.429
	Cash flows from operating activities before net financials	16.192	11.750
	Interest received, etc.	616	870
	Interest paid, etc.	-2.240	-2.918
	Cash flows from ordinary activities	14.568	9.702
	Income tax paid	0	-238
	Cash flows from operating activities	**14.568**	**9.464**
	Purchase of intangible assets	-4.982	-4.998
	Purchase of property, plant, and equipment	-1.832	-2.249
	Change in investments	16	-24
	Disposals of property, plant and equipment	0	1.619
	Cash flow from investment activities	**-6.798**	**-5.652**
	Borrowings of long term debt	-5.244	106
	Borrowings from group enterprises	7.606	6.281
	Cash flow from financing activities	**2.362**	**6.387**
	Change in cash and cash equivalents	**10.132**	**10.199**
	Cash and cash equivalents at 1 January 2021	10.343	144
	Cash and cash equivalents at 31 December 2021	**20.475**	**10.343**

Cash and cash equivalents		
Cash	24.825	14.292
Credit institutions, operating cash flow	-4.350	-3.949
Cash and cash equivalents at 31 December 2021	**20.475**	**10.343**

Notes

DKK in thousands.

		Group 2021	Group 2020	Parent 2021	Parent 2020
1.	**Staff costs**				
	Salaries and wages	47.517	50.526	28.087	29.019
	Pension costs	1.641	2.176	1.299	1.356
	Other costs for social security	5.488	4.869	584	507
		54.646	**57.571**	**29.970**	**30.882**
	Managing Director and Board of Directors	1.280	1.236	1.280	1.236
	Average number of employees	95	99	47	50
2.	**Depreciation and amortisation**				
	Amortisation of development projects	3.319	5.623	3.319	5.613
	Amortisation of concessions, patents and licences	778	329	748	314
	Depreciation on leasehold improvements	33	32	21	27
	Depreciation on plants and machinery	1.527	1.660	1.527	1.660
	Depreciation on plants, operating assets, fixtures and furniture	1.360	1.256	201	149
		7.017	**8.900**	**5.816**	**7.763**
3.	**Other financial income**				
	Interest receivables from group enterprises	0	0	1.693	1.624
	Other financial income	616	870	2	27
		616	**870**	**1.695**	**1.651**
4.	**Other financial expenses**				
	Financial costs, group enterprises	284	217	284	217
	Other financial costs	1.956	2.701	1.065	1.608
		2.240	**2.918**	**1.349**	**1.825**

Notes

DKK in thousands.

		Group		Parent	
		2021	2020	2021	2020
5.	**Tax on net profit or loss for the year**				
	Tax of the results for the year	141	-69	113	-75
	Adjustment for the year of deferred tax	-83	-137	-83	-137
	Adjustment of tax for previous years	0	10	0	10
		58	**-196**	**30**	**-202**

		Parent	
		2021	2020
6.	**Proposed appropriation of net profit**		
	Allocated from retained earnings	-4.654	-9.014
	Total allocations and transfers	**-4.654**	**-9.014**

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
7.	**Completed development projects**				
	Cost 1 January 2021	56.890	50.743	54.599	48.453
	Additions during the year	2.625	3.490	2.626	3.490
	Transfers	0	2.657	0	2.657
	Cost 31 December 2021	**59.515**	**56.890**	**57.225**	**54.600**
	Amortisation and writedown 1 January 2021	-47.404	-41.781	-45.114	-39.501
	Amortisation for the year	-3.319	-5.623	-3.319	-5.613
	Amortisation and writedown 31 December 2021	**-50.723**	**-47.404**	**-48.433**	**-45.114**
	Carrying amount, 31 December 2021	**8.792**	**9.486**	**8.792**	**9.486**

Completed development projects consist of software projects which is the core value-adding component in Dantec products.

Notes

DKK in thousands.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
8.	**Acquired rights**				
	Cost 1 January 2021	3.167	2.182	3.069	2.084
	Additions during the year	852	985	721	985
	Cost 31 December 2021	**4.019**	**3.167**	**3.790**	**3.069**
	Amortisation and writedown 1 January 2021	-2.150	-1.821	-2.079	-1.765
	Amortisation for the year	-779	-329	-748	-314
	Amortisation and writedown 31 December 2021	**-2.929**	**-2.150**	**-2.827**	**-2.079**
	Carrying amount, 31 December 2021	**1.090**	**1.017**	**963**	**990**
9.	**Development projects in progress**				
	Cost 1 January 2021	970	3.103	970	3.103
	Additions during the year	1.504	970	1.504	970
	Transfers	0	-3.103	0	-3.103
	Cost 31 December 2021	**2.474**	**970**	**2.474**	**970**
	Carrying amount, 31 December 2021	**2.474**	**970**	**2.474**	**970**

Development projects in progress consist of base software update projects. Technological and market feasibility has been established, and all resources to complete the projects are available.

Notes

DKK in thousands.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
10.	**Plant and machinery**				
	Cost 1 January 2021	10.682	10.336	10.475	10.129
	Additions during the year	971	669	972	670
	Disposals during the year	-80	-770	-80	-770
	Transfers	0	446	0	446
	Cost 31 December 2021	**11.573**	**10.681**	**11.367**	**10.475**
	Depreciation and writedown 1 January 2021	-8.486	-7.472	-8.280	-7.265
	Translation by use of the exchange rate valid on balance sheet date 31 December 2021	0	1	0	0
	Depreciation for the year	-1.527	-1.660	-1.527	-1.660
	Adjustment of writedown, opening balance	-45	0	-45	0
	Reversal of depreciation, amortisation and writedown, assets disposed of	19	645	19	645
	Depreciation and writedown 31 December 2021	**-10.039**	**-8.486**	**-9.833**	**-8.280**
	Carrying amount, 31 December 2021	**1.534**	**2.195**	**1.534**	**2.195**

Notes

DKK in thousands.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
11.	**Other fixtures and fittings, tools and equipment**				
	Cost 1 January 2021	25.794	25.795	11.131	10.842
	Translation by use of the exchange rate valid on balance sheet date 31 December 2021	184	-255	0	0
	Additions during the year	860	1.103	447	289
	Disposals during the year	0	-849	0	0
	Cost 31 December 2021	**26.838**	**25.794**	**11.578**	**11.131**
	Amortisation and writedown 1 January 2021	-23.069	-22.619	-10.773	-10.624
	Translation by use of the exchange rate valid on balance sheet date 31 December 2021	-201	269	0	0
	Depreciation for the year	-1.360	-1.256	-201	-149
	Reversal of depreciation, amortisation and writedown, assets disposed of	0	537	0	0
	Amortisation and writedown 31 December 2021	**-24.630**	**-23.069**	**-10.974**	**-10.773**
	Carrying amount, 31 December 2021	**2.208**	**2.725**	**604**	**358**

Notes

DKK in thousands.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
12.	**Leasehold improvements**				
	Cost 1 January 2021	3.302	3.272	2.785	2.785
	Additions during the year	0	30	0	0
	Cost 31 December 2021	**3.302**	**3.302**	**2.785**	**2.785**
	Depreciation and writedown 1 January 2021	-3.210	-3.177	-2.717	-2.690
	Depreciation for the year	-33	-33	-21	-27
	Depreciation and writedown 31 December 2021	**-3.243**	**-3.210**	**-2.738**	**-2.717**
	Carrying amount, 31 December 2021	**59**	**92**	**47**	**68**

Notes

DKK in thousands.

		Parent 31/12 2021	Parent 31/12 2020
13.	**Investments in subsidiaries**		
	Acquisition sum, opening balance 1 January 2021	47.604	47.604
	Cost 31 December 2021	**47.604**	**47.604**
	Revaluations, opening balance 1 January 2021	-83.089	-77.648
	Translation by use of the exchange rate valid on balance sheet date	-1.443	2.794
	Results for the year before goodwill amortisation	-5.123	-8.259
	Change in internal profit	-1.670	24
	Other adjustments	781	0
	Revaluation 31 December 2021	**-90.544**	**-83.089**
	Offsetting against debtors	42.940	35.633
	Set off against debtors and provisions for liabilities	**42.940**	**35.633**
	Carrying amount, 31 December 2021	**0**	**148**

Financial highlights for the subsidiaries according to the latest approved annual reports

DKK in thousands	**Equity interest**	**Equity**	**Results for the year**	**Carrying amount, Dantec Dynamics A/S**
Dantec Dynamics, Inc., USA	100 %	-5.210	-911	0
Dantec Dynamics Ltd., England	100 %	-20.806	-103	0
Dantec Dynamics GmbH, Germany	100 %	-2.997	-3.068	0
Dantec Dynamics S.A.S, France	100 %	-5.359	-146	0
Dantec Dynamics K.K, Japan	100 %	-8.568	-895	0
		-42.940	**-5.123**	**0**

		Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
14.	**Deposits**				
	Cost 1 January 2021	1.050	1.026	530	527
	Additions during the year	36	24	1	3
	Cost 31 December 2021	**1.086**	**1.050**	**531**	**530**
	Carrying amount, 31 December 2021	**1.086**	**1.050**	**531**	**530**

Notes

DKK in thousands.

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
15. Other receivables				
Receivable VAT	395	202	395	0
Other receivables	827	318	0	131
	1.222	**520**	**395**	**131**

16. Prepayments

Prepayments represent prepaid expenses on subscriptions and housing costs.

17. Share capital

The contributed capital consists of 227,210 shares of DKK 100 nominal value or multiple hereof. The Company's shares are not divided into different classes.

	Group	
	31/12 2021	31/12 2020
18. Provisions for pensions and similar liabilities		
Provisions for pension obligations and similar obligations	3.552	5.523
	3.552	**5.523**

Notes

DKK in thousands.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
19.	**Provisions for deferred tax**				
	Provisions for deferred tax 1 January 2021	2.665	2.877	2.665	2.877
	Deferred tax of the results for the year	-84	-212	-84	-212
		2.581	**2.665**	**2.581**	**2.665**
	The following items are subject to deferred tax:				
	Intangible assets	2.146	2.556	2.146	2.556
	Property, plant, and equipment	-58	132	-58	132
	Current assets	493	52	493	52
	Net capital loss balance	0	-75	0	-75
		2.581	**2.665**	**2.581**	**2.665**
20.	**Warranty provisions**				
	Warranty provisions 1 January 2021	430	424	311	305
	Change of the year in other provisions	-114	6	-113	6
		316	**430**	**198**	**311**
21.	**Provisions for investments in subsidiaries**				
	Negative equity subsidiaries			789	1.075
				789	**1.075**
22.	**Payables to group enterprises**				
	Total payables to group enterprises	**13.363**	**9.980**	**13.363**	**9.980**
	Share of liabilities due after 5 years	13.363	9.980	13.363	9.980

Notes

DKK in thousands.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
23.	**Other payables**				
	Total other payables	**2.751**	**2.983**	**2.530**	**2.829**

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
24.	**Income tax payable**				
	Income tax receivables 1 January 2021	4	229	0	224
	Paid corporate tax concerning last year	0	-234	0	-234
	Calculated corporate tax for the present year	113	-62	113	-65
	Settled by group enterprises	0	-4	0	0
	Various adjustments	0	75	0	75
		117	**4**	**113**	**0**

25. Deferred income

Prepayments represent payments received concerning income for services in susequent reporting years.

26. Charges and security

The company has issued mortgages totalling t.DKK 16.000 as security for bank loans. The mortgages registered to the owners provide security on property, plant and equipment, inventory and trade receivables.

27. Contingencies

Contingent liabilities

	31/12 2021 DKK in thousands
Lease liabilities	711
Other contingent liabilities	168
Total contingent liabilities	**879**

Group

Lease liabilities amount to t.DKK 5.607 and other contingent liabilities t.DKK 168.

Notes

DKK in thousands.

28. Related parties

Controlling interest

Nova Instruments LLC, Wakefield, Massachusetts, USA — Sole shareholder

Transactions

The company has the following related party transactions:

	Group 2021	Parent 2021
Management fee paid to Group enterprises	0	10.057
Management fee received from subsidiaries	0	8.922
Management fee paid from subsidiaries	8.922	0
Interest paid to Group enterprises	0	284
Interest paid from subsidiaries	1.693	0
Interest received from subsidiaries	0	1.693
Products bought	48.900	0
Products sold	0	48.900
Subsidiaries, intercompany balance, payable	76.278	26.727
Subsidiaries, intercompany balance, receivable	0	76.278

29. Adjustments

Depreciation and amortisation	7.017	8.900
Profit from disposal of non-current assets	0	-1.335
Income from investments in subsidiaries	5.123	0
Other provisions	0	1.918
	12.140	**9.483**

30. Change in working capital

Change in inventories	-955	5.546
Change in receivables	-1.426	6.951
Change in trade payables and other payables	11.087	-3.068
	8.706	**9.429**

Accounting policies

The annual report for Dantec Dynamics A/S has been prepared in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

The consolidated financial statements

The consolidated income statements comprise the parent company Dantec Dynamics A/S and those subsidiaries of which Dantec Dynamics A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the subsidiaries financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in subsidiaries are eliminated by the proportionate share of the subsidiaries' market value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the subsidiaries are recognised by 100%.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Income statement

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Change in inventory and costs of raw material

Change in inventory and costs of raw material comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external expenses

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs. Furthermore research and development costs which do not meet the criteria for capitalisation are expensed.

Accounting policies

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation and amortisation

Depreciation and amortisation comprise depreciation and amortisation of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual subsidiaries are recognised in the income statement of the parent as a proportional share of the subsidiaries' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying mount of the asset, depreciation is discontinued.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

Accounting policies

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

The enterprise applies IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the group holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Accounting policies

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, to a maximum of 10 years.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in subsidiaries but are not represented in the parent, the following accounting policies have been applied.

Accounting policies

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Accounting policies

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions are recognised when the group has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the group.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables.

Accounting policies

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under "Interest income and dividend received".

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of property, plant and equipment.

Cash flows from financing activities

Cash flows from financing activities include changes in loans and repayments of interest-bearing payables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.