

## **Danitech A/S**

Bredholm 4, 6100 Haderslev

CVR no. 25 25 03 03

## Annual report 2022

Approved at the Company's annual general meeting on 5 May 2023

Chair of the meeting:

.....  
Arne Iversen

## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Consolidated financial statements and parent company financial statements 1 January - 31 December	9
Income statement	9
Balance sheet	10
Statement of changes in equity	12
Cash flow statement	13
Notes to the financial statements	14

## 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 Danitech A/S for the financial year 1 January - 31 December 2022.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2022 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2022.

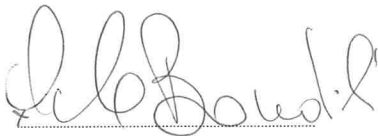
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Haderslev, 5 May 2023  
Executive Board:

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Arne Iversen

Board of Directors:



.....  
Carlo Bondioli  
Chairman

.....  
Arne Iversen

.....  
Mads Haase Iversen

.....  
Rasmus Haase Iversen

## Independent auditor's report

To the shareholders of Danitech A/S

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of Danitech A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 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 consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "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 Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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:

## Independent auditor's report

- ▶ 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

### Statement on the Management'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.

## Independent auditor's report

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 Statements Act. We did not identify any material misstatement of the Management's review.

Haderslev, 5 May 2023  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Lars Mortensen  
State Authorised Public Accountant  
mne32743

## Management's review

### Company details

Name	Danitech A/S
Address, Postal code, City	Bredholm 4, 6100 Haderslev
CVR no.	25 25 03 03
Established	22 February 2000
Financial year	1 January - 31 December
Website	<a href="http://www.danitech.com">www.danitech.com</a>
E-mail	<a href="mailto:infodk@danitech.com">infodk@danitech.com</a>
Telephone	+45 76 34 23 00
Telefax	+45 76 34 23 01
Board of Directors	Carlo Bondioli, Chairman Arne Iversen Mads Haase Iversen Rasmus Haase Iversen
Executive Board	Arne Iversen
Auditors	EY Godkendt Revisionspartnerselskab Norgesvej 24 B, 6100 Haderslev, Denmark

## Management's review

### Financial highlights for the Group

DKK'000	2022	2021	2020	2019	2018
<b>Key figures</b>					
Gross profit	84,543	73,314	58,309	62,707	63,178
Profit before interest and tax (EBIT)	32,512	27,037	16,451	18,070	18,523
Operating profit/loss	25,419	21,125	11,256	12,830	13,267
Net financials	663	-204	-119	-469	-600
<b>Profit for the year</b>	<b>23,898</b>	<b>19,902</b>	<b>12,650</b>	<b>13,571</b>	<b>13,710</b>
<b>Balance sheet</b>					
Total assets	202,962	184,721	176,747	172,908	167,493
Investments in property, plant and equipment	-1,400	-924	-2,470	-1,156	-12,819
<b>Equity</b>	<b>140,663</b>	<b>137,615</b>	<b>127,814</b>	<b>122,164</b>	<b>113,286</b>
<b>Financial ratios</b>					
Return on assets	13.1%	11.7%	6.4%	7.5%	8.8%
Equity ratio	68.8%	72.6%	70.3%	68.5%	65.4%
Return on equity	18.7%	15.3%	10.6%	12.2%	13.1%
<b>Average number of full-time employees</b>					
	<b>78</b>	<b>74</b>	<b>76</b>	<b>84</b>	<b>84</b>

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios. For terms and definitions, please see the accounting policies.



## Management's review

### Business review

The parent company's activities consist of the development, production and integration of motion control systems, as well as the sale of stand-alone components and servicing of electrohydraulic and electromechanical equipment.

Danitech Group's activities consist of the development, production and integration of motion control systems, as well as the sale of stand-alone components and servicing of electrohydraulic and electromechanical equipment.

### Financial review

The income statement for 2022 shows a profit of DKK 23,898 thousand against a profit of DKK 19,902 last year, and the balance sheet at 31 December 2022 shows equity of DKK 140,663 thousand.

The result for the year is better than the outlook from last years annual report, due to the following factors.

Despite the difficult conditions in 2021, Danitech A/S had a satisfactory year in 2022.

Throughout 2022, we consolidated our inventories and ensured our customers' security of supply, which has been extremely challenging, but nevertheless we succeeded in maintaining a supply capacity of more than 80%.

The war in Ukraine caused a supply crisis in the global network, and we have been working on limiting the increasing prices on component parts to ensure our customers' competitiveness. We have sold slow-moving items which had been written off, which improved our results of operation.

We experienced a sound increase in revenue and a good influx of new customers and projects. We adjusted our staff and then started hiring again, primarily new engineers and technicians.

Costs for the new employees and for those we will hire in 2023 will not affect our results of operation until in 2023.

We believe that we have a good position in the market, the environmental sector is still performing well and we see more and more electrification projects, and therefore, we expect 2023 to reach the same level as 2022; however, we will consider results of operation of +/- 5% to be quite satisfactory.

### Knowledge resources

The staff's thorough knowledge of product properties and product application and prices is of crucial importance to the Group's position in the market and to future earnings.

### Financial risks and use of financial instruments

The Group is not exposed to any particular business or financial risks other than those which are normal within the line of business.

### Impact on the external environment

Only the heating of the Company's premises and the transportation of goods, etc have an impact on the external environment.

### Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

### Outlook

Outlook for 2023 - we expect a difficult year due to the lack of materials and products, which will limit our growth in sales to 3 -8 %.

For 2023, we expect a EBT on 20,000 - 25,000 Thousands.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Income statement

Note	DKK	Group		Parent company	
		2022	2021	2022	2021
	<b>Gross profit</b>	84,542,591	73,313,905	72,260,276	61,410,140
2	Staff costs	-43,436,792	-37,749,462	-32,670,930	-28,401,081
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-8,593,334	-8,527,597	-2,022,179	-3,106,049
	<b>Profit before net financials</b>	32,512,465	27,036,846	37,567,167	29,903,010
	Income from investments in group enterprises	0	0	-3,587,126	-3,335,220
3	Financial income	791,160	480,428	859,493	537,849
	Write-down on investments	-1,237,608	0	-1,237,608	0
	Financial expenses	-128,294	-683,959	-1,180,846	-542,457
	<b>Profit before tax</b>	31,937,723	26,833,315	32,421,080	26,563,182
4	Tax for the year	-8,039,761	-6,931,402	-8,075,080	-6,744,752
	<b>Profit for the year</b>	<u>23,897,962</u>	<u>19,901,913</u>	<u>24,346,000</u>	<u>19,818,430</u>
	Specification of the Group's results of operations:				
	Shareholders in Danitech A/S	25,583,608	19,818,431		
	Non-controlling interests	-1,685,646	83,482		
		<u>23,897,962</u>	<u>19,901,913</u>		

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Balance sheet

Note	DKK	Group		Parent company	
		2022	2021	2022	2021
		<b>ASSETS</b>			
		<b>Fixed assets</b>			
5	<b>Intangible assets</b>				
	Goodwill	0	3,202,973	0	0
		<u>0</u>	<u>3,202,973</u>	<u>0</u>	<u>0</u>
6	<b>Property, plant and equipment</b>				
	Land and buildings	46,576,337	46,937,270	46,576,337	46,937,270
	Fixtures and fittings, other plant and equipment	9,078,889	11,149,330	2,459,666	2,870,474
	Leasehold improvements	103,495	198,200	0	0
		<u>55,758,721</u>	<u>58,284,800</u>	<u>49,036,003</u>	<u>49,807,744</u>
7	<b>Investments</b>				
	Investments in group enterprises	0	0	3,158,336	4,445,463
	Receivables from group enterprises	0	0	2,826,922	4,377,308
		<u>0</u>	<u>0</u>	<u>5,985,258</u>	<u>8,822,771</u>
	<b>Total fixed assets</b>	<u>55,758,721</u>	<u>61,487,773</u>	<u>55,021,261</u>	<u>58,630,515</u>
	<b>Non-fixed assets</b>				
	<b>Inventories</b>				
	Raw materials and consumables	11,236,365	8,541,646	0	0
	Finished goods and goods for resale	66,432,150	42,557,838	66,432,150	42,557,838
		<u>77,668,515</u>	<u>51,099,484</u>	<u>66,432,150</u>	<u>42,557,838</u>
	<b>Receivables</b>				
	Trade receivables	33,249,564	31,389,077	30,696,457	26,682,804
	Receivables from group enterprises	0	0	101,141	185,773
	Corporation tax receivable	21	0	21	0
	Other receivables	269,903	279,527	229,340	234,517
8	Prepayments	857,590	1,808,345	849,350	1,640,677
		<u>34,377,078</u>	<u>33,476,949</u>	<u>31,876,309</u>	<u>28,743,771</u>
	<b>Securities and investments</b>	138,340	56,880	138,340	56,880
	<b>Cash</b>	35,019,616	38,599,609	35,019,616	38,535,735
	<b>Total non-fixed assets</b>	<u>147,203,549</u>	<u>123,232,922</u>	<u>133,466,415</u>	<u>109,894,224</u>
	<b>TOTAL ASSETS</b>	<u>202,962,270</u>	<u>184,720,695</u>	<u>188,487,676</u>	<u>168,524,739</u>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Balance sheet

Note	DKK	Group		Parent company	
		2022	2021	2022	2021
		<b>EQUITY AND LIABILITIES</b>			
		<b>Equity</b>			
9	Share capital	5,000,000	5,000,000	5,000,000	5,000,000
	Retained earnings	124,651,724	109,082,074	123,414,115	109,082,073
	Dividend proposed	10,000,000	20,000,000	10,000,000	20,000,000
		<b>Shareholders in Danitech A/S' share of equity</b>	<b>139,651,724</b>	<b>134,082,074</b>	<b>138,414,115</b>
		Non-controlling interests	1,011,635	3,533,016	0
		<b>Total equity</b>	<b>140,663,359</b>	<b>137,615,090</b>	<b>138,414,115</b>
		<b>Provisions</b>			
10	Deferred tax	3,894,800	3,755,000	3,675,000	3,611,000
		<b>Total provisions</b>	<b>3,894,800</b>	<b>3,755,000</b>	<b>3,675,000</b>
		<b>Liabilities other than provisions</b>			
11	<b>Non-current liabilities other than provisions</b>				
	Mortgage debt	23,711,445	10,590,722	23,711,445	10,590,722
	Lease liabilities	2,237,764	3,226,516	0	0
	Other payables	685,068	769,937	0	0
		<b>26,634,277</b>	<b>14,587,175</b>	<b>23,711,445</b>	<b>10,590,722</b>
		<b>Current liabilities other than provisions</b>			
11	Short-term part of long-term liabilities other than provisions	2,540,573	2,884,248	1,420,129	1,819,008
	Bank debt	4,665,277	2,207,940	78,721	58,669
	Trade payables	20,190,138	18,077,585	17,784,468	14,195,097
	Payables to group enterprises	0	0	209,728	0
	Corporation tax payable	899,011	654,802	899,011	654,802
	Other payables	3,398,086	4,880,268	2,295,059	3,513,368
	Deferred income	76,749	58,587	0	0
		<b>31,769,834</b>	<b>28,763,430</b>	<b>22,687,116</b>	<b>20,240,944</b>
		<b>Total liabilities other than provisions</b>	<b>58,404,111</b>	<b>43,350,605</b>	<b>46,398,561</b>
		<b>TOTAL EQUITY AND LIABILITIES</b>	<b>202,962,270</b>	<b>184,720,695</b>	<b>188,487,676</b>

- 1 Accounting policies
- 12 Contractual obligations and contingencies, etc.
- 13 Collateral
- 14 Related parties
- 15 Appropriation of profit

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Statement of changes in equity

		Group					
Note	DKK	Share capital	Retained earnings	Dividend proposed	Total	Non-controlling interests	Total equity
		5,000,000	109,082,074	20,000,000	134,082,074	3,533,016	137,615,090
		0	15,583,608	10,000,000	25,583,608	-1,685,646	23,897,962
		0	-13,958	0	-13,958	0	-13,958
		0	0	0	0	-835,735	-835,735
		0	0	-20,000,000	-20,000,000	0	-20,000,000
		<u>5,000,000</u>	<u>124,651,724</u>	<u>10,000,000</u>	<u>139,651,724</u>	<u>1,011,635</u>	<u>140,663,359</u>
		Parent company					
Note	DKK	Share capital	Retained earnings	Dividend proposed	Total		
		5,000,000	109,082,073	20,000,000	134,082,073		
15	Transfer, see "Appropriation of profit"	0	14,346,000	10,000,000	24,346,000		
		0	-13,958	0	-13,958		
		0	0	-20,000,000	-20,000,000		
		<u>5,000,000</u>	<u>123,414,115</u>	<u>10,000,000</u>	<u>138,414,115</u>		

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Cash flow statement

Note	DKK	Group	
		2022	2021
	Profit for the year	23,897,962	19,901,913
16	Adjustments	15,807,594	15,481,180
	Cash generated from operations (operating activities)	39,705,556	35,383,093
17	Changes in working capital	-26,820,606	-13,257,217
	Cash generated from operations (operating activities)	12,884,950	22,125,876
	Interest received, etc.	791,160	480,428
	Interest paid, etc.	-1,365,902	-683,959
	Income taxes paid	-7,719,773	-4,445,681
	<b>Cash flows from operating activities</b>	<b>4,590,435</b>	<b>17,476,664</b>
	Additions of property, plant and equipment	-1,400,018	-4,519,576
	Disposals of property, plant and equipment	0	709,589
	Purchase of financial assets	-835,735	-100,999
	<b>Cash flows to investing activities</b>	<b>-2,235,753</b>	<b>-3,910,986</b>
	Dividends paid	-20,000,000	-10,000,000
	Proceeds of long-term liabilities	26,000,000	0
	Repayments, long-term liabilities	-14,378,033	-3,246,729
	Change, debt to credit institutions	2,443,358	708,648
	<b>Cash flows from financing activities</b>	<b>-5,934,675</b>	<b>-12,538,081</b>
	<b>Net cash flow</b>	<b>-3,579,993</b>	<b>1,027,597</b>
	Cash and cash equivalents at 1 January	38,599,609	37,572,012
18	<b>Cash and cash equivalents at 31 December</b>	<b>35,019,616</b>	<b>38,599,609</b>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Danitech A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

#### Reporting currency

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

#### Consolidated financial statements

##### *Control*

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company. Subsidiaries comprise Danitech Production A/S (Stake: 75,72 %).

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

##### *Preparation of consolidated financial statements*

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

#### Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably 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, other operating income 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.

###### Raw materials and consumables, etc.

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

###### Cost of sales

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

###### 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 pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.



## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and 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:

Goodwill	10-15 years
Buildings	50 years
Fixtures and fittings, other plant and equipment	5 - 7 years
Leasehold improvements	5 years

Land is not depreciated.

##### Profit/loss from investments in subsidiaries

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In subsidiaries, the full elimination of internal profit and loss is carried out without regard to ownership shares., only proportional elimination of profit and loss is carried out, taking into account ownership shares.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Intangible assets

Goodwill is measured at cost less accumulated amortisation. Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10-15 years. The amortisation period is higher than 10 years, which is explained by strategically acquired activities with a long-term earnings profile.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

##### 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 are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Leases

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

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

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".

##### Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Gains and losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

#### Other securities and investments

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

#### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

#### 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.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

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.

##### Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

##### Cash

Cash comprise bank balances.

##### Equity

###### *Reserve for net revaluation according to the equity method*

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### 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.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

#### 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.

#### Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

#### Deferred income

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

#### Cash flow statement

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

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

#### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax excl. non-controlling interests} \times 100}{\text{Average equity excl. non-controlling interests}}$

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

	Group		Parent company	
	2022	2021	2022	2021
DKK				
<b>2 Staff costs</b>				
Wages/salaries	38,375,882	32,822,187	28,829,269	24,530,455
Pensions	2,750,195	2,504,209	2,018,427	1,894,881
Other social security costs	666,384	601,934	446,269	422,471
Other staff costs	1,644,331	1,821,132	1,376,965	1,553,274
	<u>43,436,792</u>	<u>37,749,462</u>	<u>32,670,930</u>	<u>28,401,081</u>
	Group		Parent company	
	2022	2021	2022	2021
Average number of full-time employees	78	74	56	54

#### Group

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the group Management is not disclosed.

#### Parent company

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

	Group		Parent company	
	2022	2021	2022	2021
DKK				
<b>3 Financial income</b>				
Interest receivable, group entities	0	0	78,367	61,791
Other financial income	791,160	480,428	781,126	476,058
	<u>791,160</u>	<u>480,428</u>	<u>859,493</u>	<u>537,849</u>
<b>4 Tax for the year</b>				
Estimated tax charge for the year	7,963,961	6,654,802	8,075,080	6,612,752
Deferred tax adjustments in the year	75,800	276,600	0	132,000
	<u>8,039,761</u>	<u>6,931,402</u>	<u>8,075,080</u>	<u>6,744,752</u>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 5 Intangible assets

	Group
	<u>Goodwill</u>
DKK	
Cost at 1 January 2022	10,294,085
Cost at 31 December 2022	10,294,085
Impairment losses and amortisation at 1 January 2022	7,091,112
Impairment losses for the year	2,882,675
Amortisation for the year	320,298
Impairment losses and amortisation at 31 December 2022	10,294,085
<b>Carrying amount at 31 December 2022</b>	<b>0</b>
	<hr/>
	<b>Parent company</b>
	<u>Goodwill</u>
DKK	
Cost at 1 January 2022	700,000
Cost at 31 December 2022	700,000
Impairment losses and amortisation at 1 January 2022	700,000
Impairment losses and amortisation at 31 December 2022	700,000
<b>Carrying amount at 31 December 2022</b>	<b>0</b>
	<hr/>

#### 6 Property, plant and equipment

	Group			
	Land and buildings	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
DKK				
Cost at 1 January 2022	60,662,540	45,939,064	447,799	107,049,403
Additions	720,000	680,018	0	1,400,018
Disposals	0	-21,538,261	0	-21,538,261
Cost at 31 December 2022	61,382,540	25,080,821	447,799	86,911,160
Impairment losses and depreciation at 1 January 2022	13,725,270	34,789,734	249,599	48,764,603
Depreciation	1,080,933	2,750,459	94,705	3,926,097
Reversal of accumulated depreciation and impairment of assets disposed	0	-21,538,261	0	-21,538,261
Impairment losses and depreciation at 31 December 2022	14,806,203	16,001,932	344,304	31,152,439
<b>Carrying amount at 31 December 2022</b>	<b>46,576,337</b>	<b>9,078,889</b>	<b>103,495</b>	<b>55,758,721</b>
	<hr/>	<hr/>	<hr/>	<hr/>
Property, plant and equipment include finance leases with a carrying amount totalling	0	3,956,834	0	3,956,834
	<hr/>	<hr/>	<hr/>	<hr/>

Note 13 provides more details on security for loans, etc. as regards property, plant and equipment.



## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 6 Property, plant and equipment (continued)

DKK	Parent company		
	Land and buildings	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2022	60,662,540	13,614,848	74,277,388
Additions	720,000	530,438	1,250,438
Cost at 31 December 2022	61,382,540	14,145,286	75,527,826
Impairment losses and depreciation at 1 January 2022	13,725,270	10,744,374	24,469,644
Depreciation	1,080,933	941,246	2,022,179
Impairment losses and depreciation at 31 December 2022	14,806,203	11,685,620	26,491,823
Carrying amount at 31 December 2022	46,576,337	2,459,666	49,036,003

#### 7 Investments

DKK	Parent company		
	Investments in group enterprises	Receivables from group enterprises	Total
Cost at 1 January 2022	10,981,817	4,377,308	15,359,125
Additions	2,300,000	0	2,300,000
Disposals	0	-312,778	-312,778
Cost at 31 December 2022	13,281,817	4,064,530	17,346,347
Value adjustments at 1 January 2022	-6,536,354	0	-6,536,354
Profit for the year	-2,122,862	0	-2,122,862
Value adjustments for the year	-1,464,265	0	-1,464,265
Impairment losses	0	-1,237,608	-1,237,608
Value adjustments at 31 December 2022	-10,123,481	-1,237,608	-11,361,089
Carrying amount at 31 December 2022	3,158,336	2,826,922	5,985,258

#### Parent company

Name	Domicile	Interest
Danitech Production A/S	Haderslev	75.72%

#### 8 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including software licenses, insurance policies and other prepayments.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

		Parent company	
DKK		2022	2021
<b>9 Share capital</b>			
Analysis of the share capital:			
5,000 shares of DKK 1,000.00 nominal value each			
		5,000,000	5,000,000
		<u>5,000,000</u>	<u>5,000,000</u>

		Group		Parent company	
DKK		2022	2021	2022	2021
<b>10 Deferred tax</b>					
Deferred tax at 1 January	3,755,000	3,478,400	3,611,000	3,479,000	
Deferred tax adjustments in the year in the income statement	<u>139,800</u>	<u>276,600</u>	<u>64,000</u>	<u>132,000</u>	
<b>Deferred tax at 31 December</b>	<u><u>3,894,800</u></u>	<u><u>3,755,000</u></u>	<u><u>3,675,000</u></u>	<u><u>3,611,000</u></u>	

#### Group

Deferred tax is incumbent on goodwill, land and buildings, property, plant and equipment, inventories, current asset investments, borrowing costs, prepayments and lease liabilities.

### 11 Non-current liabilities other than provisions

		Group			
DKK		Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	25,131,574	1,420,129	23,711,445	17,585,755	
Lease liabilities	3,358,208	1,120,444	2,237,764	0	
Other payables	685,068	0	685,068	0	
	<u>29,174,850</u>	<u>2,540,573</u>	<u>26,634,277</u>	<u>17,585,755</u>	

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 11 Non-current liabilities other than provisions (continued)

DKK	Parent company			Outstanding debt after 5 years
	Total debt at 31/12 2022	Repayment, next year	Long-term portion	
Mortgage debt	25,131,574	1,420,129	23,711,445	0
	25,131,574	1,420,129	23,711,445	0

#### 12 Contractual obligations and contingencies, etc.

##### Other financial obligations

Other rent and lease liabilities:

DKK	Group		Parent company	
	2022	2021	2022	2021
Rent and lease liabilities	402,941	532,603	248,535	254,986

##### Parent company

The Parent Company is jointly taxed with its Danish subsidiary. As management company, the Company has joint and several unlimited liability, together with the subsidiary, for all Danish income taxes and withholding taxes on dividend, interest and royalties within the group of jointly taxed entities. The jointly taxed entities' total known net liability in respect of income taxes and withholding taxes payable on dividend, interest and royalties amounted to DKK 899 thousand at 31 December 2022. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc. could entail an increase in the entities' tax liability.

#### 13 Collateral

##### Group

Land and buildings at a carrying amount of DKK 34,723 thousand at 31 December 2022 have been put up as security for debt to mortgage credit institutions, totalling DKK 26,000 thousand.

##### Parent company

Land and buildings at a carrying amount of DKK 34,723 thousand at 31 December 2022 have been put up as security for debt to mortgage credit institutions, totalling DKK 26,000 thousand.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 14 Related parties

##### Group

##### Related party transactions

DKK	2022	2021
<b>Group</b>		
Sales of goods to associates	645,000	467,000
Purchase of goods from associates	6,706,000	5,717,000
<b>Parent Company</b>		
Interest income from subsidiaries	78,367	61,791
Sale of goods to subsidiaries	1,435,000	1,234,000
Purchase of goods from subsidiaries	610,000	277,000
Dividend distributed to associates	10,000,000	10,000,000
Sales of goods to associates	645,000	467,000
Purchase of goods from associates	6,706,000	5,717,000
Receivables from subsidiaries	2,928,063	4,563,081
Payables to associates	1,705,413	1,021,386

##### Parent company

##### Transactions with related parties

DKK	Parent company	
	2022	2021
<b>15 Appropriation of profit</b>		
<b>Recommended appropriation of profit</b>		
Proposed dividend recognised under equity	10,000,000	20,000,000
Retained earnings/accumulated loss	14,346,000	-181,570
	<u>24,346,000</u>	<u>19,818,430</u>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

DKK	Group	
	2022	2021
<b>16 Adjustments</b>		
Amortisation/depreciation and impairment losses	7,129,070	8,527,997
Gain/loss on the sale of non-current assets	0	-181,750
Financial income	-791,160	-480,428
Financial expenses	1,365,902	683,959
Tax for the year	7,963,982	6,654,802
Deferred tax	139,800	276,600
	<u>15,807,594</u>	<u>15,481,180</u>
<b>17 Changes in working capital</b>		
Change in inventories	-27,560,166	-5,692,861
Change in receivables	1,082,161	-7,336,845
Change in trade and other payables	-342,601	-227,511
	<u>-26,820,606</u>	<u>-13,257,217</u>
<b>18 Cash and cash equivalents at year-end</b>		
Cash according to the balance sheet	35,019,616	38,599,609
	<u>35,019,616</u>	<u>38,599,609</u>

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

## Arne Iversen

### Executive Board

On behalf of: Danitech A/S

Serial number: 65ac870a-6679-4834-b0d7-047c5427e9c2

IP: 89.184.xxx.xxx

2023-05-15 06:09:08 UTC



## Arne Iversen

### Chair of the meeting

On behalf of: Danitech A/S

Serial number: 65ac870a-6679-4834-b0d7-047c5427e9c2

IP: 89.184.xxx.xxx

2023-05-15 06:14:47 UTC



## Arne Iversen

### Board of Directors

On behalf of: Danitech A/S

Serial number: 65ac870a-6679-4834-b0d7-047c5427e9c2

IP: 89.184.xxx.xxx

2023-05-15 06:14:47 UTC



## Mads Haase Iversen

### Board of Directors

On behalf of: Danitech A/S

Serial number: ddb2b335-baa1-4bb0-aab5-7fa7c2951761

IP: 89.184.xxx.xxx

2023-05-15 06:15:27 UTC



## Rasmus Haase Iversen

### Board of Directors

On behalf of: Danitech A/S

Serial number: 3421b9ae-2c9e-402f-8b8f-24ed099b210f

IP: 89.184.xxx.xxx

2023-05-15 13:29:27 UTC



## Lars G. Mortensen

### State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:74958403

IP: 145.62.xxx.xxx

2023-05-15 14:56:20 UTC



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