CALJAN A/S

VED MILEPÆLEN 6-8, 8361 HASSELAGER

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2021

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 10 June 2022

Johan Carl Ulf Hjertonsson

CVR NO. 30 20 56 18

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COMPANY DETAILS

Company	CALJAN A/S Ved Milepælen 6-8 8361 Hasselager CVR No.: 30 20 56 18 Established: 22 June 1970 Municipality: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Johan Carl Ulf Hjertonsson, chairman Björn Alexander Karlsson Lenander Bengt Andreas Save Randel Per Günther Mathiasen Lars Greve Simonsen
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

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 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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, 28 March 2022

Executive Board

Henrik Olesen

Board of Directors

Johan Carl Ulf Hjertonsson Chairman	Björn Alexander Karlsson Lenander	Bengt Andreas Save Randel
Per Günther Mathiasen	Lars Greve Simonsen	

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 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the 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 Commentary
Management is responsible for Management Review.

Our opinion on the Financial Statements does not cover Management 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 Review and, in doing so, consider whether Management 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 Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management 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 Review.

Aarhus, 28 March 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Michael Laursen
State Authorised Public Accountant
mne26804

FINANCIAL HIGHLIGHTS

	2021 DKK '000	2020 DKK '000	2019 DKK '000	2018 DKK '000	2017 DKK '000
Income statement					
Net revenue	532,049	459,549	419,652	426,324	417,464
Gross profit/loss	138,849	138,644	133,573	143,796	137,786
Operating profit/loss of main activities	62,285	63,009	52,682	61,362	65,196
Financial income and expenses, net	11,475	-5,370	4,395	3,953	-746
Profit/loss for the year before tax	88,635	57,639	57,077	83,939	64,450
Profit/loss for the year	96,908	56,952	103,663	69,538	50,381
Balance sheet					
Total assets	535,738	399,694	357,891	351,293	228,716
Equity	341,911	315,003	258,074	228,872	159,241
Investment in property, plant and equipment	-1,030	-1,746	-442	-445	-2,759
Average number of full-time employees	**100**	**104**	**110**	**125**	**104**
Key ratios					
Gross margin	26.1	30.2	31.8	33.7	33.0
Operating margin	11.7	13.7	12.6	14.4	15.6
Return on invested capital	19.2	20.4	21.5	31.8	44.5
Equity ratio	63.8	78.8	72.1	65.2	69.6
Return on equity	29.5	19.9	42.6	35.8	38.0

The comparative figures have been adjusted for the change of policy for the years 2021-2017 with respect to measuring investments in subsidiaries at cost.

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.

In 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.

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 and also invested in a new factory building in the US. These investments have significantly increased the production capacity for telescopic conveyers and is an important step to secure future deliveries in a rapidly growing market. During 2021 we have therefore increased the output of Telescopic conveyors and also been able to support customer demands with a significant order intake.

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 2021 with high sales and a very good result.

The Covid-19 pandemic did influence the phasing of sales during 2021, with a slow start to the year, but sales increased during the second quarter and ended with a very strong second half of the year. Compared to 2020 we have seen a growth in the Caljan Group sales of 34% in 2021. For the parent company sales were 16 % above last year, and we have especially seen very good growth in our UK subsidiary.

Order intake in 2021 has also been extremely strong resulting in a record high backlog for deliveries in 2022.

The result for 2021 of DKK ('000) 88,635 before taxes is considered very satisfactory and is a 54% growth compared to 2020.

Change in accounting policy
The company has changed accounting policy for investments in subsidiaries during the year by changing from equity value method to cost method.

Income in subsidiaries are with the new policy not recognized in the income statement, while dividends from the subsidiaries are recognized in the income statement. The comparative figures have been adjusted in accordance with the new practice.

We refer to the description under accounting policies, which includes a description of the impact of the annual report on the change in policy.

Profit/loss for the year compared to expectations
The result for 2021 is better than expected and the rapid development in global e-commerce has been the main driver for very high demands for Caljan Group products and solutions. The increased capacity in our factories have enabled us to better meet and benefit from the increased customer demand. We have therefore also seen a continued good development in both sales and profit.

MANAGEMENT REVIEW

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 done and hedging is mainly done through forward contracts in connection with entering into larger sales contracts in foreign currencies. During 2021 the overall FX impact has been positive due to stronger GBP and USD towards EUR and DKK.

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.

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 2021, the development cost for the Caljan Group has increased by 23% compared to 2020. 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 2022 with a record high 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.

The Russian invasion in Ukraine has increased the global uncertainty and this could also impact the supply chains and overall business environment during 2022. Caljan does not have any on-going business relations directly with Russian companies.

For the Caljan Group we expect our total revenue to grow double-digit in 2022 and that the growth in our group result before tax will continue in 2022.

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.

Code of Conduct
This is also reflected in the Caljan Groups recently updated Code of Conduct that was rolled out to the organization during 2021.

- 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.

MANAGEMENT REVIEW

Corporate social responsibility (CSR) report (continued)

- 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. The roll out of the updated Code of Conduct during 2021 also included specific training on anticorruption and bribery to further strengthen the future focus within the organization. During 2021 no incidents 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.

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
To reduce the risk of any working related accidents or working injuries, Caljan has a strong focus on 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 during 2022.

We have an eye on the resource consumption
Caljan desires through energy saving initiatives to reduce its CO_2-emission, which primarily arises through consumption of heat, electricity and transport. Holding online conferences reduces travel activity. Additionally, we work on limiting the consumption on other resources such as water, office supplies, graphical materials and cleaning detergents.

MANAGEMENT REVIEW

Corporate social responsibility (CSR) report (continued)

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.

Expectations for environmental focus in the future
Going forward, we will continue our focus on reducing our environmental footprint though lower energy consumption, green energy supplies and expected lower travelling activities.

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. Going forward we will continue this focus through visiting and auditing our main suppliers on a regular basis.

COVID-19
During 2021, the COVID-19 pandemic continued to put additional pressure on the work environment caused by health risks and lockdowns. Caljan has put a lot of focus on protecting our employees during the pandemic through regular updates and guidelines, opportunity to work from home, organizing the work space 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.

MANAGEMENT REVIEW

Target figures and policy for the underrepresented gender (continued)

During 2021 no new members have been elected to the Board of Directors and one board member has chosen to leave. This means, that the current board consists of 5 members in total of which 2 members are employee representatives. All board members are men.

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 around 20%.

In Caljan A/S senior management group the women's representation is currently 14%. We will continue to focus on improving the gender distribution in the different management teams of the company when promoting new managers.

Statement of data ethics
As part of our Code of Conduct, Caljan has defined a policy for data ethics and how we ensure compliance. Caljan respects every individual's fundamental right to protection of personal data and complies with data privacy laws such as GDPR concerning collecting, processing, and retention of personal data. Employees that work with personal data must always handle information in line with the instructions given by HR. All processing of personal data must be justified and used for specified and legitimate business purposes only.

If third party suppliers have access to Caljan company data, this is governed and controlled by data protection agreements.

Through the roll out of Caljan Code of Conduct, Caljan employees are made aware of these guidelines and any discovered or suspected breaches of data privacy must immediately be reported to Group HR.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2021 DKK	2020 DKK
NET REVENUE	1	**532,049,372**	**459,549,446**
Cost of sales		-386,476,141	-316,060,214
Other operating income		5,120,307	2,672,527
Other external expenses	2	-11,844,724	-7,517,432
GROSS PROFIT/LOSS		**138,848,814**	**138,644,327**
Staff costs	3	-73,369,457	-70,470,666
Depreciation, amortisation and impairment		-3,187,212	-3,365,170
Other operating expenses		-7,149	-1,799,512
OPERATING PROFIT		**62,284,996**	**63,008,979**
Income from investments in subsidiaries		14,875,200	0
Other financial income	4	13,234,991	2,310,785
Other financial expenses	5	-1,760,357	-7,680,424
PROFIT BEFORE TAX		**88,634,830**	**57,639,340**
Tax on profit/loss for the year	6	8,273,000	-687,675
PROFIT FOR THE YEAR	7	**96,907,830**	**56,951,665**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK	2020 DKK
Intangible fixed assets acquired		6,152,670	6,972,380
Intangible assets	8	**6,152,670**	**6,972,380**
Land and buildings		18,785,288	18,592,581
Production plants and machinery		460,824	518,948
Other plants, machinery, tools and equipment		1,586,105	1,965,274
Property, plant and equipment	9	**20,832,217**	**21,076,803**
Equity investments in group enterprises		98,495,723	98,495,723
Receivables from group enterprises		74,755,296	30,882,209
Rent deposit and other receivables		77,863	75,718
Financial non-current assets	10	**173,328,882**	**129,453,650**
NON-CURRENT ASSETS		**200,313,769**	**157,502,833**
Raw materials and consumables		6,516,698	5,264,301
Work in progress		12,953,029	11,159,985
Finished goods and goods for resale		9,192,384	3,066,039
Inventories		**28,662,111**	**19,490,325**
Trade receivables		40,315,547	72,934,727
Receivables from group enterprises		186,682,430	92,594,116
Deferred tax assets	11	58,478,000	50,205,000
Other receivables		1,957,910	1,015,516
Receivables corporation tax		0	2,567,000
Prepayments and accrued income	12	1,770,109	1,726,297
Receivables	13	**289,203,996**	**221,042,656**
Cash and cash equivalents		**17,558,334**	**1,658,186**
CURRENT ASSETS		**335,424,441**	**242,191,167**
ASSETS		**535,738,210**	**399,694,000**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2021 DKK	2020 DKK
Share capital	14	25,400,000	25,400,000
Retained profit		202,510,702	219,602,872
Proposed dividend		114,000,000	70,000,000
EQUITY		**341,910,702**	**315,002,872**
Other provisions for liabilities	15	6,824,303	6,715,854
PROVISIONS		**6,824,303**	**6,715,854**
Mortgage debt		8,941,046	10,425,718
Non-current liabilities	16	**8,941,046**	**10,425,718**
Mortgage debt		1,484,672	1,473,860
Bank debt		987,232	2,103,494
Prepayments received from customers		34,452,888	23,451,646
Trade payables		14,649,040	13,493,457
Payables to group enterprises		119,844,512	12,584,911
Other liabilities		6,643,815	14,442,188
Current liabilities		**178,062,159**	**67,549,556**
LIABILITIES		**187,003,205**	**77,975,274**
EQUITY AND LIABILITIES		**535,738,210**	**399,694,000**

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EQUITY

	Share capital	Retained profit	Proposed dividend	Total
Equity at 1 January 2021	25,400,000	317,583,386	70,000,000	412,983,386
Change of equity due to change of policy		-97,980,514		-97,980,514
Adjusted equity at 1 January 2021	**25,400,000**	**219,602,872**	**70,000,000**	**315,002,872**
Proposed profit allocation, note 7		-17,092,170	114,000,000	96,907,830
Transactions with owners				
Dividend paid			-70,000,000	-70,000,000
Equity at 31 December 2021	**25,400,000**	**202,510,702**	**114,000,000**	**341,910,702**

NOTES

	2021 DKK	2020 DKK	Note
Net revenue			1
Revenue, Denmark	9,956,145	35,035,589	
Revenue, Europe	308,476,843	343,986,479	
Revenue, countries outside Europe	213,616,384	80,527,378	
	532,049,372	**459,549,446**	
Segment details (activities)			
Products	500,188,201	431,491,468	
After sales service	31,861,171	28,057,978	
	532,049,372	**459,549,446**	

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.

	2021	2020	Note
Staff costs			3
Average number of employees	100	104	
Wages and salaries	66,537,503	63,762,619	
Pensions	4,397,084	4,400,263	
Social security costs	1,077,042	1,040,488	
Other staff costs	1,357,828	1,267,296	
	73,369,457	**70,470,666**	
Remuneration of management and board of directors and Executive Board	3,894,376	3,649,476	
	3,894,376	**3,649,476**	

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.

	2021	2020	Note
Other financial income			4
Group enterprises	2,259,399	2,310,488	
Other financial income	10,975,592	297	
	13,234,991	**2,310,785**	

NOTES

	2021 DKK	2020 DKK	Note
Other financial expenses			5
Group enterprises	1,213,029	424,161	
Other financial expenses	547,328	7,256,263	
	1,760,357	**7,680,424**	
Tax on profit for the year			6
Adjustment of deferred tax as a result of changed estimates	-24,501,777	-3,085,852	
Adjustment of deferred tax	16,228,777	3,773,527	
	-8,273,000	**687,675**	
Proposed distribution of profit			7
Proposed dividend for the year	114,000,000	70,000,000	
Retained earnings	-17,092,170	-13,048,335	
	96,907,830	**56,951,665**	

Intangible assets — 8

	Intangible fixed assets acquired
Cost at 1 January 2021	15,387,803
Additions	1,092,900
Cost at 31 December 2021	**16,480,703**
Amortisation at 1 January 2021	8,415,422
Amortisation for the year	1,912,611
Amortisation at 31 December 2021	**10,328,033**
Carrying amount at 31 December 2021	**6,152,670**

Property, plant and equipment — 9

	Land and buildings	Production plants and machinery	Other plants, machinery, tools and equipment
Cost at 1 January 2021	36,876,206	9,089,765	7,116,515
Additions	414,640	198,000	417,375
Cost at 31 December 2021	**37,290,846**	**9,287,765**	**7,533,890**
Depreciation and impairment losses at 1 January 2021	18,283,626	8,570,816	5,151,241
Depreciation for the year	221,932	256,125	796,544
Depreciation and impairment losses at 31 December 2021	**18,505,558**	**8,826,941**	**5,947,785**
Carrying amount at 31 December 2021	**18,785,288**	**460,824**	**1,586,105**

NOTES

Note

Financial non-current assets 10

	Equity investments in group enterprises	Receivables from group enterprises	Rent deposit and other receivables
Cost at 1 January 2021	98,495,723	30,882,209	75,718
Additions	0	43,873,087	2,145
Cost at 31 December 2021	**98,495,723**	**74,755,296**	**77,863**
Carrying amount at 31 December 2021	**98,495,723**	**74,755,296**	**77,863**

Investments in subsidiaries (DKK)

Name and domicil	Equity	Profit/loss for the year	Ownership
Caljan GmbH, Germany	144,075,000	82,590,000	100 %
Caljan Ltd., England	81,377,000	34,970,000	100 %
LSEZ SIA Caljan, Latvia	69,368,000	28,125,000	100 %
Caljan Inc., USA	50,383,000	6,934,000	100 %
Caljan Sarl., France	6,500,000	2,499,000	100 %

NOTES

	Note
Deferred tax assets	**11**

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

	2021 DKK	**2020** DKK
Deferred tax comprises of:		
Intangible fixed assets	51,743,662	50,393,505
Tangible fixed assets	6,818,737	18,156
Inventories	-84,399	-206,661
	58,478,000	**50,205,000**
Deferred tax, beginning of year	50,205,000	53,972,000
Deferred tax of the year, income statement	8,273,000	-3,773,527
Deferred tax of the year, equity	0	6,527
Deferred tax assets 31 December 2021	**58,478,000**	**50,205,000**

As at 31. December 2021 the company's deferred tax assets are DKK ('000) 169,269 of which DKK ('000) 58,478 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.
This year's assesment has resulted in an adjustment of the deferred tax asset by DKK ('000) 24,502.

Prepayments and accrued income **12**

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

Receivables falling due after more than one year **13**

Deferred tax assets	46,191,000	40,698,000
	46,191,000	**40,698,000**

Share capital **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**

NOTES

	2021 DKK	2020 DKK	Note
Other provisions for liabilities			15
The due dates for provisions are expected to be:			
0-1 year	4,263,301	4,599,529	
> 1 year and < 5 years	2,561,002	2,116,325	
	6,824,303	**6,715,854**	

The amounts are the expected liabilities for warranty work.

Long-term liabilities 16

	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Mortgage debt	10,425,718	1,484,672	2,892,636	11,899,578
Holiday pay	0	0	0	6,221,361
	10,425,718	**1,484,672**	**2,892,636**	**18,120,939**

Contingencies etc. 17

The company has a deferred tax asset of DKK ('000) 169,269 of which DKK ('000) 58,478 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	18,785,288	10,425,718
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	18,785,288	987,232

NOTES

Note

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 2021 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, except for the following changes.

Change in accounting policies and classification
The accounting policies have been changed in the following areas:

- The company's investment in subsidiaries was previously measured using the equity method. The accounting policies for measuring the company's investment in subsidiaries has changed so that investments in subsidiaries is now measured using the cost method.

  The reason for the change in the accounting policies is to align the accounting policy to group policies for the listed parent company and to align policies between the internal group reporting and the statutory financial statements.

  Comparative figures regarding the change in accounting policies have been adjusted. The key figures for the year 2017-2019 shown in the Financial Highlights (page 7) is restated to comply with the new accounting policy.

  The accumulated effect of the change of policy for 2021 constitutes a decrease in the profit for the year by DKK ('000) 140,243, the balance sheet total is decreased by DKK ('000) 253,207 and the equity is decreased by DKK ('000) 253,207. The change in policy has no effect on either current taxes or deferred taxes.

  For 2020, the profit for the year is decreased by DKK ('000) 68,153, the balance sheet total is decreased by DKK ('000) 97,981 and equity is decreased by DKK ('000) 97,981. The change in policy has no effect on either current taxes or deferred taxes.

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.

ACCOUNTING POLICIES

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 investments in subsidiaries
Dividend from subsidiary is recognised in the financial year when the dividend is declared.

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.

ACCOUNTING POLICIES

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	40-60 %
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.

Fixed asset investments
Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

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.

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.

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.