Danitech A/S

Bredholm 4, 6100 Haderslev

CVR no. 25 25 03 03

Annual report 2023

Approved at the Company's annual general meeting on 6 May 2024

Chair of the meeting:

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Arne Iversen

Contents

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 2023.

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 2023 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 2023.

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

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

Haderslev, 6 May 2024
Executive Board:

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 2023, 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 2023, 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 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 consolidated financial statements and the parent Company financial statements" (herinafter 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.

Aabenraa, 6 May 2024
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	www.danitech.com
E-mail	infodk@danitech.com
Telephone	+45 76 34 23 00
Board of Directors	Carlo Bondioli, Chairman Arne Iversen Mads Haase Iversen Rasmus Haase Iversen
Executive Board	Arne Iversen
Auditors	EY Godkendt Revisionspartnerselskab Skibbroen 16, 6200 Aabenraa, Denmark

Management's review

Financial highlights for the Group

DKK'000	2023	2022	2021	2020	2019
Key figures					
Gross profit	72,909	84,543	73,314	58,309	62,707
Operating profit/loss	23,114	25,419	21,125	11,256	12,830
Profit before interest and tax (EBIT)	29,132	32,512	27,037	16,451	18,070
Net financials	223	-575	-204	-119	-469
Profit for the year	23,375	23,898	19,902	12,650	13,571
Total assets	203,867	202,963	184,721	176,747	172,908
Investments in property, plant and equipment	-11,318	-1,400	-924	-2,470	-1,156
Equity	154,034	140,663	137,615	127,814	122,164
Financial ratios					
Return on assets	11.4%	13.1%	11.7%	6.4%	7.5%
Equity ratio	75.1%	68.8%	72.6%	70.3%	68.5%
Return on equity	16.0%	18.7%	15.3%	10.6%	12.2%
Average number of full-time employees	76	78	74	76	84

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 2023 shows a profit of DKK 23,375 thousand against a profit of DKK 23,898 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 154,034 thousand.

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

After a busy 2021 and 2022 with an extreme supply situation, which resulted in a global build-up of inventories by machine manufacturers, the counter reaction came early summer 2023. Many customers had bought too much and many much too much, so we have seen a global reduction of inventories in the size of 20-35%, which autumn 2023 resulted in a lower demand.
Our new initiatives around electrification are running well, we have many interesting projects in our pipeline and see good opportunities for this department to develop further.
Unfortunately, it turned out later this year that stocks by the manufactures- grossers – dealers were higher than expected, so we expect that 2024 can be weaker in demand.
We end up with a modest revenue decline in 2023 but are in general satisfied with the results in sales and profit.
After the summer of 2023, we started building an additional 2000 m2 production facilities in extension of the existing main factory at Bredholm 4 in Haderslev and expect it to be ready in early April 2024. The factory will ensure we have room for future growth.

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 finansial 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

For 2024, we expect a EBT on 20,000 - 24,000 Thousands.

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

Income statement

		Group		Parent company	
Note	DKK	2023	2022	2023	2022
	Gross profit	72,909,400	84,542,591	63,545,421	72,260,276
2	Staff costs	-40,145,380	-43,436,792	-32,647,323	-32,670,930
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-3,631,863	-8,593,334	-2,045,427	-2,022,179
	Profit before net financials	29,132,157	32,512,465	28,852,671	37,567,167
	Income from investments in group enterprises	0	0	-41,752	-3,587,126
3	Financial income	1,707,559	872,620	1,703,115	940,953
	Write-down on investments	0	0	-1,500,000	-1,237,608
	Financial expenses	-1,484,223	-1,447,362	-1,130,580	-1,262,306
	Profit before tax	29,355,493	31,937,723	27,883,454	32,421,080
4	Tax for the year	-5,980,420	-8,039,761	-5,995,008	-8,075,080
	Profit for the year	23,375,073	23,897,962	21,888,446	24,346,000
	Specification of the Group's results of operations:				
	Shareholders in Danitech A/S	23,388,446	25,583,608		
	Non-controlling interests	-13,373	-1,685,646		
		23,375,073	23,897,962		

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

Balance sheet

		Group		Parent company	
Note	DKK	2023	2022	2023	2022
	ASSETS				
	Fixed assets				
7	**Property, plant and equipment**				
	Land and buildings	46,062,107	46,576,337	46,062,107	46,576,337
	Fixtures and fittings, other plant and equipment	7,817,988	9,078,889	2,366,887	2,459,666
	Leasehold improvements	21,162	103,495	0	0
	Property, plant and equipment under construction	9,544,100	0	9,544,100	0
		63,445,357	55,758,721	57,973,094	49,036,003
	Investments				
	Investments in group enterprises	0	0	3,116,584	3,158,336
	Receivables from group enterprises	0	0	2,509,420	2,826,922
		0	0	5,626,004	5,985,258
	Total fixed assets	63,445,357	55,758,721	63,599,098	55,021,261
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	8,946,442	11,236,365	0	0
	Finished goods and goods for resale	65,763,863	66,432,150	65,763,863	66,432,150
		74,710,305	77,668,515	65,763,863	66,432,150
	Receivables				
	Trade receivables	28,399,847	33,249,564	25,378,397	30,696,457
	Receivables from group enterprises	0	0	15,535	101,141
	Corporation tax receivable	987,730	21	987,730	21
	Other receivables	17,923	269,903	17,893	229,340
8	Prepayments	811,625	857,590	582,054	849,350
		30,217,125	34,377,078	26,981,609	31,876,309
6	**Securities and investments**	163,725	138,340	163,725	138,340
	Cash	35,331,122	35,019,616	35,331,122	35,019,616
	Total non-fixed assets	140,422,277	147,203,549	128,240,319	133,466,415
	TOTAL ASSETS	203,867,634	202,962,270	191,839,417	188,487,676

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

Balance sheet

		Group		Parent company	
Note	DKK	2023	2022	2023	2022
	EQUITY AND LIABILITIES				
	Equity				
9	Share capital	5,000,000	5,000,000	5,000,000	5,000,000
	Retained earnings	133,036,168	124,651,724	130,298,559	123,414,115
	Dividend proposed	15,000,000	10,000,000	15,000,000	10,000,000
	Shareholders in Danitech A/S' share of equity	153,036,168	139,651,724	150,298,559	138,414,115
	Non-controlling interests	998,262	1,011,635	0	0
	Total equity	154,034,430	140,663,359	150,298,559	138,414,115
	Provisions				
10	Deferred tax	3,302,950	3,894,800	3,053,121	3,675,000
	Total provisions	3,302,950	3,894,800	3,053,121	3,675,000
	Liabilities other than provisions				
11	**Non-current liabilities other than provisions**				
	Mortgage debt	22,248,133	23,711,445	22,248,133	23,711,445
	Lease liabilities	1,119,771	2,237,764	0	0
	Other payables	658,374	685,068	0	0
		24,026,278	26,634,277	22,248,133	23,711,445
	Current liabilities other than provisions				
11	Short-term part of long-term liabilities other than provisions	2,581,305	2,540,573	1,463,313	1,420,129
	Bank debt	2,519,519	4,665,277	59,272	78,721
	Trade payables	13,925,897	20,190,138	12,244,184	17,784,468
	Payables to group enterprises	0	0	43,808	209,728
	Corporation tax payable	0	899,011	0	899,011
	Other payables	3,453,132	3,398,086	2,429,027	2,295,059
	Deferred income	24,123	76,749	0	0
		22,503,976	31,769,834	16,239,604	22,687,116
	Total liabilities other than provisions	46,530,254	58,404,111	38,487,737	46,398,561
	TOTAL EQUITY AND LIABILITIES	203,867,634	202,962,270	191,839,417	188,487,676

1 Accounting policies
5 Appropriation of profit
12 Contractual obligations and contingencies, etc.
13 Security and collateral
14 Related parties

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

Statement of changes in equity

Note	DKK	Group: Share capital	Group: Retained earnings	Group: Dividend proposed	Group: Total	Group: Non-controlling interests	Group: Total equity
	Equity at 1 January 2023	5,000,000	124,651,724	10,000,000	139,651,724	1,011,635	140,663,359
	Transfer through appropriation of profit	0	8,388,446	15,000,000	23,388,446	-13,373	23,375,073
	Adjustment of investments through forreign exchange adjustments	0	-4,002	0	-4,002	0	-4,002
	Dividend distributed	0	0	-10,000,000	-10,000,000	0	-10,000,000
	Equity at 31 December 2023	5,000,000	133,036,168	15,000,000	153,036,168	998,262	154,034,430

Note	DKK	Parent company: Share capital	Parent company: Retained earnings	Parent company: Dividend proposed	Parent company: Total
	Equity at 1 January 2023	5,000,000	123,414,115	10,000,000	138,414,115
5	Transfer, see "Appropriation of profit"	0	6,888,446	15,000,000	21,888,446
	Adjustment of investments through forreign exchange adjustments	0	-4,002	0	-4,002
	Dividend distributed	0	0	-10,000,000	-10,000,000
	Equity at 31 December 2023	5,000,000	130,298,559	15,000,000	150,298,559

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

Cash flow statement

Note	DKK	Group 2023	Group 2022
	Profit for the year	23,375,073	23,897,962
15	Adjustments	8,763,066	15,807,594
	Cash generated from operations (operating activities)	32,138,139	39,705,556
16	Changes in working capital	1,844,051	-26,820,606
	Cash generated from operations (operating activities)	33,982,190	12,884,950
	Interest received, etc.	1,682,174	791,160
	Interest paid, etc.	-1,458,838	-1,365,902
	Income taxes paid	-7,837,132	-7,719,773
	Cash flows from operating activities	26,368,394	4,590,435
	Additions of property, plant and equipment	-11,318,499	-1,400,018
	Purchase of financial assets	0	-835,735
	Cash flows to investing activities	-11,318,499	-2,235,753
	Dividends paid	-10,000,000	-20,000,000
	Proceeds of long-term liabilities	0	26,000,000
	Repayments, long-term liabilities	-2,567,267	-14,378,033
	Change, debt to credit institutions	-2,145,758	2,443,358
	Value revaluation securities	-25,364	0
	Cash flows from financing activities	-14,738,389	-5,934,675
	Net cash flow	311,506	-3,579,993
	Cash and cash equivalents at 1 January	35,019,616	38,599,609
17	**Cash and cash equivalents at 31 December**	35,331,122	35,019,616

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 2023 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 group entity’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 group entities' 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 group entities are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities 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

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

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 group entities

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to 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 group entities. Group entities 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

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 group entities

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 group entities 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.

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 group entities measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Gains and losses on disposal of group entities 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.

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

Notes to the financial statements

1 Accounting policies (continued)

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 group entities 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

The Company has chosen IAS 39 as interpretation for liabilities.

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

Other liabilities are measured at net realisable value.

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.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

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

Notes to the financial statements

1 **Accounting policies (continued)**

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:

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Return on assets	Profit/loss from operating activites x 100 / Average assets
Equity ratio	Equity excl. non-controlling interests, year-end x 100 / Total equity and liabilities, year-end
Return on equity	Profit/loss for the year after tax excl. non-controlling interests x 100 / 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	
	DKK	2023	2022	2023	2022
2	**Staff costs**				
	Wages/salaries	35,508,298	38,375,882	28,989,887	28,829,269
	Pensions	3,073,371	2,750,195	2,470,755	2,018,427
	Other social security costs	664,420	666,384	464,437	446,269
	Other staff costs	899,291	1,644,331	722,244	1,376,965
		40,145,380	43,436,792	32,647,323	32,670,930
	Average number of full-time employees	76	78	59	56

Group

Total remuneration to group Management : TDKK 2,518 (2022: TDKK 2,561)

Parent company

Total remuneration to Management: TDKK 2,518 (2022: TDKK 2,561)

		Group		Parent company	
	DKK	2023	2022	2023	2022
3	**Financial income**				
	Interest receivable, group entities	0	0	104,018	78,367
	Other financial income	1,707,559	872,620	1,599,097	862,586
		1,707,559	872,620	1,703,115	940,953
4	**Tax for the year**				
	Estimated tax charge for the year	6,572,270	7,963,961	6,616,887	8,075,080
	Deferred tax adjustments in the year	-591,850	75,800	-621,879	0
		5,980,420	8,039,761	5,995,008	8,075,080

		Parent company	
	DKK	2023	2022
5	**Appropriation of profit**		
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	15,000,000	10,000,000
	Retained earnings	6,888,446	14,346,000
		21,888,446	24,346,000

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

Notes to the financial statements

6 Disclosure of fair values

The Group has the following assets and liabilities measured at fair value:

DKK	Listed securities
Group	
Fair value at year end	163,725
Unrealised fair value adjustments for the year, recognised in the income statement	25,385
Fair value level	1
Parent Company	
Fair value at year end	163,725
Unrealised fair value adjustments for the year, recognised in the income statement	25,385
Fair value level	1

7 Property, plant and equipment

	Group				
DKK	Land and buildings	Fixtures and fittings, other plant and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 January 2023	61,382,540	25,080,821	447,799	0	86,911,160
Additions	568,682	1,205,717	0	9,544,100	11,318,499
Cost at 31 December 2023	61,951,222	26,286,538	447,799	9,544,100	98,229,659
Impairment losses and depreciation at 1 January 2023	14,806,203	16,001,932	344,304	0	31,152,439
Depreciation	1,082,912	2,466,618	82,333	0	3,631,863
Impairment losses and depreciation at 31 December 2023	15,889,115	18,468,550	426,637	0	34,784,302
Carrying amount at 31 December 2023	46,062,107	7,817,988	21,162	9,544,100	63,445,357
Property, plant and equipment include finance leases with a carrying amount totalling	0	3,218,176	0	0	3,218,176

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

7 Property, plant and equipment (continued)

	Parent company			
DKK	Land and buildings	Fixtures and fittings, other plant and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2023	61,382,540	14,145,286	0	75,527,826
Additions	568,682	869,736	9,544,100	10,982,518
Cost at 31 December 2023	61,951,222	15,015,022	9,544,100	86,510,344
Impairment losses and depreciation at 1 January 2023	14,806,203	11,685,620	0	26,491,823
Depreciation	1,082,912	962,515	0	2,045,427
Impairment losses and depreciation at 31 December 2023	15,889,115	12,648,135	0	28,537,250
Carrying amount at 31 December 2023	46,062,107	2,366,887	9,544,100	57,973,094

8 Prepayments

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

	Parent company	
DKK	2023	2022
9 Share capital		
Analysis of the share capital:		
5,000 shares of DKK 1,000.00 nominal value each	5,000,000	5,000,000
	5,000,000	5,000,000

	Group		Parent company	
DKK	2023	2022	2023	2022
10 Deferred tax				
Deferred tax at 1 January	3,894,800	3,755,000	3,675,000	3,611,000
Deferred tax adjustments in the year in the income statement	-591,850	139,800	-621,879	64,000
Deferred tax at 31 December	3,302,950	3,894,800	3,053,121	3,675,000

Group

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

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

Notes to the financial statements

11 Non-current liabilities other than provisions

	Group			
DKK	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Mortgage debt	23,711,446	1,463,313	22,248,133	15,936,168
Lease liabilities	2,237,763	1,117,992	1,119,771	0
Other payables	658,374	0	658,374	0
	26,607,583	2,581,305	24,026,278	15,936,168

	Parent company			
DKK	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Mortgage debt	23,711,446	1,463,313	22,248,133	15,936,168
	23,711,446	1,463,313	22,248,133	15,936,168

12 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK	2023	2022	2023	2022
Rent and lease liabilities	471,236	402,941	121,036	248,535

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 0 thousand at 31 December 2023. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc. could entail an increase in the entities' tax liability.

13 Security and collateral

Group

Land and buildings at a carrying amount of DKK 46,062 thousand at 31 December 2023 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 46,062 thousand at 31 December 2023 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	2023	2022
Group		
Sales of goods to associates	2,392,000	645,000
Purchase of goods from associates	6,841,000	6,706,000
Parent Company		
Interest income from subsidiaries	104,018	78,367
Sale of goods to subsidiaries	1,230,000	1,435,000
Purchase of goods from subsidiaries	346,000	610,000
Dividend distributed to associates	10,000,000	10,000,000
Sales of goods to associates	2,318,000	645,000
Purchase of goods from associates	6,841,000	6,706,000
Receivables from subsidiaries	2,524,955	2,928,063
Payables to associates	16,675	1,705,413

15 Adjustments

Amortisation/depreciation and impairment losses	3,631,863	7,129,070
Financial income	-1,682,174	-791,160
Financial expenses	1,458,838	1,365,902
Tax for the year	5,950,391	7,963,982
Deferred tax	-591,850	139,800
Other adjustments	-4,002	0
	8,763,066	15,807,594

16 Changes in working capital

Change in inventories	2,958,210	-27,560,166
Change in receivables	5,147,662	1,082,161
Change in trade and other payables	-6,261,821	-342,601
	1,844,051	-26,820,606

17 Cash and cash equivalents at year-end

Cash according to the balance sheet	35,331,122	35,019,616
	35,331,122	35,019,616

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Arne Iversen
Chair of the meeting
Serienummer: 65ac870a-6679-4834-b0d7-047c5427e9c2
IP: 93.160.xxx.xxx
2024-05-13 06:51:27 UTC

Arne Iversen
Executive board
Serienummer: 65ac870a-6679-4834-b0d7-047c5427e9c2
IP: 93.160.xxx.xxx
2024-05-13 06:51:27 UTC

Arne Iversen
Board of directors
Serienummer: 65ac870a-6679-4834-b0d7-047c5427e9c2
IP: 93.160.xxx.xxx
2024-05-13 06:51:27 UTC

Mads Haase Iversen
Board of directors
På vegne af: Danitech A/S
Serienummer: ddb2b335-baa1-4bb0-aab5-7fa7c2951761
IP: 87.52.xxx.xxx
2024-05-13 07:06:53 UTC

Rasmus Haase Iversen
Board of directors
På vegne af: Danitech A/S
Serienummer: 3421b9ae-2c9e-402f-8b8f-24ed099b210f
IP: 185.218.xxx.xxx
2024-05-13 13:07:36 UTC

Lars Gosvig Mortensen
EY Godkendt Revisionspartnerselskab CVR: 30700228
Stats.aut revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: b9153150-95bd-45cd-99fc-21156ad65201
IP: 165.225.xxx.xxx
2024-05-13 13:56:02 UTC