
MULTICHECK A/S

Egeskovvej 3, DK-8700 Horsens

Annual Report for 2022

CVR No. 25 65 60 67

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 16/5 2023

Theo Duppre
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of MULTICHECK 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 Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Horsens, 16 May 2023

Executive Board

Lars Kramer Antitsch
Manager

Board of Directors

Theo Düppre
Chairman

Lars Kramer Antitsch

Werner Schmitz

Dina Jensen

Per Bødtkjer

Independent Auditor's report

To the shareholder of MULTICHECK A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of MULTICHECK 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 a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

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

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Trekantområdet, 16 May 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen

State Authorised Public Accountant

mne30224

Company information

The Company	MULTICHECK A/S Egeskovvej 3 DK-8700 Horsens Telephone: +45 75 60 22 22 CVR No: 25 65 60 67 Financial period: 1 January - 31 December Incorporated: 5 October 2000 Municipality of reg. office: Horsens
Board of Directors	Theo Düppre, chairman Lars Kramer Antitsch Werner Schmitz Dina Jensen Per Bødtkjær
Executive board	Lars Kramer Antitsch
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 7100 Vejle

Management's review

Key activities

As in previous years the principal activities of the Company comprised the sale and servicing of machines for quality control, including X-rays, metal detectors, scales/check weighers and vision systems. The Company operates in domestic as well as foreign markets however primarily focussing on Denmark, Sweden and Norway.

Development in the year

The income statement of the Company for 2022 shows a profit of DKK 3,184,169, and at 31 December 2022 the balance sheet of the Company shows positive equity of DKK 15,267,613.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Gross profit		16,893,659	22,516,289
Staff expenses	1	-12,327,279	-12,848,310
Depreciation and impairment losses of property, plant and equipment		-62,187	-111,844
Profit/loss before financial income and expenses		4,504,193	9,556,135
Income from investments in subsidiaries		-89,797	-226,933
Financial income	2	104,100	250,686
Financial expenses	3	-394,163	-290,952
Profit/loss before tax		4,124,333	9,288,936
Tax on profit/loss for the year	4	-940,164	-2,128,618
Net profit/loss for the year		3,184,169	7,160,318

Distribution of profit

	2022 DKK	2021 DKK
Proposed distribution of profit		
Extraordinary dividend paid	0	17,000,000
Proposed dividend for the year	0	7,000,000
Reserve for net revaluation under the equity method	0	-927,510
Retained earnings	3,184,169	-15,912,172
	3,184,169	7,160,318

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Goodwill		0	0
Intangible assets	5	0	0
Other fixtures and fittings, tools and equipment		207,002	169,189
Property, plant and equipment	6	207,002	169,189
Investments in subsidiaries	7	6,393,584	6,959,296
Fixed asset investments		6,393,584	6,959,296
Fixed assets		6,600,586	7,128,485
Finished goods and goods for resale		10,035,473	9,656,501
Inventories		10,035,473	9,656,501
Trade receivables		13,919,692	13,495,073
Receivables from group enterprises		393,905	443,948
Other receivables		69,477	273,308
Deferred tax asset		16,405	33,273
Prepayments		419,454	627,554
Receivables		14,818,933	14,873,156
Cash at bank and in hand		7,121,601	5,296,103
Current assets		31,976,007	29,825,760
Assets		38,576,593	36,954,245

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		834,000	834,000
Share premium account		0	6,166,000
Retained earnings		14,433,613	5,559,359
Proposed dividend for the year		0	7,000,000
Equity		<u>15,267,613</u>	<u>19,559,359</u>
Prepayments received from customers		5,083,981	264,012
Trade payables		2,573,197	4,141,816
Payables to group enterprises		9,901,491	4,651,793
Payables to group enterprises relating to corporation tax		923,296	2,128,367
Other payables		4,827,015	6,208,898
Short-term debt		<u>23,308,980</u>	<u>17,394,886</u>
Debt		<u>23,308,980</u>	<u>17,394,886</u>
Liabilities and equity		<u>38,576,593</u>	<u>36,954,245</u>
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Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	834,000	6,166,000	5,559,358	7,000,000	19,559,358
Ordinary dividend paid	0	0	0	-7,000,000	-7,000,000
Exchange adjustments relating to foreign entities	0	0	-475,914	0	-475,914
Net profit/loss for the year	0	0	3,184,169	0	3,184,169
Transfer from share premium account	0	-6,166,000	6,166,000	0	0
Equity at 31 December	834,000	0	14,433,613	0	15,267,613

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1. Staff Expenses		
Wages and salaries	11,209,479	11,725,034
Pensions	966,247	898,538
Other social security expenses	151,553	224,738
	<u>12,327,279</u>	<u>12,848,310</u>
 Average number of employees	 <u>19</u>	 <u>21</u>
	<u>2022</u>	<u>2021</u>
	DKK	DKK
2. Financial income		
Interest received from group enterprises	43,378	0
Other financial income	60,722	250,686
	<u>104,100</u>	<u>250,686</u>
	<u>2022</u>	<u>2021</u>
	DKK	DKK
3. Financial expenses		
Interest paid to group enterprises	274,160	0
Other financial expenses	120,003	290,952
	<u>394,163</u>	<u>290,952</u>
	<u>2022</u>	<u>2021</u>
	DKK	DKK
4. Income tax expense		
Current tax for the year	923,296	2,129,725
Deferred tax for the year	16,868	-1,107
	<u>940,164</u>	<u>2,128,618</u>

Notes to the Financial Statements

5. Intangible fixed assets

	Goodwill
	DKK
Cost at 1 January	266,860
Cost at 31 December	266,860
Impairment losses and amortisation at 1 January	266,860
Impairment losses and amortisation at 31 December	266,860
Carrying amount at 31 December	<u>0</u>

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	1,167,464
Additions for the year	100,000
Cost at 31 December	<u>1,267,464</u>
Impairment losses and depreciation at 1 January	998,275
Depreciation for the year	62,187
Impairment losses and depreciation at 31 December	<u>1,060,462</u>
Carrying amount at 31 December	<u>207,002</u>

Notes to the Financial Statements

	2022	2021
	DKK	DKK
7. Investments in subsidiaries		
Cost at 1 January	8,804,503	8,804,503
Cost at 31 December	8,804,503	8,804,503
Value adjustments at 1 January	-1,845,207	-1,679,039
Exchange adjustment	-475,915	60,765
Net profit/loss for the year	-89,797	-226,933
Value adjustments at 31 December	-2,410,919	-1,845,207
Carrying amount at 31 December	6,393,584	6,959,296

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Multicheck AB	Brodernas gata 1, 26471 Ostra Ljungby, Sweden	100%
Multicheck AS	Professor Blrkelandsvei 24c, 1081 Oslo, Norway	100%
	2022	2021
	DKK	DKK

8. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with credit institution:

Inventories	10,035,473	9,656,501
Trade receivables	13,919,692	13,495,073
Other fixtures and fittings, tools and equipment	207,002	169,189

Rental and lease obligations

Lease liabilities comprise obligations regarding operating car lease in the amount of TDKK 1,279. The remaining contract term is 4-57 months.

Rent obligation comprise to the amount of TDKK 270. Notice of termination is 6 months.

Notes to the Financial Statements

Guarantee obligations

The Company has guaranteed Multibelt ApS' bank guarantee	178,200	178,200
The Company has a demand guarantee	118,000	0

The Company has guaranteed Multicheck Ejendomme Aps' bank guarantee. As of 31st of December 2022 there is a deposit in Multicheck Ejendomme ApS.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Macchiato A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

9. Accounting policies

The Annual Report of MULTICHECK A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2022 are presented in DKK.

A few changes have been made to the classification of individual accounting items in the comparison figures. This has no effect on the result and no impact on equity.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

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

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

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

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

Leases

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

Income statement

Net sales

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

Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year.

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

Cost of goods sold

Cost of goods sold comprise the purchase price etc. for goods sold in the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Notes to the Financial Statements

Gross profit

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

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

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with its Danish group. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of the asset, determined on the basis of Management's experience with the individual business areas.

Property, plant and equipment

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

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

Notes to the Financial Statements

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

Buildings	25 years
Other fixtures and fittings, tools and equipment	3-5 years

Depreciation period and residual value are reassessed annually.

Land is not depreciated.

Impairment of fixed assets

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

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

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Inventories

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

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

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Notes to the Financial Statements

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

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

Equity

Dividend

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

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

Financial debts

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