

COMET Technologies Denmark A/S

Helgeshøj Alle 38, 2630 Taastrup, Denmark

CVR no. 18 21 52 33

Annual report 2023

Approved at the Company's annual general meeting on 28 June 2024

Chair of the meeting:

.....
Hans Christian Rysgaard

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of COMET Technologies Denmark A/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Taastrup, 28 June 2024
Executive Board:

.....
Hans Christian Rysgaard

Board of Directors:

.....
Stephan Eirik Ligaard Haferl
Chairman

.....
Nicola Rotondo

.....
Hans Christian Rysgaard

Independent auditor's report

To the shareholders of COMET Technologies Denmark A/S

Opinion

We have audited the financial statements of COMET Technologies Denmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 28 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Birgit Morville Schrøder
State Authorised Public Accountant
mne21337

Management's review

Company details

Name	COMET Technologies Denmark A/S
Address, Postal code, City	Helgeshøj Alle 38, 2630 Taastrup, Denmark
CVR no.	18 21 52 33
Registered office	Høje Taastrup
Financial year	1 January - 31 December
Board of Directors	Stephan Eirik Ligaard Haferl, Chairman Nicola Rotondo Hans Christian Rysgaard
Executive Board	Hans Christian Rysgaard
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

The Company develops, produces and sells X-ray equipment for industrial use in connection with Non-Destructive Testing (NDT). The Products comprise standard X-ray components, software and hardware purchased or developed by the Company.

Parts of the sales on a global level are channeled through the other group companies in USA, Japan and China, whereof other parts are handled through distributors or directly to customers.

Financial review

The income statement for 2023 shows a profit of DKK 2,420 thousand against a loss of DKK 2,234 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 9,188 thousand.

Profit/loss for the year compared to previously announced expectations

The profit of DKK 2,420 = 10,8% of the Gross Profit on TDKK 29,375 which is better than the expected 4-8%. The reason for this is mainly due to the improvement in sales of new and existing products as described below.

The Company realized significant improvements during 2023 from sales of both existing and new products, and from further utilization of sales to existing markets and development of new industries. The company was during 2023 impacted by the global financial situation and the conflict in Ukraine.

Events after the balance sheet date

As of the date of the balance sheet and up to today no events have been recovered that changes the valuation of the annual report.

Outlook

The Company are successfully developing and launching new products according to its business plan.

It is expected that the launch of new products together with an expected increase in sale of existing products, will have a positive impact on the coming years revenue.

The expected increase in revenue together with a general development of the company are expected to have a positive impact on the following year's financial result with a profit on 4-8% of the Gross Profit.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
	Gross profit	29,375	24,356
2	Staff costs	-25,565	-26,103
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-489	-510
	Profit/loss before net financials	3,321	-2,257
	Financial income	54	103
3	Financial expenses	-1,254	-128
	Profit/loss before tax	2,121	-2,282
	Tax for the year	299	48
	Profit/loss for the year	2,420	-2,234
	 Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	2,420	-2,234
		2,420	-2,234

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Land and buildings	0	0
	Plant and machinery	1,196	1,110
	Other fixtures and fittings, tools and equipment	330	663
		<u>1,526</u>	<u>1,773</u>
	Total fixed assets	<u>1,526</u>	<u>1,773</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	13,021	10,644
	Work in progress	8,861	7,398
	Finished goods and goods for resale	2,652	1,597
		<u>24,534</u>	<u>19,639</u>
	Receivables		
	Trade receivables	2,192	5,691
	Receivables from group entities	2,752	4,743
	Deferred tax assets	1,759	2,239
	Other receivables	747	743
	Prepayments	1,123	1,287
		<u>8,573</u>	<u>14,703</u>
	Cash	<u>12,363</u>	<u>4,961</u>
	Total non-fixed assets	<u>45,470</u>	<u>39,303</u>
	TOTAL ASSETS	<u><u>46,996</u></u>	<u><u>41,076</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	601	601
	Retained earnings	8,587	6,167
	Total equity	9,188	6,768
	Provisions		
	Other provisions	128	138
	Total provisions	128	138
	Liabilities other than provisions		
5	Non-current liabilities other than provisions		
	Other payables	1,614	1,600
		1,614	1,600
	Current liabilities other than provisions		
	Prepayments received from customers	0	582
	Trade payables	4,865	1,912
	Payables to group entities	28,647	24,894
	Other payables	2,554	5,182
		36,066	32,570
	Total liabilities other than provisions	37,680	34,170
	TOTAL EQUITY AND LIABILITIES	46,996	41,076

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Security and collateral
- 8 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2022	601	8,401	9,002
Transfer through appropriation of loss	0	-2,234	-2,234
Equity at 1 January 2023	601	6,167	6,768
Transfer through appropriation of profit	0	2,420	2,420
Equity at 31 December 2023	601	8,587	9,188

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of COMET Technologies Denmark A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

In accordance with the Danish Business Authority's clarification in May 2021, financial statement items regarding equity investments in associates have been renamed to equity investments in participating interests as the financial statement items must be designated as such when the entity only holds equity investments in associates.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, cost of sales, change in inventories of finished goods and work in progress and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the Company's employees. The item is net of refunds made by public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	3 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-10 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as foreign exchange differences.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses arising from the sale of items of property, plant and equipment are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Impairment of fixed assets

Every year, intangible assets and property, plant and equipment are reviewed for impairment. Where there is evidence of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

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

Cash

Cash comprise cash and bank deposits

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax and based on Management's intended use of the asset. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2023		2022	
2 Staff costs				
Wages/salaries		23,858		24,482
Pensions		1,454		1,365
Other social security costs		253		256
		<u>25,565</u>		<u>26,103</u>
Average number of full-time employees		<u>34</u>		<u>34</u>
3 Financial expenses				
Interest expenses, group entities		792		100
Exchange adjustments		460		0
Remission of debt and similar		0		28
Other financial expenses		2		0
		<u>1,254</u>		<u>128</u>
4 Property, plant and equipment				
DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2023	3,975	3,887	1,993	9,855
Additions in the year	0	351	41	392
Disposals in the year	0	0	-150	-150
Cost at 31 December 2023	<u>3,975</u>	<u>4,238</u>	<u>1,884</u>	<u>10,097</u>
Impairment losses and depreciation at 1 January 2023	3,975	2,777	1,330	8,082
Depreciation in the year	0	265	224	489
Impairment losses and depreciation at 31 December 2023	<u>3,975</u>	<u>3,042</u>	<u>1,554</u>	<u>8,571</u>
Carrying amount at 31 December 2023	<u>0</u>	<u>1,196</u>	<u>330</u>	<u>1,526</u>
Depreciated over		<u>3-10 years</u>	<u>3-10 years</u>	

5 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 34 thousand falls due for payment between 1 - 5 years after the balance sheet date.

Financial statements 1 January - 31 December

Notes to the financial statements

6 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2023	2022
Rent and lease liabilities	822	1,518

Rent and lease liabilities include a rent obligation totalling DKK 822 thousand in interminable rent agreement with 6 months notice.

7 Security and collateral

As security for the Company's rental of leasehold premises, the Company has issued a guarantee at a total amount of DKK 1.027 thousand to lessor.

8 Related parties

Information about consolidated financial statements

Parent	Domicile
Comet Holding AG	Herrengasse 10 Flamatt

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Stephan Eirik Ligaard Haferl

Board of Directors

On behalf of: COMET Technologies Denmark AS

Serial number: stephan.haferl@comet.ch

IP: 46.140.xxx.xxx

2024-06-28 07:00:18 UTC

Hans Christian Rysgaard

Chairman

On behalf of: COMET Technologies Denmark AS

Serial number: a7115b92-3d79-4d87-9408-f4ef60313891

IP: 87.49.xxx.xxx

2024-06-28 11:29:16 UTC



Hans Christian Rysgaard

Executive Board

On behalf of: COMET Technologies Denmark AS

Serial number: a7115b92-3d79-4d87-9408-f4ef60313891

IP: 87.49.xxx.xxx

2024-06-28 11:30:51 UTC



Hans Christian Rysgaard

Board of Directors

On behalf of: COMET Technologies Denmark AS

Serial number: a7115b92-3d79-4d87-9408-f4ef60313891

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2024-06-28 11:30:51 UTC



Nicola Rotondo

Board of Directors

On behalf of: COMET Technologies Denmark AS

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2024-06-28 14:36:52 UTC

Birgit Morville Schrøder

EY Godkendt Revisionspartnerselskab CVR: 30700228

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: a4d2ef52-40a7-4c86-99db-1a39ecb3fb58

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