


CIM Industrial Systems A/S
Skanderborgvej 277 D
8260 Viby J
Company reg. no. 24 21 00 22

Annual report 2023

The annual report was submitted and approved by the general meeting on the 17 June 2024.

DocuSigned by:

966DBB5551704FC...

Michel Seidelin
chairman of the meeting

Atletion A/S

Contents

	<u>Side</u>
Company information	1
Management's statement	2
Independent auditor's report	3
Management's review	6
Accounting policies	7
Income statement 1 January - 31 December	13
Balance sheet at 31 December	14
Statement of changes in equity	16
Notes	17

Company information

The company

CIM Industrial Systems A/S
Skanderborgvej 277 D
8260 Viby J

Company reg. no.: 24 21 00 22

Domicile: Aarhus

Financial year: 1 January – 31 December (25th financial year)

Board of directors

Frans Augustijn
Marie Ek Jonsson
Lennart Persson
Michel Seidelin

Managing Director

Michel Seidelin

Auditors

KPMG Statsautoriseret Revisionspartnerselskab
Vesterballevej 27, 2
7000 Fredericia

Parent company

Xano Industri AB

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of CIM Industrial Systems A/S for the financial year 2023.

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


We consider the chosen accounting policy to be appropriate, and 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 true and fair review of the matters discussed in the Management's review.


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

Viby J, 17 June 2024

Managing Director

DocuSigned by:

966DBB5551704FC...
Michel Seidelin

Board of directors


DocuSigned by:

0403BD51C98E4C5...
Frans Augustijn

DocuSigned by:

002F8FF41F9149F...
Marie Ek Jonsson

DocuSigned by:

FB8F85DB3D87418...
Lennart Persson

DocuSigned by:

966DBB5551704FC...
Michel Seidelin

Independent auditor's report

To the shareholders of CIM Industrial Systems A/S

Opinion

We have audited the financial statements of CIM Industrial Systems A/S for the financial year 1 January – 31 December 2023, comprising income statement, balance sheet 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 Company's assets, liabilities and financial position 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 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.

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 that 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 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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.

Independent auditor's report

Statement on 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.

Fredericia, 17 June 2024

KPMG

Statsautoriseret Revisionspartnerselskab
CVR-nr. 25 57 81 98

DocuSigned by:



DFAD94G6191D46E
Michael Lund Siegumfeldt
State Authorised Public Accountant
mne28662

Management's review

The principal activities of the company

Like previous years, the principal activities has consisted in development and marketing of IT solutions and related business

Development in activities and financial matters

The gross profit for the year totals DKK 40.367 k. against DKK 37.149 k. last year.

Net loss for the year totals DKK 2.243 k. against net loss DKK 4.224 k. last year. Management considers the net loss for the year unsatisfactory.

Pursuant to the Danish Financial Statements Act, amortisation of goodwill has been made at DKK 5.900 k. The result for the year is negatively affected by this.

Expected developments

In the coming year, increased revenue and earnings are expected.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year, which would have any material impact on the company's financial position.

Accounting policies

The annual report for CIM Industrial Systems A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs. This have been aggregated in accordance with section 32 of the Danish Financial Statements Act.,

Revenue

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Accounting policies

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial expenses

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

Accounting policies

Tax on net profit or loss for the year

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

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Acquired concessions, patents, licenses, trademark and simular rights

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

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accrued depreciation and writedown for impairment.

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

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

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

Accounting policies

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

Other fixtures and fittings, tools and equipment 3-8 years

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

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

Deposits

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

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.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. In order to meet expected losses, impairment takes place at the net realisable value.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed

Accounting policies

exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Corporation tax and deferred tax

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

The company is jointly taxed with the Danish sister company. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable". According to the rules of joint taxation, CIM Industrial Systems A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value. Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

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

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

Accounting policies

Prepayments received from costumers

Prepayents received from customers concerning goods and services not yet delivered.

Prepayments received from customers concerning work in progress for the account of others

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

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

Deferred income

Payments received concerning future income are recognised under deferred income.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023 DKK</u>	<u>2022 DKK</u>
Gross profit		40.366.628	37.148.823
Staff costs	1	(35.097.375)	(34.554.604)
Depreciation, amortisation, and writedown for impairment	2	<u>(6.494.545)</u>	<u>(6.840.088)</u>
Operating profit		(1.225.292)	(4.245.869)
Financial expenses		<u>(66.249)</u>	<u>(78.815)</u>
Pre-tax net profit or loss		(1.291.541)	(4.324.684)
Tax on net profit or loss for the year	3	<u>(950.995)</u>	<u>100.688</u>
Net profit or loss for the year		<u>(2.242.536)</u>	<u>(4.223.996)</u>
Proposed appropriation of net profit:			
Dividends		10.000.000	0
Transferred to retained earnings		<u>(12.242.536)</u>	<u>(4.223.996)</u>
		<u>(2.242.536)</u>	<u>(4.223.996)</u>

Balance sheet at 31 December

	<u>Note</u>	<u>2023 DKK</u>	<u>2022 DKK</u>
Acquired concessions, patents, licenses, trademarks and similar rights		241.751	50.321
Goodwill		<u>33.656.463</u>	<u>39.556.732</u>
Total intangible assets	4	<u>33.898.214</u>	<u>39.607.053</u>
Other fixtures and fittings, tools and equipment		<u>1.038.241</u>	<u>1.198.033</u>
Total property, plant, and equipment	5	<u>1.038.241</u>	<u>1.198.033</u>
Deposits		<u>634.838</u>	<u>636.882</u>
Total investments	6	<u>634.838</u>	<u>636.882</u>
Total non-current assets		<u>35.571.293</u>	<u>41.441.968</u>
Goods for resale		<u>730.214</u>	<u>786.122</u>
Inventories		<u>730.214</u>	<u>786.122</u>
Trade receivables		18.471.262	19.936.314
Contract work in progress	7	4.329.766	1.498.294
Income tax receivables		0	920.766
Other receivables		117.935	285.983
Prepayments		<u>614.154</u>	<u>707.406</u>
Total receivables		<u>23.533.117</u>	<u>23.348.763</u>
Cash and cash equivalents		<u>0</u>	<u>739.028</u>
Total current assets		<u>24.263.331</u>	<u>24.873.913</u>
Total assets		<u>59.834.624</u>	<u>66.315.881</u>

Balance sheet at 31 December

	<u>Note</u>	<u>2023 DKK</u>	<u>2022 DKK</u>
Contributed capital	8	860.000	860.000
Dividends		10.000.000	0
Retained earnings		<u>30.165.864</u>	<u>42.408.400</u>
Total equity		<u>41.025.864</u>	<u>43.268.400</u>
Provisions for deferred tax		<u>1.590.468</u>	<u>1.584.254</u>
Total provisions		<u>1.590.468</u>	<u>1.584.254</u>
Bank loans		2.502.944	4.907.641
Prepayments received from customers		35.000	687.429
Prepayments received from customers concerning work in progress for the account of others	7	2.373.442	3.816.959
Trade payables		3.184.797	2.649.362
Income tax payable		306.790	0
Other payables		5.024.571	5.652.566
Deferred income		<u>3.790.748</u>	<u>3.749.270</u>
Total short term liabilities other than provisions		<u>17.218.292</u>	<u>21.463.227</u>
Total liabilities other than provisions		<u>17.218.292</u>	<u>21.463.227</u>
Total equity and liabilities		<u>59.834.624</u>	<u>66.315.881</u>
Charges and security	9		
Contingencies	10		
Related parties	11		

Statement of changes in equity

	Contributed capital DKK	Dividends DKK	Retained earnings DKK	Total DKK
Equity 1 January 2023	860.000	0	42.408.400	43.268.400
Proposed dividends	0	10.000.000	0	10.000.000
Profit or loss for the year brought forward	<u>0</u>	<u>0</u>	<u>(12.242.536)</u>	<u>(12.242.536)</u>
Equity 31 December 2023	<u>860.000</u>	<u>10.000.000</u>	<u>30.165.864</u>	<u>41.025.864</u>

Notes

	2023	2022
	DKK	DKK
1. Staff costs		
Salaries and wages	30.315.121	29.683.387
Pension costs	4.407.965	4.485.702
Other costs for social security	<u>374.289</u>	<u>385.515</u>
	<u>35.097.375</u>	<u>34.554.604</u>
Average number of employees	<u>43</u>	<u>46</u>
2. Depreciation, amortisation, and writedown for impairment		
Depreciation of concessions, patents and licences	48.728	97.193
Amortisation of goodwill	5.900.269	5.900.269
Depreciation of other fixtures and fittings, tools and equipment	<u>545.548</u>	<u>842.626</u>
	<u>6.494.545</u>	<u>6.840.088</u>
3. Tax on profit/loss for the year		
Current tax for the year	944.790	(920.766)
Deferred tax adjustment for the year	6.214	805.129
Prior year adjustments on taxes	<u>(9)</u>	<u>14.949</u>
	<u>950.995</u>	<u>(100.688)</u>

Notes

	Acquired concessions, patens, licenses, trademarks and similar DKK	Goodwill DKK
4. Intangible assets		
Cost 1 January	934.579	59.002.693
Additions during the year	240.158	0
Disposals during the year	<u>(643.000)</u>	<u>0</u>
Cost 31 December	<u>531.737</u>	<u>59.002.693</u>
Amortisation and writedown 1 January	(884.258)	(19.445.961)
Amortisation for the year	(48.728)	(5.900.269)
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>643.000</u>	<u>0</u>
Depreciation and writedown 31 December	<u>(289.986)</u>	<u>(25.346.230)</u>
Carrying amount, 31 December	<u>241.751</u>	<u>33.656.463</u>
		Other fixtures and fittings, tools and equipment DKK
5. Property, plant, and equipment		
Cost 1 January		3.453.615
Additions during the year		385.756
Disposals during the year		<u>0</u>
Cost 31 December		<u>3.839.371</u>
Amortisation and writedown 1 January		(2.255.582)
Amortisation for the year		(545.548)
Reversal of depreciation, amortisation and writedown, assets disposed of		<u>0</u>
Depreciation and writedown 31 December		<u>(2.801.130)</u>
Carrying amount, 31 December		<u>1.038.241</u>

Notes

	<u>Deposits DKK</u>
6. Investments	
Cost 1 January	636.882
Additions during the year	18.782
Disposals during the year	<u>(20.826)</u>
Cost 31 December	<u>634.838</u>
Carrying amount, 31 December	<u>634.838</u>

	<u>2023 DKK</u>	<u>2022 DKK</u>
7. Contract work in progress		
Sales value of the production of the period	23.757.557	18.265.044
Payments on account received	<u>(21.801.233)</u>	<u>(20.583.708)</u>
Contract work in progress, net	<u>1.956.324</u>	<u>(2.318.666)</u>
The following is recognised:		
Work in progress for the account of others (current assets)	4.329.766	1.498.294
Work in progress for the account of others (prepayments received)	<u>(2.373.442)</u>	<u>(3.816.959)</u>
	<u>1.956.324</u>	<u>(2.318.666)</u>

8. Contributed capital

The share capital consists of 850.000 shares A, each with a nominal value of DKK 1 and 10.000 shares B, each with a nominal value of DKK 1.

9. Charges and security

For bank loans, DKK 0 k, the company has provided security in company assets representing a nominal value of DKK 1.500 k. This security comprises the assets below, stating the carrying amounts:

	<u>DKK</u>
Trade receivables	18.471.262

Notes

10. Contingencies

Contingent liabilities

Rent agreements

The company has entered into lease contracts concerning office space. The leases are noncancellable in up to 32 months. The total lease payments until the lease is cancellable totals DKK 2.914 k.

Guarantees

The company has provided bank guarantees to customers for two projects under delivery totalling DKK 2.304 k.

Joint taxation

Until 31 May 2021 the company is part of a joint taxation with CIM Gruppen A/S. The Group's entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

From 1 June 2021 the company is part of a joint taxation with JORGENSEN ENGINEERING A/S. The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. The jointly taxed entities' total net liability to SKAT amounted to DKK 3.103 k at 31 December 2023. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

11. Related parties

Control

CIM Industrial Systems A/S is part of the consolidated financial statements of XANO Industri AB, Industrigaten 14B, 553 02 Jönköping, Sweden, which is the smallest group in which the company is included as a subsidiary.