



Dalbo A/S

Bindeballevej 69
7183 Randbøl
CVR No. 15661135

Annual report 2021

The Annual General Meeting adopted the
annual report on 02.05.2022

Carsten Jensen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management on the annual report	3
Independent auditor's report	4
Management commentary	7
Consolidated income statement for 2021	9
Consolidated balance sheet at 31.12.2021	10
Consolidated statement of changes in equity for 2021	12
Consolidated cash flow statement for 2021	13
Notes to consolidated financial statements	15
Parent income statement for 2021	21
Parent balance sheet at 31.12.2021	22
Parent statement of changes in equity for 2021	24
Notes to parent financial statements	25
Accounting policies	30

Entity details

Entity

Dalbo A/S

Bindeballevej 69

7183 Randbøl

Business Registration No.: 15661135

Registered office: Vejle

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Poul Plougmann, Chairman of the Board

Søren Iversen

Kaj Pedersen

Henrik Hviid

Executive Board

Carsten Jensen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Dalbo A/S for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

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.

Randbøl, 02.05.2022

Executive Board

Carsten Jensen

CEO

Board of Directors

Poul Plougmann

Chairman of the Board

Søren Iversen

Kaj Pedersen

Henrik Hviid

Independent auditor's report

To the shareholders of Dalbo A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Dalbo A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

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

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Kolding, 02.05.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Bjerregaard Nielsen

State Authorised Public Accountant
Identification No (MNE) mne29393

Poul Skovgaard

State Authorised Public Accountant
Identification No (MNE) mne26777

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Gross profit/loss	69,216	54,231	52,515	55,465	58,326
Operating profit/loss	20,896	5,369	2,860	4,581	12,586
Net financials	(734)	(834)	(1,157)	(1,178)	(1,327)
Profit/loss for the year	15,762	3,501	1,288	2,635	8,858
Balance sheet total	103,731	79,155	96,920	96,475	97,242
Investments in property, plant and equipment	3,484	1,611	6,243	2,772	2,636
Equity	53,337	32,538	34,538	32,749	36,114
Cash flows from operating activities	6,696	31,025	9,927	344	9,016
Cash flows from investing activities	(3,231)	(1,310)	(6,215)	(2,427)	(2,497)
Cash flows from financing activities	(2,063)	(30,337)	(2,974)	(3,113)	(2,086)
Ratios					
Return on equity (%)	36.71	10.44	3.83	7.65	26.89
Equity ratio (%)	51.42	41.11	35.64	33.95	37.14

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

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Balance sheet total

Primary activities

The Group's activities consist in developing, manufacturing and selling soil preparation machinery for the agricultural industry. Through continuous product development, efforts are made to expand the current position as one of Scandinavia's leading manufacturers, and continued investments are made in the development of the export markets.

Development in activities and finances

Gross profit for the year amounts to DKK'000 69,216 against last year's DKK'000 54,231. Profit from ordinary activities after tax amounts to DKK'000 15,762 against DKK'000 3,501 last year. At the end of the year, the solvency ratio stands at 51% against 41% last year. During the year, the Company's cash flow has been significantly strengthened.

Profit/loss for the year in relation to expected developments

Profit for the year is considered satisfactory considering the Corona crisis still has had a negative impact on the Group's Supply Chain.

Outlook

Despite huge increases in commodity prices, an improved financial performance is expected for 2022. Management seeks as far as possible to balance a cautious approach to another challenging year without compromising the desire to be able to provide high-level service and innovative machines for agriculture.

Use of financial instruments

As a consequence of foreign activities, results, cash flows and equity are affected by the exchange rate and interest rate developments of a number of currencies. The currencies GBP is hedged to some extent to secure the budgeted exchange rate for the year.

Environmental performance

There is increased focus on the environment and sustainability, and DALBO has ongoing projects which are to improve both products and processes in accordance with the environment and sustainability. Continued efforts are made to reduce energy consumption and minimize waste and wastage.

Research and development activities

The Company does not actually conduct research, but the products are continuously developed and improved. Costs in this relation are expensed in the income statement as a general rule unless capitalisation is prescribed by the Danish Financial Statements Act. Development activities are expected to be carried out at a continued high level in the coming financial year.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		69,216,237	54,231,174
Staff costs	2	(45,258,723)	(45,598,741)
Depreciation, amortisation and impairment losses	3	(3,061,488)	(3,263,703)
Operating profit/loss		20,896,026	5,368,730
Other financial income		5,195	43,666
Other financial expenses		(738,764)	(877,245)
Profit/loss before tax		20,162,457	4,535,151
Tax on profit/loss for the year	4	(4,400,747)	(1,034,253)
Profit/loss for the year	5	15,761,710	3,500,898

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	7	1,127,648	1,601,798
Goodwill		0	0
Intangible assets	6	1,127,648	1,601,798
Plant and machinery		5,604,857	6,678,858
Other fixtures and fittings, tools and equipment		5,116,936	4,125,755
Property, plant and equipment in progress		765,811	0
Property, plant and equipment	8	11,487,604	10,804,613
Fixed assets		12,615,252	12,406,411
Raw materials and consumables		25,340,831	19,613,845
Work in progress		9,444,080	8,391,645
Manufactured goods and goods for resale		17,955,084	14,411,317
Prepayments for goods		2,000,175	1,556,645
Inventories		54,740,170	43,973,452
Trade receivables		31,910,194	20,894,371
Other receivables		1,641,417	652,111
Prepayments	9	533,820	339,320
Receivables		34,085,431	21,885,802
Other investments		16,850	11,655
Investments		16,850	11,655
Cash		2,273,559	877,440
Current assets		91,116,010	66,748,349
Assets		103,731,262	79,154,760

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital	10, 11	1,111,112	1,111,112
Retained earnings		52,226,062	31,427,125
Equity		53,337,174	32,538,237
Deferred tax	12	669,713	500,649
Other provisions	13	1,498,195	1,419,147
Provisions		2,167,908	1,919,796
Lease liabilities		1,360,349	1,899,633
Other payables	14	2,394,557	3,174,645
Non-current liabilities other than provisions	15	3,754,906	5,074,278
Current portion of non-current liabilities other than provisions	15	391,420	527,785
Bank loans		4,825,185	11,212,827
Trade payables		18,122,197	13,264,819
Tax payable		2,311,375	1,234,971
Other payables		15,023,984	13,309,791
Deferred income	16	3,797,113	72,256
Current liabilities other than provisions		44,471,274	39,622,449
Liabilities other than provisions		48,226,180	44,696,727
Equity and liabilities		103,731,262	79,154,760
Events after the balance sheet date	1		
Fair value information	18		
Unrecognised rental and lease commitments	19		
Assets charged and collateral	20		
Subsidiaries	21		

Consolidated statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,111,112	31,427,125	32,538,237
Sale of treasury shares	0	5,000,000	5,000,000
Exchange rate adjustments	0	37,227	37,227
Profit/loss for the year	0	15,761,710	15,761,710
Equity end of year	1,111,112	52,226,062	53,337,174

Consolidated cash flow statement for 2021

	Notes	2021 DKK	2020 DKK
Operating profit/loss		20,896,026	5,368,730
Amortisation, depreciation and impairment losses		3,061,488	3,263,703
Other provisions		79,048	232,422
Working capital changes	17	(12,669,919)	21,285,552
Adjustment frozen holiday obligation		(780,088)	2,014,136
Other adjustments		(2,139)	0
Cash flow from ordinary operating activities		10,584,416	32,164,543
Financial income received		5,195	43,666
Financial expenses paid		(738,764)	(873,622)
Taxes refunded/(paid)		(3,155,279)	(309,501)
Cash flows from operating activities		6,695,568	31,025,086
Acquisition etc. of intangible assets		(83,395)	0
Acquisition etc. of property, plant and equipment		(3,483,667)	(1,610,953)
Sale of property, plant and equipment		336,099	301,320
Cash flows from investing activities		(3,230,963)	(1,309,633)
Free cash flows generated from operations and investments before financing		3,464,605	29,715,453
Repayment of lease liabilities		(675,649)	(887,800)
Acquisition of treasury shares		5,000,000	(5,500,000)
Repayments of bankloan		(6,387,642)	(23,949,352)
Cash flows from financing activities		(2,063,291)	(30,337,152)
Increase/decrease in cash and cash equivalents		1,401,314	(621,699)
Cash and cash equivalents beginning of year		889,095	1,510,794
Cash and cash equivalents end of year		2,290,409	889,095

Cash and cash equivalents at year-end are composed of:

Cash	2,273,559	877,440
Securities	16,850	11,655
Cash and cash equivalents end of year	2,290,409	889,095

Notes to consolidated financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	38,518,116	39,124,528
Pension costs	4,115,222	4,354,584
Other social security costs	1,280,897	1,073,834
Other staff costs	1,344,488	1,045,795
	45,258,723	45,598,741
Average number of full-time employees	88	92

3 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Amortisation of intangible assets	557,545	531,847
Depreciation on property, plant and equipment	2,635,088	2,783,424
Profit/loss from sale of intangible assets and property, plant and equipment	(131,145)	(51,568)
	3,061,488	3,263,703

4 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	4,308,388	1,735,604
Change in deferred tax	165,608	(701,351)
Adjustment concerning previous years	(73,249)	0
	4,400,747	1,034,253

5 Proposed distribution of profit/loss

	2021 DKK	2020 DKK
Retained earnings	15,761,710	3,500,898
	15,761,710	3,500,898

6 Intangible assets

	Completed development projects DKK	Goodwill DKK
Cost beginning of year	3,404,738	9,116,248
Additions	83,395	0
Cost end of year	3,488,133	9,116,248
Amortisation and impairment losses beginning of year	(1,802,940)	(9,116,248)
Amortisation for the year	(557,545)	0
Amortisation and impairment losses end of year	(2,360,485)	(9,116,248)
Carrying amount end of year	1,127,648	0

7 Development projects

Development projects primarily comprise IT tools for own use.

8 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	22,954,395	11,425,826	0
Exchange rate adjustments	0	45,844	0
Additions	579,099	2,138,757	765,811
Disposals	(144,750)	(1,136,357)	0
Cost end of year	23,388,744	12,474,070	765,811
Depreciation and impairment losses beginning of year	(16,275,537)	(7,300,071)	0
Exchange rate adjustments	0	(6,478)	0
Depreciation for the year	(1,653,100)	(981,988)	0
Reversal regarding disposals	144,750	931,403	0
Depreciation and impairment losses end of year	(17,783,887)	(7,357,134)	0
Carrying amount end of year	5,604,857	5,116,936	765,811
Recognised assets not owned by Entity	2,336,510	48,300	0

9 Prepayments

Prepayments comprise prepaid expenses, including insurance, subscriptions and marketing activities.

10 Contributed capital

	Number	Par value DKK	Nominal value DKK
A shares	1,000	1,000.00	1,000,000
B shares	111,112	1.00	111,112
	112,112		1,111,112

11 Treasury shares

	Number	Nominal value DKK	Recorded par value DKK	Share of contributed capital %	Purchase/ (selling) price DKK
A shares	100	1,000	100,000	9.00	(5,000,000)
Investments disposed of	100	1,000	100,000	9.00	
B shares	111,112	1	111,112	1.00	
Holding of treasury shares	111,112	1	111,112	1.00	

Holding of treasure shares (A-shares) has been sold. Holding of treasure shares (B shares) has been written down after 31.12.2021. Hereafter the share capital amounts to DKK 1,000,000

12 Deferred tax

	2021 DKK	2020 DKK
Intangible assets	248,000	352,000
Property, plant and equipment	523,278	286,000
Inventories	(64,565)	(69,351)
Receivables	75,000	44,000
Provisions	(112,000)	(112,000)
Deferred tax	669,713	500,649

	2021 DKK	2020 DKK
Changes during the year		
Beginning of year	500,649	1,202,000
Recognised in the income statement	165,608	(701,351)
Exchange rate adjustments	3,456	0
End of year	669,713	500,649

13 Other provisions

The Group provides a 1-6 year warranty on certain products thus undertaking to repair or replace goods that are not satisfactory. Other provisions for expected warranty claims have been recognised on the basis of previous experience relating to the level of repairs and returned goods.

14 Other payables

	2021	2020
	DKK	DKK
Holiday pay obligation	2,394,557	3,174,645
	2,394,557	3,174,645

15 Non-current liabilities other than provisions

	Due within 12	Due within 12	Due after	Outstanding
	months	months	more than 12	after 5 years
	2021	2020	2021	2021
	DKK	DKK	DKK	DKK
Lease liabilities	391,420	527,785	1,360,349	0
Other payables	0	0	2,394,557	2,394,557
	391,420	527,785	3,754,906	2,394,557

16 Deferred income

Deferred income includes prepayments received concerning income in subsequent financial years.

17 Changes in working capital

	2021	2020
	DKK	DKK
Increase/decrease in inventories	(10,766,718)	9,291,728
Increase/decrease in receivables	(12,199,629)	5,229,291
Increase/decrease in trade payables etc.	10,296,428	6,764,533
	(12,669,919)	21,285,552

18 Fair value information

	Other
	investments
	DKK
Fair value end of year	16,850
Unrealised fair value adjustments recognised in the income statement	5,195

19 Unrecognised rental and lease commitments

	2021	2020
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	560,646	1,147,985

Moreover, the Group has entered into a rental agreement. The rental agreement is terminable at 12 months' notice. The annual rent is DKK'000 2,169. In the event of vacation before 01.01.2030, a compensation of up to DKK'000 3,660 must be paid to the lessor in addition to rent in the period of notice of termination.

20 Assets charged and collateral

Bank debt is secured by an all-moneys mortgage of a nominal value of DKK'000 33,000 with a floating charge on DALBO A/S' assets. The carrying amount of the assets charged is DKK'000 63,772 .

Certain items of plant and machinery, fixtures and fittings, etc are funded through finance leases. The carrying amount of assets held under a finance lease is DKK'000 2,385 .

As security for rent payment, a bank guarantee of DKK'000 6,074 has been provided.

21 Subsidiaries

	Registered in	Corporate form	Ownership %
S.A.R.L. Dal-Bo France	Illierst Eveque, Frankrig	S.A.R.L.	100.0
Dalbo UK Distribution Ltd.	Aylsham, England	Ltd.	100.0

Parent income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		62,293,100	51,251,808
Staff costs	2	(40,607,539)	(40,932,765)
Depreciation, amortisation and impairment losses	3	(2,818,011)	(3,155,576)
Operating profit/loss		18,867,550	7,163,467
Income from investments in group enterprises		1,343,792	(1,740,358)
Other financial income		5,195	43,666
Other financial expenses		(355,060)	(482,540)
Profit/loss before tax		19,861,477	4,984,235
Tax on profit/loss for the year	4	(4,099,767)	(1,483,337)
Profit/loss for the year	5	15,761,710	3,500,898

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	7	1,127,648	1,601,798
Intangible assets	6	1,127,648	1,601,798
Plant and machinery		5,604,857	6,678,858
Other fixtures and fittings, tools and equipment		3,502,666	3,550,297
Property, plant and equipment in progress		765,811	0
Property, plant and equipment	8	9,873,334	10,229,155
Investments in group enterprises		0	205,359
Financial assets	9	0	205,359
Fixed assets		11,000,982	12,036,312
Raw materials and consumables		25,340,831	16,680,536
Work in progress		9,444,080	8,391,645
Manufactured goods and goods for resale		7,901,430	7,196,027
Prepayments for goods		2,000,175	1,556,645
Inventories		44,686,516	33,824,853
Trade receivables		8,949,022	11,142,369
Receivables from group enterprises		32,416,727	16,356,822
Other receivables		1,455,504	652,111
Prepayments	10	342,337	199,566
Receivables		43,163,590	28,350,868
Other investments		16,850	11,655
Investments		16,850	11,655
Cash		1,263,536	28,923
Current assets		89,130,492	62,216,299
Assets		100,131,474	74,252,611

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital	11	1,111,112	1,111,112
Retained earnings		52,226,062	31,427,125
Equity		53,337,174	32,538,237
Deferred tax	12	1,060,000	1,071,000
Other provisions	13	1,498,195	1,419,147
Provisions		2,558,195	2,490,147
Lease liabilities		1,360,349	1,899,633
Other payables	14	2,394,557	3,174,645
Non-current liabilities other than provisions	15	3,754,906	5,074,278
Current portion of non-current liabilities other than provisions	15	391,420	527,785
Bank loans		4,825,185	11,212,827
Trade payables		18,030,957	12,718,163
Tax payable		2,184,016	1,114,337
Other payables		11,252,508	7,499,902
Deferred income	16	3,797,113	1,076,935
Current liabilities other than provisions		40,481,199	34,149,949
Liabilities other than provisions		44,236,105	39,224,227
Equity and liabilities		100,131,474	74,252,611
Events after the balance sheet date	1		
Fair value information	17		
Unrecognised rental and lease commitments	18		
Assets charged and collateral	19		
Related parties with controlling interest	20		

Parent statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,111,112	31,427,125	32,538,237
Sale of treasury shares	0	5,000,000	5,000,000
Exchange rate adjustments	0	37,227	37,227
Profit/loss for the year	0	15,761,710	15,761,710
Equity end of year	1,111,112	52,226,062	53,337,174

Notes to parent financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	34,542,852	34,864,186
Pension costs	4,115,222	4,354,584
Other social security costs	679,520	668,200
Other staff costs	1,269,945	1,045,795
	40,607,539	40,932,765
Average number of full-time employees	80	83

3 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Amortisation of intangible assets	557,545	531,847
Depreciation on property, plant and equipment	2,391,611	2,675,297
Profit/loss from sale of intangible assets and property, plant and equipment	(131,145)	(51,568)
	2,818,011	3,155,576

4 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Current tax	4,184,016	1,614,337
Change in deferred tax	(11,000)	(131,000)
Adjustment concerning previous years	(73,249)	0
	4,099,767	1,483,337

5 Proposed distribution of profit and loss

	2021	2020
	DKK	DKK
Retained earnings	15,761,710	3,500,898
	15,761,710	3,500,898

6 Intangible assets

	Completed development projects DKK
Cost beginning of year	3,404,738
Additions	83,395
Cost end of year	3,488,133
Amortisation and impairment losses beginning of year	(1,802,940)
Amortisation for the year	(557,545)
Amortisation and impairment losses end of year	(2,360,485)
Carrying amount end of year	1,127,648

7 Development projects

Development projects primarily comprise IT tools for own use.

8 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	22,954,395	10,599,347	0
Additions	579,099	895,834	765,811
Disposals	(144,750)	(1,136,357)	0
Cost end of year	23,388,744	10,358,824	765,811
Depreciation and impairment losses beginning of year	(16,275,537)	(7,049,050)	0
Depreciation for the year	(1,653,100)	(738,511)	0
Reversal regarding disposals	144,750	931,403	0
Depreciation and impairment losses end of year	(17,783,887)	(6,856,158)	0
Carrying amount end of year	5,604,857	3,502,666	765,811
Recognised assets not owned by entity	2,336,510	48,300	0

9 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	2,347,600
Cost end of year	2,347,600
Impairment losses beginning of year	(2,142,241)
Exchange rate adjustments	37,227
Share of profit/loss for the year	1,227,554
Adjustment of intra-group profits	116,238
Investments with negative equity value depreciated over receivables	(1,586,378)
Impairment losses end of year	(2,347,600)
Carrying amount end of year	0

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

10 Prepayments

Prepayments comprise prepaid expenses, including insurance, subscriptions and marketing activities.

11 Treasury shares

	Number	Nominal value DKK	Recorded par value DKK	Share of contributed capital %	Purchase/ (selling) price DKK
A shares	100	1,000	100,000	9.00	(5,000,000)
Investments disposed of	100	1,000	100,000	9.00	
B shares	111,112	1	111,112	1.0	
Holding of treasury shares	111,112	1	111,112	1.00	

Holding of treasury shares (A-shares) has been sold. Holding of treasury shares (B shares) has been written down after 31.12.2021. Hereafter the share capital amounts to DKK 1,000,000

12 Deferred tax

	2021	2020
	DKK	DKK
Intangible assets	248,000	352,000
Property, plant and equipment	376,000	286,000
Inventories	473,000	501,000
Receivables	75,000	44,000
Provisions	(112,000)	(112,000)
Deferred tax	1,060,000	1,071,000

	2021	2020
	DKK	DKK
Changes during the year		
Beginning of year	1,071,000	1,202,000
Recognised in the income statement	(11,000)	(131,000)
End of year	1,060,000	1,071,000

13 Other provisions

The company provides a 1-6 year warranty on certain products thus undertaking to repair or replace goods that are not satisfactory. Other provisions for expected warranty claims have been recognised on the basis of previous experience relating to the level of repairs and returned goods.

14 Other payables

	2021	2020
	DKK	DKK
Holiday pay obligation	2,394,557	3,174,645
	2,394,557	3,174,645

15 Non-current liabilities other than provisions

	Due within 12	Due within 12	Due after	Outstanding
	months	months	more than 12	after 5 years
	2021	2020	months	2021
	DKK	DKK	DKK	DKK
Lease liabilities	391,420	527,785	1,360,349	0
Other payables	0	0	2,394,557	2,394,557
	391,420	527,785	3,754,906	2,394,557

16 Deferred income

Deferred income includes prepayments received concerning income in subsequent financial years.

17 Fair value information

	Other investments DKK
Fair value end of year	16,850
Unrealised fair value adjustments recognised in the income statement	5,195

18 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Total liabilities under rental or lease agreements until maturity	560,646	1,147,985

Moreover, the company has entered into a rental agreement. The rental agreement is terminable at 12 months' notice. The annual rent is DKK'000 2,169. In the event of vacation before 01.01.2030, a compensation of up to DKK'000 3.660 must be paid to the lessor in addition to rent in the period of notice of termination.

19 Assets charged and collateral

Bank debt is secured by an all-moneys mortgage of a nominal value of DKK'000 33,000 with a floating charge on DALBO A/S' assets. The carrying amount of the assets charged is DKK'000 63,772.

Certain items of plant and machinery, fixtures and fittings, etc are funded through finance leases. The carrying amount of assets held under a finance lease is DKK'000 2,385.

As security for rent payment, a bank guarantee of DKK'000 6,074 has been provided.

20 Related parties with controlling interest

Poul Plougmann, member of the board
Kaj Pedersen, member of the board
Henrik Hviid, member of the board
Søren Iversen, member of the board

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

Accounting policies

Reporting class

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

Changes in accounting policies

The Group have changed their accounting policies in accordance with an interpretation by the Danish Business Authority, where drawings on the company's overdraft facility are classified in statement of cash flows as cash flows from financing activities, where the drawings in the past was classified as cash. The change results in a negative effect of cash flows from financing activities of DKK'000 6,388 in 2021 (negative with DKK'000 23,949 for 2020) and an increase in cash and cash equivalents of DKK'000 4,825 per 31.12.2021 (DKK'000 11,213 per 31.12.2020).

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

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

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on

transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

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

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

Foreign currency translation

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

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, costs of raw materials and consumables and external expenses.

Revenue

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

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity

staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of plant and equipment.

Income from investments in group enterprises

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

Other financial income

Other financial income comprises dividends etc. received on other investments and interest income.

Other financial expenses

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

Tax on profit/loss for the year

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

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 5-10 years and are based on individual assessment of the assets long-term earnings profil.

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

Intellectual property rights etc.

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

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

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

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 5-10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

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

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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

Plant and machinery	5 - 10 years
Other fixtures and fittings, tools and equipment	5 - 20 years

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

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

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

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

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

Inventories

Inventories are measured at the lower of cost using weighted average prices and net realisable value.

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

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

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

Receivables

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

Prepayments

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

Other investments (current assets)

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Treasury shares

Acquisition and selling prices and dividends of treasury shares are classified directly as equity in retained earnings. Gains and losses from sale are not recognised in the income statement.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other provisions

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

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Tax payable or receivable

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

Deferred income

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

Cash flow statement

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

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

Cash flows from investing activities comprise payments in connection with purchase, development, improvement and sale etc. of intangible assets and plant and equipment.

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

Cash and cash equivalents comprise cash and short-term securities.