



DBI Holding A/S

Stenmaglevej 20 D
4295 Stenlille
CVR No. 29821739

Annual report 2022

The Annual General Meeting adopted the annual report on 17.04.2023

Ole Lund Madsen

Chairman of the General Meeting

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Entity details

Entity

DBI Holding A/S
Stenmaglevej 20 D
4295 Stenlille

Business Registration No.: 29821739
Registered office: Sorø
Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Christian Egemose Agger
Per Toft Valstorp
Claus Henningsen
Hans Christian Petersen

Executive Board

Hans Hellstrøm Henningsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of DBI Holding A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Stenlille, 17.04.2023

Executive Board

Hans Hellstrøm Henningsen

Board of Directors

Christian Egemose Agger

Per Toft Valstorp

Claus Henningsen

Hans Christian Petersen

Independent auditor's report

To the shareholders of DBI Holding A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of DBI Holding A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 financial statements" section of this auditor's report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Entity'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 parent 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 Entity'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 parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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 commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the 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 parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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 commentary.

Copenhagen, 17.04.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Carøe Andersen

State Authorised Public Accountant
Identification No (MNE) mne34499

Christoffer Anholm Salmon

State Authorised Public Accountant
Identification No (MNE) mne47918

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
Key figures					
Revenue	169,158	165,003	149,154	173,194	170,910
Gross profit/loss	95,431	97,184	92,409	98,874	101,797
Operating profit/loss	12,835	16,185	3,593	11,928	14,390
Net financials	(729)	867	(2,522)	85	(686)
Profit/loss for the year	9,226	14,070	852	9,891	10,149
Balance sheet total	172,319	157,416	163,230	164,164	172,579
Investments in property, plant and equipment	7,651	9,310	8,786	17,900	9,469
Equity	132,292	127,954	113,928	114,570	104,548
Equity excl. minority interests	132,292	127,954	113,928		
Average number of employees	211	198	208	206	199
Ratios					
Gross margin (%)	56.42	58.90	61.96	57.09	59.56
Net margin (%)	5.45	8.53	0.57	5.71	5.94
Equity ratio (%)	76.77	81.28	69.80	0.00	0.00
Revenue per employee	802	833	717	841	858

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Equity ratio (%):

$\frac{\text{Equity excl. minority interests} * 100}{\text{Balance sheet total}}$

Revenue per employee:

$\frac{\text{Revenue}}{\text{Average number of employees}}$

Primary activities

The primary activities of the Group comprise the development, manufacturing and sale of protective solutions, which are sold mainly on the European market. The production is carried out primarily in Denmark, and sales are carried out through enterprises in Denmark, six other European countries, North America and Asia; see the group chart on page 10.

Development in activities and finances

The business activity in the automotive segment was impacted by another decline in the total production of vehicles in Europe, caused by among other by shortage of micro-chips early in the year, uncertainty following the war in Ukraine and general recessionary fears. Decline in our activity was lower than the general market decline. The industry segment was strong in the first half of the year, but then declined reflecting the general macro-economic developments.

The very high raw material prices continued in the first half and started to decline in the second half of the year, yet still ended about 50% higher than historic levels. The very high energy prices seen during the year also negatively impacted the production costs. The increased costs have only partially been recovered through increases in sales prices.

Profit/loss for the year in relation to expected developments

The Group's revenue for the year increased slightly to DKK 169,158 thousand, up from 165,003 in 2021. The net result ended at DKK 9,226 thousand, down from DKK 14,070 thousand in 2021.

Uncertainty relating to recognition and measurement

The valuation of assets and liabilities is made in accordance with current accounting policies and Management of DBI Holding A/S is of the opinion that no uncertainty is related to recognition and measurement.

Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances affecting recognition and measurement in the financial year 2022.

Outlook

Despite the uncertainty in the macro-economic outlook analysts predicts the European automotive market to grow by 5.3% in 2023, also reflecting years of pent-up demand. The industry segment is not expected to recover during the year. Inflationary pressures is likely to impact total operating costs. We expect the automotive growth and full year impact from 2022 price adjustments to outweigh the 2023 cost increases and low demand in the industry segment.

The Group's activities do not involve any particular risks; neither operating nor financial risks. As the main part of transactions is carried out in euro, the Group's activities are not considered to involve any special foreign exchange risks.

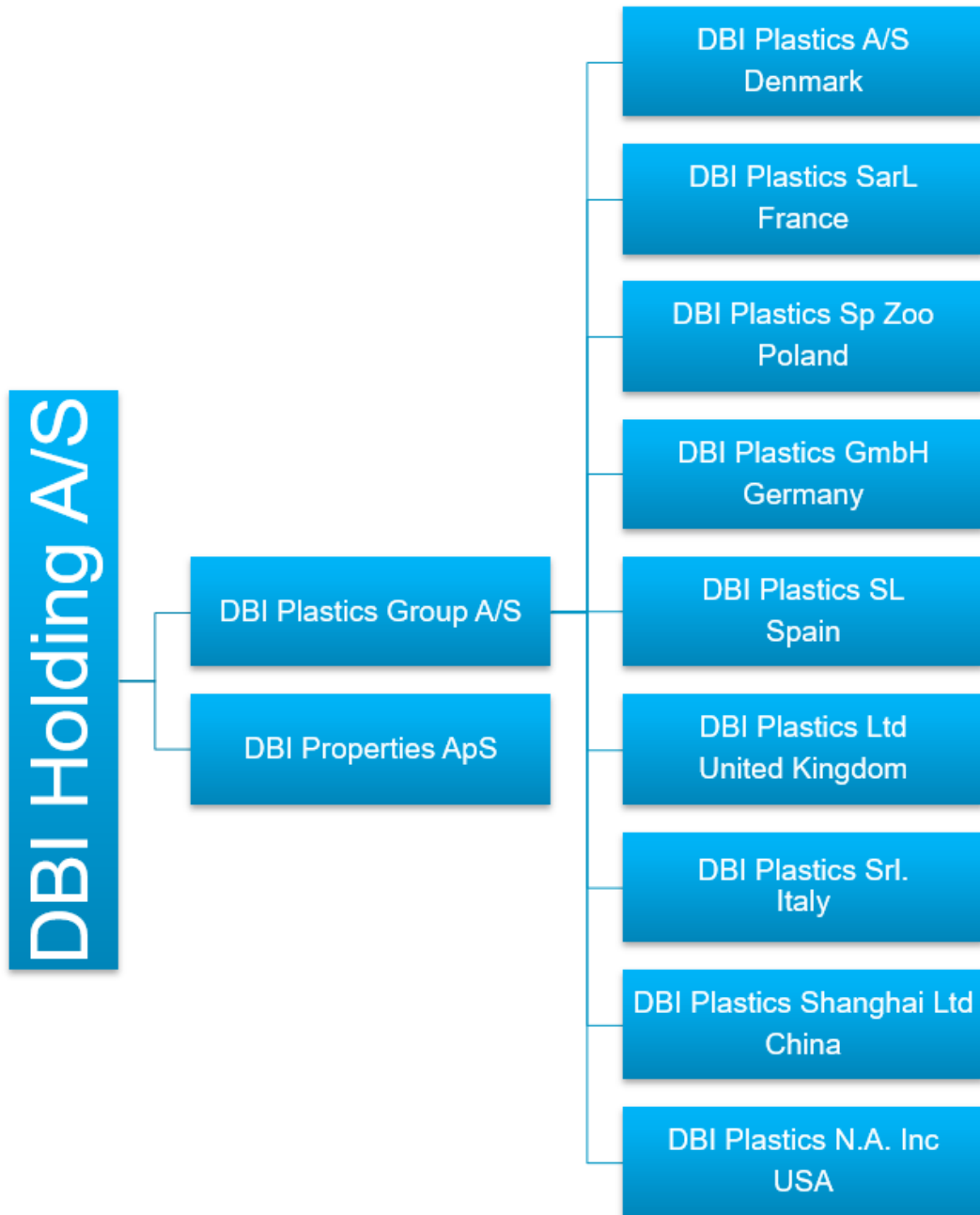
Knowledge resources

The Group employs the needed number of employees with relevant qualifications who possess considerable know-how of the Group's products and production. Further and supplementary training is provided to the extent necessary.

Environmental performance

The manufacturing company is environmentally certified under ISO 14001 and, moreover, also under ISO 9001, ISO 50001 and IATF 16949. The Group's activities do not have any material environmental impact.

Group relations



Consolidated income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue		169,157,864	165,003,074
Other operating income		0	2,853,981
Costs of raw materials and consumables		(31,929,116)	(38,167,854)
Other external expenses		(41,797,779)	(32,505,575)
Gross profit/loss		95,430,969	97,183,626
Staff costs	2	(71,848,056)	(70,955,889)
Depreciation, amortisation and impairment losses	3	(10,747,790)	(10,042,519)
Operating profit/loss		12,835,123	16,185,218
Other financial income	4	2,238,763	4,210,729
Other financial expenses	5	(2,967,450)	(3,344,177)
Profit/loss before tax		12,106,436	17,051,770
Tax on profit/loss for the year	6	(2,880,362)	(2,981,315)
Profit/loss for the year	7	9,226,074	14,070,455

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		103,892	0
Intangible assets	8	103,892	0
Land and buildings		33,205,535	34,753,535
Plant and machinery		14,265,385	19,583,087
Other fixtures and fittings, tools and equipment		6,610,289	5,888,086
Leasehold improvements		1,157,987	1,522,910
Property, plant and equipment in progress		6,436,053	3,150,565
Property, plant and equipment	9	61,675,249	64,898,183
Deposits		439,244	445,512
Deferred tax	11	205,585	1,513,418
Financial assets	10	644,829	1,958,930
Fixed assets		62,423,970	66,857,113

Raw materials and consumables		14,479,041	6,801,480
Manufactured goods and goods for resale		34,828,870	32,299,515
Inventories		49,307,911	39,100,995
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Trade receivables		43,550,881	34,299,481
Contract work in progress	12	1,681,345	718,970
Receivables from group enterprises		0	155,304
Other receivables		1,685,460	1,124,121
Tax receivable		258,558	0
Prepayments	13	915,222	671,264
Receivables		48,091,466	36,969,140
<hr/>			
Cash		12,495,180	14,489,039
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Current assets		109,894,557	90,559,174
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Assets		172,318,527	157,416,287
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Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital	14	2,000,000	2,000,000
Retained earnings		130,291,946	125,954,411
Equity		132,291,946	127,954,411
Mortgage debt		3,491,498	4,037,696
Other payables	15	4,508,404	4,512,355
Non-current liabilities other than provisions	16	7,999,902	8,550,051
Current portion of non-current liabilities other than provisions	16	547,100	548,000
Bank loans		10,303,424	393,640
Trade payables		10,375,213	6,749,811
Payables to group enterprises		422,266	0
Tax payable		1,155,758	1,267,468
Other payables		9,222,918	11,952,906
Current liabilities other than provisions		32,026,679	20,911,825
Liabilities other than provisions		40,026,581	29,461,876
Equity and liabilities		172,318,527	157,416,287
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	18		
Assets charged and collateral	19		
Transactions with related parties	20		
Subsidiaries	21		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,000,000	125,954,411	127,954,411
Ordinary dividend paid	0	(5,000,000)	(5,000,000)
Exchange rate adjustments	0	111,461	111,461
Profit/loss for the year	0	9,226,074	9,226,074
Equity end of year	2,000,000	130,291,946	132,291,946

Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		12,835,123	16,185,218
Amortisation, depreciation and impairment losses		10,747,790	10,042,519
Working capital changes	17	(19,753,004)	(16,233,011)
Cash flow from ordinary operating activities		3,829,909	9,994,726
Financial income received		2,238,763	4,210,729
Financial expenses paid		(2,967,450)	(3,344,177)
Taxes refunded/(paid)		(1,942,797)	(1,696,766)
Cash flows from operating activities		1,158,425	9,164,512
Acquisition etc. of intangible assets		(103,892)	0
Acquisition etc. of property, plant and equipment		(7,651,011)	(9,310,099)
Sale of property, plant and equipment		126,155	717,373
Acquisition of fixed asset investments		(661)	(59,841)
Sale of fixed asset investments		6,929	0
Cash flows from investing activities		(7,622,480)	(8,652,567)
Free cash flows generated from operations and investments before financing		(6,464,055)	511,945
Loans raised		9,909,784	393,640
Repayments of loans etc.		(551,049)	(7,414,240)
Dividend paid		(5,000,000)	0
Cash flows from financing activities		4,358,735	(7,020,600)

Increase/decrease in cash and cash equivalents	(2,105,320)	(6,508,655)
Cash and cash equivalents beginning of year	14,489,039	21,060,775
Currency translation adjustments of cash and cash equivalents	111,461	(63,081)
Cash and cash equivalents end of year	12,495,180	14,489,039
Cash and cash equivalents at year-end are composed of:		
Cash	12,495,180	14,489,039
Cash and cash equivalents end of year	12,495,180	14,489,039

Notes to consolidated financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	64,573,523	62,140,837
Pension costs	2,979,667	2,949,842
Other social security costs	3,880,976	3,620,870
Other staff costs	413,890	2,244,340
	71,848,056	70,955,889
Average number of full-time employees	211	198

	Remuneration of manage- ment 2022 DKK	Remuneration of manage- ment 2021 DKK
Total amount for management categories	3,223,204	2,971,780
	3,223,204	2,971,780

3 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Depreciation on property, plant and equipment	10,873,944	10,079,664
Profit/loss from sale of intangible assets and property, plant and equipment	(126,154)	(37,145)
	10,747,790	10,042,519

4 Other financial income

	2022	2021
	DKK	DKK
Other interest income	61,227	952,627
Exchange rate adjustments	2,170,099	3,258,102
Other financial income	7,437	0
	2,238,763	4,210,729

5 Other financial expenses

	2022	2021
	DKK	DKK
Other interest expenses	138,953	230,713
Exchange rate adjustments	2,827,487	3,112,856
Other financial expenses	1,010	608
	2,967,450	3,344,177

6 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	1,344,397	2,493,366
Change in deferred tax	1,307,833	492,118
Adjustment concerning previous years	228,132	(4,169)
	2,880,362	2,981,315

7 Proposed distribution of profit/loss

	2022	2021
	DKK	DKK
Retained earnings	9,226,074	14,070,455
	9,226,074	14,070,455

8 Intangible assets

	Acquired intangible assets DKK
Additions	103,892
Cost end of year	103,892
Carrying amount end of year	103,892

9 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost beginning of year	60,310,703	164,900,100	15,729,362	13,167,858	3,150,565
Transfers	0	1,133,846	0	0	(1,133,846)
Additions	0	72,901	2,854,008	304,768	4,419,334
Disposals	0	(182,183)	(1,282,799)	0	0
Cost end of year	60,310,703	165,924,664	17,300,571	13,472,626	6,436,053
Depreciation and impairment losses beginning of year	(25,557,168)	(145,317,013)	(9,841,276)	(11,644,948)	0
Depreciation for the year	(1,548,000)	(6,524,449)	(2,131,804)	(669,691)	0
Reversal regarding disposals	0	182,183	1,282,798	0	0
Depreciation and impairment losses end of year	(27,105,168)	(151,659,279)	(10,690,282)	(12,314,639)	0
Carrying amount end of year	33,205,535	14,265,385	6,610,289	1,157,987	6,436,053

10 Financial assets

	Deposits DKK	Deferred tax DKK
Cost beginning of year	445,512	1,513,418
Additions	661	0
Disposals	(6,929)	(1,307,833)
Cost end of year	439,244	205,585
Carrying amount end of year	439,244	205,585

11 Deferred tax

	2022	2021
	DKK	DKK
Intangible assets	(3,000)	0
Property, plant and equipment	(1,166,000)	(1,155,000)
Inventories	145,000	393,200
Receivables	4,400	4,000
Tax losses carried forward	1,225,185	2,271,218
Deferred tax	205,585	1,513,418

	2022	2021
	DKK	DKK
Changes during the year		
Beginning of year	1,513,418	2,005,536
Recognised in the income statement	(1,307,833)	(492,118)
End of year	205,585	1,513,418

Deferred tax assets

Deferred tax assets are recognized on the basis of expected realized income from sales. The revenue base justify recognition of the tax assets.

12 Contract work in progress

	2022	2021
	DKK	DKK
Contract work in progress	5,941,388	2,262,736
Progress billings	(4,260,043)	(1,543,766)
	1,681,345	718,970

13 Prepayments

Prepayments relate to prepaid expenses.

14 Contributed capital

	Number	Par value	Nominal	Recorded par
		DKK	value	value
			DKK	DKK
A-shares	500,000	1	500,000	500,000
B-shares	1,500,000	1	1,500,000	1,500,000
	2,000,000		2,000,000	2,000,000

15 Other payables

	2022	2021
	DKK	DKK
Holiday pay obligation	4,508,404	4,512,355
	4,508,404	4,512,355

16 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Mortgage debt	547,100	548,000	3,491,498	1,303,000
Other payables	0	0	4,508,404	0
	547,100	548,000	7,999,902	1,303,000

17 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in inventories	(10,206,916)	(5,925,930)
Increase/decrease in receivables	(10,863,768)	3,305,519
Increase/decrease in trade payables etc.	1,317,680	(13,612,600)
	(19,753,004)	(16,233,011)

18 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Total liabilities under rental or lease agreements until maturity	4,114,899	4,517,907

19 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the property.

The carrying amount of mortgaged properties amounts to DKK 33,205 thousand.

20 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

21 Subsidiaries

	Registered in	Corporate form	Ownership %
DBI Plastics Group A/S	Stenlille	A/S	100
DBI Properties ApS	Stenlille	ApS	100
DBI Plastics A/S	Stenlille	A/S	100
DBI Plastics GmbH	Germany	GmbH	100
DBI Plastics SARL	France	SARL	100
DBI Plastics Ltd.	United Kingdom	Ltd.	100
DBI Plastics Sp. Z.o.o.	Poland	Sp. Zo.o.	100
DBI Plastics SL	Spain	SL	100
DBI Plastics N.A. Inc.	United States of America	INC.	100
DBI Plastics (Shanghai) Co. Ltd.	China	Co. Ltd.	100
DBI Plastics Srl.	Italy	Srl.	100

Parent income statement for 2022

	Notes	2022 DKK	2021 DKK
Other external expenses		(38,250)	(38,250)
Gross profit/loss		(38,250)	(38,250)
Income from investments in group enterprises		9,230,467	14,100,765
Other financial expenses		(1,010)	(609)
Profit/loss before tax		9,191,207	14,061,906
Tax on profit/loss for the year	2	34,867	8,549
Profit/loss for the year	3	9,226,074	14,070,455

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Investments in group enterprises		132,715,231	128,373,303
Financial assets	4	132,715,231	128,373,303
Fixed assets		132,715,231	128,373,303
Receivables from group enterprises		3,964,234	24,966,316
Joint taxation contribution receivable		8,637	8,549
Receivables		3,972,871	24,974,865
Cash		5,329	6,339
Current assets		3,978,200	24,981,204
Assets		136,693,431	153,354,507

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		2,000,000	2,000,000
Reserve for net revaluation according to equity method		83,924,680	79,582,752
Retained earnings		43,867,267	41,371,660
Proposed dividend for the financial year		2,500,000	5,000,000
Equity		132,291,947	127,954,412
Payables to group enterprises		4,363,234	25,361,845
Other payables		38,250	38,250
Current liabilities other than provisions		4,401,484	25,400,095
Liabilities other than provisions		4,401,484	25,400,095
Equity and liabilities		136,693,431	153,354,507
Events after the balance sheet date	1		
Contingent liabilities	5		
Related parties with controlling interest	6		
Transactions with related parties	7		

Parent statement of changes in equity for 2022

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	2,000,000	79,582,752	41,371,660	5,000,000	127,954,412
Ordinary dividend paid	0	0	0	(5,000,000)	(5,000,000)
Exchange rate adjustments	0	111,461	0	0	111,461
Dividends from group enterprises	0	(5,000,000)	5,000,000	0	0
Profit/loss for the year	0	9,230,467	(2,504,393)	2,500,000	9,226,074
Equity end of year	2,000,000	83,924,680	43,867,267	2,500,000	132,291,947

Notes to parent financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Adjustment concerning previous years	(26,230)	0
Refund in joint taxation arrangement	(8,637)	(8,549)
	(34,867)	(8,549)

3 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Ordinary dividend for the financial year	2,500,000	5,000,000
Retained earnings	6,726,074	9,070,455
	9,226,074	14,070,455

4 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	48,790,551
Cost end of year	48,790,551
Revaluations beginning of year	79,582,752
Exchange rate adjustments	111,461
Share of profit/loss for the year	9,230,467
Dividend	(5,000,000)
Revaluations end of year	83,924,680
Carrying amount end of year	132,715,231

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

5 Contingent liabilities

The Parent has issued a cross guarantee for the bank debt of the Danish group enterprises. The total bank debt of the Danish group enterprises that has been guaranteed amounts to DKK 14,342 thousand (DKK 10,036 thousand at 31.12.2021).

The Entity participates in a Danish joint taxation arrangement where Hans Hellstrøm Henningsen Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

6 Related parties with controlling interest

The following shareholders hold a significant influence on the Company:

Hans Hellstrøm Henningsen Holding ApS, Stationsvej 5, 4295 Stenlille.

All transactions with related parties which have not been according with market conditions will be disclosed. There have been no such transactions in the financial year.

7 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises and other Danish consolidated companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the manufacturing process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	30 years
Plant and machinery	3-7 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed

based on the experience gained by Management for each business area. whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a contract in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.