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# ***DANPRES A/S***

Mosegårdsvej 4, DK-8670 Låsby

## **Annual Report for 1 October 2022 - 30 September 2023**

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CVR No. 19 52 72 47

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 22/2 2024

Ove Trankjær  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of DANPRES A/S for the financial year 1 October 2022 - 30 September 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 at 30 September 2023 of the Company and of the results of the Company operations and cash flows for 2022/23.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Låsby, 22 February 2024

## Executive Board

Søren Ove Hedegaard Nielsen  
Manager

## Board of Directors

Robert Zimmermann  
Chairman

Søren Ove Hedegaard Nielsen

Holger Krug

Ove Trankjær

Frank Romlund Mikkelsen  
Employee representative

# Independent Auditor's report

To the shareholder of DANPRES A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2023 and of the results of the Company's operations and cash flows for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DANPRES A/S for the financial year 1 October 2022 - 30 September 2023, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

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

## 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.

# Independent Auditor's report

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 these 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.
- 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 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.

Aarhus C, 22 February 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Christian Roding

State Authorised Public Accountant

mne33714

## Company information

<b>The Company</b>	DANPRES A/S Mosegårdsvej 4 DK-8670 Låsby  Telephone: + 45 86 95 23 00 Website: www.danpres.dk  CVR No: 19 52 72 47 Financial period: 1 October 2022 - 30 September 2023 Municipality of reg. office: Skanderborg
<b>Board of Directors</b>	Robert Zimmermann, chairman Søren Ove Hedegaard Nielsen Holger Krug Ove Trankjær Frank Romlund Mikkelsen, employee representative
<b>Executive Board</b>	Søren Ove Hedegaard Nielsen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C
<b>Lawyers</b>	Kromann Reumert Rådhuspladsen 3 8000 Aarhus C
<b>Bankers</b>	Sydbank A/S, Erhvervskunde-afdelingen Store Torv 12 8000 Aarhus C  Danske Bank, Erhverv Aarhus Jægergårdsgade 101B 8000 Aarhus C

## Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2022/23	2021/22	2020/21	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Gross profit/loss	62,069	59,489	48,993	34,294	34,129
Profit/loss of ordinary primary operations	15,390	18,349	15,396	2,133	1,898
Profit/loss of financial income and expenses	-1,528	-794	-692	-691	-856
Net profit/loss	10,832	13,746	11,539	1,203	798
<b>Balance sheet</b>					
Balance sheet total	131,989	110,143	91,742	71,638	69,300
Equity	46,060	41,228	32,481	20,942	19,739
<b>Cash flows</b>					
Cash flows from:					
- investing activities	-32,497	-8,960	-1,121	-7,065	-7,548
<b>Ratios</b>					
Return on assets	11.7%	16.7%	16.8%	3.0%	2.7%
Solvency ratio	34.9%	37.4%	35.4%	29.2%	28.5%
Return on equity	24.8%	37.3%	43.2%	5.9%	4.1%

# Management's review

## Key activities

The Company's main activity is the make-to-order manufacturing of metal products in steel, stainless steel and aluminum to major industrial companies. The Company offers complete solutions from development, laser cutting, plate/coil stans, bending as well as drawn and welded metal parts. In addition, a number of customer-specific special productions as well as warehouse and logistics solutions are offered. The majority of the production supports green development, primarily within energy production.

## Development in the year

Profit for the year after tax amounts to DKK 10,832k compared to the profit after tax of DKK 13,746k in 2021/2022.

A gross profit of DKK 62,069k was realized in 2022/23, which is an increase on 2021/22, in which a gross profit of DKK 59,489k was realized.

Investments in 2022/23 are in total DKK 32,424k.

The financial year has been characterized by a high level of activity in all production areas.

The result and the financial development are described as satisfactory in relation to how the market and the competitive situation have developed. The year's result is better than expected at the beginning of the year, which is due to a higher level of activity and energy costs at a lower level than expected.

## Special risks - operating risks and financial risks

The Company's main business risks are linked to market developments and the ability to be strongly positioned in the markets in which the Company renders its services. The Company does not, in its own view, face special currency risks, as it trades only in common currencies such as DKK and EUR. Debtor insurance is taken out on all customers to avoid losses.

## Targets and expectations for the year ahead

The Company has a positive view of the future, as there is still a large order backlog. Many of the Company's customers are within industries that are not considered as cyclically sensitive. Growth in turnover is therefore expected despite greater uncertainty in the market.

There is also still a good influx of new customers and several of the Company's existing customers are increasing turnover both on new and existing products in the coming year.

For the coming year, an increased level of activity and investments in further automation and capacity expansion as well as expansion of the production facilities have therefore been budgeted.

Focus will continue to be on strengthening the Company's skills through the development of its organization and employees.

For 2023/24 the Company thus expects a positive result before tax of approximately DKK 10,000k-14,000k.

## External environment

The Company organizes the production with the least possible impact on the environment and employees. Environmental management and the working environment are an integral part of the Company's management system.

In 2022/23, the company has invested in a solar panel facility on the roof with a capacity of 875 kWp. That will generate half of the energy consumption for the company. The company is also undertaking new investments in machinery that will result in significant reductions in electricity consumption.

There is also focus on advising our customers on the new opportunities within steel with a reduced carbon footprint.



# Management's review

## Intellectual capital resources

The Company is a high-tech company, working purposefully with the latest technologies. This requires employees with vast knowledge, which is why large resources have been spent on education and training as well as organizational development in the financial year. Investment will continue to be made in the training of employees.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income statement 1 October 2022 - 30 September 2023

	Note	2022/23 DKK	2021/22 DKK
<b>Gross profit</b>		<b>62,068,803</b>	<b>59,489,397</b>
Staff expenses	1	-41,144,647	-35,371,341
Amortisation and impairment losses of intangible assets		-5,533,896	-5,769,527
<b>Profit/loss before financial income and expenses</b>		<b>15,390,260</b>	<b>18,348,529</b>
Financial income		40,150	25,360
Financial expenses		-1,568,512	-819,179
<b>Profit/loss before tax</b>		<b>13,861,898</b>	<b>17,554,710</b>
Tax on profit/loss for the year	2	-3,029,829	-3,808,430
<b>Net profit/loss for the year</b>	3	<b>10,832,069</b>	<b>13,746,280</b>

# Balance sheet 30 September 2023

## Assets

	Note	2022/23 DKK	2021/22 DKK
Land and buildings		26,444,145	21,035,679
Plant and machinery		26,155,157	23,768,767
Other fixtures and fittings, tools and equipment		79,221	148,457
Property, plant and equipment in progress		19,674,049	436,592
<b>Property, plant and equipment</b>	4	<u>72,352,572</u>	<u>45,389,495</u>
<b>Fixed assets</b>		<u>72,352,572</u>	<u>45,389,495</u>
<b>Inventories</b>	5	<u>29,271,123</u>	<u>29,917,651</u>
Trade receivables		20,225,515	21,120,853
Receivables from group enterprises		6,766,507	3,932,169
Other receivables		2,794,370	3,148,800
Prepayments	6	575,643	469,055
<b>Receivables</b>		<u>30,362,035</u>	<u>28,670,877</u>
<b>Cash at bank and in hand</b>		<u>3,339</u>	<u>6,164,872</u>
<b>Current assets</b>		<u>59,636,497</u>	<u>64,753,400</u>
<b>Assets</b>		<u>131,989,069</u>	<u>110,142,895</u>

## Balance sheet 30 September 2023

### Liabilities and equity

	Note	2022/23 DKK	2021/22 DKK
Share capital	7	1,128,115	1,128,115
Revaluation reserve		3,438,413	3,533,924
Retained earnings		39,493,239	30,565,659
Proposed dividend for the year		2,000,000	6,000,000
<b>Equity</b>		<b>46,059,767</b>	<b>41,227,698</b>
Provision for deferred tax	8	5,443,400	5,189,800
<b>Provisions</b>		<b>5,443,400</b>	<b>5,189,800</b>
Mortgage loans		8,175,168	8,806,135
Lease obligations		5,530,159	8,606,874
Other payables		2,175,872	2,308,421
<b>Long-term debt</b>	9	<b>15,881,199</b>	<b>19,721,430</b>
Mortgage loans	9	630,966	614,348
Credit institutions		25,088,117	13,867
Lease obligations	9	3,087,557	2,959,097
Trade payables		27,581,549	32,872,332
Corporation tax		2,042,989	3,563,968
Other payables	9	6,173,525	3,801,383
Deferred income	10	0	178,972
<b>Short-term debt</b>		<b>64,604,703</b>	<b>44,003,967</b>
<b>Debt</b>		<b>80,485,902</b>	<b>63,725,397</b>
<b>Liabilities and equity</b>		<b>131,989,069</b>	<b>110,142,895</b>
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## Statement of changes in equity

	Share capital	Revaluation reserve	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 October	1,128,115	3,533,924	30,565,659	6,000,000	41,227,698
Ordinary dividend paid	0	0	0	-6,000,000	-6,000,000
Dissolution of previous years' revaluation	0	-95,511	95,511	0	0
Net profit/loss for the year	0	0	8,832,069	2,000,000	10,832,069
<b>Equity at 30 September</b>	<b>1,128,115</b>	<b>3,438,413</b>	<b>39,493,239</b>	<b>2,000,000</b>	<b>46,059,767</b>

## Cash flow statement 1 October 2022 - 30 September 2023

	Note	2022/23 DKK	2021/22 DKK
Result of the year		10,832,069	13,746,280
Adjustments	11	10,092,087	10,371,776
Change in working capital	12	-4,274,792	-10,304,744
<b>Cash flow from operations before financial items</b>		<b>16,649,364</b>	<b>13,813,312</b>
Financial income		40,150	25,360
Financial expenses		-1,568,512	-819,179
<b>Cash flows from ordinary activities</b>		<b>15,121,002</b>	<b>13,019,493</b>
Corporation tax paid		-4,297,208	-3,510,757
<b>Cash flows from operating activities</b>		<b>10,823,794</b>	<b>9,508,736</b>
Purchase of property, plant and equipment		-32,496,973	-8,959,838
<b>Cash flows from investing activities</b>		<b>-32,496,973</b>	<b>-8,959,838</b>
Repayment of mortgage loans		-541,598	-598,167
Reduction of lease obligations		-3,021,006	-3,435,063
Lease obligations incurred		0	5,281,688
Dividend paid		-6,000,000	-5,000,000
<b>Cash flows from financing activities</b>		<b>-9,562,604</b>	<b>-3,751,542</b>
<b>Change in cash and cash equivalents</b>		<b>-31,235,783</b>	<b>-3,202,644</b>
Cash and cash equivalents at 1 October		6,151,005	9,353,649
<b>Cash and cash equivalents at 30 September</b>		<b>-25,084,778</b>	<b>6,151,005</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		3,339	6,164,872
Overdraft facility		-25,088,117	-13,867
<b>Cash and cash equivalents at 30 September</b>		<b>-25,084,778</b>	<b>6,151,005</b>

# Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
<b>1. Staff Expenses</b>		
Wages and salaries	37,329,411	32,177,117
Pensions	2,989,893	2,468,371
Other social security expenses	825,343	725,853
	<u>41,144,647</u>	<u>35,371,341</u>
<b>Including remuneration to the Executive Board and Board of Directors</b>	<u>1,175,030</u>	<u>1,213,435</u>
Average number of employees	<u>74</u>	<u>69</u>

Temporary workers' pay out of salaries DKK 1.478.511 (2022/23), DKK 336.774 (2021/22)

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
<b>2. Income tax expense</b>		
Current tax for the year	2,776,229	3,809,030
Deferred tax for the year	253,600	-600
	<u>3,029,829</u>	<u>3,808,430</u>

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
<b>3. Profit allocation</b>		
Proposed dividend for the year	2,000,000	6,000,000
Retained earnings	8,832,069	7,746,280
	<u>10,832,069</u>	<u>13,746,280</u>

# Notes to the Financial Statements

## 4. Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	DKK	DKK	DKK	DKK
Cost at 1 October	25,791,372	84,800,119	1,840,665	436,592
Additions for the year	6,072,750	7,192,554	0	19,237,457
Disposals for the year	0	-128,675	-99,689	0
Cost at 30 September	<u>31,864,122</u>	<u>91,863,998</u>	<u>1,740,976</u>	<u>19,674,049</u>
Revaluations at 1 October	6,122,529	0	0	0
Revaluations at 30 September	<u>6,122,529</u>	<u>0</u>	<u>0</u>	<u>0</u>
Impairment losses and depreciation at 1 October	10,878,222	61,031,352	1,692,208	0
Depreciation for the year	664,284	4,806,164	63,448	0
Impairment and depreciation of sold assets for the year	0	-128,675	-93,901	0
Impairment losses and depreciation at 30 September	<u>11,542,506</u>	<u>65,708,841</u>	<u>1,661,755</u>	<u>0</u>
Carrying amount at 30 September	<u>26,444,145</u>	<u>26,155,157</u>	<u>79,221</u>	<u>19,674,049</u>
Including assets under finance leases amounting to	0	11,755,512	0	0

If revaluation had not been made, the value of land and buildings at 30 September 2023 would be DKK 21,963k.

According to the 2023 public land assessment value, the value of Danish land and buildings amounts to DKK 46,050k.

	2022/23	2021/22
	DKK	DKK
Raw materials and consumables	16,701,297	18,590,701
Work in progress	5,900,418	5,094,034
Finished goods and goods for resale	6,669,408	6,232,916
	<u>29,271,123</u>	<u>29,917,651</u>

## 6. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.



# Notes to the Financial Statements

## 7. Share capital

The share capital consists of 1,128,155 shares of a nominal value of DKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
<b>8. Provision for deferred tax</b>		
Deferred tax liabilities at 1 October	5,189,800	5,190,400
Amounts recognised in the income statement for the year	<u>-253,600</u>	<u>-600</u>
<b>Deferred tax liabilities at 30 September</b>	<b><u>5,443,400</u></b>	<b><u>5,189,800</u></b>
Property, plant and equipment	5,057,100	4,792,100
Inventories	399,800	406,300
Amortization	<u>-13,500</u>	<u>-8,600</u>
	<b><u>5,443,400</u></b>	<b><u>5,189,800</u></b>

Deferred tax has been provided at 22% corresponding to the current tax rate.

## 9. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
<b>Mortgage loans</b>		
After 5 years	5,475,940	6,178,001
Between 1 and 5 years	<u>2,699,228</u>	<u>2,628,134</u>
Long-term part	8,175,168	8,806,135
Within 1 year	<u>630,966</u>	<u>614,348</u>
	<b><u>8,806,134</u></b>	<b><u>9,420,483</u></b>
<b>Lease obligations</b>		
After 5 years	0	0
Between 1 and 5 years	<u>5,530,159</u>	<u>8,606,874</u>
Long-term part	5,530,159	8,606,874
Within 1 year	<u>3,087,557</u>	<u>2,959,097</u>
	<b><u>8,617,716</u></b>	<b><u>11,565,971</u></b>

# Notes to the Financial Statements

## Other payables

After 5 years	0	0
Between 1 and 5 years	2,175,872	2,308,421
Long-term part	2,175,872	2,308,421
Within 1 year	0	0
Other short-term payables	6,173,525	3,801,383
	<b>8,349,397</b>	<b>6,109,804</b>

## 10. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

2022/23	2021/22
DKK	DKK

## 11. Cash flow statement - Adjustments

Financial income	-40,150	-25,360
Financial expenses	1,568,512	819,179
Depreciation, amortisation and impairment losses, including losses and gains on sales	5,533,896	5,769,527
Tax on profit/loss for the year	3,029,829	3,808,430
	<b>10,092,087</b>	<b>10,371,776</b>

2022/23	2021/22
DKK	DKK

## 12. Cash flow statement - Change in working capital

Change in inventories	646,528	-12,662,721
Change in receivables	-1,691,158	-5,736,768
Change in trade payables, etc	-3,230,162	8,094,745
	<b>-4,274,792</b>	<b>-10,304,744</b>

## Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
<b>13. Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with mortgage credit institutes:		
Mortgage registered to the owner in the amount of nominally 19,000,000 with security in the property at Mosegaardsvej 4.	26,444,145	21,035,679
All-moneys charge in the amount of nominally 3,300,000 with security in the property at Mosegaardsvej 4.	26,371,395	21,035,679
Mortgage registered to the owner in the amount of nominally 13,316,000 with security in the property at Mosegaardsvej 4.	26,371,395	21,035,679
A negative pledge has been made to Danske Bank.		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	778,195	314,000
Between 1 and 5 years	<u>0</u>	<u>106,000</u>
	<u>778,195</u>	<u>420,000</u>

# Notes to the Financial Statements

## 14. Related parties

	<u>Basis</u>
<b>Controlling interest</b>	
Søren Ove Hedegaard Nielsen, Klokkehøj 21, Svejstrup, Skanderborg, Denmark	Executive Director, shareholder and member of the Board of Directors
<b>Other related parties</b>	
Zimmermann PV-Holding GmbH, Sandelholzstrasse 1, Eberhardzell, Deutschland	Shareholder
SON Holding ApS, Klokkehøj 21, Svejstrup, Skanderborg, Denmark	Shareholder
Frank Romlund Mikkelsen, Industriparken 7, Skals, Denmark	Employee representative on the Board of Directors
Holger Krug, Ortsstrasse 53, Eberhardzell, Deutschland	Board member
Ove Trankjær, Krude Møllevej 10, Katrinedal, Bryrup, Denmark	Board member
Robert Zimmermann, Lerchenstrasse 6, Eberhardzell, Deutschland	Board member
Zimmermann Metallbearbeitung GmbH Ritzenweiler 32, Eberhardzell, Deutschland	Affiliated company
Zimmermann PV-Stahlbau GmbH und Co. KG Sandelholzstrasse 1, Eberhardzell, Deutschland	Affiliated company

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Apart from the above, there have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

### Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Zimmermann PV-Holding, Sandelholzstrasse 1, Eberhardzell, Deutschland - ownership 49%  
Søren Ove Hedegaard Nielsen, Klokkehøj 21, Svejstrup, Skanderborg, Denmark - ownership 10,64%  
SON Holding ApS, Klokkehøj 21, Svejstrup, Skanderborg, Denmark - ownership 40,36%

# Notes to the Financial Statements

## 15. Accounting policies

The Annual Report of DANPRES A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year. There have been made reclasses in the income statement for 2022/23 and 2021/22. The reclasses have not change the profit for the to years.

The Financial Statements for 2022/23 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

### Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# Notes to the Financial Statements

## Income statement

### Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

### Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

## Balance sheet

### Property, plant and equipment

On acquisition land and buildings are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed properties comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and suppliers up until the time when the asset is ready for use.

# Notes to the Financial Statements

After the initial recognition land and buildings are measured at fair value.

Other property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost added revaluations and reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings	50 years
Plant and machinery	7-10 years
Other fixtures and fittings, tools and equipment	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

## Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

## Inventories

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

The cost of raw materials and consumables equals landed cost.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

## Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

## Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

# Notes to the Financial Statements

## Equity

### Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

### Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

### Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

### Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

## Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

### Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.



# Notes to the Financial Statements

## Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

## Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

## Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Overdraft facilities".

The cash flow statement cannot be immediately derived from the published financial records.

## Financial Highlights

### Explanation of financial ratios

Return on assets  $\text{Profit before financials} \times 100 / \text{Total assets at year end}$

Solvency ratio  $\text{Equity at year end} \times 100 / \text{Total assets at year end}$

Return on equity  $\text{Net profit for the year} \times 100 / \text{Average equity}$