

Annual Report for 2020


Dantec Dynamics A/S

Tonsbakken 16-18
2740 Skovlunde

CVR-nr. 15 10 75 88

Approved by the General Meeting

May 20th 2021



Janet Barbookles
Chairman of the Meeting

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Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Dantec Dynamics A/S for the financial year 1 January to 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2020 and of its financial performance and cash flow for the financial year 1 January to 31 December 2020.

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.

Skovlunde, May 20th 2021

Executive Board

Anders Lisberg Petersen

Supervisory Board

Janet Barbookles
Chairman

Michael Larkin

Jesper Dela

Jørgen Frandsen

Jean-Marc Muller

Independent auditor's report

To the shareholder of Dantec Dynamics A/S

Opinion

We have audited the consolidated annual accounts and the annual accounts of Dantec Dynamics A/S for the financial year 1 January - 31 December 2020, which comprise profit and loss account, balance sheet, statement of changes in equity, and notes, including a summary of accounting policies used, for both the group and the company, as well as consolidated statement of cash flows. The consolidated annual accounts and the annual accounts are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated annual accounts and the annual accounts give a true and fair view of the assets and liabilities, of the financial position of the group and the company at 31 December 2020, and of the results of the group and the company operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the consolidated annual accounts and the annual accounts". We are independent of the group in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the consolidated annual accounts and the annual accounts

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

In preparing the consolidated annual accounts and the annual accounts, the management is responsible for evaluating the group's and the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the consolidated annual accounts and the annual accounts, unless the management either intends to liquidate the group or the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated annual accounts and the annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts and the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of these consolidated annual accounts and annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts and the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the consolidated annual accounts and the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts and the annual accounts 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 annual accounts and the annual accounts, including the disclosures in the notes, and whether the consolidated annual accounts and the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated annual accounts. 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the consolidated annual accounts and the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the consolidated annual accounts and the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the consolidated annual accounts and the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that the management's review is in accordance with the consolidated annual accounts and the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, May 20th 2021

Grant Thornton

Statsautoriseret Revisionspartnerselskab

Company reg.no. 34 20 99 36



Michael Beuchert

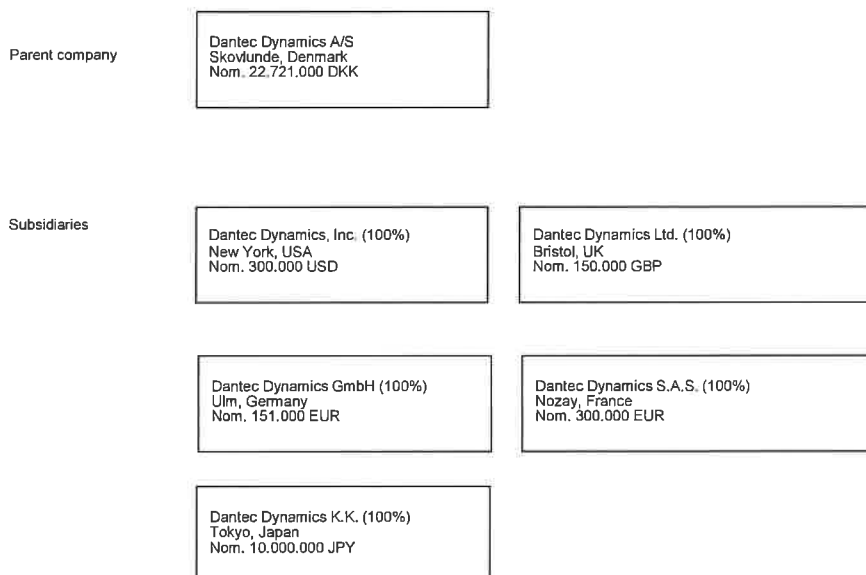
State Authorised Public Accountant

MNE-nr. 32794

Company details

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Supervisory Board
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Jean-Marc Muller
Jesper Dela
Michael Larkin
Jørgen Frandsen
Executive Board
Anders Lisberg Petersen
Auditors
Grant Thornton Statsautoriseret Revisionspartnerselskab
Bank
Nordea - Hovedvejen 112, 2600 Glostrup

Group chart



Financial highlights

5-year summary:

Key figures (in DKK million)	2020	2019	2018	2017	2016
Result					
Revenue	120,9	155,1	156,7	161,6	180,9
Operating profit or loss	-7,2	-8,5	-4,4	-3,2	11,5
Result of net financials	-2,0	-0,8	-1,2	-2,4	-2,7
Pre-tax profit or loss	-9,2	-9,3	-5,6	-5,5	8,8
Net profit/loss for the year	-9,0	-9,7	-6,0	-6,2	6,3
Balance sheet					
Shareholders' equity	24,3	31,2	42,1	42,2	49,6
Balance sheet total	88,3	103,1	103,9	108,1	127,3
Investments in property, plant and equipment	2,2	4,0	3,7	3,3	3,2
Number of employees	99	100	103	111	111
Ratios					
EBIT	-6%	-6%	-3%	-2%	6%
EBITDA	1%	0%	2%	4%	12%
EBIT, adjusted	3%	2%	5%	7%	16%
EBITDA, adjusted	11%	7%	10%	12%	21%
Return on equity	-32%	-26%	-14%	-13%	13%
Equity ratio	28%	30%	41%	39%	39%

Definition of financial ratios:

EBIT margin:

$$\frac{\text{Operating profit or loss} \times 100}{\text{Revenue}}$$

EBITDA margin:

$$\frac{(\text{Operating profit or loss} + \text{depreciations} + \text{amortisations}) \times 100}{\text{Revenue}}$$

EBIT adjusted:

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

EBITDA adjusted:

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

Return on equity:

$$\frac{\text{Income or loss from ordinary activities after tax} \times 100}{\text{Average equity attributable to equity holders of the parent}}$$

Equity ratio:

$$\frac{\text{Total equity attributable to equity holders of the parent at year-end} \times 100}{\text{Equity and liabilities at year-end}}$$

Management's Review

Business activities and mission

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.

Business review

Significant events

On March 1st 2020 Anders Lisberg was named as Managing Director for the Dantec group replacing Anders Faurholt.

In December 2019, a novel strain of coronavirus (SARS-CoV-2), which causes COVID-19, was reported to have surfaced in China. The spread of this virus caused business disruption beginning in January 2020 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 the travel restrictions. In March 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic, and the global economy began to experience pronounced effects resulting in lower orders from customers. The effects of the pandemic continued throughout 2020 and had a significant negative impact on the revenue of the group.

To offset the negative effects of this disruption the Dantec group applied for government relief packages and was granted 4,309 kDKK of salary and cost compensation during 2020.

Results of operations

The demand for the Group's products in 2020 decreased by 34,188 kDKK from 2019. The Group had an operating result of 4,183 kDKK, exclusive of Related Third Party Management Services and Restructuring Expenses. The Group generated a net loss before tax of 9,210 kDKK in 2020 as compared to a loss of 9,280 kDKK in 2019.

Group structure

The group structure remained unchanged in 2020.

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 2020, the Group capitalized research and development projects amounting to 5,0 mDKK.

Financial risks

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 environment

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.

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.

Post balance sheet events

No significant events have occurred after the financial year-end which could significantly affect the Group's financial position

Outlook for 2021

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.

Accounting policies

The Annual Report of Dantec Dynamics A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act as regards medium-sized reporting class C enterprises.

Consolidation

The consolidated financial statements comprise the parent, Dantec Dynamics A/S, and enterprises in which the parent - directly or indirectly - holds more than 50% of the voting rights or otherwise has a controlling interest.

The financial statements of the subsidiaries are prepared in accordance with the accounting policies applied by the parent. The consolidated financial statements are prepared on the basis of the financial statements of the parent and the subsidiaries by aggregating items of a similar nature and by subsequently eliminating intra-group revenue, interest, dividends, shareholdings and balances and by reversing unrealised consolidated gross margin.

In connection with the acquisition of subsidiaries, the difference between the cost and the net book value of the acquired enterprise is calculated at the time of acquisition. The net asset value implies a fair value adjustment of the acquired assets and liabilities at the time of acquisition and that a provision for expenses related to adopted and published restructurings in the acquired enterprise is in connection with the acquisition.

When subsidiaries are sold, gains or losses are made up as the difference between the market value and the divested company's net asset value using the Group's accounting policies. Provisions for sales expenses are deducted from the market value.

Divested enterprises are included in the income statement in the consolidated financial statements until the time of sale. Comparative figures are not restated for divested enterprises.

The results of subsidiaries after tax are recognised in the income statement of the parent after eliminating unrealised intercompany gains and losses.

Foreign subsidiaries

As for foreign subsidiaries, items in the income statement are translated into Danish kroner at average exchange rates that do not deviate significantly from the rate at the date of the transaction.

Balance sheet items are translated at closing rates. Any significant exchange differences resulting from the translation of the opening equity and the exchange adjustments resulting from translation of items in the income statement at closing rates are taken directly to equity.

Items in the income statement of foreign related entities are also translated into Danish kroner at average exchange rates that do not deviate significantly from the rate at the date of the transaction. Current assets and short-term liabilities in foreign currency are translated at closing rates, while fixed assets and long-term liabilities are recognised at historic rates. All exchange adjustments are recognised in the income statement.

Currency translation

Transactions denominated in foreign currencies are translated into monthly standard rates that do not deviate significantly from the exchange rate at the date of the transaction. Exchange differences between the monthly standard rates and the exchange rate at the date of payment are recognised in the income statement.

Receivables, payables and other monetary items denominated in foreign currency are translated into Danish kroner at closing rates. All exchange adjustments are recognised in the income statement as financial income/expenses.

Accounting policies (continued)

Income statement

Revenue

Income is recognised in revenue at the time of delivery of goods and services. VAT, indirect taxes and discounts are excluded from revenue.

Other operating income

Other operating income comprises income that does not relate to the main course of business, e.g. fee from subsidiaries for management services and gains on sale of fixed assets.

Raw materials and consumables

Expenses relating to raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include expenses related to premises, sale, distribution and administration. Furthermore, research and development costs that do not meet the criteria for capitalisation are expensed.

Tax for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments, with exception of tax which concerns changes in equity that are taken directly to equity.

Current tax includes the estimated tax charge for the year, measured by reference to the year's expected taxable income and prior-year adjustments.

Balance sheet

Intangible assets

Development projects, patents and licenses are measured at the lower of cost less accumulated amortisation and the recoverable amount. Development costs include expenses, wages and salaries and amortisation directly and indirectly relating to the Company's development activities. No scrap values are used.

Development projects which are clearly defined and identifiable, which have a potential future market value, and where the intention is to produce and market the products, are recognised as intangible assets.

Any development project subsidies are set off as hours are spent and expenses are incurred on the projects.

Amortisation is provided using the straight-line method over the expected economic life, which is usually five years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment charges. No scrap values are used.

Property, plant and equipment are depreciated on a straight-line basis over the expected economic life of the individual assets. The following depreciation periods are used:

Plant 5 years
Furniture and cars, etc. 3-5 years
IT equipment 3-5 years

Leasehold improvements are depreciated over the expected remaining lease period, however maximum 10 years.

Gains and losses on the sale of property, plant and equipment are recognised in the income statement under Other operating income/other operating expenses.

Investments

In the parent financial statements, investments in subsidiaries are recognised according to the equity method, i.e. at the such enterprises' net asset value less minority interests.

Subsidiaries whose net asset value is negative are recognised at DKK 0, and any receivables are written down by the parent's share of the negative equity value to the extent that it is considered irrecoverable. Provided that the net asset value exceeds the receivable, the excess is stated under 'Provisions'.

Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, or net realisable value.

Raw materials and consumables are measured at cost, which includes the cost of acquisition plus costs of delivery. Contract work in progress and finished goods include cost for raw materials, consumables, direct labour costs and production overheads. Production overheads include indirect material and labour costs as well as maintenance of and depreciations on machinery, properties and equipment used in the production process as well as administrative expenses and management fees.

Accounting policies (continued)

Receivables

Trade receivables are measured at amortised cost less write-downs for bad debts. Write-downs for bad debts are calculated on the basis of an individual assessment of each individual receivable.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent reporting years.

Prepayments recognised as a liability comprises payments received concerning income in subsequent reporting years.

Treasury shares

Cost and considerations as well as dividend for treasury shares are recognised directly in retained earnings under equity. Consequently, gains and losses on sales are not recognised in the income statement.

Capital reduction by way of a cancellation of treasury shares reduces the share capital by an amount corresponding to the nominal value of the shares.

Income taxes and deferred tax

Current tax payable is recognised under 'Short-term liabilities' and deferred tax is recognised under 'Provisions'. Tax receivable and deferred tax assets are recognised under 'Current assets'.

Deferred tax is provided using the balance sheet liability methods of all temporary differences between carrying amounts and tax values, with the exception of temporary differences concerning investments in subsidiaries provided that the assets are not expected to be disposed of within a short period of time.

Deferred tax assets, including the tax base of losses, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a set-off against deferred tax liabilities within the same legal entity.

Deferred tax is recognised using the tax rates and tax rules applicable in the countries concerned.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Provisions

Provisions are recognised when, at the balance sheet date, the Group has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions expected to be settled after more than one year after the balance sheet date are made up at the net present value of the expected payments. The provisions are made up in all material respects using actuarial calculation methods.

Warranty commitments include expenses for remedial action within a warranty period of one year. Provisions are measured and recognised using experience from guarantee work.

Financial liabilities

Long-term financial liabilities are measured at amortised cost, which essentially corresponds to the nominal value.

Cash flow statement

The cash flow statement for the Group is presented using the indirect method and shows the Group's net cash flows, broken down by operating, investing and financing activities, respectively, and the year's changes in cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are made up as the Group's profit or loss before net financials, adjusted for non-cash operating items, changes in working capital, paid financial and extraordinary expenses and paid income taxes.

Cash flows from investing activities comprise payments related to additions and disposals of fixed assets, enterprises and activities.

Cash flows from financing activities comprise borrowings and repayments of interest-bearing debt.

Cash and cash equivalents comprise cash and short-term securities in respect of which the risk of changes in value is insignificant, as well as short-term operating credits with credit institutions.

Income statement for the year ended 31 December

kDKK

Parent Company			Group	
2020	2019	Notes	2020	2019
71.268	101.794		120.902	155.090
(669)	2.290		(2.048)	4.608
12.247	5.620	1	4.309	-
82.845	109.704		123.162	159.698
31.646	53.178		42.331	69.171
13.362	19.403		21.522	31.992
37.837	37.123		59.309	58.535
30.882	29.634	2	57.571	59.104
7.762	6.779	3	8.900	7.967
(807)	710		(7.162)	(8.536)
(8.235)	(10.919)	4	-	-
1.651	2.077	5	870	1.775
1.825	1.153	6	2.918	2.519
(9.216)	(9.285)		(9.210)	(9.280)
202	(382)	7	196	(387)
(9.014)	(9.667)	8	(9.014)	(9.667)

Balance sheet at 31 December

kDKK

Parent Company			Assets	Group	
2020	2019	Notes		2020	2019
9,486	8,952		Completed development projects	9,486	8,962
970	3,103		Development projects in progress	970	3,103
989	318		Acquired rights	1,016	360
11,445	12,373	9	Intangible assets	11,472	12,425
2,195	2,864		Plant and machinery	2,195	2,864
358	218		Other fixtures and fittings, tools and equipment	2,725	3,176
69	96		Leasehold improvements	93	96
2,622	3,178	10	Property, plant and equipment	5,013	6,136
148	1,354	11	Investments in group enterprises	-	-
530	527	12	Other receivables	1,050	1,026
678	1,881		Investments	1,050	1,026
14,745	17,432		Total fixed assets	17,534	19,587
8,083	11,529		Raw material and consumables	9,357	12,856
1,246	1,583		Production in progress	1,356	2,070
6,569	6,902		Manufactured goods and goods for resale	8,910	10,244
15,898	20,014		Inventories	19,623	25,170
11,318	4,395		Trade receivables	35,669	41,718
30,458	38,615		Receivables from group enterprises	-	-
131	911	13	Other receivables	522	1,417
350	403	14	Prepayments	676	702
42,257	44,324		Receivables	36,886	43,837
3	7		Cash	14,293	14,516
58,158	64,345		Total current assets	70,802	83,523
72,903	81,777		Total assets	88,337	103,110

Balance sheet at 31 December

kDKK

Parent Company			Equity and liabilities	Group	
2020	2019	Notes		2020	2019
22,721	22,721		Share capital	22,721	22,721
(6,548)	(896)		Retained earnings	(6,548)	(896)
8,160	9,403		Reserve for development projects	8,160	9,403
24,333	31,228	15	Total shareholders' equity	24,333	31,228
2,829	-		Provisions for pensions and similar liabilities	8,352	6,228
1,075	-		Negative equity group enterprises	-	-
2,665	2,877		Deferred tax liability	2,665	2,877
311	305		Warranty provisions	430	424
6,880	3,182	16	Provisions	11,447	9,529
9,980	10,739		Long term loan from group enterprises	9,980	10,739
-	-		Other long term liabilities	154	48
9,980	10,739	17	Long-term liabilities	10,134	10,787
3,949	14,373		Debt to Credit Institutions	3,949	14,373
-	264		Prepayments received from customers	1,220	-
8,704	11,659		Trade payables	9,493	14,087
10,758	3,718		Payables to group enterprises	10,758	3,718
-	224	18	Income tax	4	229
5,417	3,272	19	Other payables	12,577	16,041
2,881	3,118	20	Deferred income	4,422	3,118
31,710	36,628		Short-term liabilities	42,423	51,566
41,690	47,367		Total liabilities other than provisions	52,557	62,353
72,903	81,777		Total equity and liabilities	88,337	103,110

21 Security for loans and contingent liabilities

24 Ownership structure and transactions with related parties

25 Events occurring after the end of the financial year 2020

Cash flow statement

kDKK

Notes	Group		
	2020	2019	
	Operating income of ordinary activities	(7,162)	(8,536)
22	Adjustments	9,483	9,460
23	Changes in working capital	9,429	920
	Net interest and similar payments received and made	(2,048)	(744)
	Income tax paid	(238)	(1,263)
	Cash flows from operating activities before net financials	9,464	(163)
	Additions of intangible assets	(4,998)	(4,099)
	Additions of property, plant and equipment	(2,249)	(4,044)
	Change in investments	(24)	12
	Disposals of property, plant and equipment	1,619	-
	Cash flows from investing activities	(5,652)	(8,131)
	Borrowings of long term debt	106	(58)
	Borrowings from group enterprises	6,282	3,563
	Cash flows from financing activities	6,387	3,505
	Changes in cash and cash equivalents	10,199	(4,789)
	Cash and cash equivalents at 1/1	143	4,932
	Cash and cash equivalents at 31/12	10,343	143
	Cash and cash equivalents at 31/12 include:		
	Cash	14,293	14,516
	Credit institutions, operating cash flow	(3,949)	(14,373)
		10,343	143

Statement of changes in equity

kDKK

Group	Share capital	Reserve for capitalized development projects	Retained earnings/ Accumulated loss	Proposed dividend for the year	Total
Shareholders' equity at 1/1 2019	22.721	5.461	13.919	-	42.101
Adjustments of pension liabilities			298		298
Exchange valuation of opening balance sheet and other adjustments in subsidiaries			(1.504)		(1.504)
Reserve for capitalized development projects		3.942	(3.942)		-
Net profit/loss for the year			(9.667)		(9.667)
Shareholders' equity at 31/12 2019	22.721	9.403	(896)	-	31.228
Shareholders' equity at 1/1 2020	22.721	9.403	(896)	-	31.228
Adjustments of pension liabilities			41		41
Exchange valuation of opening balance sheet and other adjustments in subsidiaries			2.076		2.076
Reserve for capitalized development projects		(1.243)	1.243		-
Net profit/loss for the year			(9.014)		(9.014)
Shareholders' equity at 31/12 2020	22.721	8.160	(6.548)	-	24.333

Parent	Share capital	Reserve for capitalized development projects	Retained earnings/ Accumulated loss	Proposed dividend for the year	Total
Shareholders' equity at 1/1 2019	22.721	5.461	13.919	-	42.101
Adjustments of pension liabilities in subsidiaries			298		298
Exchange valuation of opening balance sheet and other adjustments in subsidiaries			(1.504)		(1.504)
Reserve for capitalized development projects		3.942	(3.942)		-
Net profit/loss for the year			(9.667)		(9.667)
Shareholders' equity at 31/12 2019	22.721	9.403	(896)	-	31.228
Shareholders' equity at 1/1 2020	22.721	9.403	(896)	-	31.228
Adjustments of pension liabilities in subsidiaries			41		41
Exchange valuation of opening balance sheet and other adjustments in subsidiaries			2.076		2.076
Reserve for capitalized development projects		(1.243)	1.243		-
Net profit/loss for the year			(9.014)		(9.014)
Shareholders' equity at 31/12 2020	22.721	8.160	(6.548)	-	24.333

Parent Company			Group	
2020	2019	Notes	2020	2019
		1		
		Special items		
2,354	-	Salary compensation	2,706	-
1,079	-	Capacity cost compensation	1,603	-
3,433		Total special items	4,309	

Special items for the year have been specified above.

Special items have been recognized on the following line in the financial statement: Other operating income

The company has been significantly affected by the Covid-19 pandemic and has therefore received compensation for salaries and capacity costs through government grants during the year.

		2		
		Staff costs		
29,019	27,883	Wages and salaries	50,526	51,738
1,356	1,278	Pension contribution	2,176	2,430
507	473	Other social security costs etc.	4,869	4,936
30,882	29,634	Total staff costs	57,571	59,104
1,236	1,054	Total salaries and fees paid to members of the Executive and Supervisory Boards	1,236	1,054
50	50	Average number of employees	99	100

		3		
		Amortisation/depreciation and write-downs of intangible assets and property, plant and equipment		
5,613	5,100	Completed development projects	5,623	5,126
314	172	Acquired rights	329	179
149	170	Other fixtures and fittings, tools and equipment	1,256	403
1,660	1,314	Plant and machinery	1,660	2,236
27	23	Leasehold improvements	33	23
-	-	Profit/(loss) on disposal of intangible assets	-	-
7,762	6,779	Total amortisations/depreciations	8,900	7,967

Parent Company			Group	
2020	2019	Notes	2020	2019
		4		
		Income from investments in group enterprises		
-	-	Share of profit in subsidiaries	-	-
(8,259)	(13,141)	Share of loss in subsidiaries	-	-
24	367	Changes in internal profit on inventories bought within the group	-	-
(8,235)	(12,774)	Total income from investments in group enterprises, before tax	870	1,775
		5		
		Financial income		
1,624	1,439	Interest receivable from group enterprises	870	1,154
-	638	Exchange gains	-	621
28	-	Other financial income	870	1,154
1,651	2,077	Total financial income	870	1,775
		6		
		Financial expenses		
217	196	Interest payable, group enterprises	217	196
1,037	-	Exchange losses	1,085	-
571	957	Other financial expenses	1,616	2,323
1,825	1,153	Total financial expenses	2,918	2,519
		7		
		Tax on profit/loss from ordinary activities		
(75)	767	Current tax	(69)	772
11	19	Adjustment tax, regarding last year	11	19
(137)	(404)	Deferred tax adjustments	(137)	(404)
(202)	382	Total tax on profit/loss from ordinary activities	(196)	387
		8		
		Proposed appropriation of profit/loss		
-	-	Proposed dividend	-	-
-	-	Equity method transfer to net revaluation reserve	-	-
(9,014)	(8,788)	Retained earnings	-	-

Notes

9 Intangible assets

Group

	Completed develop-ment projects	Development projects in progress	Acquired rights	Total
Cost at 1/1 2020	50,743	3,103	2,182	56,027
Exchange adjustments 1/1 and other adjustments				-
Additions in the year	3,490	970	985	5,444
Transfers in the year	2,657	(3,103)	-	(446)
Cost at 31/12 2020	56,889	970	3,166	61,025
Amortisation and write-downs at 1/1 2020	41,781	-	1,821	43,602
Exchange adjustments 1/1 and other adjustments				-
Amortisation in the year	5,623	-	329	5,952
Reversed amortisations, disposals	-	-	-	-
Amortisation and write-downs at 31/12 2020	47,404	-	2,150	49,554
Carrying amount at 31/12 2020	9,486	970	1,016	11,472

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

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

Parent

	Completed develop-ment projects	Development projects in progress	Acquired rights	Total
Cost at 1/1 2020	48,453	3,103	2,084	53,639
Additions in the year	3,490	970	985	5,444
Transfers in the year	2,657	(3,103)	-	(446)
Cost at 31/12 2020	54,600	970	3,069	58,638
Amortisation and write-downs at 1/1 2020	39,501	-	1,765	41,266
Amortisation and write-downs in the year	5,613	-	314	5,927
Reversed amortisations, disposals	-	-	-	-
Amortisation and write-downs at 31/12 2020	45,114	-	2,079	47,193
Carrying amount at 31/12 2020	9,486	970	989	11,445

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

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

Notes

10 Property, plant and equipment

Group

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1/1 2020	10.336	25.795	3.272	39.404
Exchange adjustments at 1/1 and other adjustments		(255)		(255)
Additions in the year	670	1.103	30	1.803
Disposals in the year	770	849	-	1.619
Transfers in the year	446			446
Cost at 31/12 2020	10.682	25.794	3.302	39.778
Amortisation and write-downs at 1/1 2020	7.472	22.619	3.177	33.268
Exchange adjustments 1/1 and other adjustments	(1)	(269)		(270)
Amortisation in the year	1.660	1.256	33	2.949
Reversed amortisations, disposals	645	537	-	1.182
Amortisation and write-downs at 31/12 2020	8.486	23.069	3.210	34.765
Carrying amount at 31/12 2020	2.195	2.725	93	5.013

Parent

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1/1 2020	10.129	10.842	2.785	23.756
Additions in the year	670	289	-	959
Disposals in the year	770		-	770
Transfers in the year	446			446
Cost at 31/12 2020	10.475	11.131	2.785	24.391
Amortisation and write-downs at 1/1 2020	7.265	10.624	2.690	20.579
Amortisation in the year	1.660	149	27	1.835
Reversed amortisations, disposals	645	-	-	645
Amortisation and write-downs at 31/12 2020	8.280	10.772	2.717	21.769
Carrying amount at 31/12 2020	2.195	358	69	2.622

Notes	Parent Company	
	2020	2019
11 Investments in group enterprises		
Cost at 1/1	47.604	47.604
Additions in the year	-	-
Cost at 31/12	47.604	47.604
Value adjustments at 1/1	(77.648)	(66.717)
Exchange valuation of opening balance sheet and other adjustments in subsidiaries	2.794	(1.218)
Profit shares of the year	(8.258)	(9.346)
Changes in internal profit	24	(367)
Value adjustments at 31/12	(83.089)	(77.648)
Investments with negative net asset value written down on receivables	35.633	31.398
Investments with negative value	35.633	31.398
Total investments in group enterprises	148	1.354

The Company's shares in group enterprises are:
Profit/loss & Equity stated in kDKK, Share capital stated in local currency.

Name	Country	City	Profit/loss 2020	Equity	Proportion held	Share capital
Dantec Dynamics, Inc.	USA	Holtsville, NY	(2.798)	(3.026)	100,00%	300.000 USD
Dantec Dynamics Ltd.	England	Bristol	(521)	(19.998)	100,00%	150.000 GBP
Dantec Dynamics GmbH	Germany	Ulm	(1.429)	148	100,00%	151.000 EUR
Dantec Dynamics S.A.S.	France	Nozay	(1.980)	(5.144)	100,00%	300.000 EUR
Dantec Dynamics K.K.	Japan	Tokyo	(1.531)	(7.507)	100,00%	10.000.000 JPY

Parent Company			Group	
2020	2019	Notes	2020	2019
		12 Other Receivables		
		<i>Deposits:</i>		
527	544	Cost at 1/1	1.026	1.038
3	-	Additions in the year	24	-
-	17	Disposals in the year	-	12
530	527	Carrying amount at 31/12	1.050	1.026

Notes			kDKK	
Parent Company			Group	
2020	2019	Notes	2020	2019
		13 Other receivables		
-	795	VAT and other duties	202	1.301
131	116	Other receivables	320	116
131	911	Total other receivables	522	1.417

14 Prepayments

Prepayments represent prepaid expenses on subscriptions and housing costs.

Parent Company			Group	
2020	2019	Notes	2020	2019
		15 Equity		
		Equity		
		The share capital consists of 227,210 shares of DKK 100 nominal value or multiple hereof. The Company's shares are not divided into different classes. The share capital was increased in 2010 with 77,210 shares of DKK 100 paid in cash at face value.		
		Treasury shares:		
9,362	9,362	Number of shares at 1/1	9,362	9,362
-	-	Additions in the year	-	-
9,362	9,362	Number of shares at 31/12	9,362	9,362
936	936	Nominal value at 1/1	936	936
-	-	Additions in the year	-	-
936	936	Nominal value at 31/12	936	936
4,12%	4,12%	Percentage of share capital at 1/1	4,12%	4,12%
-	-	Dilution due to capital increase	-	-
4,12%	4,12%	Percentage of share capital at 31/12	4,12%	4,12%
		16 Provisions		
311	305	Warranty provisions	430	424
2,829	-	Provisions for pensions and similar liabilities	8,352	6,228
1,075	-	Negative equity group enterprises	-	-
		Deferred tax liability		
2,877	3,282	Deferred tax at 1/1	2,877	3,282
(212)	(405)	Change of deferred tax	(212)	(405)
		Change of deferred tax liability includes:		
(166)	(649)	Intangible assets	(166)	(649)
22	244	Property, plant and equipment	22	244
7	-	Current assets	7	-
(75)	-	Net operating losses	(75)	-
2,665	2,877	Deferred tax liability 31/12	2,665	2,877
		Deferred tax liability includes:		
2,556	3,013	Intangible assets	2,556	3,013
132	(109)	Property, plant and equipment	132	(109)
53	(27)	Current assets	53	(27)
(75)	-	Net operating losses	(75)	-
2,665	2,877	Deferred tax liability 31/12	2,665	2,877
		Hereof allocated on companies:		
2,665	2,877	Dantec Dynamics A/S, Danmark	2,665	2,877
2,665	2,877	Deferred tax liability 31/12	2,665	2,877
6,880	3,182	Total provisions	11,447	9,529

Notes

kDKK

Parent Company			Group	
2020	2019	Notes	2020	2019
		17 Long term debt		
9.980	10.739	Long term loan from group enterprises	9.980	10.739
-	-	Other long term liabilities falls due within 1 to 5 years	154	48
9.980	10.739	Total long term debt	10.134	10.787
		18 Income tax		
224	716	Income tax at 1/1	229	720
(65)	767	Current tax in the year	(61)	772
(234)	(1,259)	Settled tax	(234)	(1,259)
75	-	Various adjustments	75	-
-	-	Settled by group enterprises	(4)	(4)
-	224	Income tax at 31/12	4	229
		19 Other payables		
123	-	VAT and other tax and duties	5.192	4.450
5.294	3.272	Other account liabilities	7.385	11.591
5.417	3.272	Total other payables	12.577	16.041
		20 Deferred Income		
		Prepayments represent payments received concerning income for services in subsequent reporting years.		
		21 Security for loans and contingent liabilities		
531	524	Rent commitments, Skovlunde	531	524
278	-	Other rent and lease commitments	3.647	4,005
812	159	Performance and prepayment guarantees	812	159

An all-moneys mortgage of DKK 16 million has been given to Nordea Bank, where the underlying assets represent a carrying amount at 31 December 2020 of DKK 72,9 million and a letter of subordination of DKK 14,5 million from Nova Instruments LLC on the long-term loan balance of DKK 10 million.

Notes

kDKK

Group			
Notes		2020	2019
22	Cash flow statement - adjustments		
	Gain on disposal of fixed assets	(1,334)	(347)
	Amortisation	8,900	7,967
	Changes in provisions	1,918	1,840
	Total adjustments	9,483	9,460
23	Cash flow statement - change in working capital		
	Change in inventories	5,547	(2,266)
	Change in receivables	6,951	5,056
	Changes in trade payables and other payables etc.	(3,068)	(1,870)
	Total change in working capital	9,429	920

24 Ownership structure and related party transactions**Ownership:**Interest

Nova Instruments LLC, Wakefield, Massachusetts, USA

100,00% of outstanding shares

Related parties:

Dantec Dynamics A/S' related parties with significant control include:

- the parent company
- remuneration for board and management of the enterprises, see note 1

Transactions:

In the year:

- consolidated company transactions were concluded
- ordinary remuneration to management and employees was paid
- services were purchased from affiliated companies

Beyond this, no transactions have been made with the supervisory and executive boards, employees, significant shareholders, group enterprises or other related parties.

25 Events occurring after the end of the financial year 2020

No events have occurred after the financial year-end which could significantly affect the Group's financial position.