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BRUNEMARKEN INVEST APS
BRUNEMARKSVEJ 5, 3490 KVISTGÅRD
ANNUAL REPORT
1 JULY 2021 - 30 JUNE 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 16 December 2022**

Henrik Rossé Plambech

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 26 51 70 79

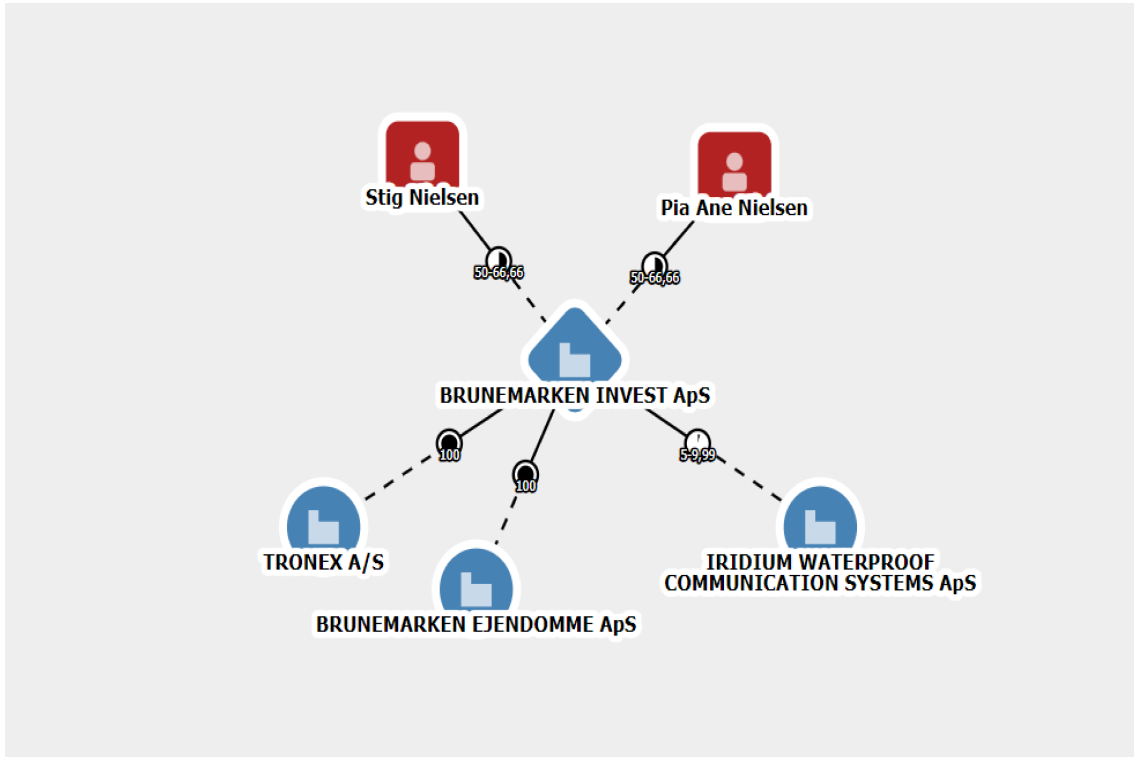
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COMPANY DETAILS

Company	Brunemarken Invest ApS Brunemarksvej 5 3490 Kvistgård
	CVR No.: 26 51 70 79 Established: 25 February 2002 Municipality: Fredensborg Financial Year: 1 July 2021 - 30 June 2022
Board of Directors	Pia Ane Nielsen Henrik Rossé Plambech Stig Nielsen
Executive Board	Stig Nielsen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V

GROUP STRUCTURE



MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Brunemarken Invest ApS for the financial year 1 July 2021 - 30 June 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 30 June 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 July 2021 - 30 June 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Fredensborg, 16 December 2022

Executive Board

Stig Nielsen

Board of Directors

Pia Ane Nielsen

Henrik Rossé Plambech

Stig Nielsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Brunemarken Invest ApS

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Brunemarken Invest ApS for the financial year 1 July 2021 - 30 June 2022, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies for both the Group and the Parent Company. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 30 June 2022 and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 July 2021 - 30 June 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 Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

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

INDEPENDENT AUDITOR'S REPORT

- *Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

INDEPENDENT AUDITOR'S REPORT

Copenhagen, 16 December 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Peter Rasborg
State Authorised Public Accountant
MNE no. mne16537

FINANCIAL HIGHLIGHTS OF THE GROUP

	2021/22 DKK	2020/21 DKK	2019/20 DKK
Income statement			
Gross profit/loss.....	29.605.881	26.427.185	25.998.274
Operating profit/loss before depreciation and amortisation (EBITDA).....	11.053.342	9.400.484	9.289.903
Operating profit/loss of main activities.....	10.388.333	8.749.546	8.455.411
Financial income and expenses, net.....	-1.257.544	1.480.518	-143.558
Profit/loss for the year before tax.....	9.130.789	10.230.064	8.311.853
Profit/loss for the year.....	7.126.352	7.978.442	6.470.773
Results for the year without minority interests.....	7.126.352	7.978.442	6.470.773
Balance sheet			
Total assets.....	129.899.783	82.047.378	62.710.493
Equity.....	48.972.068	42.245.716	34.377.874
Equity ex minority interests.....	48.972.068	42.245.716	34.377.874
Net working capital (NWC).....	34.186.595	37.993.913	29.428.504
Invested capital.....	29.211.008	36.895.721	25.584.902
Cash flows			
Cash flows from operating activities.....	-26.146.558	1.949.907	-2.651.423
Cash flows from investing activities.....	-492.262	-7.125.307	-1.103.021
Cash flows from financing activities.....	-741.170	-287.785	136.700
Total cash flows.....	-27.379.990	-5.463.185	-3.617.744
Investment in property, plant and equipment.....	-492.262	0	0
Key ratios			
Return on invested capital.....	31,4	28,0	33,0
Equity ratio.....	37,7	51,5	54,8
Return on equity.....	15,6	20,8	18,8

The ratios stated in the list of key figures and ratios have been calculated as follows:

<i>Net working capital (NWC):</i>	<i>Inventories + receivables - trade and other payables + other operating assets, current - other operating liabilities, current</i>
<i>Invested capital:</i>	<i>NWC + intangible and tangible assets (ex goodwill) - provisions - other operating liabilities, non-current</i>
<i>Return on invested capital:</i>	<i>$\frac{\text{Operating Profit/loss adjusted for goodwill amortisation} \times 100}{\text{Average invested capital}}$</i>
<i>Equity ratio:</i>	<i>$\frac{\text{Equity (ex. minorities), at year-end} \times 100}{\text{Total assets, at year-end}}$</i>
<i>Return on equity:</i>	<i>$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$</i>

MANAGEMENT COMMENTARY

Principal activities

The Group's principal activities are to provide Electronic Manufacturing Services.

Development in activities and financial and economic position

The development of the Company's activities and its financial position during the financial year continues to be adversely impacted by the globally insufficient availability of electronic components.

Profit/loss for the year compared to the expected development

Profit for the year is positive compared to the situation globally. Profit for the year is at an expected level.

Significant events after the end of the financial year

The Board of Directors and the Board of Executives are not aware of any events after 30 June 2022 that may have a material effect on the Company's financial position or its outlook for the future.

Future expectations

It is expected that the Company's activities and its financial position will continue to develop positively in the financial year 2022/23.

INCOME STATEMENT 1 JULY - 30 JUNE

	Note	Group		Parent Company	
		2021/22 DKK	2020/21 DKK	2021/22 DKK	2020/21 DKK
GROSS PROFIT		29.605.881	26.427.185	-17.752	-18.785
Staff costs.....	1	-18.552.539	-17.026.701	0	0
Depreciation, amortisation and impairment losses.....		-665.009	-650.938	0	0
OPERATING PROFIT		10.388.333	8.749.546	-17.752	-18.785
Income from investments in subsidiaries.....		0	0	7.855.932	6.810.984
Other financial income.....	2	-883.780	1.568.156	-908.245	1.724.039
Other financial expenses.....	3	-373.764	-87.638	-9.369	-207.220
PROFIT BEFORE TAX		9.130.789	10.230.064	6.920.566	8.309.018
Tax on profit/loss for the year.....	4	-2.004.437	-2.251.622	205.786	-330.576
PROFIT FOR THE YEAR	5	7.126.352	7.978.442	7.126.352	7.978.442

BALANCE SHEET AT 30 JUNE

ASSETS	Note	Group		Parent Company	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Land and buildings.....		3.858.365	4.356.101	0	0
Production plant and machinery....		0	2.097	0	0
Other plant, machinery tools and equipment.....		393.804	66.717	0	0
Property, plant and equipment...	6	4.252.169	4.424.915	0	0
Equity investments in group enterprises.....		0	0	36.029.364	28.173.432
Other investments.....		500.040	500.040	500.040	500.040
Financial non-current assets.....	7	500.040	500.040	36.529.404	28.673.472
NON-CURRENT ASSETS.....		4.752.209	4.924.955	36.529.404	28.673.472
Raw materials and consumables....		53.491.666	35.963.040	0	0
Work in progress.....		1.329.986	805.636	0	0
Finished goods and goods for resale.....		8.163.132	3.104.235	0	0
Inventories.....		62.984.784	39.872.911	0	0
Trade receivables.....		44.490.012	17.662.882	0	0
Receivables from group enterprises.....		0	0	4.366.445	4.597.208
Other receivables.....		3.021.926	3.513.972	310.000	3.451.925
Joint tax contribution receivable...		0	0	2.192.210	2.110.173
Prepayments.....	8	932.720	311.428	0	0
Receivables.....		48.444.658	21.488.282	6.868.655	10.159.306
Other securities and equity investments.....	9	10.797.328	10.589.734	10.797.328	10.589.734
Current investments.....		10.797.328	10.589.734	10.797.328	10.589.734
Cash and cash equivalents.....		2.920.804	5.171.496	362.861	471.639
CURRENT ASSETS.....		125.147.574	77.122.423	18.028.844	21.220.679
ASSETS.....		129.899.783	82.047.378	54.558.248	49.894.151

BALANCE SHEET AT 30 JUNE

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Share capital.....		125.000	125.000	125.000	125.000
Reserve for net revaluation under the equity method.....		0	0	32.358.936	24.503.004
Retained earnings.....		48.847.068	41.720.716	16.488.132	17.217.711
Proposed dividend.....		0	400.000	0	400.000
EQUITY.....		48.972.068	42.245.716	48.972.068	42.245.715
Provision for deferred tax.....	10	49.598	31.586	0	0
Other provisions.....	11	550.000	360.000	0	0
PROVISIONS.....		599.598	391.586	0	0
Other bank debt.....		3.561.666	3.949.253	0	0
Corporation tax.....		1.636.424	591.388	1.636.424	2.022.860
Other non-current liabilities.....		903.512	833.517	0	0
Non-current liabilities.....	12	6.101.602	5.374.158	1.636.424	2.022.860
Mortgage debt.....		378.933	376.022	0	0
Bank debt.....		34.930.021	9.800.723	0	0
Trade payables.....		32.445.489	17.678.207	5.000	5.000
Debt to Group companies.....		0	0	2.137.450	5.101.092
Payables to owners and management.....		293.618	235.918	293.618	235.918
Corporation tax payable.....		1.512.958	1.551.569	1.512.958	0
Other liabilities.....		4.665.496	4.393.479	730	283.566
Current liabilities.....		74.226.515	34.035.918	3.949.756	5.625.576
LIABILITIES.....		80.328.117	39.410.076	5.586.180	7.648.436
EQUITY AND LIABILITIES.....		129.899.783	82.047.378	54.558.248	49.894.151
Contingencies etc.	13				
Charges and securities	14				
Related parties	15				

EQUITY

	Group			
	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 July 2021.....	125.000	41.720.716	400.000	42.245.716
Proposed profit allocation, note 5.....		7.126.352		7.126.352
Transactions with owners				
Dividend paid.....			-400.000	-400.000
Equity at 30 June 2022.....	125.000	48.847.068	0	48.972.068

	Parent Company				
	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 July 2021.....	125.000	24.503.004	17.217.712	400.000	42.245.716
Proposed profit allocation, jf. note 5.....	7.855.932		-729.580		7.126.352
Transactions with owners					
Dividend paid.....				-400.000	-400.000
Equity at 30 June 2022.....	125.000	32.358.936	16.488.132	0	48.972.068

CASH FLOW STATEMENT 1 JULY - 30 JUNE

	Group		Parent Company	
	2021/22 DKK	2020/21 DKK	2021/22 DKK	2020/21 DKK
Profit/loss for the year.....	7.126.352	7.978.442	7.126.352	7.978.442
Depreciation and amortisation, reversed....	665.009	650.938	0	0
Profit/loss from subsidiaries.....	0	0	-7.855.932	-6.810.984
Tax on profit/loss, reversed.....	2.004.437	1.410.859	-205.786	-1.346.168
Other adjustments.....	0	0	0	3.000.000
Corporation tax paid.....	-1.551.569	-3.917.643	2.555.636	2.280.894
Change in inventories.....	-23.111.873	-7.614.543	0	0
Change in receivables (ex tax).....	-26.956.376	-1.679.841	3.372.688	1.493.223
Change in other provisions.....	190.000	50.000	0	0
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)..	15.487.462	5.071.695	-4.701.736	65.163
CASH FLOWS FROM OPERATING ACTIVITY..	-26.146.558	1.949.907	291.222	6.660.570
Purchase of property, plant and equipment.	-492.262	0	0	0
Sale of financial assets.....	0	-7.077.928	0	-7.077.928
Instalments on non-current lending and current investments.....	0	-47.379	0	0
CASH FLOWS FROM INVESTING ACTIVITY ...	-492.262	-7.125.307	0	-7.077.928
Instalments on loans.....	-384.676	-367.311	0	0
Other changes in non-current debt.....	43.506	190.126	0	0
Dividends paid in the financial year.....	-400.000	-110.600	-400.000	-110.600
CASH FLOWS FROM FINANCING ACTIVITY...	-741.170	-287.785	-400.000	-110.600
CHANGE IN CASH AND CASH EQUIVALENTS.	-27.379.990	-5.463.185	-108.778	-527.958
Cash and cash equivalents at 1. juli.....	-4.629.227	833.958	471.639	999.597
CASH AND CASH EQUIVALENTS AT 30. JUNI	-32.009.217	-4.629.227	362.861	471.639
Cash and cash equivalents at 30 June comprise:				
Cash and cash equivalents.....	2.920.804	5.171.496	362.861	471.639
Bank overdraft.....	-34.930.021	-9.800.723	0	0
CASH AND CASH EQUIVALENTS.....	-32.009.217	-4.629.227	362.861	471.639

NOTES

					Note
Staff costs					1
Average number of employees	34	34	1	1	
Wages and salaries.....	16.965.744	14.484.251	0	0	
Pensions.....	1.270.874	2.294.380	0	0	
Social security costs.....	315.921	248.070	0	0	
	18.552.539	17.026.701	0	0	
Information about management salary is omit with reference to the exception in Section 98b(3,2) of the Danish Financial Statements Act.					
Other financial income					2
Group enterprises.....	0	0	0	213.530	
Other interest income.....	-883.780	1.568.156	-908.245	1.510.509	
	-883.780	1.568.156	-908.245	1.724.039	
Other financial expenses					3
Group enterprises.....	0	0	2.760	199.982	
Other interest expenses.....	373.764	87.638	6.609	7.238	
	373.764	87.638	9.369	207.220	
Tax on profit/loss for the year					4
Calculated tax on taxable income of the year.....	1.986.425	2.299.001	-205.786	330.576	
Adjustment of deferred tax.....	18.012	-47.379	0	0	
	2.004.437	2.251.622	-205.786	330.576	
Proposed distribution of profit					5
Proposed dividend for the year.....	0	400.000	0	400.000	
Allocation to reserve for net revaluation under the equity method.....	0	0	7.855.932	6.810.984	
Retained earnings.....	7.126.352	7.578.442	-729.580	767.458	
	7.126.352	7.978.442	7.126.352	7.978.442	

NOTES

	Group			Note
	Land and buildings	Production plant and machinery	Other plant, machinery tools and equipment	
Property, plant and equipment				6
Cost at 1 July 2021.....	11.259.920	2.406.560	2.781.516	
Additions.....	0	0	492.262	
Cost at 30 June 2022.....	11.259.920	2.406.560	3.273.778	
Depreciation and impairment losses at 1 July 2021.....	6.903.819	2.404.462	2.714.799	
Depreciation for the year.....	497.736	2.098	165.175	
Depreciation and impairment losses at 30 June 2022.....	7.401.555	2.406.560	2.879.974	
Carrying amount at 30 June 2022.....	3.858.365	0	393.804	
Financial non-current assets				7
			Group	
			Other investments	
Cost at 1 July 2021.....			1.040.005	
Cost at 30 June 2022.....			1.040.005	
Revaluation at 1 July 2021.....			-539.965	
Revaluation at 30 June 2022.....			-539.965	
Carrying amount at 30 June 2022.....			500.040	
			Parent Company	
			Equity investments in group enterprises	
			Other investments	
Cost at 1 July 2021.....		3.670.429	1.040.005	
Cost at 30 June 2022.....		3.670.429	1.040.005	
Revaluation at 1 July 2021.....		24.503.003	-539.965	
Profit/loss for the year.....		7.855.932	0	
Revaluation at 30 June 2022.....		32.358.935	-539.965	
Carrying amount at 30 June 2022.....		36.029.364	500.040	

NOTES

Fixed asset investments (continued)	Note
Investments in subsidiaries	7

Name and domicil	Ownership
Tronex A/S, Fredensborg.....	100 %
Brunemarken Ejendomme ApS, Fredensborg.....	100 %
Iridium Waterproof Communication Systems ApS, Kvistgård.....	5 - 9,99 %

	<u>Group</u>		<u>Parent Company</u>		
	2022 DKK	2021 DKK	2022 DKK	2021 DKK	
Prepayments					8
Costs.....	932.720	311.428	0	0	
	932.720	311.428	0	0	

Other securities and equity investments	9
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The carrying amount of current investments includes securities measured at fair value by the following amounts:

	<u>Group</u>
	Listed bonds
Fair value at 30 June 2022.....	10.797.328
Value adjustment in the year recognised in the Income Statement.....	-1.200.867

Provision for deferred tax	10
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The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

Deferred tax, beginning of year.....	31.586	46.959	0	0
Deferred tax of the year, income statement.....	18.012	-15.373	0	0
Provision for deferred tax 30 June 2022.....	49.598	31.586	0	0

Other provisions	11			
0-1 år.....	550.000	360.000	0	0
Other provisions for liabilities contains of a provision for garanty.				

NOTES

Note

Long-term liabilities

12

	Group			
	30/6 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	30/6 2021 total liabilities
Other bank debt.....	3.940.599	378.933	1.966.988	4.325.275
Corporation tax.....	3.149.382	1.512.958	0	2.494.809
Other non-current liabilities.....	903.512	0	670.631	833.517
	7.993.493	1.891.891	2.637.619	7.653.601
	Parent Company			
	30/6 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	30/6 2021 total liabilities
Corporation tax.....	3.149.382	1.512.958	0	2.022.860
	3.149.382	1.512.958	0	2.022.860

Contingencies etc.

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Contingent liabilities**Rent liabilities**

The Group has entered into a rental lease regarding the Group's domicile in Fredensborg. The lease may be terminated giving 6 months' notice and the total residual liability amounts to DKK ('000) 913.

The Group has entered into a lease agreement regarding the company's production facilities. The leases have an average notice period of 42 months, and the total residual liability amounts to DKK ('000) 5,003.

Joint liabilities

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to DKK ('000) 1.636 at the Balance Sheet date.

Charges and securities

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As security for debt to a credit institution, DKK ('000) 3,941, a mortgage has been granted on land and buildings whose book value per. 30 June 2022 amounts to DKK ('000) 3.858.

Mortgage deeds have been issued, nom. DKK ('000) 3,562, which is secured by balances with mortgage banks.

NOTES**Note****Related parties**

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The Group's related parties include: Tronex A/S, Brunemarken Ejendomme ApS, Brunemarken Invest ApS.

Controlling interest

Mr. Stig Nielsen and Mrs. Pia Nielsen, Brunemarksvej 5, 3490 Kvistgård, is the principal shareholders.

Transactions with related parties

The Group did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

ACCOUNTING POLICIES

The Annual Report of Brunemarken Invest ApS for 2021/22 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company Brunemarken Invest ApS and the subsidiaries in which Brunemarken Invest ApS directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or newly formed entities within the Group are recognised in the Consolidated Financial Statements as if the entity has been combined from the earliest financial period included in the Consolidated Financial Statements. Consolidated or wound up entities are recognised in the Consolidated Income Statement from the earliest financial period included in the Financial Statements. Comparative figures are corrected for newly acquired, sold or wound-up entities.

Acquired entities within the Group are recognised in the Consolidated Financial Statements according to the combination method, the combination being regarded as completed as from the earliest financial period included in the Consolidated Financial Statements, and by using the carrying amounts of the assets and liabilities acquired.

Positive and negative differences between the acquisition cost and the carrying amounts of acquired and identified assets and liabilities are recognised in equity at the acquisition. The difference from acquired entities is DKK ('000).

Transaction costs incurred in relation to acquisition of entities are recognised in the Income Statement in the year they were paid.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Rental income is accrued to cover the period up to the end of the financial year. Payments charged to cover heating are not included in rental income.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

ACCOUNTING POLICIES

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries

The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Buildings.....	20 years	0 %
Production plant and machinery.....	5-10 years	0 %
Other plant, fixtures and equipment.....	3-5 years	0-30 %

ACCOUNTING POLICIES

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Lease contracts

Lease contracts relating to tangible fixed assets

for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

Financial non-current assets

Investments in Equity interests in are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Equity investments in are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed from the earliest financial period included in the Financial Statements, and by using the carrying amounts of the assets and liabilities acquired.

Net revaluation of equity interests in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiary's subsidiaries deficit.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Securities

Securities recognised as current assets, comprise public quoted bonds, shares and other securities. Public quoted securities are measured at the market price. Non-quoted equity interests are measured at cost price. Other securities are measured at cost price in so far as an approximate sales value cannot be stated reliably.

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract. The provision is recognised as a cost under production costs.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

ACCOUNTING POLICIES

CASH FLOW STATEMENT

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include bank overdraft and cash in hand.