CALJAN A/S

VED MILEPÆLEN 6-8, 8361 HASSELAGER

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2020

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 10 May 2021

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Johan Carl Ulf Hjertonsson

CVR NO. 30 20 56 18

CONTENTS

COMPANY DETAILS

Company	CALJAN A/S Ved Milepælen 6-8 8361 Hasselager	
	CVR No.:	30 20 56 18
	Established:	22 June 1970
	Registered Office:	Aarhus
	Financial Year:	1 January - 31 December
Board of Directors	Johan Carl Ulf Hjertonsson, chairman Björn Alexander Karlsson Lenander Bengt Andreas Sav Randel Morten Falkenberg Gert Holgersen, elected by employees Lars Greve Simonsen, elected by employees	
Executive Board	Henrik Olesen	
Auditor	EY Godkendt Revisionspartnerselskab Værkmestergade 25 8000 Aarhus	
Bank	Danske Bank, International Corporate Banking DK Holmens Kanal 2-12 1092 Copenhagen K	
Law Firm	Bech-Bruun Værkmestergade 2 8000 Aarhus C	

BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of CALJAN A/S for the financial year 1 January - 31 December 2020.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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

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

Hasselager, 10 May 2021

Executive Board

Henrik Olesen

Board of Directors

Johan Carl Ulf Hjertonsson Chairman	Björn Alexander Karlsson Lenander	Bengt Andreas Sav Randel
Morten Falkenberg	Gert Holgersen Elected by employees	Lars Greve Simonsen Elected by employees

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of CALJAN A/S

Opinion

We have audited the Financial Statements of CALJAN A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 Financial Statements” section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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.

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 judgment and maintain professional skepticism 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

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, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Aarhus, 10 May 2021

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Michael Laursen
State Authorised Public Accountant
mne26804

FINANCIAL HIGHLIGHTS

	2020 DKK '000	2019 DKK '000	2018 DKK '000	2017 DKK '000	2016 DKK '000
Net revenue	459,549	419,652	426,324	417,464	230,244
Gross profit/loss	138,644	133,573	143,796	137,786	80,611
Operating profit/loss of main activities	63,009	52,682	61,362	65,196	20,660
Financial income and expenses, net	-5,370	4,395	3,953	-746	2,043
Profit/loss for the year before tax	125,793	85,467	95,725	102,108	-1,378
Profit/loss for the year	125,106	132,053	81,323	88,039	-5,057
Balance sheet					
Total assets	497,675	393,691	356,744	249,417	185,828
Equity	412,983	293,875	234,319	153,126	106,175
Investment in property, plant and equipment	-1,746	-442	-445	-2,759	-2,287
Average number of full-time employees	**104**	**110**	**125**	**104**	**82**
Key ratios					
Gross margin	30.2	31.8	33.7	33.0	35.0
Operating margin	13.7	12.6	14.4	15.6	9.0
Return on invested capital	20.4	21.5	31.8	44.5	13.7
Equity ratio	83.0	74.6	65.7	61.4	57.1
Return on equity	35.4	50.0	42.0	67.9	-4.5

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

Invested capital:	Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities
Gross margin:	$\frac{\text{Gross profit x 100}}{\text{Net revenue}}$
Operating margin:	$\frac{\text{Operating profit/loss x 100}}{\text{Net revenue}}$
Return on invested capital:	$\frac{\text{Profit/loss on ordinary activities x 100}}{\text{Average invested capital}}$
Equity ratio:	$\frac{\text{Equity, at year end x 100}}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

MANAGEMENT REVIEW

Principal activities
The Caljan Group mainly operates within Logistic solutions through manufacturing of telescopic conveyers and other conveyer products for loading and unloading of loose-loaded cargo. Furthermore, Caljan supplies equipment for labelling and parcels document handling and also offers complete solutions for depots.

The Caljan Group is working on improving industrial safety and productivity worldwide through quality and innovation.

On 29th of November 2019 the Caljan Group was sold by our former owners Rite-Hite International to Investment Latour AB being listed on Nasdaq OMX Stockholm Stock Exchange. Investment Latour AB owns several industrial companies in the Nordic region and is seen as a strong owner for the Caljan Group in continuing the development of the company. 2020 is therefore the first full year under Investment Latour AB ownership.

Caljan is fully established in Denmark, Latvia, Germany, France, UK and US. Caljan A/S in Denmark is the parent company for all group entities and includes HQ and main support functions.

During 2020 Caljan completed the construction of a new factory in Latvia that was opened in fourth quarter. Caljan also invested in a new factory building in the US, that is being completed for manufacturing start in 2021. Both investments significantly increase the production capacity for telescopic conveyers and is an important step to secure future deliveries in a rapidly growing market.

The statutory accounts for Caljan A/S only include the Danish parent company and not the entire Caljan Group. The Caljan Group consolidated figures can be found in the annual report for Investment Latour AB.

Development in activities and financial position
The Caljan Group continued to perform very well during 2020 with high sales and a very good result.

The Covid-19 pandemic did influence the phasing of sales during 2020, with a low second quarter, but sales significantly increased again during the second half of the year and we have seen a growth in the Caljan Group sales of 22 % in 2020 compared to 2019. For the parent company sales were 9.5 % above last year, and we have especially seen very good growth in our UK subsidiary.

Order intake in 2020 has also been positive resulting in a very strong backlog for deliveries in 2021.

The result for 2020 of DKK ('000) 125,793 before taxes is considered very satisfactory and is a 47 % growth compared to 2019.

Profit/loss for the year compared to expectations
The result for 2020 is better than expected and despite Covid-19 we have seen a continued good development in both sales and profit. Sales were lower in the first half of 2020 but increased significantly during the second half of 2020 due to increase in demand from both parcel carriers and e-commerce companies.

Significant events after the end of the financial year
No significant events have occurred after the end of the financial year with material importance for Caljans financial position.

Special risks
The development in exchange rates has an impact on the annual result, cash flows and equity due to the Caljan Groups foreign activities and international sales. It is the company's policy to hedge against commercial foreign exchange exposure in currencies fluctuating towards DKK. Therefore, no hedging of our EUR exposure is made and hedging is mainly done through forward contracts in connection with entering into larger sales contracts in foreign currencies.

MANAGEMENT REVIEW

Environmental considerations

Environmental goal
It is the objective of Caljan to be an environmentally conscious company and partner. In order to achieve this goal, we will contribute to a sustainable development by reducing waste and energy consumption as well as continuously improving the environmental considerations within the Group. We will increase the employees' environmental awareness, place demands on our suppliers, focus on resource consumption, ensure a correct disposal as well as provide a sound working environment.

We have environmentally minded employees
We wish to continuously broaden our employees' resource and environmental awareness through information about environmental initiatives together with providing the necessary education and training.

We guarantee a sound working environment
Caljan shows consideration for the working environment for the individual employee through a defined working environment policy. Our active safety organization focuses among others on ergonomic designed workstations, RPI (repetitive strain injury) and reductions of work-related injuries to zero. In addition, we follow up on Work Place Assessments and regular employee satisfaction surveys. Based on the change in ownership of Caljan A/S, the employee survey will be redefined in cooperation with a new vendor and will be carried out again in the beginning of 2022.

We have an eye on the resource consumption
Caljan desires through energy saving initiatives to reduce its CO2-emission, which primarily arises through consumption of heat, electricity and transport. Holding online conferences reduce travel activity. Additionally, we work on limiting the consumption on other resources such as water, office supplies, graphical materials and cleaning detergents.

We recycle
Caljan wishes to diminish the environmental impact from the company's waste. This is among others done by sorting paper and cardboard to recycling, handing in toner cassettes, sending batteries and other polluting materials to recycling as well as partial recycling of electrical components. Materials such as iron and metal are gathered and returned to the supplier who recycles these materials.

We place demands on our suppliers
Caljan attaches positive meaning to environmental considerations when choosing suppliers and products. Wherever possible, Caljan examines potential suppliers' environmental behavior.

We consider the environment when developing products
When we develop new products or upgrade existing, our focus is on using materials with the least environmental impact and use of resources.

We follow up
Caljan wants to be able to measure our environmental efforts continually and consequently prioritize the areas with the highest effect. We wish to enter into an open dialogue with customers and partners regarding the result of this effort.

We have a mutual responsibility
It is the employees' responsibility that the environmental policy at Caljan is upheld. Through continuous improvements the management will constantly develop and enhance the environmental profile.

Intellectual capital resources
The Caljan Group has a strong intellectual capital resource, with strong patents and IP rights together with our technical departments. We do our outmost to preserve these assets through engaging the employees and securing a good and stable work environment.

MANAGEMENT REVIEW

Research and development activities
The Group's products are continuously adapted and improved as a natural part of the process of making sure we meet the requirements from the market now and in the future. In 2020, the development cost for the Caljan Group has increase by 50 % compared to 2019. The year's development projects do not fulfill the accounting criteria for recognition in the Balance Sheet and have consequently been recognized as expenses. Development activities for the upcoming years are expected to be growing in line with the overall growth in sales.

Future expectations
The Caljan Group has entered 2021 with a strong backlog and we continue to see high demand from the global logistics and e-commerce companies for our products and solutions. The Covid-19 pandemic has significantly increased the parcel volumes and e-commerce transactions and accelerated the development within global e-commerce. We therefore also expect to see overall growth and strong financial results in the different markets going forward.

For the Caljan Group we expect our total revenue to increase by at least 10% during 2021 and that our group result before tax will stay on the same high level as for 2020.

Corporate social responsibility (CSR) report
Caljan is committed to conducting its business in compliance with all domestic and foreign laws. Just as importantly, Caljan is committed to conducting its business in a way that is fair and ethically correct.

- We shall not intentionally mislead, lie to or misrepresent any person or business. All books and records must accurately reflect the company's business operations.

- We will not bribe or give anything of value to any customer, subcontractor or supplier, or government official, for the purpose of improperly obtaining or rewarding favorable treatment, apart from normal and customary business entertainment and promotion.

- We will not accept any bribes or gifts that are or may be sufficiently large to influence our decision-making. The most material risk related to anticorruption is connected to potential attempts of bribery or gifts in the supply chain and we continuously work on maintaining an ethical business and informing our employees on our ethical standards. During 2020 no incident of bribery was reported.

- We will not disclose company confidential information to third parties and we shall not seek or accept from any person information to which we are not entitled.

- We will not misuse, or divert to improper purposes, company resources.

- We will not enter into any agreement with any competitor to fix prices or otherwise restrict competition.

- We will have no personal, business or financial interests that conflict with or are incompatible with our obligations to our owners.

- We will not, directly or indirectly, donate Group funds to any candidate for political office or political organization. We will not require any employee to make political contributions as a condition of their employment.

- We will not discriminate against any person on the basis of race, color, creed, gender, national origin, age, handicap, sexual orientation, or veteran's status.

- We will not accept any kind of sexual harassment.

MANAGEMENT REVIEW

Human Rights and child labor
Caljan respects the protection of internationally sanctioned human rights and we make sure that we do not participate in violations against human rights. The most material risk related to human rights are connected to the potential use of child labor in the supply chain.

The majority of all our suppliers are within Europe. We thrust that all our suppliers are in compliance with local laws. We are frequently visiting our suppliers which has let us to believe that child labor is not used by any of our suppliers.

COVID-19
During 2020, the COVID-19 pandemic has put additional pressure on the work environment caused by health risks and lockdowns. Caljan A/S has put a lot of focus on protecting our employees during this time through regular updates and guidelines and by providing any needed protective equipment. This has, among other things, ensured the health of our employees during the pandemic.

Target figures and policy for the underrepresented gender
It is the objective of Caljan to promote diversity, including obtaining a reasonable representation of both women and men in the Board of Directors.

It is also the objective of the Board of Directors to ensure that its members supplement each other in the best possible way with regard to e.g. competence, age, background, sex, and nationality as relevant to the needs of the company.

The recommendation of candidates for the Board of Directors will thus always be based on an assessment of the competences and experience of the individual candidate, how they match the needs of the company and of the contribution to the total efficiency of the Board of Directors.

During 2020 our new owners from Latour have elected a new Board of Directors and currently board members excluding employee representatives elected at the general meeting are men – this equals 4 men out of 4 seats.

The Board of Directors has set a target of increasing the proportion of women over the next 4 years, so that the percentage of women in the Board of Directors and at other levels of management in Caljan at least equal the representation of women in the employee base - currently corresponding to 23 %.

In Caljan A/S senior management group the women's representation is 20 % and currently in line with the set target. We will continue to focus on improving the gender distribution in the different management teams of the company when promoting new managers.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK
NET REVENUE	1	**459,549,446**	**419,652,261**
Cost of sales		-316,060,214	-274,465,412
Other operating income		2,672,527	164,727
Other external expenses	2	-7,517,432	-11,778,415
GROSS PROFIT/LOSS		**138,644,327**	**133,573,161**
Staff costs	3	-70,470,666	-77,104,678
Depreciation, amortisation and impairment		-3,365,170	-3,786,738
Other operating expenses		-1,799,512	0
OPERATING PROFIT		**63,008,979**	**52,681,745**
Result of equity investments in group enterprises		68,153,913	28,390,052
Other financial income	4	2,310,785	5,083,284
Other financial expenses	5	-7,680,424	-687,964
PROFIT BEFORE TAX		**125,793,253**	**85,467,117**
Tax on profit for the year	6, 7	-687,675	46,585,616
PROFIT FOR THE YEAR	8	**125,105,578**	**132,052,733**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK
Intangible fixed assets acquired		6,972,380	8,856,467
Intangible assets	9	**6,972,380**	**8,856,467**
Land and buildings		18,592,581	18,805,671
Production plants and machinery		518,948	606,029
Other plants, machinery, tools and equipment		1,965,274	1,231,801
Property, plant and equipment	10	**21,076,803**	**20,643,501**
Equity investments in group enterprises		196,476,238	130,559,708
Receivables from group enterprises		30,882,209	0
Rent deposit and other receivables		75,718	0
Financial non-current assets	11	**227,434,165**	**130,559,708**
NON-CURRENT ASSETS		**255,483,348**	**160,059,676**
Raw materials and consumables		5,264,301	6,977,129
Work in progress		11,159,985	11,259,615
Finished goods and goods for resale		3,066,039	3,286,066
Inventories		**19,490,325**	**21,522,810**
Trade receivables		72,934,727	108,932,939
Receivables from group enterprises		92,594,116	40,126,853
Deferred tax assets	12	50,205,000	53,972,000
Other receivables		1,015,516	1,211,277
Receivables corporation tax		2,567,000	3,823,322
Prepayments and accrued income	13	1,726,297	1,346,945
Receivables		**221,042,656**	**209,413,336**
Cash and cash equivalents		**1,658,186**	**2,695,661**
CURRENT ASSETS		**242,191,167**	**233,631,807**
ASSETS		**497,674,515**	**393,691,483**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK
Share capital	14	25,400,000	25,400,000
Retained profit		317,583,386	268,474,881
Proposed dividend		70,000,000	0
EQUITY		**412,983,386**	**293,874,881**
Other provisions for liabilities	15	6,715,854	5,872,221
PROVISIONS		**6,715,854**	**5,872,221**
Mortgage debt		10,425,718	11,899,578
Holiday pay		0	2,159,793
Non-current liabilities	16	**10,425,718**	**14,059,371**
Mortgage debt		1,473,860	1,463,126
Bank debt		2,103,494	0
Prepayments received from customers		23,451,646	43,597,615
Trade payables		13,493,457	18,608,483
Payables to group enterprises		12,584,911	7,340,779
Other liabilities		14,442,189	8,875,007
Current liabilities		**67,549,557**	**79,885,010**
LIABILITIES		**77,975,275**	**93,944,381**
EQUITY AND LIABILITIES		**497,674,515**	**393,691,483**

	Note
Contingencies etc.	17
Charges and securities	18
Related parties	19
Consolidated Financial Statements	20

EQUITY

	Share capital	Reserve for net revaluation according to equity value	Retained profit	Proposed dividend	Total
Equity at 1 January 2020....................	25,400,000	0	268,474,881	0	293,874,881
Proposed profit allocation, note 8.........		68,153,913	-13,048,335	70,000,000	125,105,578
Other legal bindings					
Exchange rate adjustments.................		-5,973,934			-5,973,934
Net adjustment of hedging instruments..			-23,139		-23,139
Transfers					
Settlement negative balance...............		-62,179,979	62,179,979		0
Equity at 31 December 2020.............	**25,400,000**	**0**	**317,583,386**	**70,000,000**	**412,983,386**

NOTES

	2020 DKK	2019 DKK	Note
Net revenue			1
Revenue, Denmark	35,035,589	8,397,372	
Revenue, Europe	343,986,479	359,025,831	
Revenue, countries outside Europe	80,527,378	52,229,058	
	459,549,446	**419,652,261**	
Segment details (activities)			
Products	431,491,468	387,581,895	
After sales service	28,057,978	32,070,366	
	459,549,446	**419,652,261**	

Fee to statutory auditor 2

With reference to Section 96, subsection 3 of the Danish Financial Statements Act, the company has not stated fee to auditor. Fee to auditor is specificed in the consolidated financial statements for Investment AB Latour.

	2020 DKK	2019 DKK	Note
Staff costs			3
Average number of employees	104	110	
Wages and salaries	63,762,619	70,020,965	
Pensions	4,400,263	4,568,835	
Social security costs	1,040,488	1,243,820	
Other staff costs	1,267,296	1,271,058	
	70,470,666	**77,104,678**	
Remuneration of management and board of directors and Executive Board	3,649,476	3,932,808	
	3,649,476	**3,932,808**	

Information on management remuneration is omitted in accordance with the exemption provision in the Danish Financial Statements Act, section 98 b, subsection 3, No. 1 as one management category consist of one member.

	2020 DKK	2019 DKK	Note
Other financial income			4
Group enterprises	2,310,488	1,550,282	
Other financial income	297	3,533,002	
	2,310,785	**5,083,284**	

NOTES

	2020 DKK	2019 DKK	Note
Other financial expenses			5
Group enterprises	424,161	124,360	
Other financial expenses	7,256,263	563,604	
	7,680,424	**687,964**	
Tax on profit for the year			6
Calculated tax on taxable income of the year	0	9,676,678	
Adjustment of tax for previous years	-3,085,852	0	
Adjustment of deferred tax	3,773,527	2,921,278	
Adjustm. of deferred tax due to change in tax status	0	-59,183,572	
	687,675	**-46,585,616**	

Special items 7

CALJAN A/S was sold in 2019 from the former owners Rite Hite International to Investment Latour AB.

As a result of the sale CALJAN A/S changed tax status from branch taxation to corporate taxation, and deferred tax was therefore calculated on a different basis. The changed tax status resulted in a step up of the tax values which resulted in a higher deferred tax asset.

The balance of the accounts was thus not affected, except that large temporary differences have arisen between the tax and accounting values. This resulted in income in the income statement of DKK ('000) 59,184 in 2019, which was thus not a result of a transaction in Caljan A/S.

The joint taxation has utilized losses relating to the income year 2019 with a tax value of DKK ('000) 3,086 more than recognized in the annual report for 2019. This is recognized as income as an adjustment to tax relating to previous years in the figures for 2020.

	2020 DKK	2019 DKK	
Proposed distribution of profit			8
Proposed dividend for the year	70,000,000	0	
Allocation to reserve for net revaluation according to equity value	68,153,913	28,390,052	
Retained earnings	-13,048,335	103,662,681	
	125,105,578	**132,052,733**	

Intangible assets 9

	Intangible fixed assets acquired
Cost at 1 January 2020	15,083,722
Additions	304,080
Cost at 31 December 2020	**15,387,802**
Amortisation at 1 January 2020	6,227,255
Amortisation for the year	2,188,167
Amortisation at 31 December 2020	**8,415,422**
Carrying amount at 31 December 2020	**6,972,380**

NOTES

Note

Property, plant and equipment 10

	Land and buildings	Production plants and machinery	Other plants, machinery, tools and equipment
Cost at 1 January 2020	36,876,206	10,637,169	5,947,941
Additions	0	153,512	1,592,574
Disposals	0	-1,700,917	-424,000
Cost at 31 December 2020	**36,876,206**	**9,089,764**	**7,116,515**
Depreciation and impairment losses at 1 January 2020	18,070,535	10,031,140	4,716,140
Reversal of depreciation of assets disposed of	0	-1,700,917	-288,219
Depreciation for the year	213,090	240,593	723,320
Depreciation and impairment losses at 31 December 2020	**18,283,625**	**8,570,816**	**5,151,241**
Carrying amount at 31 December 2020	**18,592,581**	**518,948**	**1,965,274**

Financial non-current assets 11

	Equity investments in group enterprises	Receivables from group enterprises	Rent deposit and other receivables
Cost at 1 January 2020	94,759,174	0	0
Additions	3,736,550	30,882,209	75,718
Cost at 31 December 2020	**98,495,724**	**30,882,209**	**75,718**
Revaluation at 1 January 2020	73,272,042	0	0
Exchange adjustment	-4,210,953	0	0
Profit/loss for the year	45,828,588	0	0
Revaluation at 31 December 2020	**114,889,677**	**0**	**0**
Impairment losses and amortisation of goodwill at 1 January 2020	37,471,503	0	0
Exchange adjustment	1,762,981	0	0
Impairment losses for the year	-22,325,321	0	0
Impairment losses and amortisation of goodwill at 31 December 2020	**16,909,163**	**0**	**0**
Carrying amount at 31 December 2020	**196,476,238**	**30,882,209**	**75,718**

Investments in subsidiaries (DKK)

Name and domicil	Equity	Profit/loss for the year	Ownership
Caljan GmbH, Germany	61,518,226	22,529,527	100 %
Caljan Ltd., England	41,805,540	22,325,321	100 %
Caljan Latvia, Latvia	56,155,353	18,976,605	100 %
Caljan Inc., USA	39,851,781	5,929,905	100 %
Caljan Sarl., France	4,027,099	134,855	100 %

NOTES

Note

Deferred tax assets 12

Deferred tax comprises deferred tax on inventory, intangible and tangible fixed assets, prepayments, long-term liabilities and tax losses.

	2020 DKK	2019 DKK
Deferred tax comprises of:		
Intangible fixed assets	50,393,505	53,824,120
Tangible fixed assets	18,156	18,476
Inventories	-206,661	-224,505
Tax losses	0	353,909
	50,205,000	**53,972,000**
Deferred tax, beginning of year	53,972,000	-2,289,157
Deferred tax of the year, income statement	-3,773,527	-2,921,278
Deferred tax of the year, equity	6,527	-1,137
Adjustment due to branch taxation	0	59,183,572
Deferred tax assets 31 December 2020	**50,205,000**	**53,972,000**

As at 31. December 2020 the company's deferred tax assets are DKK ('000) 185,497 of which DKK ('000) 50,205 are recognized in the balance sheet. The tax asset primarily relates to temporary differences between accounting and tax values of intangible fixed assets. The tax asset is recognized on the basis of expectations for positive tax profits in the coming years, which means that the temporary differences are expected to be partly utilized. The assessments are based on the company's budgets for the coming four years. The budgets are prepared in connection with strategic decisions of the company, but are otherwise in accordance with the company's normal budgeting procedure.

Prepayments and accrued income 13

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

	2020 DKK	2019 DKK
Share capital (Note 14)		
Allocation of share capital:		
A-shares, 1,016,000 unit in the denomination of 25 DKK	25,400,000	25,400,000
	25,400,000	**25,400,000**

Other provisions for liabilities 15

	2020	2019
The due dates for provisions are expected to be:		
0-1 year	4,599,529	5,180,322
> 1 year and < 5 years	2,116,325	691,899
	6,715,854	**5,872,221**

The amounts are the expected liabilities for warranty work.

NOTES

Note

Long-term liabilities 16

	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Mortgage debt	11,899,578	1,473,860	4,421,357	13,362,704
Holiday pay	6,221,361	6,221,361	0	2,159,793
	18,120,939	**7,695,221**	**4,421,357**	**15,522,497**

Contingencies etc. 17

Contingent assets
The company has a deferred tax asset of DKK ('000) 185,497 of which DKK ('000) 50,205 has been recognized in the balance sheet.

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.

Charges and securities 18

	Carrying amount of assets DKK	Nominal value of mortgage or outstanding debt DKK
Owner mortgage registred to the mortgagor totalling DKK 15,000,000 providing security on land and buildings as well as other property, plant and equipment at a total	18,592,581	11,899,578
Mortgage deeds registred to the bank totalling DKK 8,330,000 providing security on land and buildings as well as other property, plant and equipment at a total	18,592,581	2,103,494

Related parties 19

Controlling interest
Investment AB Latour J A Wettergrens gata 7, Box 336, 401 25 Göteborg, Sweden.

Other related parties having performed transactions with the company
Other related parties consists of Executive Board, Board of Directors and subsidiaries and related companies.

Transactions with related parties
The company did not carry out any substantial transactions that were not concluded on market conditions.

Consolidated Financial Statements 20

The company is a part of the consolidated financial statements of Investment AB Latour J A Wettergrens gata 7, Box 336, 401 25 Göteborg, Sweden.

ACCOUNTING POLICIES

The Annual Report of CALJAN A/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large-size enterprises.

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

Consolidated Financial Statements
Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of Investment AB Latour, J A Wettergrens gata 7, Box 336, 401 25 Göteborg, Sweden.

INCOME STATEMENT

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

Provided that sales agreements contain a concurent agreement on installation after delivery, recognition as revenue is not made of the amount corresponding to the estimated remaining installation expenses until after installation has been completed.

Other operating income
Other operating income includes items of a secondary nature in relation to the Group’s and the Company’s activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

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 for social security etc. for the company’s employees. Repayments from public authorities are deducted from staff costs.

Income from equity interests in subsidiaries
The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

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.

ACCOUNTING POLICIES

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

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 portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

The tax effect of a changed tax status is recognized in the income statement. The changed tax status has resulted in a step up of the tax values, which gives an income which is recognized in the income statement.

BALANCE SHEET

Intangible fixed assets
Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets
Land and buildings, production plant and machinery, other plant, fixtures and equipment and leashold improvements 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. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

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	10-60 years	0 %
Production plant and machinery	3-20 years	0 %
Other plant, fixtures and equipment	3-5 years	0 %

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

ACCOUNTING POLICIES

Fixed asset investments
Investments in subsidiaries are measured in the company's balance sheet under the equity method.

Investments in subsidiaries 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

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipments.

Consolidated goodwill is amortised over the expected useful life determined on the basis of management's experience within the individual lines of business. Consolidated goodwill is amortised on a straight-line basis over the period of amortisation which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific condition.

Net revaluation of investments in subsidiaries and associates is transferred under the 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 by the company's share of the negative equity 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's has a legal or actual liability to cover the subsidiary's deficit.

Receivables from group enterprises consist of loans that are not expected to be repaid within the coming years. They are measured at amortised cost, which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis 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 net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

ACCOUNTING POLICIES

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

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 cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

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

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

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

Cash and cash equivalents
Liquid assets comprise cash banks and cash in hand.

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

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 2 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

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 on account tax 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.

The company has changed tax status from branch taxation to corporate taxation, and deferred tax is therefore calculated on a different basis. The changed tax status has resulted in a step up of the tax values which has resulted in a higher deferred tax asset.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 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 borrowing 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 term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

Derivative financial instruments
Derivative financial instruments are initially recognised in the Balance Sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised under receivables and payables, respectively.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of future cash flows is recognised under receivables or payables and under equity. If the future transaction results in recognition of assets or liabilities, all amounts recognised under equity are transferred from equity and recognised under the initial cost of the asset or liability, respectively. If the future transaction results in income or expenses amounts recognised under equity are transferred to the Income Statement for the period where the Income Statement was affected by the hedged amount.

As regards possible derivative financial instruments, which do not comply with the criteria for classification as hedging instruments, any changes in fair value are recognised on a current basis in the Income Statement.

ACCOUNTING POLICIES

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 time of occurrence of the receivables or payables is 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.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.