

# Annual report

2022/2023

01.10.2022 – 30.09.2023

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Mekoprint Holding A/S  
Hermesvej 2  
9530 Støvring  
Denmark  
CVR no. 30277902

This annual report has been adopted at the annual general meeting on 12.01.2024.

Jan Vestergaard Olsen  
Chairman of the meeting



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CVR no. 3027 7902  
Financial year:  
01.10.2022 – 30.09.2023

Auditor  
Beierholm  
Statsautoriseret  
Revisionspartnerselskab  
Voergårdvej 2  
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# Contents

## Management review

Introduction	4
Financial development	6
About us	8
Mekoprint divisions	10
Strategy	20
Corporate sustainability (ESG)	24
Environmental responsibility	28
Social responsibility	30
Governance responsibility	33
Gender diversity	34
Risk management & data ethics	36
Treasury shares	37
Key Figures	38

## Statements

Management's statement	40
Independent auditor's report	41

## Financial statements

Income statement	45
Balance sheet	46
Statement of changes equity	48
Cash flow statement	50
Notes	51
Definition of ratios	74

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## Dear reader

The Mekoprint year of 2022/23 has been characterized by a high level of dedication to our long term growth strategy despite of continued market volatility and a general cool-down of the global economy. This has required a lot of extraordinary team efforts to handle all the exciting new customer projects in parallel with operational optimization and many organizational changes across all Business Divisions.

### Some of the major topics that characterized 2022/23 were:

- Welcoming our 25 new colleagues at Mekoprint Microturn
  - with almost 25 years of high-end turning experience
- Preparing for our first Automotive IATF 16949 certification
  - to deliver a high-volume next generation touch interface
- Performing record investments in the green transition
  - with energy optimization, solar cells and a phase-out of natural gas
- Dealing with continued fluctuations in Energy and Raw Material prices
  - with a fortunate stabilization mid-2023
- Handling inflation and salary cost increases across Denmark, Poland and Ukraine
  - with significantly higher cost of operation
- Following market fluctuations and a general customer order slow-down
  - leading to a reduction of more than 50 colleagues

In addition to these major topics, a number of milestones have characterized the year at each Business Division incl. a new record acquisition in the history of Mekoprint, which you can read about in further detail in page 10-19.

With all of this in mind, we are very proud of our high level of team performance and satisfaction throughout 2022/23. This is our foundation to continue leading new ways – towards better business and a brighter future!



The Mekoprint overall Management Team, from left to right: Benny Albrektsen Division Director Micromechanics, Søren Holmboe Division Director Mechanics, Torben Jensen CFO, Alex Laursen Business Development Director, Morten Lundgreen Division Director Graphic Electronics, Marianne Reenberg HR Development Director, Lars Bo Nielsen CIO, Anders Kold CEO, Lars Rasmussen Division Director Cables.



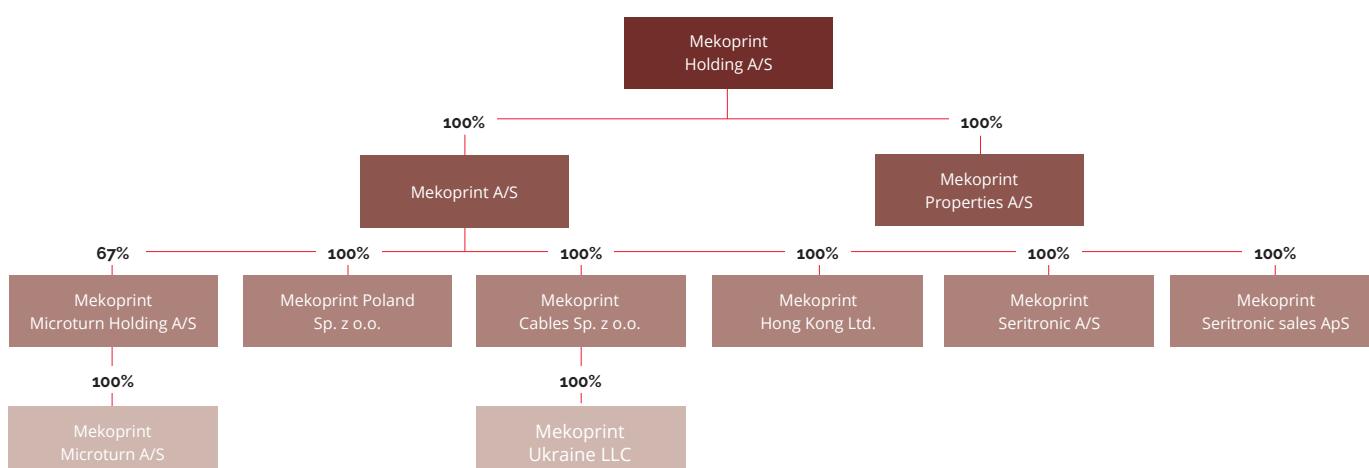
# Mekoprint Group companies and activities

This Annual Report for Mekoprint Holding A/S is related to the period 1st of October 2022 until 30th of September 2023 and comprises the Management Review, Income Statement, Balance Sheet, Statement of changes in equity, Cash Flow Statement and Notes.

Mekoprint Holding A/S is majority owned by the founding family "Kold" and minority owned by employees in Denmark and three external investors, of which two are external members of the Board of Directors.

## Mekoprint Holding A/S is the parent company of a group with the following entities:

1. Mekoprint A/S as the operational company in Denmark with the following international subsidiaries:
  - a) Mekoprint Microturn Holding A/S as a Micromechanics division company for the subsidiary
    - i) Mekoprint Microturn A/S as a company specialized in microturning
  - b) Mekoprint Seritronic A/S as a Graphic Electronic division company acquired in August 2023
  - c) Mekoprint Seritronic Sales Aps as a Graphic Electronic division company acquired in August 2023
  - d) Mekoprint Hong Kong Ltd as a regional sales, sourcing and customer support office across Mekoprint Divisions
  - e) Mekoprint Poland Sp. z o.o. as a Mechanics production site for Mekoprint A/S and selected large direct customers
  - f) Mekoprint Cables Sp. z o.o. as the Cables division company with the subsidiary
    - i) Mekoprint Ukraine LLC as a Cables production site with Cables SP. z. o.o as the only customer
2. Mekoprint Properties A/S as a property company with Mekoprint A/S as the main customer.



The business of Mekoprint A/S is split in four Divisions described in further detail on page 10-19 incl. main events in 2022/23

# Overall financial development

Mekoprint Holding group increased its revenue by 5 % to DKK 763 million and generated a Profit after tax of DKK 27 million which is DKK 17 million lower than 2021/22. This translates to a drop in the Profit margin after tax from 6 % in 2021/22 to 3,5 % in 2022/23, which is primarily due to a general increase in the total cost of operation and costs related to lower market demand and organizational changes associated with this. The Profit level of 2022/23 is lower than budgeted and expected, but the financial performance is still satisfactory given the market conditions outside of our control.

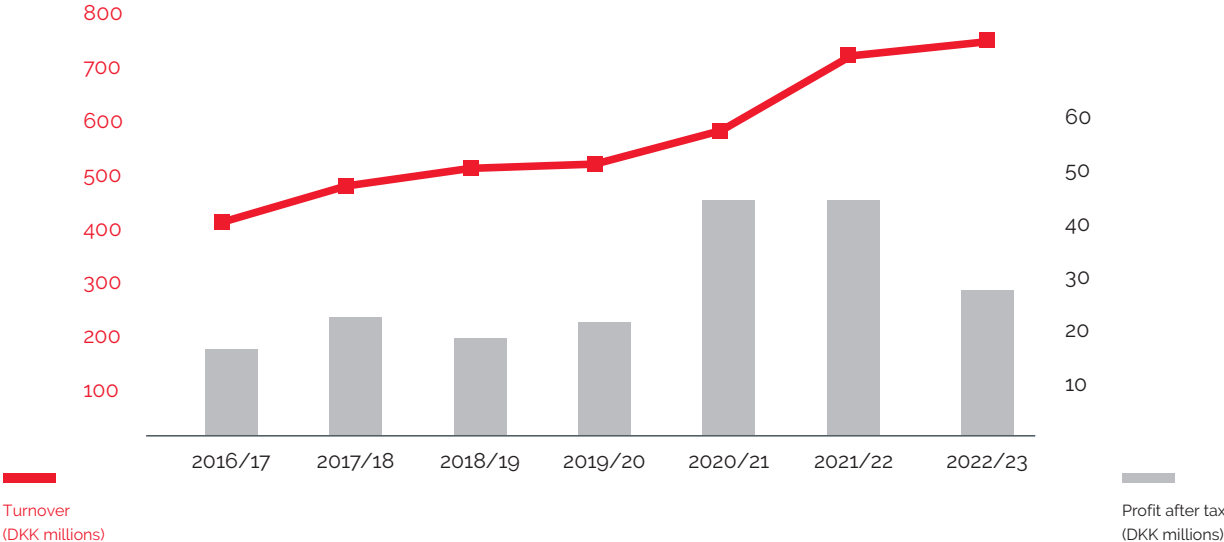
Cash flows from operating activities for 2022/23 were positive at DKK 88 million compared to DKK 11 million in 2021/22. This increase in cash flow is primarily related to a significant decrease in stock levels and receivables across all Mekoprint business areas by DKK 19 million. Where in 2021/22 stock levels and receivables increased by total DKK 54 million. After investments and financing, the year's total cash flows were positive at DKK 6 million in 2022/23 against a total cash flow of DKK 2 million in 2021/22.

## Financial outlook 2023/24

The Turnover level for the financial year 2023/24 is expected to grow up to 19 % compared to 2022/23 and the Profit level after tax for the financial year 2023/24 is also expected to be higher than 2022/23. However, the financial performance of 2023/24 is very easily affected by the current negative trends in the general macro-economic situation.

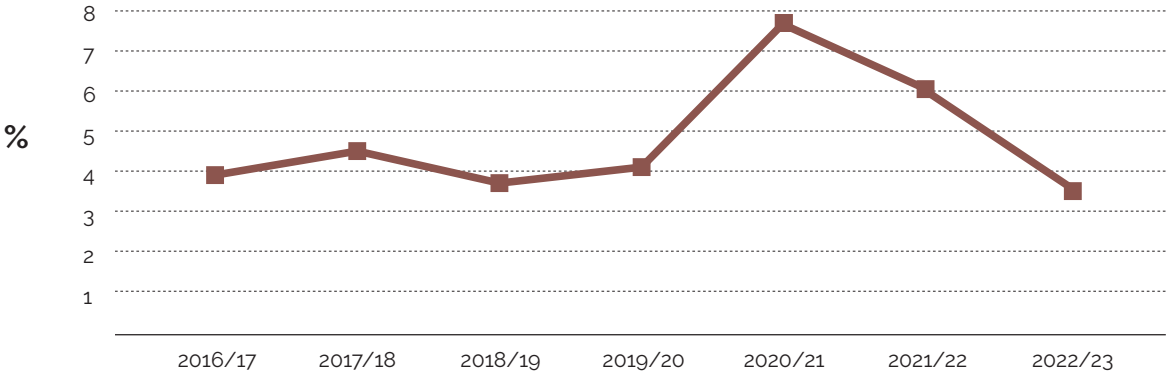
### Turnover and profit after tax 2016/17 – 2022/23

The Mekoprint Group Turnover has grown by an annual average of more than 11 % since 2016/17. During this growth period the Profit after tax did not change significantly until 2020/21 based on the positive investment effects of previous years. However, in the following years of 2021/22 and 2022/23, the Profit after tax has not developed in line with the Turnover growth due to the increasing and more volatile costs of operation combined with increased long term strategic investments in organization and technology.



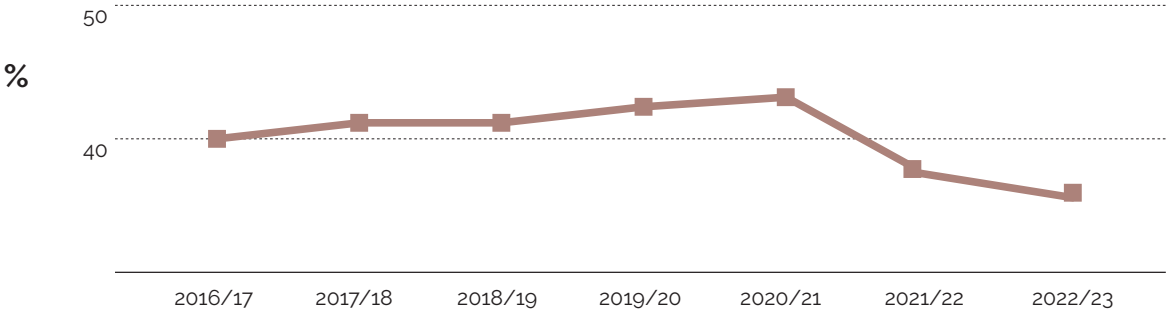
**Profit after tax 2016/17 – 2022/23**

After 5 years drop in the Profit margin after tax, the 2020/21 result almost reached the strategic target of 8 %. In the Financial year of 2021/22, the Profit margin after tax dropped to a level of 6% and in 2022/23 it dropped once again to a level of 3.5%.



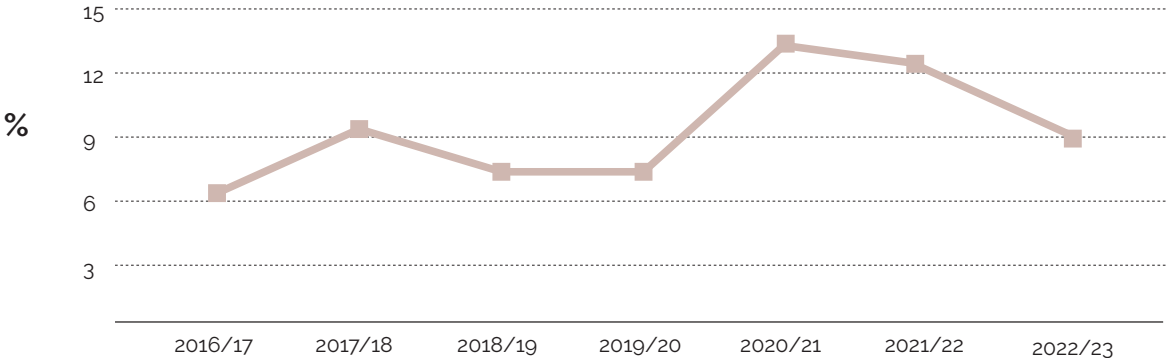
**Equity ratio 2016/17 – 2022/23**

The Solidity % has historically been held at a conservative level above 40 % to ensure long term business stability in times of crisis. In 2021/22 and 2022/23 the solidity % has dropped due to working capital needs and increased investment levels incl. acquisitions of Microturn and Seritronic. The strategic minimum Equity ratio level is 36 %.



**Return on Invested Capital 2016/17 – 2022/23**

The Return on Invested Capital (ROIC) % level has dropped in 2021/22 and 2022/23 due to the drop in Profit levels vs. increased invested capital – which in 2022/23 is related to technology investments and acquisition goodwill in particular.







## About us

Mekoprint is built on almost 70 years of experience and a unique combination of competences across independent product teams dedicated to the products and people of our customers.

As a customer and collaboration partner at Mekoprint, you will find that we are keen to develop a mutually respectful and obligating way of working together. We go out of our way to make things better, and take pride in aligning expectations and common goals, so we can deliver on our promises.

We make sure to set the right team, which understands the needs of our customer. We never work according to our own agenda, but allow ourselves to challenge initial proposals with new or alternative solutions that contribute in a better way to the business development, operation and bottom line of our customers and partners.

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The foundation is our improvement culture, which builds upon a unique team spirit with mutual respect for our differences and a long term development focus. This is supported by ambitious investments, expanded global presence and being a front-runner in the transition to a more sustainable future.

Complemented by increased digital processes and automation we strive to become even better at leading new ways - toward better business and a brighter future.

## People

**>750**

employees in total at 30<sup>th</sup> of September 2023 in Denmark, Poland, Ukraine and China.

>40 % employees outside of Denmark  
~25 % customer facing & administrative employees.

## Partnerships

**60%**

of the Turnover is related to long-term Customer Partnerships for more than 10 years. Only 11 % of the Turnover is related to less than 5 year old Customer Relations

>1.000 active customers in 2022/23  
+10.000 unique customer-specific components produced.

## Locations

10 factories and 2 sales & sourcing offices  
>50.000 m2 production area.



## Markets

68% International Export, 32 % Denmark.



## Technologies

**>35**

different production technologies from low to high volume.

>850 million DKK investments over the lifetime of Mekoprint in Machinery and Buildings.

## Industries

**>45%**

related to green-tech from Energy & Utilities to Automation and Electric Vehicles.

Other main industries are Medical & Professional Equipment, Appliances and Machinery.

# Mekoprint divisions

Mekoprint is organized in four main divisions, which are further split up into product related teams. Each product team is increasingly developed independently incl. separate strategies and financials within the overall Mekoprint frame of reference, to ensure decision powers as close to the customers as possible.



## **graphic electronics**

The Graphic Electronics Division provides innovative design & development assistance and a global manufacturing setup from low to high volume customized User Interfaces, Industrial Graphics and Printed Electronics.



## **cables**

The Cables division provides a one-stop-shop for design assistance, fast prototyping and production of most types of custom copper-based wire and cable harnesses for electronic devices and Industrial needs.



## **mechanics**

The Mechanics division provides a unique combination of Metal related product development assistance with fast prototyping, cost-effective design and scalable production from single plates to high-volume coil-based solutions.



## **micromechanics**

The Micromechanics division co-develops and produces customized high-precision fine mechanical components and total solutions e.g battery connectors, EMI shielding and Metal Nameplates.





# mekoprint

## graphic electronics



The Graphic Electronics Division provides innovative design & development assistance and a global manufacturing setup from low to high volume customized User Interfaces, Industrial Graphics and Printed Electronics.

The division roots go back to 1972 when Mekoprint started making Industrial Graphical foils for the Agricultural Machine sector. Ten years later Mekoprint were among the first producers of foil based Membrane Switches in Europe and through-out the 1990's high-volume roll-to-roll Printed Electronics capabilities were developed in parallel with Production Partners in Asia for User Interfaces incl. Silicon Keypads.

Today the Graphic Electronic business is represented by more than 200 highly specialized colleagues, best in class production technologies and +16,000 m<sup>2</sup> across three factories in Denmark, which is complemented by Production Partners in Asia. These capabilities are split in two main business areas related to different customer needs:

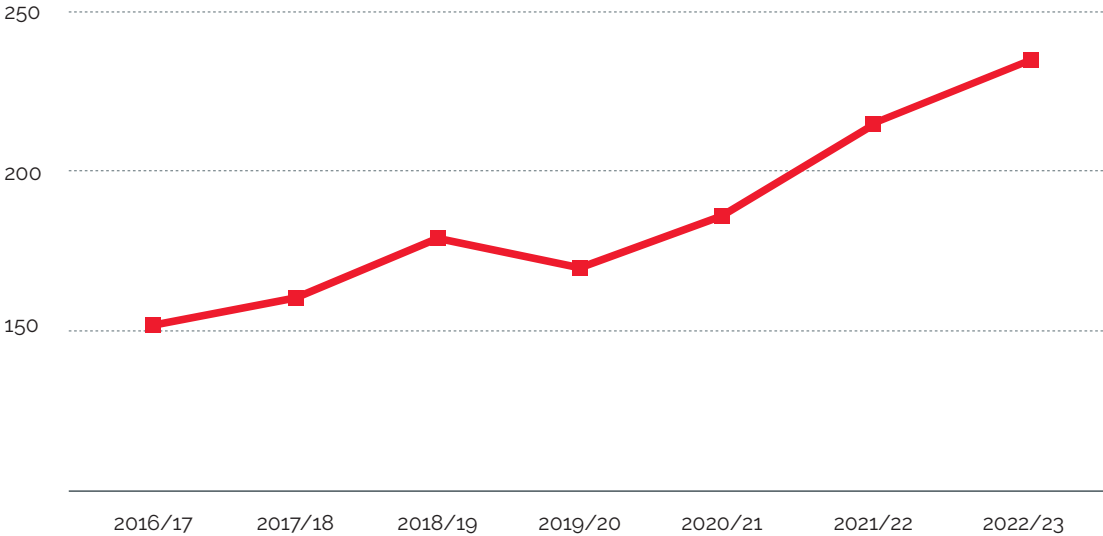
- User Interfaces and Graphical solutions – for low-medium volume Professional use based on single piece production
- Printed Electronics – for high-volume needs based on roll-to-roll printing, converting and delivery



In August 2023 the Graphic Electronics division was expanded through a Mekoprint record sized acquisition of the competing User Interface company Seritronic. With 60 new colleagues becoming a member of the Mekoprint family and complementary capabilities for box-build assembly incl. displays and touch solutions, the joint business is now the 3rd largest User Interface company in Europe.

The Turnover of 235 million DKK in 2022/23 represent a growth of 9 % compared to 2021/22, which is primarily related to the acquisition of Seritronic in August and a stable Turnover level in the existing business areas. The division has continued to win new business in 2022/23 comparable to 2021/22, which is expected to generate growth in the coming year – in addition to the 2023/24 full-year effect of the new Mekoprint Seritronic business.

Turnover  
(DKK millions)



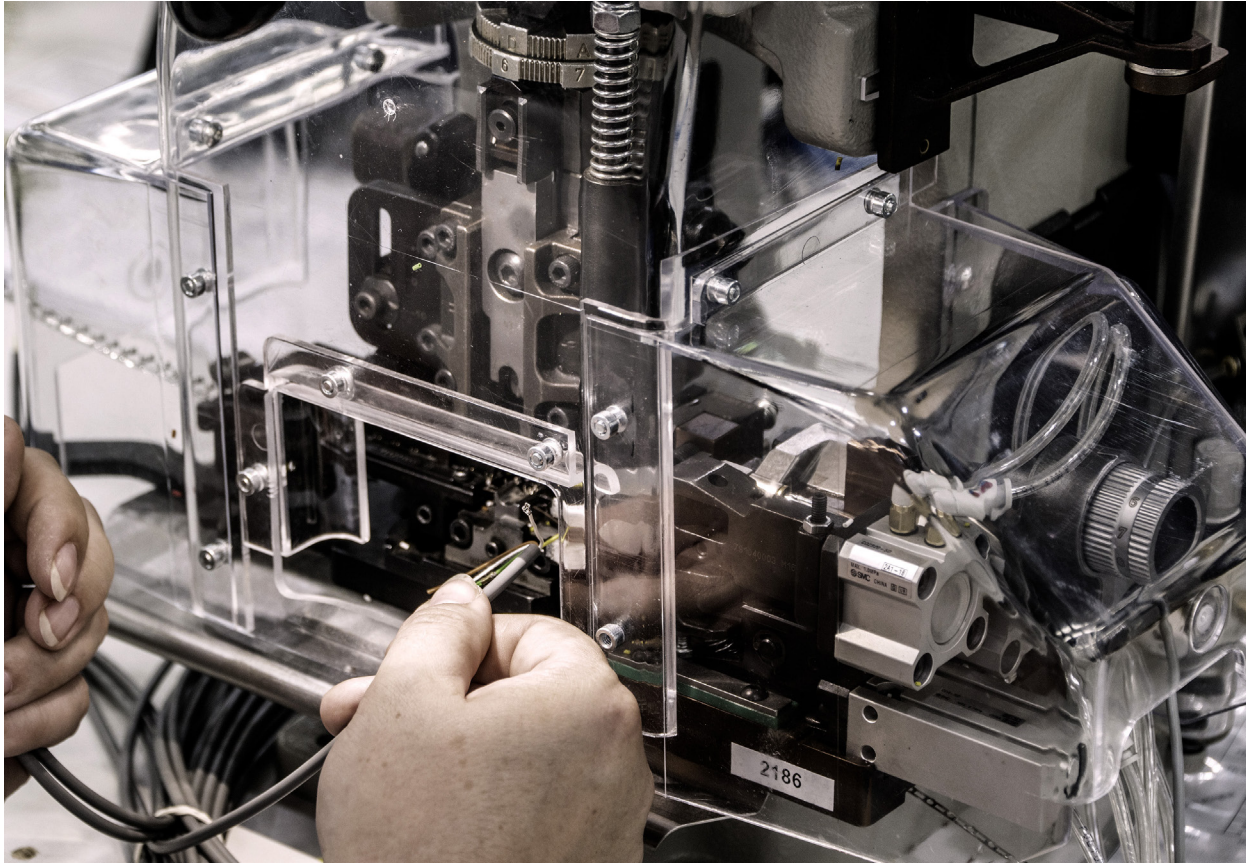
The strategic development target is to be a leading development and production partner within selected markets for European companies with an increasing level of integrated solutions and components shipped directly to customer assembly lines without incoming quality inspection.

Aside from the Seritronic acquisition, one of the highlights of 2022/23 was the preparation efforts towards becoming IATF 16949 certified for Automotive high-volume delivery of a next generation touch solution. This will lead to a new way of working in the Printed Electronics business with proactive Quality Assurance throughout all processes.



# mekoprint

## cables



The Cables division provides a one-stop-shop for design assistance, fast prototyping and production of most types of custom copper-based wire and cable harnesses for electronic devices and Industrial needs.

The division roots within Mekoprint dates back to 2011 when the Danish cable harness company "S-Pro" was acquired to strengthen the total product portfolio within electromechanical needs. Later in 2015 the Danish-Polish "Molex-Knutsen" cable harness company was acquired and merged with the former "S-pro" activities to establish Mekoprint Cables as an independent Mekoprint division

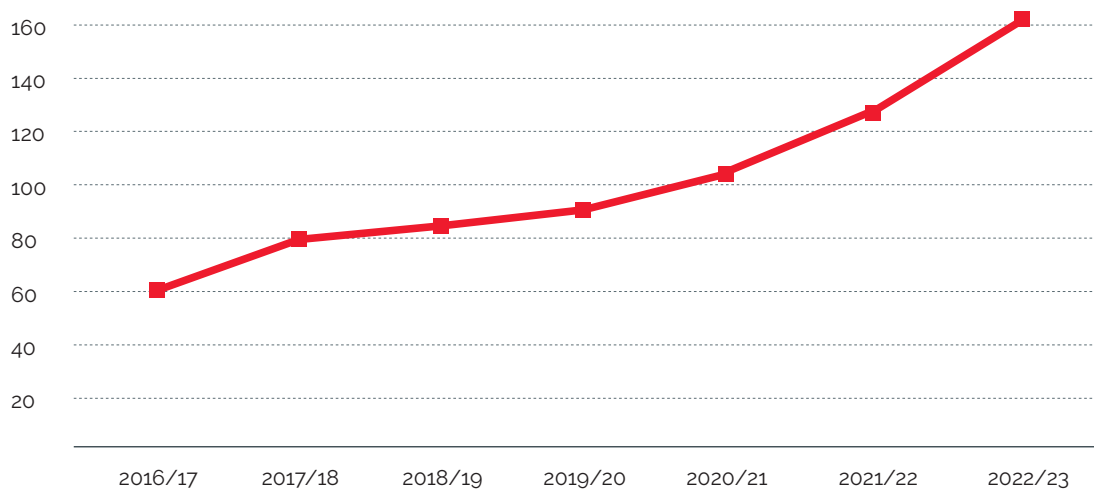
Today the Cables division is fully integrated in Mekoprint with shared large customer partners, a fully digital shop-floor and an additional production facility in Ukraine to complement the Polish facility, which was originally established in 1995 close to Warsaw.

**The Cables division employs more than 300 employees divided into different product teams:**

- Single wires
- Coax cables
- Multicore cables
- Wire harnesses
- Boxbuilding & Subassemblies
- Low and high pressure over-molded solutions

In 2022/23 the Cables division Turnover reached 161 million DKK, which represents a significant growth of 28 % compared to 2021/22 due to a continued increase in customer demand and new project ramp-up. The division has also won further new business in 2022/23 related to the green-tech industries in particular, which is expected to ensure continued growth in the coming years.

Turnover  
(DKK millions)



In 2022/23 the Cables division has continued to struggle with supply chain issues and space management related to the growing business volumes. However, the internal team performance in Poland and Ukraine has been very solid, with an increasingly best practice operation and record high work-life satisfaction in both locations, which has led to a number of optimizations incl. better utilization of the available space.

The biggest milestone of 2022/23 was the completion of the new 3,600 m2 factory in Ukraine, which provides an opportunity to expand from +100 to +300 colleagues in Ukraine with new triple the business from our Ukrainian facility. This complements the Cables Poland factory that is increasingly focused on automated processes and high-end cable harness solutions incl. specialty cable solutions with built-in electronics, assembled under microscope in an ESD secure area followed by overmolding to provide protection for harsh user environments.

With the expansion in Ukraine and the increased specialization in Poland, the Cables division has positioned itself even more clearly in a leading partnership position within custom designed cable and wire harness assemblies to high-quality market needs in Northern Europe.



# mekoprint

## mechanics



The Mechanics division provides a unique combination of Metal related product development assistance with fast prototyping, cost-effective design and scalable production from single plates to high-volume coil-based solutions.

The division roots go back to 1978 when existing customers encouraged Mekoprint to expand into the Metal solution area. By following the needs of an increasing number of long-term customers, the Metal business quickly became one of the key parts of Mekoprint's Product portfolio.

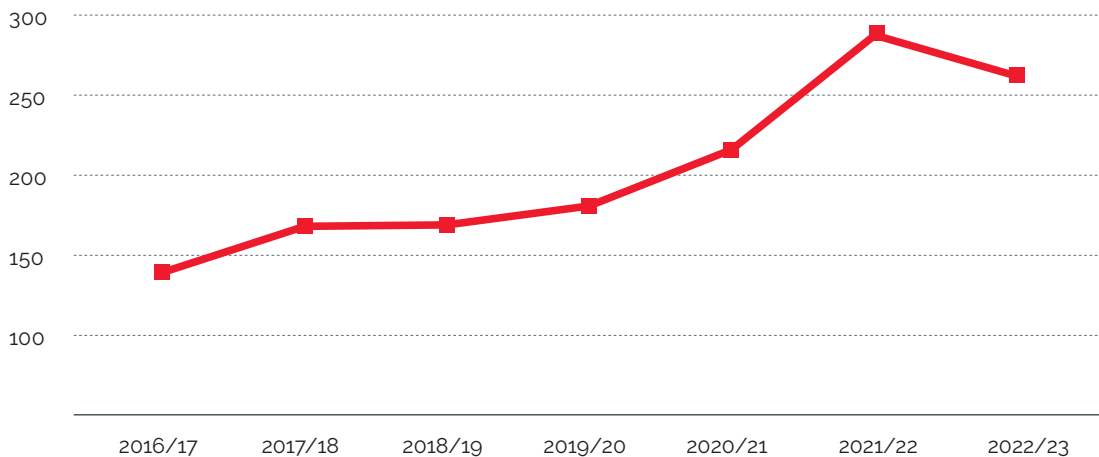
Today the Mechanics division consist of two factories in Denmark and one factory in Poland with a total of more than 160 specialists. The philosophy is to integrate production processes in highly optimized product flows to ensure cost-effective stable quality and scalability.

**The division is split into four main product areas, which are all supported with internal surface treatment processes:**

- High volume coil-based solutions
  - based on highly automated production processes incl. deep drawing
- Plate solutions
  - based on a broad array of production technologies to quality demanding requirements
- Welded system solutions
  - for industrial business needs of flexible production to enable mass customization
- Milled solutions
  - based on stand-alone machines and fully automated processes

The Mechanics division has experienced a high level of activity especially during the turbulent "Coronayear" of 2021/22 with a dramatic increase in raw material prices. During 2022/23 the raw material prices and peak customer demands have reached normal levels once again in all product areas, which has led to a drop in the Turnover level from 290 million DKK to 262 million DKK, which represents a relative Turnover drop of 10 %.

Turnover  
(DKK millions)



Despite of new won business at a continued high level in 2022/23, the division Turnover in 2023/24 is expected to remain at the same level as 2022/23 due to a combination of significant activity increases and decreases at selected large account customers. This provides a special opportunity to focus on best practice use of recent years record investments incl. a 2,400 m<sup>2</sup> additional production area, a new 500 tons Hydraulic 1,50 meter coil-press, five new milling machines, a fully automated fiber-laser and an equally highly automated punching machine – all in Denmark. Making use of these extended capabilities in Denmark in combination with our specialists in Poland, the business outlook is positive in the pursuit to become a leading partner for the development and production of globally competitive high precision metal components within selected markets for Northern European companies.

# mekoprint

## micromechanics



The Micromechanics division co-develops and produces customized high-precision fine mechanical components and total solutions e.g battery connectors , EMI shielding and Metal Nameplates.

The division roots go back to the very beginning of Mekoprint in 1954 with the production of Metal Nameplates for the Agricultural Machine Industry. The core technologies of screen printing, chemical etching, anodizing and punching have since evolved into a number of specialty product areas made possible with new production technologies incl. bending, milling, turning, laser cutting, welding and engraving.

The Micromechanics division was formerly known as the Chemigraphics division in the majority of 2021/22, but in August 2022 the division name was changed to reflect the breadth of micromechanical production technologies.

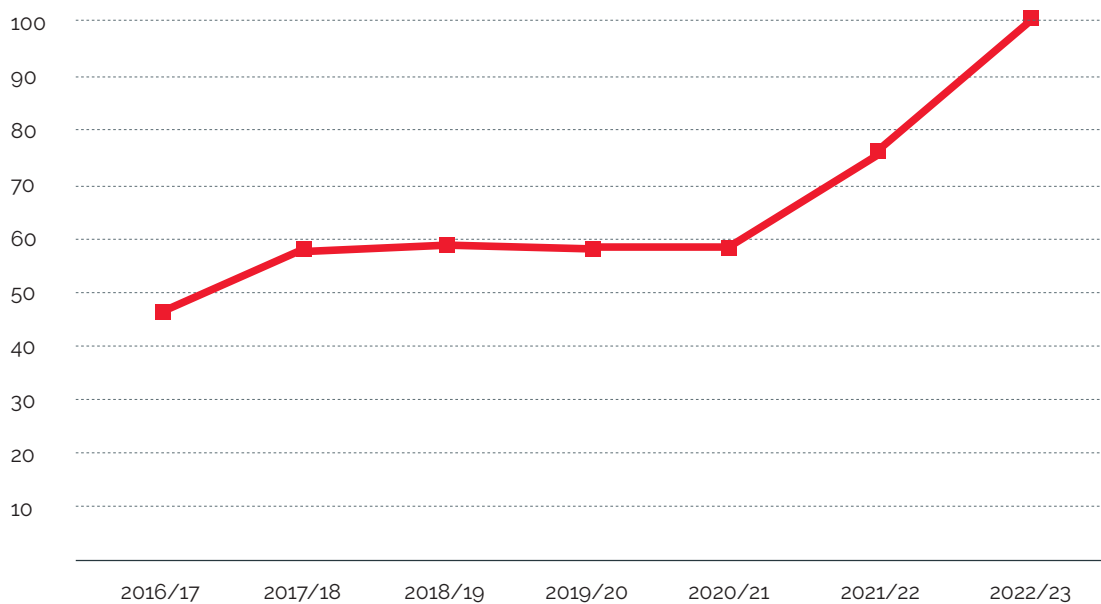
Today the division has evolved from an etching specialist to become a valued development and production partner within fine mechanical components and total solutions for Northern European companies

**This is based on a unique combination of production technologies split into four product areas:**

- Micro-machined components – addressing under 5 mikron milling and turning tolerance requirements
- Micro-sheet components – based on etching, micro laser-cutting, punching, bending and welding
- Custom EMI solutions – to shield or separate Electro Magnetic Interference from within Electronic devices
- Metal Nameplate solutions – for Product branding and identification

The single most important recent business event at the Micromechanics division was the acquisition in August 2022 of a 67 % majority stake in the Danish based Microturn company with +20 years of dedicated experience within microturning. The company has continued independent operation as “Mekoprint Microturn” for more than one year with a gradual co-ordination of customer facing processes, which will be supported by the integration in 2023/24 of all processes incl. sales and administration for the milling and turning Product Area as a separate Business Unit to be united in the Mekoprint Microturn company.

Turnover  
(DKK millions)



Based on the full year effect of the majority acquisition of Microturn, the Micromechanics division Turnover has increased from 76 million DKK in 2021/22 to 101 million DKK in 2022/23, which represents a growth of 33%. This will be complemented by the continued development of metal sheet related processes with several investments in automation and a new Direct Imaging technology for the optimization of processes and quality related to metal etching. Finally a Total Solution Product Area is being developed by combining the competences and integrated production flows made possible with our unique portfolio of micro-mechanical technologies. Based on this the Micromechanics division is on a very clear path to become one of the leading companies within the development and production of micro-mechanical solutions in Northern Europe.



# Overall strategy

The overall strategy of the Mekoprint Group serves our **Purpose**, is driven by an **Ambition** and is guided by our **Values**:

## **Purpose**

**Leading new ways – towards better business and a brighter future** based on a unique combination of competencies, a team-based improvement culture and dedication to lower resource usage & increasingly positive environmental-social impact.

## **Ambition 2025**

**To become a long-term growth company** with DKK 1 billion Turnover and four bottom lines in balanced positive development.

## **Values**

**Curious, Ambitious, Resolute and Responsible**

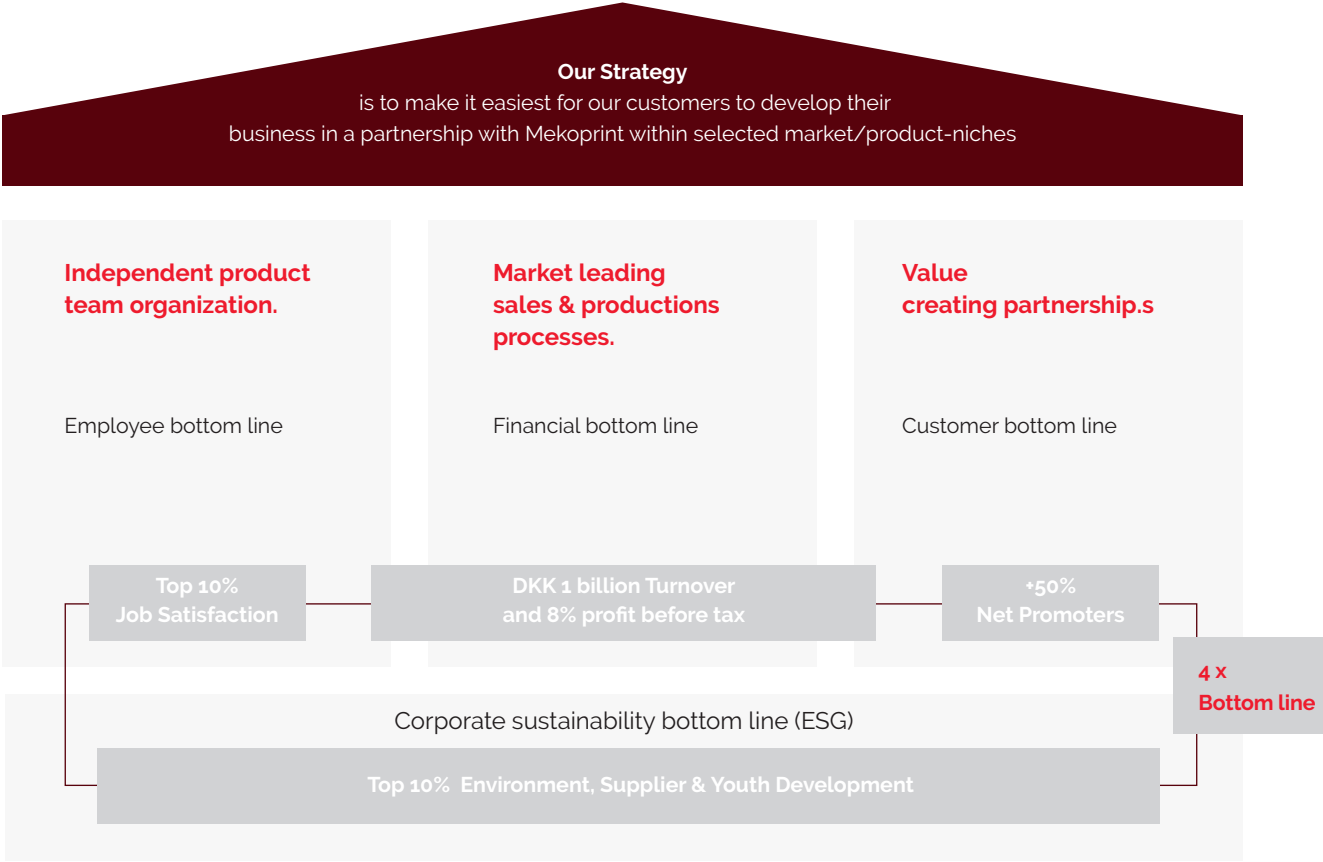
Leading new ways™

towards better business  
and a brighter future

The overall strategy is summarized in the "Mekoprint Strategy House" below with three main pillars to support the overall strategy and our surrounding society as the foundation we are based upon.

The key to the strategy is to ensure a balanced best practice development of all areas, which we pursue with a quadruple bottom line in mind representing all stakeholders.

This we believe can only be done by making long term strategic investments combined with short term performance in line with the dynamic needs of all stakeholders. To support the growth ambitions and strategic direction for each Division and Product Area, the expected Investment programme incl. acquisitions from 2020/21 until 2024/25 is in excess of DKK 250 million. The long term 2030 ambition is to become a leading sustainable partner, which requires a phased approach as described in the following pages.



## Quadruple bottom line

The key to the strategy is to ensure a balanced development of all areas, which we pursue with a quadruple bottom line in mind representing all stakeholders.

# 1

### **Employee job satisfaction**

- is measured several times a year based on 10 key questions with external benchmark through Peakon Workday. In the most recent survey at the end of the Financial year 2022/23, the Job Satisfaction status has increased from a top 10 % level last year to a new record top 5 % level as an average across the Mekoprint Group. This is a very positive development of great importance towards short and long term organizational performance.

# 2

### **Financial performance**

- is measured on a Product Team level to provide transparency and clear ownership for targeted cost improvement and business development actions. The overall 2025 financial target is profitable growth towards a Turnover of 1 billion DKK and 8 % Profit before tax supported by a Return on Invested Capital of 20 %. This can be reached by 2025, but is highly uncertain due to the current negative macro-economical trend.

# 3

### **Customer satisfaction**

- is measured once a year with an open survey to provide feedback from customer contacts directly to the Mekoprint counterparts which allows immediate follow-up. In 2023 the Net Promotor Score increased from 37 % to 43 %, which brings us significantly closer to the 2025 strategic target of 50 %. This is a very important step in our efforts to focus on highly value creating partnerships with customer needs that match our capabilities and collaborative culture.

# 4

### **Corporate sustainability (ESG)**

- is evaluated once a year with a "Corporate Sustainability score" by the third party auditing company EcoVadis. In 2023 the auditor provided Mekoprint with an "Advanced" score of 67, which was an increase from 66 in 2022. This is in the top 3 % when benchmarked with comparable companies, which is highly satisfactory compared to our strategic 2025 target of being in the top 10 % category. Despite of this we remain committed to continued improvements and are targeting a full ESG reporting in 2024 based on a "Double Materiality Assessment" of the most important topics in the EU based ESG standard. Please refer to the following pages about our current ESG status and focus areas.





## Corporate sustainability (ESG)

At Mekoprint we play a special role in the efficient and responsible conversion of raw materials into components that are used extensively throughout society from high-end medical, industrial and other professional devices to millions of consumer related pumps, actuators and control systems. Due to this we are positioned in the middle of a very extensive value chain with a far reaching assessment of how we can work in increasingly sustainable ways. Being a sustainably decent and innovative company is however our DNA – which is rooted in our four founding core values: Curious, Ambitious, Action oriented and Responsible. With this in mind, we have a natural dedication to the highest standards for corporate sustainability in our ways of working internally and externally.

To support this dedication we have been evaluating the draft EU “Corporate Sustainability Reporting Directive” (CSRD) in collaboration with two external Sustainable Advisory companies and the Danish Industry (DI) association in 2023. Based on this we've completed a “Double Materiality Assessment” of our most important impacts, risks and opportunities towards all stakeholders in society with direct or indirect relation to Mekoprint. This has led to our preliminary ESG reporting in the following pages, which will be followed up by a GAP assessment in order to define and perform a fully validated Environmental, Social and Governance (ESG) reporting in 2024 based on all substantial topics for the stakeholders of Mekoprint in relation to the new EU CSRD standard.

Our overall long term 2030 ambition is to become a leading sustainable development and production partner, which means our corporate sustainability efforts are an integrated part of our strategy and action plans. The current main focus is to ensure ESG transparency and improvements – and to prepare a proactive customer facing advisory role with a special emphasis on CO<sub>2</sub> reduction.

Our ESG related standards, policies, processes and due-diligence approach is audited every year by the 3rd party company EcoVadis, which leads to a “Sustainability rating”. In 2023 this resulted in a rating of 67 which places Mekoprint in the top 3 % of comparable companies. Additionally, we signed the UN Global Compact in 2017 and have since then worked with 5 selected UN Sustainable Development Goals listed below. A yearly progress report is made to the UN providing status information on targets for each of the selected 5 Global goals that are now also included in the ESG reporting on the following pages.

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We want to be a pioneer in the development of a more sustainable future. This requires both short-term actions and long-term investments as an integrated part of our strategy.

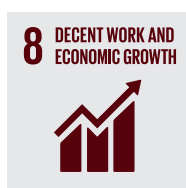
CEO, Anders Kold

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## Global goals



Gender equality has always been natural at Mekoprint, as has equality in general across age, geographical origin and religious as well as sexual orientations. This applies to e.g. equal pay for equal qualifications and equal respect for all. This Global Goal is supported by Mekoprint targets for "Women in management" and "Freedom of opinion (as an expression of diversity in general)". Please read further details on page 34.



Decent work and economic growth have always gone hand in hand at Mekoprint. The management philosophy is that high job satisfaction is crucial for developing happy customers, which in turn are crucial for natural and thus sustainable economic growth. This Global Goal is supported by Mekoprint targets for "Job satisfaction", "Proportion under education" and "Economic annual growth".



Long-term investments in smarter technologies with better resource utilisation are among the most important characteristics of Mekoprint's continued development. This Global Goal is supported by targets for "Infrastructure investment % of Turnover", "Annual new job creation" and "Organizational investment in competencies for Green Transition and Customer Advisory".




Mekoprint's overall purpose as a company is to create a better world together, with declining resource consumption and an increased positive environmental impact in partnerships throughout the supply chain. Therefore, responsible consumption and production is a completely natural part of everyday life for all employees – in all processes. This Global Goal is supported by Mekoprint targets for "CO2 footprint", "Reduced electricity consumption", "Reduced scrap" and "Environmentally friendly packaging".



In order to create the best possible solutions with a sustainable use of resources, there is a need to activate knowledge and encourage action among all parties involved. That is why "Partnerships for the Goals" is crucial for us to succeed in developing products that are increasingly sustainable. This Global Goal is supported by Mekoprint targets for "Revenue share for customers with a focus on Green Transition", "Customer satisfaction with advice on increased sustainability", "Supplier share with a Sustainable profile" and "External maturity validation".

For more information about our targets and status please refer to our latest UN Communication of Progress at [www.unglobalcompact.org/participation/report/cop/active/468144](http://www.unglobalcompact.org/participation/report/cop/active/468144).



A young oak tree sapling is planted in a nursery bed. The soil is dark and rich. A wooden label is placed in the soil next to the tree. The label has a red heart symbol at the top, followed by the text 'mekoprint' and 'Growth Trees' written in black. A blue metal post is visible in the background.

mekoprint  
Growth Trees



## Environmental responsibility

In 2022/23 we've used over 12 Gigawatt Energy and processed more than 6,000 tons of raw materials into 198 million items across 12,000 different components. These numbers indicate a great level of complexity handled throughout the company with a broad range of opportunities for further resource, process and product optimization.

Selection of raw materials is ultimately a customer decision, but we are targeting an advisory role to help our customers select more environmentally friendly raw materials and not least reduce the associated CO2 carbon footprint incl. emissions related to transportation of materials and final components. The basis for this is currently being established in order to develop that advisory role by 2025 incl. the use of a CO2 calculator among other tools.

Our current improvement focus is on our own use of Energy, CO2 neutralization and waste levels with targets and available metrics to measure progress as shown in the table.

### Main initiatives and results in 2022/23:

- Energy optimization - leading to a reduction in Electricity, District heating and Natural Gas of 13 %
- Neutralizing all CO2 scope 1-2 emissions by 2025 - on track with new solar cells, heat pumps and forestation
- Organizational awareness of waste streams - has increased recycling and reduced remaining district waste
- Focus on food waste - has led to a significant drop of 29 % compared to 2021/22
- Production process scrap reduction - remains a focus area in 2023/24 to improve

The most important risks associated to our Environmental responsibility is potential pollution - and from water-based processes in particular. These processes are being monitored thoroughly to ensure stable processes and avoid pollution with preventive maintenance and ongoing tests.



Picture: Mekoprint forestation of more than 30,000 trees to date - of which 11,000 was in 2022/23.

## Environmental responsibility focus areas and progress reporting\*

Focus area	Target	2022/23	2021/22	2020/21	Comment	KPI definition
<b>Electricity vs. Turnover</b>	Reduce 20 % from 2020/21 to 2024/25	6,834 MWh 9.8 MWh/ million	7,944 MWh 10.9 MWh/ million	7,127 MWh 12.5 MWh/ million	Target reached two years ahead of time.	Annual electricity MWh divided by Annual Turnover
<b>Heating vs. Turnover*</b>	Reduce 50 % from 2020/21 vs. Turnover in 2024/25	5,839 MWh 8.4 MWh/ million	7,260 MWh 10.0 MWh/ million	7,078 MWh 12.4 MWh/ million	To be reduced further by heat pumps & ventilation optimization	Annual Heating MWh divided by Annual Turnover
<b>CO2 emission scope 1-2</b>	Below SBTi requirement***	2,046 tons	2,533 tons	2,253 tons	CO2 reduction in recent three years is below SBTi requirement	All scope 1-2 CO2 emissions divided by Annual Turnover
<b>CO2 neutralization scope 1-2</b>	100 % CO2 neutral by the end of 2025	152 tons 7.4%	28 tons 1%	N/A	Detailed action plan in progress to reach 2025 target with heat pumps, wood, solar cells, wind power and forestation.	Neutralized tons CO2 divided by total tons CO2 emission.
<b>CO2 emission scope 3***</b>	Below SBTi requirement***	115 tons	106 tons	22 tons	2020/21 level was unusually low due to Covid19 epidemic	Sum of CO2 emissions from all company cars and public transportation
<b>Water consumption</b>	Reduce 20 % from 2020/21 to 2024/25 relative to Turnover	16,966 m <sup>3</sup> 23.88 m <sup>3</sup> /mDKK	17,452 m <sup>3</sup> 24 m <sup>3</sup> /mDKK	14,8216 m <sup>3</sup> 25,96 m <sup>3</sup> /mDKK	Ongoing focus area	Total 1.000 m3 water consumption divided by Turnover in Period.
<b>Reduced production scrap</b>	25 % reduction from 2 % in 2020/21 to 1.5 % of Turnover in 2024/25	2.1%	1.83%	2.05%	Follow-up in progress to evaluate efforts to reach target	Total cost of scrap from all production processes divided by Turnover in Period.
<b>Hazardous waste</b>	To be defined relative to process Turnover Decrease YoY	253 tons	360 tons	373 tons	Continued significant annual drop from 579 tons in 2018/19	Total weight measured at waste collection
<b>Food waste</b>	20% reduction from 2021/22 to 2024/25	11,480 kg	16,140 kg	Not registered	Special focus area 2022/23	Total weight measured at waste collection
<b>Domestic waste (remaining non recyclable)</b>	20 % reduction from 2021/22 to 2024/25 relative to Turnover	300,105 kg	307,690 kg	Not registered	Residual from other waste streams	Total weight measured at waste collection
<b>Environmentally friendly packaging</b>	99 % environmentally friendly by 2024/25	92%	91 %	90 %	Ongoing focus area	Total purchase cost of packaging from environmentally friendly

\* Related to Mekoprint Group Turnover of 698 million DKK excl. new subsidiary companies Microturn and Seritronic to be included

\*\* Heating includes Natural Gas, District Heating

\*\*\* SBTi is an abbreviation for "Science Based Targets initiative" which is being evaluated for Mekoprint participation in 2024/25.

\*\*\*\* CO2 scope 3 includes company transportation. Scope 3 related to purchasing and transportation of goods is being evaluated.





## Social responsibility

Social responsibility has always been a natural part of Mekoprint's culture, with a particular focus on being a great place to work with highly independent teams. This applies to everything from human rights to a joint effort to develop an engaged working environment with room for differences and a focus on helping each other.

The internal high standards for our work environment is also set for our suppliers with all expectations described in a "Mekoprint Partner Code of Conduct". Finally, we have a special long-term focus on the support of children and young people, with increasing local cooperation regarding job opportunities in an industrial company as a career path - and also support for local initiatives with volunteers who make a special effort for children and young people.

Our current social improvement focus is particularly gender diversity in management positions, sustaining a high level of work-life satisfaction and promoting job-training and technical education opportunities for young people.

A special initiative in 2022/23 was the preparation and completion of an organization wide "psychological work environment survey" (Danish APV) with follow-up action plans related to special focus areas.

The most important risks associated to our Social responsibility is a drop in Employee Satisfaction which will lead to higher Employee Turnover level, sick leave % and general inefficiency.

## Social responsibility focus areas and progress reporting

Focus area	Target	2022/23	2021/22	2020/21	Comment	KPI definition
<b>Employee #</b>	N/A	693	665	618	Employee growth primarily related to acquisitions	Average number of employees during the year
<b>Employee turnover</b>	Maximum 15 %	13.4%	14.2%	8.7%	Unusually low during Covid-19 in 2020/21	Number of people leaving a job at Mekoprint divided by the average number of people in the year
<b>Sick leave %</b>	Maximum 4 %	3.2%	4.1%	4.1%	A special focus area incl. inspiration for healthy living.	Total number of sick days divided by total number of work days
<b>Employee satisfaction Employee survey</b>	Denmark eNPS 55 % 2024/25 (Top 5 % benchmark)	78%	71%	62%	Steady YoY progress based on a decade of management focus on employee engagement.	Total amount of rating 9-10 responses subtracted with all negative ratings and then divided by total number of survey participants
	International eNPS 50 % 2024/25 (Top 10 % benchmark)	51%	15%	26%	Significant progress related to increased management team focus on	
<b>Openness to speak Employee survey</b>	95 % in 2024/25	95%	88%	-	Goal reached with dedicated management focus	Total average 1-10 score divided by 10
<b>Incident rate* % for Denmark employees</b>	Yearly reduction	5%	-	-	Baseline year for follow-up	Total number of incidents divided by average number of employees
<b>Gender diversity All employees</b>	No targets currently needed	54% female	50% female	52% female	Increase in share of female employees due to acquisitions	Each gender share of total number of employees
		46% male	50% male	48% male		
<b>Gender diversity Management positions</b>	Minimum 40 % female managers by end of 2026	32% female managers	28% female managers	28% female managers	A special focus area in all new recruitments.	Number of female managers divided by total number of managers
<b>Employee training % of total time</b>	To be defined	75 hours per employee			Baseline year	Number of hours in training divided by number of Employees
<b>Education share % of DK employees</b>	5 % in 2024/25	4%				Number of apprenticeships in Denmark divided by total employees in Denmark
<b>External youth sponsorships**</b>	0.02 % of Turnover	150.000 DKK	250.000 DKK	150.000 DKK	UNICEF, Skyggeborn, Ønskeland, Youth Red Cross & Poland/Ukraine voluntary groups	Sum of all company sponsorships

\* Related to Denmark with public education programmes for apprenticeships.

\*\* Includes UNICEF and local organizations in Denmark, Poland and Ukraine supporting young people with special needs.





From left to right, CFO Torben Jensen and CEO Anders Kold



## Governance responsibility

Governance at Mekoprint is all about responsible management and leadership with clear roles, responsibilities and procedures in a complete Management System described in our ISO 9001:2015. The overall Governance is performed by the Board of Directors following an annual cycle incl. a yearly risk assessment, strategy update & action planning.

Mekoprint has worked with an internal/external Code of Conduct since 2012, which is a set of ethical rules that guide the cooperation between Mekoprint, Mekoprint's employees and Mekoprint's suppliers to ensure that the production of products and provision of services are consistent with Mekoprint's objective to act responsibly and fairly towards all groups of stakeholders.

The most important risks associated to our Governance responsibility is unethical behaviour which is not discovered in time to avoid consequences for the company incl. our financials and other employee satisfaction.

### Governance focus areas and progress reporting

Focus area	Target	2022/23	2021/22	2020/21	Comment	KPI definition
<b>Leadership quality Employee survey</b>	Minimum 80 % and average of 85 %	96%	90%	-	Evaluated up to 4 times/year with Team follow-up actions	Average 1-10 rating divided by 10
<b>Board meeting attendance %</b>	80 % attendance at 4 annual meetings	92%	-	-		Total number of participants for all meetings divided by total full participant number
<b>Whistleblower #</b>	0 pr. year	0	0	0	Concerns should be safe to discuss with peers or management	Number of whistleblower cases

## Gender diversity

As part of Mekoprint Group's corporate responsibility, the company also uses target figures and policies for the gender composition of its management. In Mekoprint group, the objective by 2026 is to have no underrepresented gender in the Board of Directors and Executive Board. At the end of 2022/23 the company's Board of Directors consists of four male members elected by the general meeting. The company's Executive Board consists of two members – both men. Consequently, the group's objective is not yet met by 30 September 2023. Attempts to meet the objective will be made in connection with any future changes to the existing composition of the Board of Directors and Executive Board.

The Mekoprint Group's objective is also not to have an underrepresented gender at other management levels. At the end of 2022/23, the Group employs 73 managers at various management levels, of whom 32 % are women and 68 % are men (At the end of 2021/22 the levels were 28% women and 72% men). The Group's goal by 2026 is to ensure that one gender does not make up less than 40 % has therefore not yet been reached, but the objective is to achieve this through internal management development and new appointments within the next three years. To the extent possible the Group will seek to have a female candidate among the last 2-3 candidates for a management position. Notwithstanding the objective concerning the underrepresented gender, the Mekoprint Group appoints members of management and any other position according to qualified candidates rather than gender.

The overall gender distribution in the Mekoprint Group is 52 % female and 48 % male employees with the following geographical differences:

- Employees at Mekoprint A/S in Denmark: 38 % female and 62 % male
- Employees at international subsidiaries: 72 % female and 28 % male

Diversity in general is a natural part of the Mekoprint Group with a culture that is open to our differences as people from opinions and motivational preferences to gender, nationality, religion or sexual orientation. To underline our support to diversity, the Mekoprint Group has signed "The gender diversity pledge" from the Danish Industry Association, which includes 16 principles for diversity in general. The Industry objective is to reach a 40/60 female/male distribution by 2030 with a positive development in all companies incl. the Mekoprint Group.

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## Risk management & data ethics

### Operating and activity risks

As a manufacture-to-order company, Mekoprint A/S is dependent on customer activity, and the ability to adapt production capacity to market needs in an agile manner is deemed to be the company's most important operational risk.

The company closely monitors the activity risk, which covers a large number of customers in various industries and markets. The activity risk cannot be eliminated, but is deemed to be reduced to a reasonable level by this spread and distribution.

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### Currency risks

The majority of the group's transactions take place in DKK and EUR. The group is only to a limited extent exposed to other currencies.

### Interest rate risks

The group's interest rate risks, which are solely associated with operating credits and mortgage debt, are considered to be minimal.

### Credit risks

The group's receivables are distributed on a large number of customers and large receivables from well-consolidated business partners. No special risks are deemed to exist in this regard.

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### Data ethics

The extent of the digitalization and data quantity is developing rapidly, which is making high demands on to process and protect data. The management expects, that the Mekoprint Group is acting in a responsible manner, also in relation to data, and that the level of transparency is increasing in relation to customers, employees and business partners. In order to ensure compliance a data policy has been defined and approved by the board of directors.

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## Subsequent events

No important events have occurred after the end of the financial year.

## Treasury shares

### Treasury shares consist of:

	Purchase-/ salesprice DKK '000	Total nominal value DKK '000	Percent of capital
Holding of treasury shares as at 01.10.22		91	1.81%
Additions during the year	2.649	50	1.00%
Disposals during the year	-2.648	-60	-1.19%
<b>Holding of treasury shares as at 30.09.23</b>		<b>81</b>	<b>1.62%</b>

The acquisition of treasury shares has been made in relation to the employee share ownership programme at Mekoprint A/S in Denmark based on a model supported by Danish Tax legislation.

The purpose is:

1. to enable direct employee investment with increased mutual interests and
2. to gain experience and prepare for an even more open ownership structure with other internal and external investors.



## Key figures

Figures in dkk '000	2022/2023	2021/2022	2020/21	2019/20	2018/19
<b>Profit/loss</b>					
Turnover	762,873	729,175	571,056	508,915	500,937
Index	152	146	114	102	100
Operating profit/loss	45,738	62,503	60,302	31,615	26,991
Index	169	232	223	117	100
Total net financials	-9,755	-6,397	-3,379	-4,882	-4,060
Index	240	158	83	120	100
Profit for the year	26,507	44,274	44,047	21,072	18,285
Index	145	242	241	115	100
<b>Balance</b>					
Total assets	830,313	757,683	579,006	508,572	510,037
Index	163	149	114	100	100
Investments in property, plant and equipment	91,746	74,320	26,085	26,615	44,685
Index	205	166	58	60	100
Equity	300,740	285,297	244,627	212,694	210,895
Index	143	135	116	101	100
<b>Cashflow</b>					
Net cash flow:					
Operating activities	88,358	10,833	25,051	56,879	26,603
Investing activities	-103,779	-137,851	-24,084	-26,528	-44,285
Financing activities	21,216	129,265	-823	-9,398	24,960
Cash flows for the year	5,795	2,247	144	20,953	7,278

## Key figures

Ratios	2022/2023	2021/2022	2020/21	2019/20	2018/19
<b>Profitability</b>					
Return on equity	9%	17%	19%	10%	9%
Return on invested capital	9%	12%	13%	7%	7%
Profit margin	6%	9%	10%	6%	5%
Asset turnover	1.0	1.1	1.1	1.0	1.0
<b>Equity ratio</b>					
Solvency ratio	36%	38%	42%	42%	41%
<b>Others</b>					
Number of employees (average)	693	665	618	589	534

Cash consists of cash from the end of 2021/22. In previous years, these consisted of cash and shortterm payables to credit institutions. Financial highlights for the past 3 to 4 years have not been restated in accordance with the change in accounting policies, see section 101(3) of the Danish Financial Statements Act.

## Statement by the Executive Board and Board of Directors on the annual report

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We have on this day presented the annual report for the financial year 01.10.22 - 30.09.23 for Mekoprint Holding A/S.

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

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 30.09.23 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.10.22 - 30.09.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Støvring, December 15, 2023

### Executive Board

Anders Kold  
CEO

Torben Jensen  
CFO

### Board of Directors

Jan Vestergaard Olsen  
Chairman

Esben Kold  
Vice-chairman

Anders Kold

Per Rasmus Rasmussen



## Independent auditor's report

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### To the Shareholders of Mekoprint Holding A/S

#### Opinion

We have audited the consolidated financial statements and parent company financial statements of Mekoprint Holding A/S for the financial year 01.10.22 - 30.09.23, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 30.09.23 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.10.22 - 30.09.23 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

#### Basis for Opinion

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

#### Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the consolidated financial statements and 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 consolidated financial statements and financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

## **Independent auditor's report**

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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 consolidated financial statements and financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

### **Management's responsibility for the consolidated financial statements and parent company financial statements**

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

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and financial statements.

## **Independent auditor's report**

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As part of an audit conducted in accordance with International Standards on Auditing 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 consolidated financial statements and financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated financial statements and financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and financial statements, including the disclosures, and whether the consolidated financial statements and financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



## **Independent auditor's report**

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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.

Aalborg, December 15, 2023

**Beierholm**

Statsautoriseret Revisionspartnerselskab  
CVR no. 32 89 54 68

Henrik Bjørn

State Authorized Public Accountant  
MNE-no. mne28606

## Income statement

Note	Group		Parent		
	2022/23 DKK '000	2021/22 DKK '000	2022/23 DKK '000	2021/22 DKK '000	
3	<b>Turnover</b>	<b>762,873</b>	<b>729,175</b>	<b>0</b>	<b>0</b>
	Costs of raw materials and consumables	-301,799	-279,474	0	0
	Other external expenses	-123,412	-129,861	-40	-35
	<b>Gross result</b>	<b>337,662</b>	<b>319,840</b>	<b>-40</b>	<b>-35</b>
4	Staff costs	-253,918	-228,603	0	0
	<b>Profit/loss before depreciation, amortisation, write-downs and impairment losses</b>	<b>83,744</b>	<b>91,237</b>	<b>-40</b>	<b>-35</b>
6	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-37,812	-28,101	0	0
	Other operating expenses	-194	-633	0	0
	<b>Operating profit/loss</b>	<b>45,738</b>	<b>62,503</b>	<b>-40</b>	<b>-35</b>
7	Income from equity investments in group enterprises	0	0	26,153	43,814
8	Financial income	72	154	441	209
9	Financial expenses	-9,827	-6,551	0	-2
	<b>Profit before tax</b>	<b>35,983</b>	<b>56,106</b>	<b>26,554</b>	<b>43,986</b>
10	Tax on profit for the year	-9,476	-11,832	-88	-38
	<b>Profit for the year</b>	<b>26,507</b>	<b>44,274</b>	<b>26,466</b>	<b>43,948</b>
11	Proposed appropriation account				

## Balance sheet

ASSETS		Group		Parent	
		30.09.23 DKK '000	30.09.22 DKK '000	30.09.23 DKK '000	30.09.22 DKK '000
Note					
	Goodwill	68,322	47,174	0	0
12	<b>Total intangible assets</b>	<b>68,322</b>	<b>47,174</b>	<b>0</b>	<b>0</b>
	Land and buildings	247,384	220,739	0	0
	Leasehold improvements	2,110	2,057	0	0
	Plant and machinery	171,628	150,627	0	0
	Other fixtures and fittings, tools and equipment	12,804	12,141	0	0
	Property, plant and equipment under construction	9,133	27,968	0	0
13	<b>Total property, plant and equipment</b>	<b>443,059</b>	<b>413,532</b>	<b>0</b>	<b>0</b>
14	Equity investments in group enterprises	0	0	286,839	259,873
15	Deposits	1,178	426	0	0
	<b>Total investments</b>	<b>1,178</b>	<b>426</b>	<b>286,839</b>	<b>259,873</b>
	<b>Total non-current assets</b>	<b>512,559</b>	<b>461,132</b>	<b>286,839</b>	<b>259,873</b>
	Raw materials and consumables	71,980	79,135	0	0
	Work in progress	16,093	19,285	0	0
	Manufactured goods and goods for resale	64,821	53,551	0	0
	<b>Total inventories</b>	<b>152,894</b>	<b>151,971</b>	<b>0</b>	<b>0</b>
	Trade receivables	137,779	122,716	0	0
	Receivables from group enterprises	468	472	5,168	24,458
	Other receivables	8,775	9,789	0	0
16	Prepayments	6,799	6,357	0	0
	<b>Total receivables</b>	<b>153,821</b>	<b>139,334</b>	<b>5,168</b>	<b>24,458</b>
	<b>Cash</b>	<b>11,039</b>	<b>5,248</b>	<b>23</b>	<b>142</b>
	<b>Total current assets</b>	<b>317,754</b>	<b>296,553</b>	<b>5,191</b>	<b>24,600</b>
	<b>Total assets</b>	<b>830,313</b>	<b>757,685</b>	<b>292,030</b>	<b>284,473</b>



## Balance sheet

EQUITY AND LIABILITIES		Group		Parent	
		30.09.23 DKK '000	30.09.22 DKK '000	30.09.23 DKK '000	30.09.22 DKK '000
Note					
17	Contributed capital	5,000	5,000	5,000	5,000
	Reserve for net revaluation according to the equity method	0	0	141,839	114,873
	Foreign currency translation reserve	142	-672	0	0
	Retained earnings	274,598	258,012	132,901	142,467
	Proposed dividend for the financial year	10,000	12,000	10,000	12,000
	<b>Equity attributable to owners of the parent</b>	<b>289,740</b>	<b>274,340</b>	<b>289,740</b>	<b>274,340</b>
18	Non-controlling interests	11,000	10,959	0	0
	<b>Total equity</b>	<b>300,740</b>	<b>285,299</b>	<b>289,740</b>	<b>274,340</b>
19	Provisions for deferred tax	53,043	51,671	0	0
	<b>Total provisions</b>	<b>53,043</b>	<b>51,671</b>	<b>0</b>	<b>0</b>
20	Mortgage debt	86,548	68,109	0	0
20	Payables to other credit institutions	34,053	55,704	0	0
20	Lease commitments	62,751	50,817	0	0
20	Payables to associates	3,715	3,511	0	0
20	Other payables	39,046	15,357	0	0
	<b>Total long-term payables</b>	<b>226,113</b>	<b>193,498</b>	<b>0</b>	<b>0</b>
20	Short-term part of long-term payables	43,481	27,281	0	0
	Payables to other credit institutions	81,109	92,588	0	0
	Prepayments received from customers	359	446	0	0
	Trade payables	69,240	60,062	14	15
	Payables to group enterprises	0	1,839	0	8,039
	Income taxes	8,425	10,929	88	38
	Other payables	47,803	34,072	2,188	2,041
	<b>Total short-term payables</b>	<b>250,417</b>	<b>227,217</b>	<b>2,290</b>	<b>10,133</b>
	<b>Total payables</b>	<b>476,530</b>	<b>420,715</b>	<b>2,290</b>	<b>10,133</b>
	<b>Total equity and liabilities</b>	<b>830,313</b>	<b>757,685</b>	<b>292,030</b>	<b>284,473</b>

21 Contingent liabilities

22 Charges and security

23 Related parties

## Statement of changes in equity

Figures in DKK '000	Contributed capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Cash flow hedging reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group:									
Statement of changes in equity for 01.10.21 - 30.09.22									
Balance as at 01.10.21	5,000	0	-286	-207	225,122	15,000	244,629	0	244,629
Foreign currency translation adjustment of foreign enterprises	0	0	-386	0	0	0	-386	0	-386
Capital increase	0	0	0	0	0	0	0	10,631	10,631
Purchase of treasury shares	0	0	0	0	-2,284	0	-2,284	0	-2,284
Sale of treasury shares	0	0	0	0	3,100	0	3,100	0	3,100
Dividend from treasury shares	0	0	0	0	234	0	234	0	234
Dividend paid	0	0	0	0	0	-15,000	-15,000	0	-15,000
Other changes in equity	0	0	0	207	-106	0	101	0	101
Net profit/loss for the year	0	0	0	0	31,946	12,000	43,946	328	44,274
Balance as at 30.09.22	5,000	0	-672	0	258,012	12,000	274,340	10,959	285,299
Statement of changes in equity for 01.10.22 - 30.09.23									
Balance as at 01.10.22	5,000	0	-672	0	258,012	12,000	274,340	10,959	285,299
Foreign currency translation adjustment of foreign enterprises	0	0	814	0	0	0	814	0	814
Purchase of treasury shares	0	0	0	0	-2,649	0	-2,649	0	-2,649
Sale of treasury shares	0	0	0	0	2,648	0	2,648	0	2,648
Dividend from treasury shares	0	0	0	0	77	0	77	0	77
Dividend paid	0	0	0	0	0	-12,000	-12,000	0	-12,000
Other changes in equity	0	0	0	0	44	0	44	0	44
Net profit/loss for the year	0	0	0	0	16,466	10,000	26,466	41	26,507
Balance as at 30.09.23	5,000	0	142	0	274,598	10,000	289,740	11,000	300,740

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## Statement of changes in equity

Figures in DKK '000	Contributed capital	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Cash flow hedging reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Parent:									
Statement of changes in equity for 01.10.21 - 30.09.22									
Balance as at 01.10.21	5,000	91,236	0	0	133,389	15,000	244,625	0	244,625
Foreign currency translation adjustment of foreign enterprises	0	-385	0	0	0	0	-385	0	-385
Purchase of treasury shares	0	0	0	0	-2,284	0	-2,284	0	-2,284
Sale of treasury shares	0	0	0	0	3,100	0	3,100	0	3,100
Dividend from treasury shares	0	0	0	0	234	0	234	0	234
Dividend paid	0	0	0	0	0	-15,000	-15,000	0	-15,000
Other changes in equity	0	208	0	0	-106	0	102	0	102
Net profit/loss for the year	0	23,814	0	0	8,134	12,000	43,948	0	43,948
Balance as at 30.09.22	5,000	114,873	0	0	142,467	12,000	274,340	0	274,340
Statement of changes in equity for 01.10.22 - 30.09.23									
Balance as at 01.10.22	5,000	114,873	0	0	142,467	12,000	274,340	0	274,340
Foreign currency translation adjustment of foreign enterprises	0	813	0	0	0	0	813	0	813
Purchase of treasury shares	0	0	0	0	-2,649	0	-2,649	0	-2,649
Sale of treasury shares	0	0	0	0	2,648	0	2,648	0	2,648
Dividend from treasury shares	0	0	0	0	77	0	77	0	77
Dividend paid	0	0	0	0	0	-12,000	-12,000	0	-12,000
Other changes in equity	0	0	0	0	45	0	45	0	45
Net profit/loss for the year	0	26,153	0	0	-9,687	10,000	26,466	0	26,466
Balance as at 30.09.23	5,000	141,839	0	0	132,901	10,000	289,740	0	289,740

## Consolidated cash flow statement

Note	Group	
	2022/23 DKK '000	2021/22 DKK '000
<b>Profit for the year</b>	<b>26,507</b>	<b>44,274</b>
24 Adjustments	57,237	46,963
Change in working capital:		
Inventories	19,070	-34,386
Receivables	-546	-19,925
Trade payables	-3,985	4,299
Other payables relating to operating activities	14,422	-11,299
<b>Cash flows from operating activities before net financials</b>	<b>112,705</b>	<b>29,926</b>
Interest income and similar income received	72	154
Interest expenses and similar expenses paid	-9,827	-6,551
Income tax paid	-14,592	-12,696
<b>Cash flows from operating activities</b>	<b>88,358</b>	<b>10,833</b>
Purchase of intangible assets	-26,174	-48,383
Purchase of property, plant and equipment	-49,640	-74,320
Sale of property, plant and equipment	84	670
Purchase of subsidiaries and operations	-28,126	-16,052
Dividend received	77	234
<b>Cash flows from investing activities</b>	<b>-103,779</b>	<b>-137,851</b>
Purchase of treasury shares	-2,649	-2,284
Sale of treasury shares	2,648	3,100
Raising of additional capital	0	10,631
Dividend paid	-12,000	-15,000
Repayment of payables to credit institutions	17,199	117,097
Repayment of lease commitments	15,792	14,191
Repayment of payables to group enterprises	-283	-2,148
Repayment of payables to associates	204	3,511
Repayment of other long-term payables	305	167
<b>Cash flows from financing activities</b>	<b>21,216</b>	<b>129,265</b>
<b>Total cash flows for the year</b>	<b>5,795</b>	<b>2,247</b>
Cash, beginning of year	5,248	3,001
<b>Cash, end of year</b>	<b>11,043</b>	<b>5,248</b>
Cash, end of year, comprises:		
Cash	11,043	5,248
<b>Total</b>	<b>11,043</b>	<b>5,248</b>



**1. Subsequent events**

No important events have occurred after the end of the financial year.

**2. Special items**

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

Special items:	Recognised in the income statement in:	Group		Parent	
		2022/23 DKK '000	2021/22 DKK '000	2022/23 DKK '000	2021/22 DKK '000
Gain on the disposal of property, plant and equipment	Other operating income	5	0	0	0
Loss on disposal of property, plant and equipment	Other operating expenses	-194	-633	0	0
<b>Total</b>		<b>-189</b>	<b>-633</b>	<b>0</b>	<b>0</b>

	Group		Parent	
	2022/23 DKK '000	2021/22 DKK '000	2022/23 DKK '000	2021/22 DKK '000

### 3. Turnover

Information about the distribution of turnover by activities and geographical markets is provided below. The segment information is prepared in accordance with the company's accounting policies and follows the company's internal financial management.

Turnover comprises the following activities:

Micromechanics	101,404	76,041	0	0
Mechanics	262,153	290,272	0	0
Graphic Electronics	235,045	214,997	0	0
Cables	160,825	126,571	0	0
Other	3,446	21,294	0	0
<b>Total</b>	<b>762,873</b>	<b>729,175</b>	<b>0</b>	<b>0</b>

Turnover comprises the following geographical markets:

Denmark	247,274	293,798	0	0
Other countries	515,599	435,377	0	0
<b>Total</b>	<b>762,873</b>	<b>729,175</b>	<b>0</b>	<b>0</b>

	Group		Parent	
	2022/23 DKK '000	2021/22 DKK '000	2022/23 DKK '000	2021/22 DKK '000

#### 4. Staff costs

Wages and salaries	226,477	206,462	0	0
Pensions	16,288	13,354	0	0
Other social security costs	1,850	1,347	0	0
Other staff costs	9,303	7,440	0	0
<b>Total</b>	<b>253,918</b>	<b>228,603</b>	<b>0</b>	<b>0</b>

Average number of employees during the year	693	665	0	0
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#### Remuneration for the management:

Salaries for the Executive Board	3,540	3,550	0	0
Pension for the Executive Board	236	253	0	0
<b>Total remuneration for the Executive Board</b>	<b>3,776</b>	<b>3,803</b>	<b>0</b>	<b>0</b>

Remuneration for the Board of Directors	360	360	0	0
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Remuneration for the Executive Board and Board of Directors	4,136	4,163	0	0
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#### 5. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	770	490	15	15
Other services	111	94	0	0
<b>Total</b>	<b>881</b>	<b>584</b>	<b>15</b>	<b>15</b>

	Group		Parent	
	2022/23 DKK '000	2021/22 DKK '000	2022/23 DKK '000	2021/22 DKK '000
<b>6. Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment</b>				
Amortisation of intangible assets	5,275	1,210	0	0
Depreciation of property, plant and equipment	32,537	26,891	0	0
<b>Total</b>	<b>37,812</b>	<b>28,101</b>	<b>0</b>	<b>0</b>

**7. Income from equity investments in group enterprises**

Share of profit or loss of group enterprises	0	0	26,153	43,814
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**8. Financial income**

Interest, group enterprises	0	0	441	209
Other financial income	72	154	0	0
<b>Total</b>	<b>72</b>	<b>154</b>	<b>441</b>	<b>209</b>

**9. Financial expenses**

Other financial expenses	9,827	6,551	0	2
<b>Total</b>	<b>9,827</b>	<b>6,551</b>	<b>0</b>	<b>2</b>



	Group		Parent	
	2022/23 DKK '000	2021/22 DKK '000	2022/23 DKK '000	2021/22 DKK '000
<b>10. Tax on profit for the year</b>				
Current tax for the year	8,090	11,706	88	38
Adjustment of deferred tax for the year	1,386	126	0	0
<b>Total</b>	<b>9,476</b>	<b>11,832</b>	<b>88</b>	<b>38</b>

**11. Proposed appropriation account**

Reserve for net revaluation according to the equity method	0	0	26,153	23,814
Proposed dividend for the financial year	10,000	12,000	10,000	12,000
Non-controlling interests	41	328	0	0
Retained earnings	16,466	31,946	-9,687	8,134
<b>Total</b>	<b>26,507</b>	<b>44,274</b>	<b>26,466</b>	<b>43,948</b>

**12. Intangible assets**

Figures in DKK '000	Goodwill
Group:	
Cost as at 01.10.22	50,455
Additions during the year	26,424
Cost as at 30.09.23	76,879
Amortisation and impairment losses as at 01.10.22	-3,282
Amortisation during the year	-5,275
Amortisation and impairment losses as at 30.09.23	-8,557
Carrying amount as at 30.09.23	68,322

**13. Property, plant and equipment**

Figures in DKK '000	Land and buildings	Leasehold improve- ments	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction
Group:					
Cost as at 01.10.22	256,993	3,194	471,343	60,069	27,968
Foreign currency translation adjustment of foreign enterprises	289	0	1,150	0	0
Additions during the year	29,327	192	46,510	6,585	9,132
Disposals during the year	0	0	-3,466	-1,591	-27,967
<b>Cost as at 30.09.23</b>	<b>286,609</b>	<b>3,386</b>	<b>515,537</b>	<b>65,063</b>	<b>9,133</b>
Depreciation and impairment losses as at 01.10.22	-36,252	-1,137	-320,717	-47,928	0
Depreciation during the year	-2,973	-139	-23,222	-4,331	0
Reversal of depreciation of and impairment losses on disposed assets	0	0	30	0	0
<b>Depreciation and impairment losses as at 30.09.23</b>	<b>-39,225</b>	<b>-1,276</b>	<b>-343,909</b>	<b>-52,259</b>	<b>0</b>
<b>Carrying amount as at 30.09.23</b>	<b>247,384</b>	<b>2,110</b>	<b>171,628</b>	<b>12,804</b>	<b>9,133</b>
Carrying amount of assets held under finance leases as at 30.09.23	0	0	82,744	0	0

**14. Equity investments in group enterprises**

Figures in DKK '000	Equity invest- ments in group enterprises
Parent:	
Cost as at 01.10.22	145,000
Cost as at 30.09.23	145,000
Revaluations as at 01.10.22	114,873
Foreign currency translation adjustment of foreign enterprises	813
Net profit/loss from equity investments	26,153
Revaluations as at 30.09.23	141,839
Carrying amount as at 30.09.23	286,839
Positive balances ascertainable on initial recognition of equity investments measured at equity value	0
Name and registered office:	
Ownership interest	
Subsidiaries:	
Mekoprint A/S, Rebild	100%
Mekoprint Properties A/S, Rebild	100%

**15. Other non-current financial assets**

Figures in DKK '000 Deposits

Group:

Cost as at 01.10.22	425
Foreign currency translation adjustment of foreign enterprises	-4
Additions during the year	757
Cost as at 30.09.23	1,178
Carrying amount as at 30.09.23	1,178

	Group		Parent	
	30.09.23	30.09.22	30.09.23	30.09.22
	DKK '000	DKK '000	DKK '000	DKK '000

**16. Prepayments**

Other prepayments	6,799	6,357	0	0
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**17. Share capital**

The share capital consists of:

	Quantity	Total nominal value DKK'000
Share capital	500	5,000



	Group		Parent	
	30.09.23 DKK '000	30.09.22 DKK '000	30.09.23 DKK '000	30.09.22 DKK '000

**18. Non-controlling interests**

Non-controlling interests, beginning of year	10,959	0	0	0
Capital increase	0	10,631	0	0
Net profit/loss for the year (distribution of net profit)	41	328	0	0
<b>Total</b>	<b>11,000</b>	<b>10,959</b>	<b>0</b>	<b>0</b>

**19. Deferred tax**

Deferred tax as at 01.10.22	51,671	49,536	0	0
Additions relating to mergers and acquisition of enterprises	-15	1,951	0	0
Deferred tax recognised in the income statement	1,386	126	0	0
Deferred tax recognised in equity	0	58	0	0
<b>Deferred tax as at 30.09.23</b>	<b>53,042</b>	<b>51,671</b>	<b>0</b>	<b>0</b>

**20. Long-term payables**

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 30.09.23	Total payables at 30.09.22
Group:				
Mortgage debt	4,660	66,135	91,208	72,495
Payables to other credit institutions	22,200	2,200	56,253	65,836
Lease commitments	16,621	10,791	79,372	63,580
Payables to associates	0	0	3,715	3,511
Other payables	0	39,046	39,046	15,357
<b>Total</b>	<b>43,481</b>	<b>118,172</b>	<b>269,594</b>	<b>220,779</b>

## 21. Contingent liabilities

Group:

### *Lease commitments*

The group has concluded operating lease agreements on tools and cars amounting to DKK 452k, and all agreements ends before 31.12.24.

The group has lease commitments with an annual lease of DKK 8,156k. There is a term of notice of up to 12 month of DKK 8,156k and more than 12 month of DKK 15,319 k.

### *Recourse guarantee commitments*

The group has placed a guarantee to credit institution Nordania Finans in Mekoprint A/S' payments concerning lease agreements with outstanding balance DKK 70,290k at 30.09.23.

The group has placed a guarantee to credit institution Nykredit in Mekoprint Properties A/S with outstanding balance DKK 91,905k at 30.09.23.

Parent:

### *Other contingent liabilities*

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

## **22. Charges and security**

Group:

Land and buildings with a carrying amount of DKK 241,665k have been provided as security for mortgage debt of DKK 91,208k.

The following companies in the group Mekoprint Seritronic A/S and Mekoprint Seritronic Sales ApS has provided a company charge of DKK 21,000k as security for debt to credit institutions. As at 30.09.23, the company charge comprises the following assets with the following carrying amounts:

- Goodwill and intellectual property rights, DKK 250k
- Other plant, fixtures and fittings, tools and equipment, DKK 2,719k
- Inventories, DKK 18,338k
- Trade receivables, DKK 18,351k

In addition to security for debt to mortgage credit institutions buildings have been provided as security for mortgage debt of DKK 53,000k to Danske Bank.

Parent:

The company has placed an unlimited warranty to Danske Bank for Mekoprint A/S and Mekoprint Properties A/S.

**23. Related parties**

Controlling influence	Basis of influence
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Samek ApS, Rebuild	Capital owner
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	Group	
	2022/23	2021/22
	DKK '000	DKK '000

**24. Adjustments for the cash flow statement**

Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	37,812	28,100
Other operating expenses	194	633
Financial income	-71	-154
Financial expenses	9,825	6,551
Tax on profit or loss for the year	9,477	11,833
<b>Total</b>	<b>57,237</b>	<b>46,963</b>

## 25. Accounting policies

### GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control. Enterprises in which the group holds equity investments, between 20% and 50% of the voting rights and in which it has significant interest but not control, are considered associates.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.



**25. Accounting policies** - continued -

**Non-controlling interests**

The financial items of the subsidiaries are recognised in full in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' equity is classified as a part of consolidated equity. The subsidiaries' results are distributed proportionately to non-controlling interests and the parent's equity interest.

Purchase and sale of non-controlling interests in a subsidiary which do not result in changes in control of the subsidiary are treated in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the parent's equity interest.

**BUSINESS COMBINATIONS**

Newly acquired or newly founded enterprises are recognised as from the date of acquisition and the date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained. Divested or discontinued enterprises are recognised until the date of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Acquired enterprises are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

The cost of the equity investments in the acquired enterprises is offset against the proportionate share of the fair value of the enterprises' net assets at the acquisition date.

On acquisition of subsidiaries, goodwill is recognised on a proportionate basis in the balance sheet of the parent based on the actual ownership interest in the acquired equity investments. In the consolidated financial statements, goodwill is recognised in full regardless of the ownership interest held in the subsidiary, i.e. including goodwill relating to the shares of non-controlling interests in subsidiaries.

The goodwill (positive difference) determined at the date of acquisition is recognised under intangible assets in the consolidated financial statements and under equity investments in subsidiaries in the parent's balance sheet. Goodwill from acquired enterprises is adjusted until 12 months after the acquisition date.

**25. Accounting policies** - continued -**CURRENCY**

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

**LEASES**

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

**25. Accounting policies** - continued -

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

**INCOME STATEMENT****Turnover**

Income from the sale of services is recognised in the income statement in line with completion of services, which means that turnover corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as turnover according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

Income from the rental of properties is recognised in the income statement for the relevant period. Turnover is measured at fair value and determined exclusive of VAT and discounts.

**Other operating income**

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

**Costs of raw materials and consumables**

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

**Other external expenses**

Other external expenses comprise other variable costs, production costs, selling costs, vehicle expenses, cost of premises and administrative expenses as well as other capacity costs, including bad debts to the extent that these do not exceed normal write-downs.

**25. Accounting policies** - continued -**Staff costs**

Staff costs comprise wages and salaries as well as other staff-related costs.

**Depreciation, amortisation and impairment losses**

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Goodwill	10	0
Buildings	40	60
Leasehold improvements	20	0
Plant and machinery	7-20	0-15
Other plant, fixtures and fittings, tools and equipment	3-10	0-15

Goodwill is amortised over 10 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

Land is not depreciated.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

**Other operating expenses**

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including losses on the sale of intangible assets and property, plant and equipment.

**Income from equity investments in group enterprises**

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

**25. Accounting policies** - continued -

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

**Other net financials**

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Amortisation of capital losses and borrowing costs relating to financial liabilities is recognised on an ongoing basis as financial expenses.

**Tax on profit/loss for the year**

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

**BALANCE SHEET**

**Intangible assets**

*Goodwill*

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.



**25. Accounting policies** - continued -**Property, plant and equipment**

Property, plant and equipment comprise land and buildings, leasehold improvements, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

*Property, plant and equipment under construction*

Property, plant and equipment under construction are measured at cost. Costs incurred on property, plant and equipment under construction are transferred to the relevant asset category when the asset is ready for use.

*Gains and losses on the disposal of property, plant and equipment*

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

**Equity investments in group enterprises**

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method.

Accounting policies for the acquisition of subsidiaries are stated in the 'Business combinations' section.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred.

**25. Accounting policies** - continued -

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

On the acquisition of non-controlling interests in subsidiaries, the principles for business combinations in the balance sheet of the parent, see the description in the 'Business combinations' section, are applied.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

**Impairment losses on fixed assets**

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

**Inventories**

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

**25. Accounting policies** - continued -

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The cost of manufactured finished goods and work in progress is determined as the value of direct material and labour costs. Interest on loans arranged to finance production is not included in the cost.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

**Receivables**

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

**Prepayments**

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

**Cash**

Cash includes deposits in bank accounts.

**Equity**

The proposed dividend for the financial year is recognised as a separate item in equity.

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

**25. Accounting policies** - continued -

Unrealised gains and losses on financial instruments classified as and meeting the criteria for hedging of future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. The reserve is measured less deferred tax. The reserve is dissolved when the hedged transaction occurs, or it is no longer expected to occur.

Acquisition costs and consideration for treasury shares as well as dividends therefrom are recognised directly in equity under retained earnings.

**Current and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

**Payables**

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

**25. Accounting policies** - continued -

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

**CASH FLOW STATEMENT**

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and the purchase and sale of treasury shares and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables. Cash flows from financing activities also comprise finance lease payments.

Cash and cash equivalents at the beginning and end of the year comprise cash.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.



## Definition of ratios

### Ratios definitions

Return on equity:	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Return on invested capital:	$\frac{\text{EBITA} \times 100}{\text{Avg. invested capital excl. goodwill}}$
EBITA:	Operating profit plus amortisation and impairment losses on goodwill.
Invested capital excl. goodwill:	Sum of intangible operating assets and property, plant and equipment (excl. goodwill) as well as net working capital.
Profit margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Turnover}}$
Asset turnover:	$\frac{\text{Turnover}}{\text{Avg. total assets}}$
Solvency ratio:	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets}}$

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# Thank you to all stakeholders

Mekoprint is a reflection of the quality of work and relations between people inside and outside of the company.

We would like to thank everyone involved in our mutual efforts to improve our ways of working together and deliver higher value to all stakeholders. This is our purpose on behalf of all of us:

Leading new ways™  
towards better business and a brighter future