



# mekoprint

Creating together

Annual Report 2020 / 2021  
01.10.2020 – 30.09.2021

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**MEKOPRINT** DEVELOPS AND  
MANUFACTURES CUSTOMER  
SPECIFIC COMPONENTS  
FOR ELECTRONIC- AND  
INDUSTRIAL COMPANIES

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CVR no. 30277902  
Financial year:  
01.10.2020 – 30.09.2021

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Statsautoriseret  
Revisionspartnerselskab  
Voergårdvej 2  
9200 Aalborg SV  
Denmark

This annual report has been adopted at the annual general meeting on 06.01.2022.

Jan Vestergaard Olsen  
Chairman of the meeting

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## DEAR READER

The Mekoprint year of 2020/21 developed quite differently than expected going into the financial year. The beginning of 2020/21 was highly uncertain due to the Covid-19 pandemic and low order visibility from the market. Fortunately the market demand picked up during October – December 2020 and has remained at a record-high level since then.

The entire Mekoprint organization has demonstrated great responsibility and flexibility handling all the challenges in the business environmental change from a "Corona-crisis" to a "Supply-crisis", working closely with Suppliers and Customers to find the best possible solutions to all needs. Due to this, and previous year's investments in further capacity, new technologies and competences, Mekoprint has been able to realize an all-time high Turnover and Profit after tax in 2020/21.

We hope you will enjoy reading this annual report, which has been extended compared to previous year's in order to provide a more thorough understanding of the Mekoprint group.

Finally, we would like to thank all employees, customers, suppliers and other partners for all the efforts made throughout 2020/21

– a year truly characterized by our motto **"creating together"**



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

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## MEKOPRINT GROUP

### COMPANIES AND ACTIVITIES

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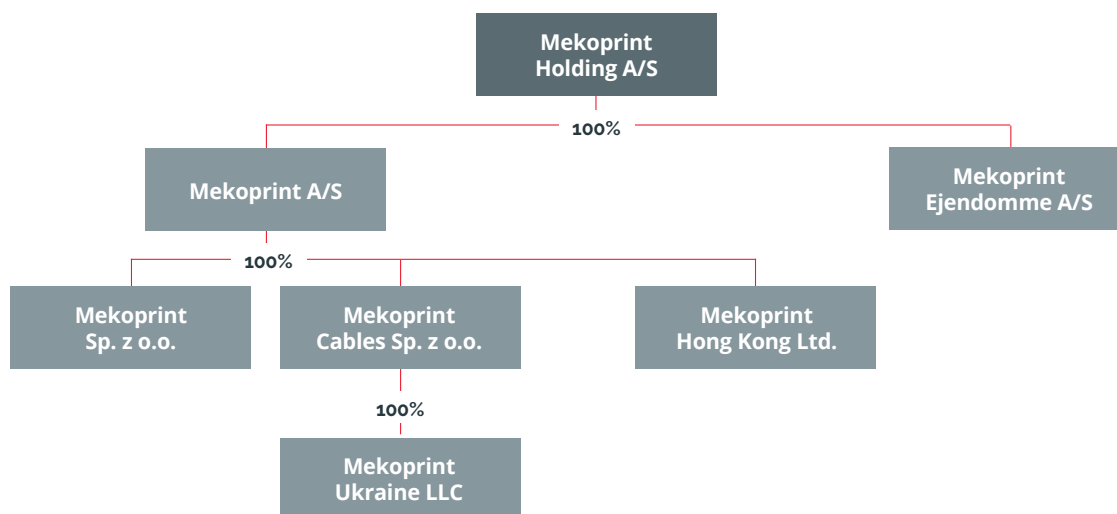
This Annual Report for Mekoprint Holding A/S is related to the period 1st of October 2020 until 30th of September 2021 and comprises the Management Review, Income Statement, Balance Sheet, Cash Flow Statement and Notes.

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 Hong Kong Ltd as a regional sales, sourcing and customer support office
  - b) Mekoprint Poland Sp. z o.o. as a Mechanics production site with Mekoprint A/S as the only customer
  - c) 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 Ejendomme 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 page 10-17 incl. main events in 2020/21.



## OVERALL FINANCIAL DEVELOPMENT

The Mekoprint Holding group increased its revenue by 12 % to DKK 571 million and generated a Profit after tax of DKK 44 million compared to DKK 21 million in 2019/20. This is also an increase in relation to the budget objective for the year, since the Turnover was expected to be lower in 2020/21 compared to 2019/20, due to the low order volume at the beginning of the financial year. This is a very satisfactory financial performance level in line with earlier year's expectations to justify the high investment levels.

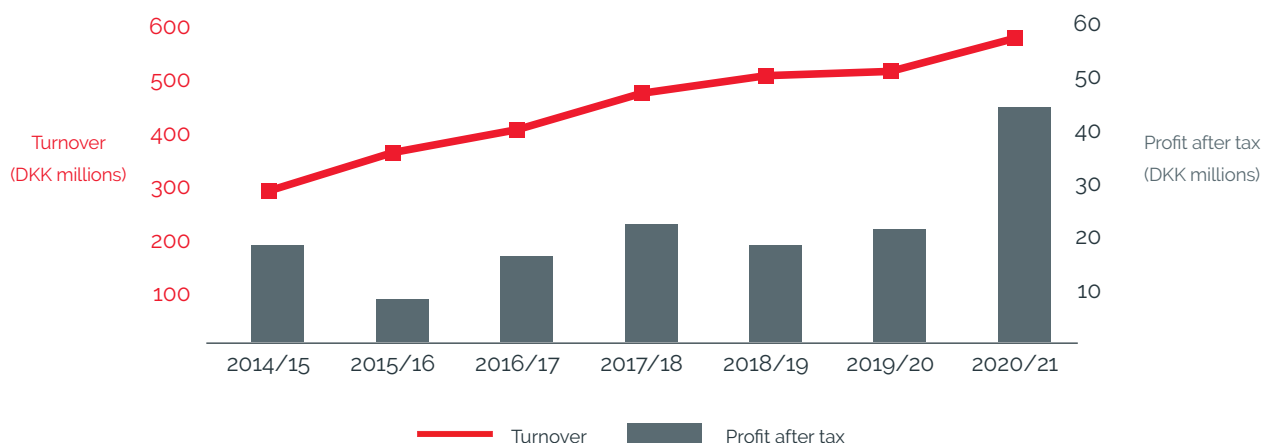
Cash flows from operating activities for 2020/21 were positive at DKK 25,1 million compared to DKK 56,9 million in 2019/20. This drop in cash flow is primarily related to an increase in receivables and in stock levels across all Mekoprint business areas. After investments and financing, the year's total cash flows were negative at DKK -21,6 million in 2020/21 against a positive total cash flow of DKK 21 million in 2019/20.

## FINANCIAL OUTLOOK 2021/22

The expected Turnover level for the financial year 2021/22 is higher as compared to 2020/21, due to a record-high volume of orders and current customer forecasts. At the other end of the Income Statement, the Profit after tax level for the financial year 2021/22 is expected to be lower than 2020/21, mainly due to increased salary costs and a record-high investment level in continued growth capabilities.

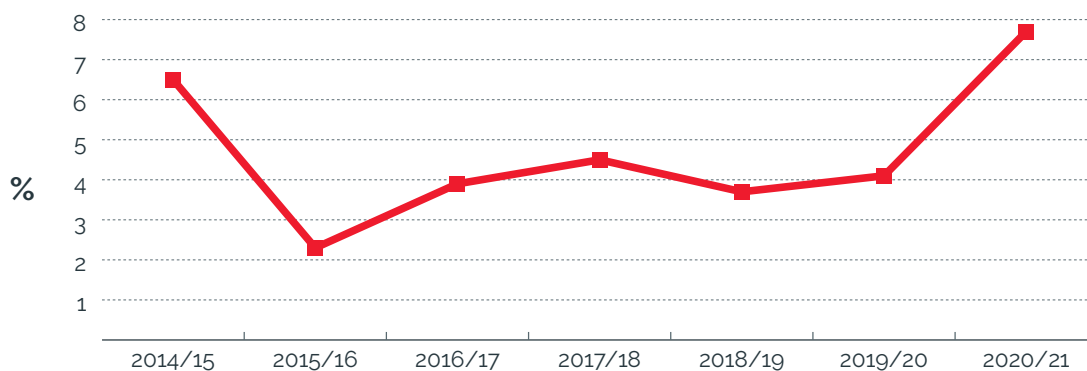
### Turnover and Profit after tax 2014/15 – 2020/21

The Mekoprint group Turnover has grown by an annually average of 12,3 % since 2014/15. During this period the Profit after tax did not change significantly until 2020/21, which is primarily due to the large historic investments in growth from an organizational and technological perspective. In the financial year of 2020/21 the Profit after tax has now increased to a level more in line with the Turnover growth.



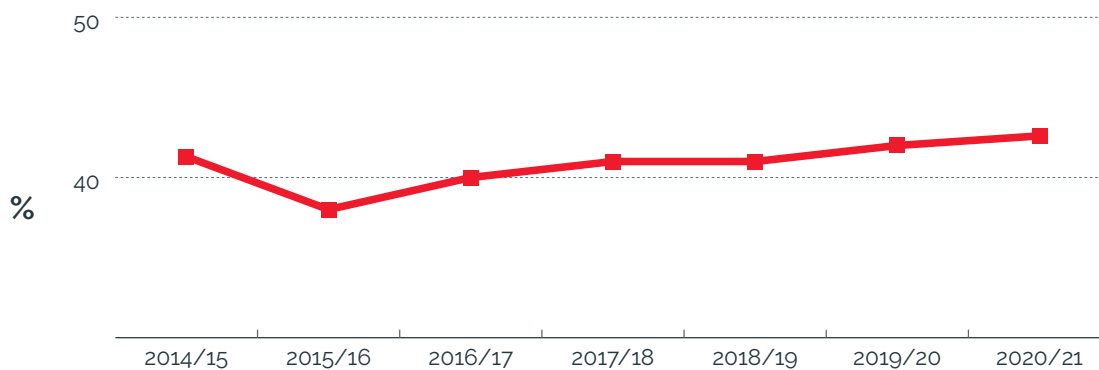
### Profit after tax 2014/15 – 2020/21

After 5 years drop in the Profit after tax %-level, the 2020/21 result has now almost reached the 2025 target of 8 %.



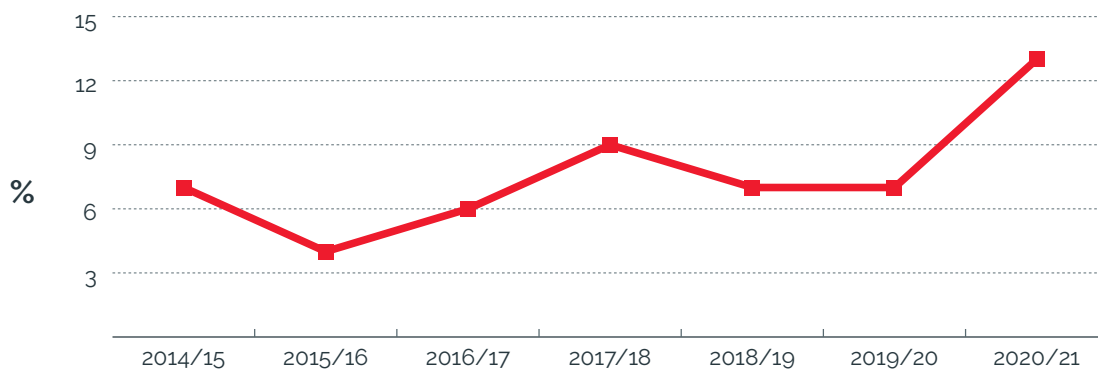
### Equity ratio 2014/15 – 2020/21

The Solidity % has been held at a conservative level above 40 % to ensure long term business stability in times of crisis.



### Return on Invested Capital 2014/15 – 2020/21

The Return on Invested Capital (ROIC) % level is growing due to improved Asset utilization – machine capacity in particular.



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## ABOUT **US**

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Mekoprint is built upon many years of experience and unique specialist competences within independent product teams dedicated to our motto – **creating together**.

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.

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 complemented with ambitious investments, expanded global presence and being a front-runner in the transition to a more sustainable future. With the addition of increased digital process automation we strive to become even better at creating together.

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## PEOPLE

**>650**

employees at 30 September 2021 in Denmark, Poland, Ukraine and China.

>45 % employees outside of Denmark  
~25 % customer facing & administrative employees.

## PARTNERSHIPS

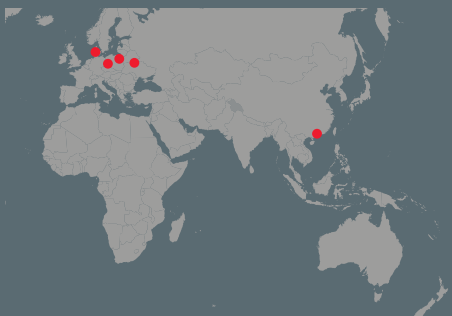
**>50%**

of the Turnover is related to long-term Customer Partnerships for more than 20 years. Only 12 % of the Turnover is related to less than 5 year old Customer Relations.

>1.000 active customers in 2020/21  
+10.000 unique customer-specific components produced.

## LOCATIONS

8 factories and 2 sales & sourcing offices  
>45.000 m2 production area.



## MARKETS

40 % Danmark, 60% International Export.



## TECHNOLOGIES

**>35**

different production technologies from low to high volume.

>800 million DKK investments over the lifetime of Mekoprint in Machinery and Buildings.

## INDUSTRIES

**>30**

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

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

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## MEKOPRINT DIVISIONS

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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.



# 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.

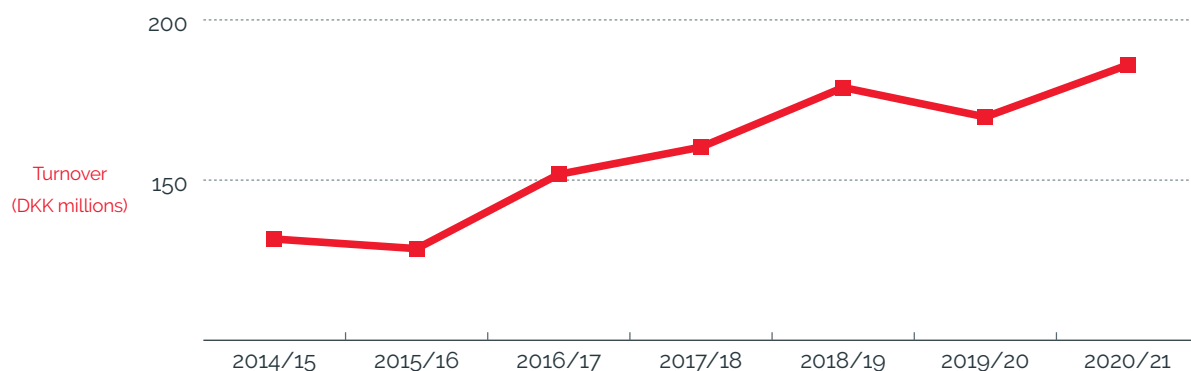
The division roots go back to 1972 when Mekoprint started making Industrial Graphical foils for the Agricultural Machine sector. Ten years later Mekoprint were among the first producers of foil based Membrane Switches in Europe and through-out the 1990's high-volume roll-to-roll Printed Electronics capabilities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

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Today the Graphic Electronic business is split into two main business areas with continued growth from the +12.000 m2 factories in Denmark and with Production Partners in Asia:

- 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

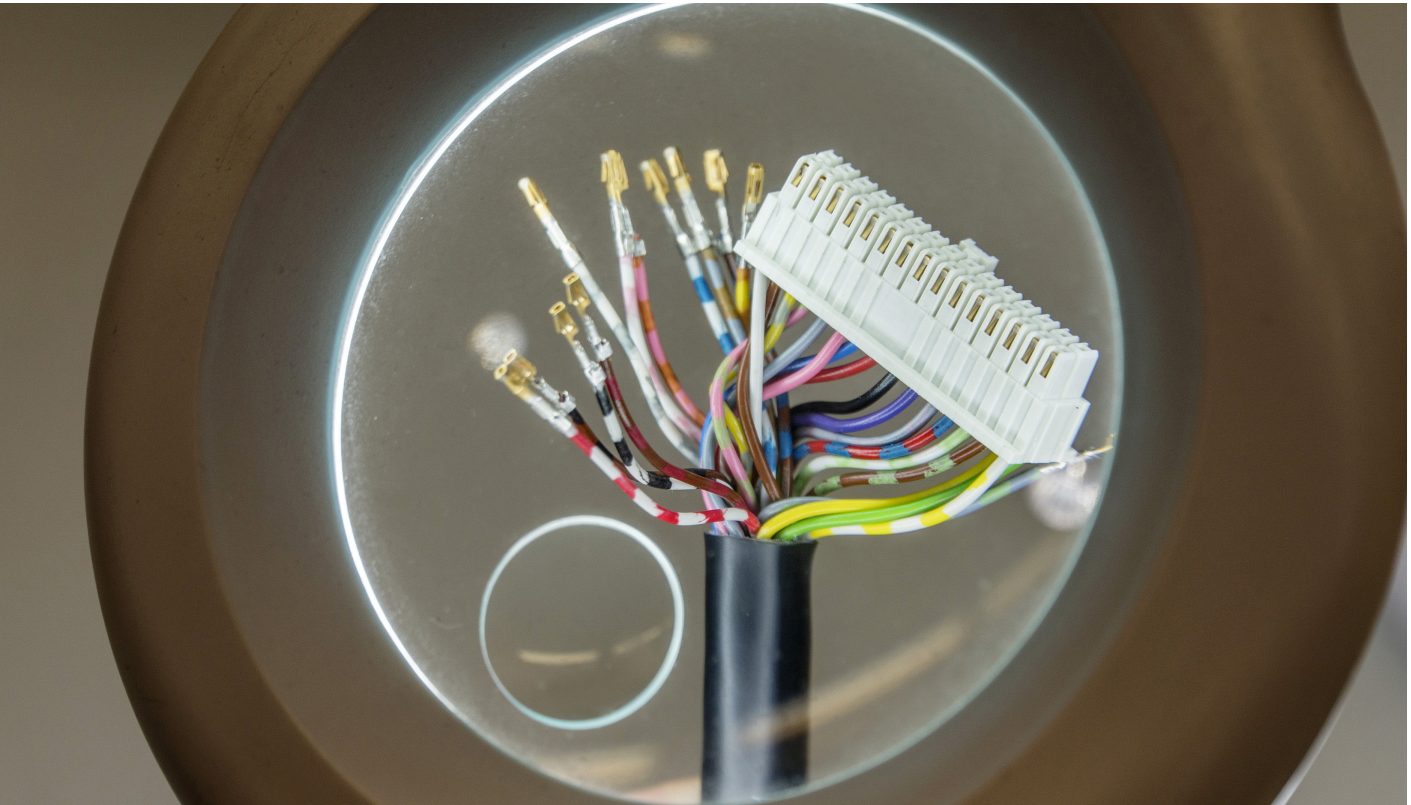
In 2019/20 and 2020/21 the market demands have shifted significantly between different customer segments due to the consequences of Corona, but the division has managed to shift the production flows to meet these changing needs.



The division Turnover has increased in recent years, which is expected to continue in the coming years based on a record number of new business projects won throughout 2020/21.

The target is to be a leading 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.





## 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.

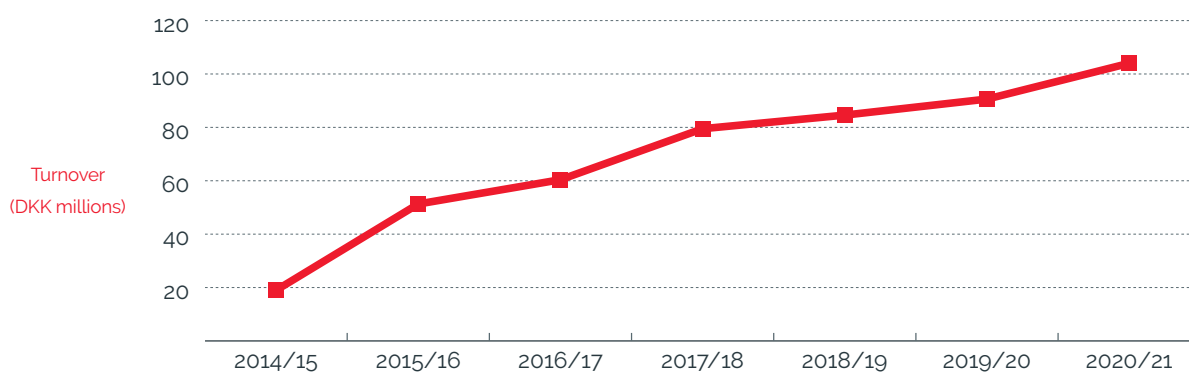
The division roots within Mekoprint dates back to 2011 when the Danish cable harness company "S-Pro" was acquired to strengthen the total product portfolio within electromechanical needs. Later in 2015 the Danish-Polish "Molex-Knutsen" cable harness company was acquired and merged with the former "S-pro" 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 250 employees divided into specialty teams such as:

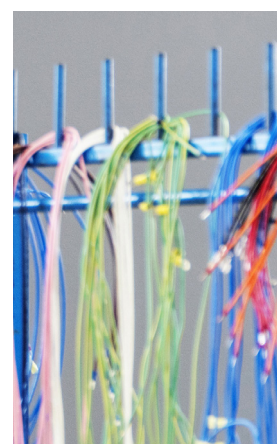
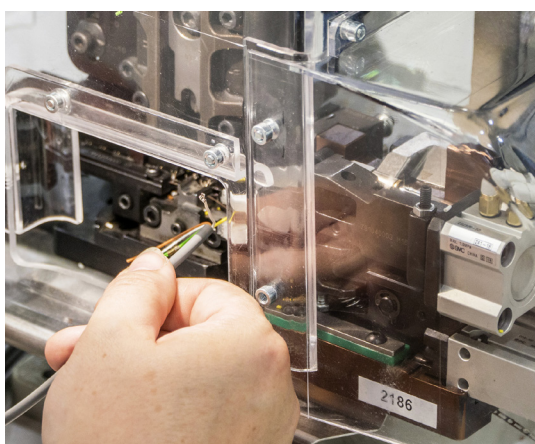
- Single wires
- Coax cables
- Multicore cables
- Wire harnesses
- Boxbuilding & Subassemblies
- Low and high pressure over-moulded solutions

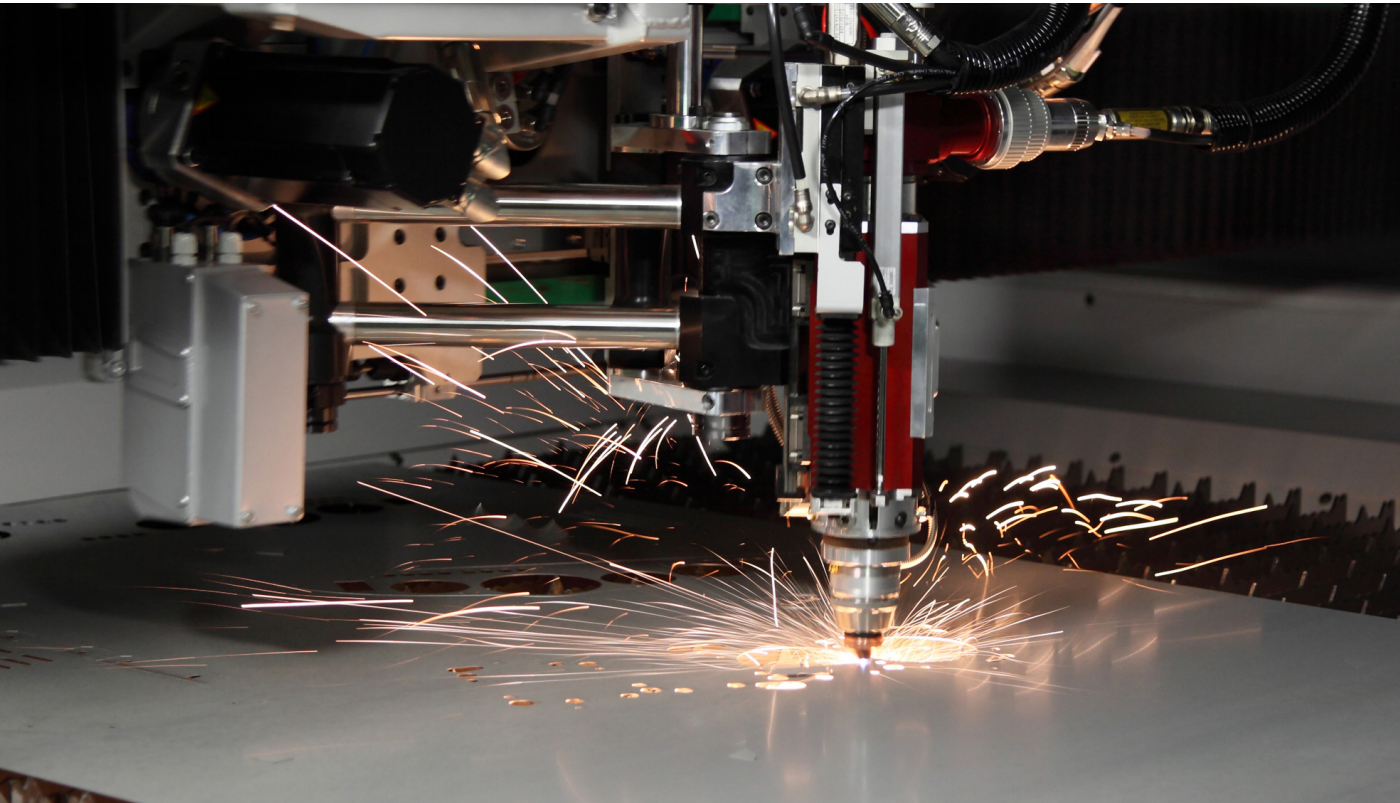
Throughout 2020/21 the Mekoprint Cables related market demands have increased significantly. In parallel the issues with supply of raw cables and connectors have increased dramatically with lead times up to several years for selected special items. This has also led to a significant increase in stock levels and a dedicated recruitment effort to reach the required number of employees.



The division Turnover has increased in recent years, which is expected to continue in the coming years based on a record number of new business projects won throughout 2020/21.

The target is to be a leading partner within custom cable wire harnesses to selected markets 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.

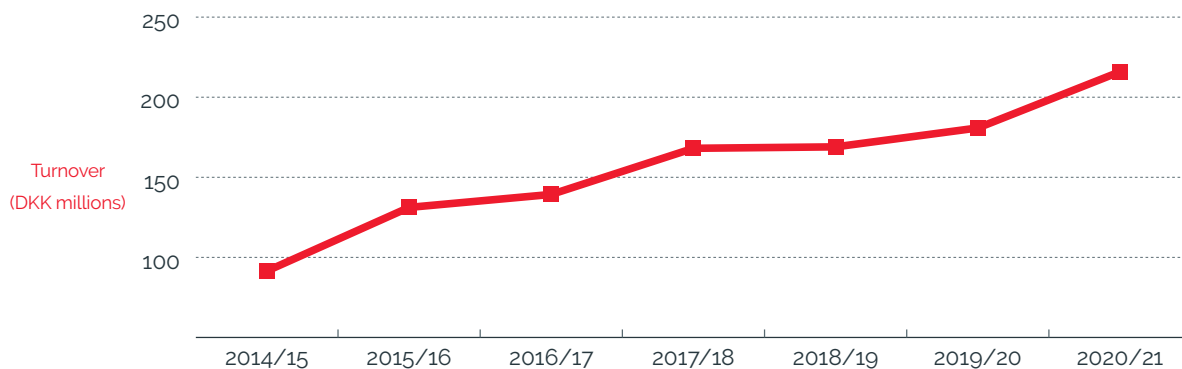
The division roots go back to 1978 when existing customers encouraged Mekoprint to expand into the Metal solution area. By following the needs of an increasing number of long-term customers, the Metal business quickly became one of the key parts of Mekoprint's Product portfolio.

Today the Mechanics division consist of two factories in Denmark and one factory in Poland with a total of more than 150 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:

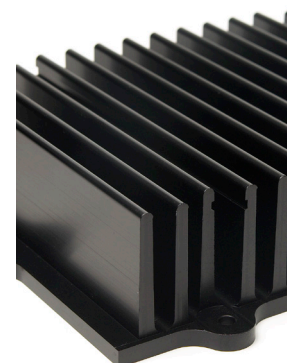
- High volume coil-based solutions – based on highly automated production processes incl. surface treatment
- Plate solutions – based on a broad array of production technologies to quality demanding requirements
- Welded system solutions – for industrial business needs of flexible production to enable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

In 2019/20 the market demands shifted significantly with reduced high-volume business and increased low-medium volume business related to specialty equipment incl. Medical devices. In 2020/21 however all product areas have experienced significant growth which has led to a record Turnover of DKK 216 million.



The division Turnover is expected to increase further in the coming years. Due to this a record number of investments are underway with additional machine capacity at all three production facilities and an additional 2.400 m2 production area in Denmark.

The target is to be a leading partner within selected product areas and markets for Northern European companies.





# mekoprint

## chemigraphics

The Chemigraphics division co-develops and produces customized high-precision fine mechanical components and total solutions from small battery connectors to special 3D components, 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 and chemical etching have since evolved into a number of specialty product areas and complemented with new production technologies in line with customer needs

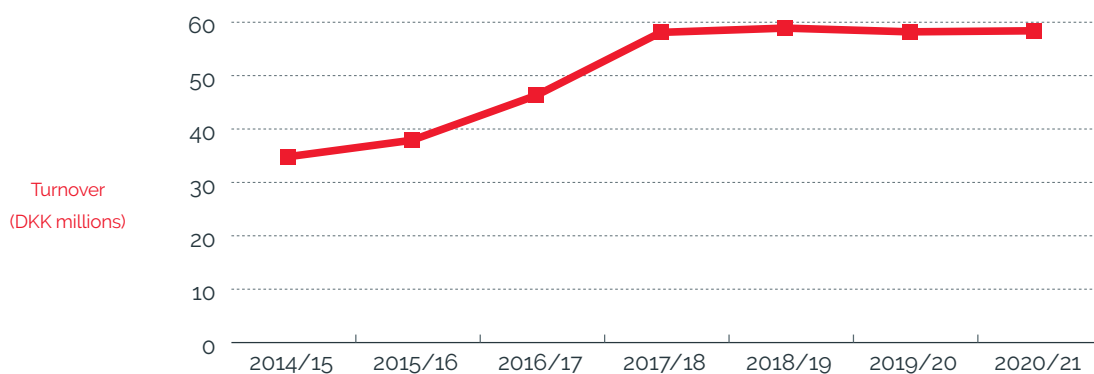
Today the Chemigraphics division has evolved from an etching specialist to become a valued development and production partner within fine mechanical components.



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

- Micro-machined components – addressing 1-2 mikron milling and turning tolerance requirements
- Micro-plate 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

In 2019/20 and 2020/21 the market demands have shifted significantly between different customer segments due to the consequences of Corona, but the division has managed to shift the production flows to meet these changing needs



The division Turnover has increased in recent years leading up to a three-year heavy investment period to enable further growth based on the unique combination of process capabilities.

The target is to be a leading partner for fine mechanical solution needs within selected market segments in Northern Europe.



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## OVERALL STRATEGY

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The overall strategy of the Mekoprint Group serves our Purpose, is driven by an Ambition for a defined period of time and is guided by our Values:

### **PURPOSE**

Creating a better world together with declining resource consumption and increasing positive environmental impact in partnerships throughout the supply chain

### **AMBITION 2025**

To be an international company with DKK 1 billion Turnover and four bottom lines in balance

### **VALUES**

Curious, Ambitious, Action oriented and Responsible

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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 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 directions for each Division and Product Area, the expected Investment Programme until 2023/24 is in excess of DKK 150 million. The long term 2030 ambition is to become a leading sustainable partner, which requires a phased approach described in the following pages.



**2030**  
Leading sustainable partner

**Our Strategy** is to make it easiest for our customers to develop their business in a partnership with Mekoprint within selected market/product-niches



**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 in 2020/21 the Job Satisfaction status was inside the top 10 % level as an average across the Mekoprint Group.

**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 bottom-line focus is Profit after tax and Return on Invested Capital.

**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 2020/21 the Net Promotor Score showed a YoY increase by 1 %-point to 51 %, which is within the strategic target.

**SOCIETY IMPACT**  
– is overall measured in relation to "Corporate Social Responsibility" once a year by the third party company EcoVadis. In 2020/21 the auditor provided Mekoprint with a top 5 % ranking for the second year in a row. This is related to a number of underlying certifications and actions described in further detail on the following pages.

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## SUSTAINABILITY

### AT MEKOPRINT

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Since 2017 Mekoprint has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption. In addition to this Mekoprint has evaluated and selected four UN Global Goals, which we particularly contribute to in collaboration with customers and suppliers.

“

We want to be a front-runner in the transition to a more sustainable future. This requires short term actions and long-term investments, which we have divided in three phases towards 2030 – as an integrated part of our strategy and quadruple bottom-line.

CEO, Anders Kold



The first step in converting previous farm land to 3 hectares protected "climate forest" as a permanent contribution to CO<sub>2</sub> reduction and increased biodiversity.

## 2022 WE PUT OUR OWN HOUSE IN ORDER

Short term actions are focused on making a direct impact ourselves related to each of the four bottom lines:

### Society - Corporate Social Responsibility

- Reduce direct environmental impact with plan for CO2 neutralization in 2025 and other emissions in 2030.
- Stricter waste management, increased recycling and reduced waste documented in reporting.
- Annual supplier CSR/quality survey for reporting and optimisation, incl. environmental impact.
- Offer educational collaboration with trainees, apprentices & students that goes beyond our own needs.

### Customers

- Seek development partnerships for sustainable collaboration with min. one customer per division.

### Organization

- Develop Mekoprint's understanding of sustainability.
- Develop the divisional approach and action plan for sustainable initiatives and changed daily practices

### Financial

- Support sustainable investments.

## 2025 WE WILL DEVELOP A SUSTAINABLE ADVISORY ROLE

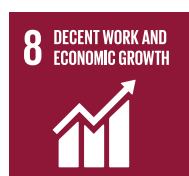
Based on experience gained up to 2022, we will work with a needs-driven development of Mekoprint's advisory role within a shared framework that is adapted to each division.

The goal is to be able to advise customers on opportunities for increased sustainability in everything from packaging methods, logistics solutions and material selection to product design in general, in addition to a certified and/or audited sustainable Mekoprint production, both internally and with external production partner.

## 2030 WE ARE A LEADING SUSTAINABLE PARTNER

The goal is for Mekoprint to become a leader in consulting from design and product expression to material selection, production process, packaging and logistics, maximizing end-customer value with the lowest possible resource consumption and environmental impact in a cradle-to-cradle cycle.

### WE ACHIEVE THIS BY FOCUSING ON FOUR SELECTED UN GLOBAL GOALS:



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Eliminate resource waste in relation to materials, processes, waste and recycling, recognized with independent certifi



International proliferation of efficient production technologies, digitization and inclusive industrial work.



Develop partnerships with customers, suppliers and educational institutions to become leaders in sustainable solutions.

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## CORPORATE

# SOCIAL RESPONSIBILITY

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Mekoprint has worked systematically with Corporate Social Responsibility since it was triple-certified within ISO 9001, ISO 14001 and ISO 45000 in 1999 as the first Danish company and among the first in the world. All three management systems were audited and re-certified for all Mekoprint Divisions through 2020/21.

Three stakeholder receive particular attention from our strategy with a number of recent actions:

# 1

### **External environment**

The external environment has been evaluated with green accounts, an energy audit of optimisation options and an evaluation of the overall carbon footprint. The company changed to carbon-neutral wind power in 2019. In 2020/21 an agreement with an external partner for planting 6,000 trees annually to become carbon neutral on both heating and the groups transport- and travel activity was established.

# 2

### **Suppliers, including respect for human rights, anticorruption and bribery**

Since 2012, the Group's relations with its suppliers have followed a code of conduct, 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. In 2020 this was extended to an official bribery policy in the staff handbook of Mekoprint A/S.

# 3

### **Training and education**

The long-term objective is to be a positive contributor by providing training and education of more trainees and apprentices, and having more internships and other forms of collaboration with students than Mekoprint needs itself. We have received a public subsidy in 2020, as the number of employees in training courses is more than twice as large as the minimum requirement for companies of our size.

## 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 is that there is no underrepresented gender in the Board of Directors and Executive Board. At the end of 2020/21 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 had not been met by 30 September 2021. 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 2020/21, the Group employs 61 managers at various management levels, of whom 28% are women and 72% are men. The Group's goal to ensure that one gender does not make up less than 40% has therefore not been reached, but the objective is to achieve this through internal management development and new appointments within the next five 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: 37 % female and 63 % male
- Employees at international subsidiaries: 74 % female and 26 % 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

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### **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.

### **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.

## SUBSEQUENT EVENTS

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

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## TREASURY SHARES

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### Treasury shares consist of:

	Purchase-/ salesprice DKK '000	Total nominal value DKK '000	Percent of capital
Holding of treasury shares as at 01.10.20		58	1,16%
Additions during the year	2.414	60	1,19%
Holding of treasury shares at 30.09.21		118	2,35%

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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.
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## KEY FIGURES

Figures in dkk '000	2020/21	2019/20	2018/19	2017/18	2016/17
<b>Profit/loss</b>					
Turnover	571,056	508,915	500,937	477,390	400,371
Index	143	127	125	119	100
Operating profit/loss	60,320	31,615	26,991	32,873	24,160
Index	250	131	112	136	100
Total net financials	-3,379	-4,882	-4,060	-3,304	-4,036
Index	84	121	101	82	100
Profit for the year	44,047	21,072	18,285	21,693	15,672
Index	281	134	117	138	100
<b>Balance</b>					
Total assets	579,007	508,572	510,037	470,305	453,824
Index	128	112	112	104	100
Investments in property, plant and equipment	24,200	26,615	44,685	23,647	13,805
Index	175	193	324	171	100
Equity	244,625	212,694	210,895	192,404	180,021
Index	136	118	117	107	100
<b>Cashflow</b>					
Net cash flow:					
Operating activities	25,051	56,879	26,603	35,874	26,305
Investing activities	-24,084	-26,528	-44,285	-23,647	-13,805
Financing activities	-22,561	-9,398	24,960	-16,092	-12,221
Cash flows for the year	-21,594	20,953	7,278	-3,865	279

## KEY FIGURES

Ratios	2020/21	2019/20	2018/19	2017/18	2016/17
<b>Profitability</b>					
Return on equity	19%	10%	9%	12%	9%
Return on invested capital	13%	7%	7%	9%	6%
Profit margin	11%	6%	5%	7%	6%
Asset turnover	1.1	1.0	1.0	1.0	0.9
<b>Equity ratio</b>					
Equity interest	42%	42%	41%	41%	40%
<b>Others</b>					
Number of employees (average)	618	589	534	525	468

## THANK YOU TO ALL STAKEHOLDERS

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

We would like to express our gratitude to all of the extraordinary efforts made by everyone from employees to customers, suppliers and local partners to bring us through all the demands and challenges of 2020/21 with a continued positive outlook for the coming years.



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

**Mekoprint Holding A/S**

## **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 01.10.20 - 30.09.21 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 30.09.21 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.10.20 - 30.09.21.

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, November 23, 2021

### **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 01.10.20 - 30.09.21, 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 30.09.21 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.10.20 - 30.09.21 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 parent company 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 parent company 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 parent company 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 parent company 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 parent company 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 parent company 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 parent company 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 parent company 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 parent company 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 parent company 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 parent company 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 parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company 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.



**Mekoprint Holding A/S**

## **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, November 23, 2021

**Beierholm**

Statsautoriseret Revisionspartnerselskab  
CVR no. 32 89 54 68

Henrik Bjørn

State Authorized Public Accountant  
MNE-no. mne28606

## Mekoprint Holding A/S

## Income statement

Note	Group		Parent		
	2020/21 DKK '000	2019/20 DKK '000	2020/21 DKK '000	2019/20 DKK '000	
3	<b>Turnover</b>	<b>571,056</b>	<b>508,915</b>	<b>0</b>	<b>0</b>
	Other operating income	233	0	0	0
	Costs of raw materials and consumables	-192,598	-190,063	0	0
	Other external expenses	-96,041	-78,426	-37	-41
	<b>Gross result</b>	<b>282,650</b>	<b>240,426</b>	<b>-37</b>	<b>-41</b>
4	Staff costs	-198,687	-185,707	0	0
	<b>Profit/loss before depreciation, amortisation, write-downs and impairment losses</b>	<b>83,963</b>	<b>54,719</b>	<b>-37</b>	<b>-41</b>
6	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-23,643	-23,104	0	0
	<b>Operating profit/loss</b>	<b>60,320</b>	<b>31,615</b>	<b>-37</b>	<b>-41</b>
	Other operating expenses	-18	-296	0	0
	<b>Profit/loss before net financials</b>	<b>60,302</b>	<b>31,319</b>	<b>-37</b>	<b>-41</b>
7	Income from equity investments in group enterprises	0	0	43,909	20,749
8	Financial income	680	153	305	468
9	Financial expenses	-4,059	-5,035	-91	-13
	<b>Profit before tax</b>	<b>56,923</b>	<b>26,437</b>	<b>44,086</b>	<b>21,163</b>
10	Tax on profit for the year	-12,876	-5,365	-39	-91
	<b>Profit for the year</b>	<b>44,047</b>	<b>21,072</b>	<b>44,047</b>	<b>21,072</b>
11	Distribution of net profit				

## Mekoprint Holding A/S

## Balance sheet

ASSETS		Group		Parent	
		30.09.21 DKK '000	30.09.20 DKK '000	30.09.21 DKK '000	30.09.20 DKK '000
Note					
	Goodwill	0	34	0	0
12	<b>Total intangible assets</b>	<b>0</b>	<b>34</b>	<b>0</b>	<b>0</b>
	Land and buildings	223,535	226,184	0	0
	Plant and machinery	108,014	108,098	0	0
	Other fixtures and fittings, tools and equipment	13,024	12,797	0	0
	Property, plant and equipment under construction	4,647	1,632	0	0
13	<b>Total property, plant and equipment</b>	<b>349,220</b>	<b>348,711</b>	<b>0</b>	<b>0</b>
14	Equity investments in group enterprises	0	0	236,236	192,145
15	Deposits	470	322	0	0
	<b>Total investments</b>	<b>470</b>	<b>322</b>	<b>236,236</b>	<b>192,145</b>
	<b>Total non-current assets</b>	<b>349,690</b>	<b>349,067</b>	<b>236,236</b>	<b>192,145</b>
	Raw materials and consumables	57,276	38,598	0	0
	Work in progress	17,626	14,257	0	0
	Manufactured goods and goods for resale	37,457	24,754	0	0
	<b>Total inventories</b>	<b>112,359</b>	<b>77,609</b>	<b>0</b>	<b>0</b>
	Trade receivables	103,431	73,427	0	0
	Receivables from group enterprises	570	45	17,714	23,305
	Other receivables	5,849	2,226	0	145
16	Prepayments	4,107	3,341	0	0
	<b>Total receivables</b>	<b>113,957</b>	<b>79,039</b>	<b>17,714</b>	<b>23,450</b>
	<b>Cash</b>	<b>3,001</b>	<b>2,857</b>	<b>228</b>	<b>93</b>
	<b>Total current assets</b>	<b>229,317</b>	<b>159,505</b>	<b>17,942</b>	<b>23,543</b>
	<b>Total assets</b>	<b>579,007</b>	<b>508,572</b>	<b>254,178</b>	<b>215,688</b>

**Mekoprint Holding A/S****Balance sheet**

<b>EQUITY AND LIABILITIES</b>		Group		Parent	
		30.09.21 DKK '000	30.09.20 DKK '000	30.09.21 DKK '000	30.09.20 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	91,236	47,145
	Other reserves	-208	-677	0	0
	Retained earnings	224,833	198,371	133,389	150,549
	Proposed dividend for the financial year	15,000	10,000	15,000	10,000
	<b>Total equity</b>	<b>244,625</b>	<b>212,694</b>	<b>244,625</b>	<b>212,694</b>
18	Provisions for deferred tax	49,536	47,514	0	0
	<b>Total provisions</b>	<b>49,536</b>	<b>47,514</b>	<b>0</b>	<b>0</b>
19	Mortgage debt	72,446	77,294	0	0
19	Payables to other credit institutions	2,328	2,655	0	0
19	Lease commitments	40,091	44,560	0	0
19	Other payables	15,190	15,017	0	0
	<b>Total long-term payables</b>	<b>130,055</b>	<b>139,526</b>	<b>0</b>	<b>0</b>
19	Short-term part of long-term payables	14,541	15,818	0	0
	Payables to other credit institutions	33,584	11,846	0	0
	Prepayments received from customers	492	351	0	0
	Trade payables	52,599	39,706	15	15
	Payables to group enterprises	0	0	7,741	2,888
	Income taxes	8,896	4,284	39	91
	Other payables	44,679	36,833	1,758	0
	<b>Total short-term payables</b>	<b>154,791</b>	<b>108,838</b>	<b>9,553</b>	<b>2,994</b>
	<b>Total payables</b>	<b>284,846</b>	<b>248,364</b>	<b>9,553</b>	<b>2,994</b>
	<b>Total equity and liabilities</b>	<b>579,007</b>	<b>508,572</b>	<b>254,178</b>	<b>215,688</b>

- 20 Fair value information
- 21 Derivative financial instruments
- 22 Contingent liabilities
- 23 Charges and security
- 24 Related parties

**Mekoprint Holding A/S****Statement of changes in equity**

Figures in DKK '000	Contributed capital	Reserve for net revaluation according to the equity method	Other reserves	Retained earnings	Proposed dividend for the financial year
Group:					
Statement of changes in equity for 01.10.19 - 30.09.20					
Balance as at 01.10.19	5,000	0	-1,221	199,616	7,500
Foreign currency translation adjustment of foreign enterprises	0	0	0	-84	0
Purchase of treasury shares	0	0	0	-2,900	0
Sale of treasury shares	0	0	0	580	0
Dividend from treasury shares	0	0	0	87	0
Extraordinary dividend paid	0	0	0	-10,000	0
Dividend paid	0	0	0	0	-7,500
Other changes in equity	0	0	544	0	0
Net profit/loss for the year	0	0	0	11,072	10,000
Balance as at 30.09.20	5,000	0	-677	198,371	10,000
Statement of changes in equity for 01.10.20 - 30.09.21					
Balance as at 01.10.20	5,000	0	-677	198,371	10,000
Foreign currency translation adjustment of foreign enterprises	0	0	0	-287	0
Purchase of treasury shares	0	0	0	-2,414	0
Dividend from treasury shares	0	0	0	116	0
Dividend paid	0	0	0	0	-10,000
Other changes in equity	0	0	469	0	0
Net profit/loss for the year	0	0	0	29,047	15,000
Balance as at 30.09.21	5,000	0	-208	224,833	15,000

**Mekoprint Holding A/S**

## Statement of changes in equity

Figures in DKK '000	Contributed capital	Reserve for net revaluation according to the equity method	Other reserves	Retained earnings	Proposed dividend for the financial year
Parent:					
Statement of changes in equity for 01.10.19 - 30.09.20					
Balance as at 01.10.19	5,000	25,936	0	172,459	7,500
Foreign currency translation adjustment of foreign enterprises	0	-84	0	0	0
Purchase of treasury shares	0	0	0	-2,900	0
Sale of treasury shares	0	0	0	580	0
Dividend from treasury shares	0	0	0	87	0
Extraordinary dividend paid	0	0	0	-10,000	0
Dividend paid	0	0	0	0	-7,500
Other changes in equity	0	544	0	0	0
Net profit/loss for the year	0	20,749	0	-9,677	10,000
Balance as at 30.09.20	5,000	47,145	0	150,549	10,000
Statement of changes in equity for 01.10.20 - 30.09.21					
Balance as at 01.10.20	5,000	47,145	0	150,549	10,000
Foreign currency translation adjustment of foreign enterprises	0	-287	0	0	0
Purchase of treasury shares	0	0	0	-2,414	0
Dividend from treasury shares	0	0	0	116	0
Dividend paid	0	0	0	0	-10,000
Other changes in equity	0	469	0	0	0
Net profit/loss for the year	0	43,909	0	-14,862	15,000
Balance as at 30.09.21	5,000	91,236	0	133,389	15,000

Mekoprint Holding A/S

## Consolidated cash flow statement

Note	Group	
	2020/21 DKK '000	2019/20 DKK '000
	<b>44,047</b>	<b>21,072</b>
25	46,400	36,056
Change in working capital:		
Inventories	-34,750	854
Receivables	-34,395	5,596
Trade payables	12,893	-3,988
Other payables relating to operating activities	610	5,231
<b>Cash flows from operating activities before net financials</b>	<b>34,805</b>	<b>64,821</b>
Interest income and similar income received	680	153
Interest expenses and similar expenses paid	-4,059	-5,035
Income tax paid	-6,375	-3,060
<b>Cash flows from operating activities</b>	<b>25,051</b>	<b>56,879</b>
Purchase of property, plant and equipment	-24,200	-26,615
Dividend recieved	116	87
<b>Cash flows from investing activities</b>	<b>-24,084</b>	<b>-26,528</b>
Purchase of treasury shares	-2,414	-2,900
Sale of treasury shares	0	580
Dividend paid	-10,000	-17,500
Repayment of other long-term payables	-10,147	10,422
<b>Cash flows from financing activities</b>	<b>-22,561</b>	<b>-9,398</b>
<b>Total cash flows for the year</b>	<b>-21,594</b>	<b>20,953</b>
Cash, beginning of year	2,857	1,075
Short-term payables to credit institutions, beginning of year	-11,846	-31,017
<b>Cash, end of year</b>	<b>-30,583</b>	<b>-8,989</b>
Cash, end of year, comprises:		
Cash	3,001	2,857
Short-term payables to credit institutions	-33,584	-11,846
<b>Total</b>	<b>-30,583</b>	<b>-8,989</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	
		2020/21 DKK '000	2019/20 DKK '000	2020/21 DKK '000	2019/20 DKK '000
Public grants	Other operating income	233	0	0	0
Loss on disposal of property, plant and equipment	Other operating expenses	-18	-296	0	0
<b>Total</b>		<b>215</b>	<b>-296</b>	<b>0</b>	<b>0</b>



	Group		Parent	
	2020/21 DKK '000	2019/20 DKK '000	2020/21 DKK '000	2019/20 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:

Chemigraphics	58,240	58,152	0	0
Mechanics	215,313	180,830	0	0
Graphic Electronics	180,520	169,696	0	0
Cables	103,447	90,549	0	0
Other	13,536	9,688	0	0
<b>Total</b>	<b>571,056</b>	<b>508,915</b>	<b>0</b>	<b>0</b>

Turnover comprises the following geographical markets:

Denmark	230,384	188,213	0	0
Other countries	340,672	320,702	0	0
<b>Total</b>	<b>571,056</b>	<b>508,915</b>	<b>0</b>	<b>0</b>

	Group		Parent	
	2020/21 DKK '000	2019/20 DKK '000	2020/21 DKK '000	2019/20 DKK '000
<b>4. Staff costs</b>				
Wages and salaries	179,987	168,212	0	0
Pensions	11,619	11,088	0	0
Other social security costs	1,132	951	0	0
Other staff costs	5,949	5,456	0	0
<b>Total</b>	<b>198,687</b>	<b>185,707</b>	<b>0</b>	<b>0</b>
Average number of employees during the year				
	618	589	0	0
Remuneration for the management:				
Salaries for the Executive Board	4,314	3,422	0	0
Pension for the Executive Board	247	241	0	0
<b>Total remuneration for the Executive Board</b>	<b>4,561</b>	<b>3,663</b>	<b>0</b>	<b>0</b>
Remuneration for the Board of Directors	360	360	0	0
Remuneration for the Executive Board and Board of Directors	4,921	4,023	0	0
<b>5. Fees to auditors appointed by the general meeting</b>				
Statutory audit of the financial statements	366	427	14	14
Other services	73	129	2	6
<b>Total</b>	<b>439</b>	<b>556</b>	<b>16</b>	<b>20</b>

	Group		Parent	
	2020/21 DKK '000	2019/20 DKK '000	2020/21 DKK '000	2019/20 DKK '000

#### 6. Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment

Amortisation of intangible assets	34	402	0	0
Depreciation of property, plant and equipment	23,609	22,702	0	0
<b>Total</b>	<b>23,643</b>	<b>23,104</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	43,909	20,749
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#### 8. Financial income

Interest, group enterprises	0	0	305	468
Other financial income	680	153	0	0
<b>Total</b>	<b>680</b>	<b>153</b>	<b>305</b>	<b>468</b>

#### 9. Financial expenses

Interest, group enterprises	0	0	90	13
Other financial expenses	4,059	5,035	1	0
<b>Total</b>	<b>4,059</b>	<b>5,035</b>	<b>91</b>	<b>13</b>

	Group		Parent	
	2020/21 DKK '000	2019/20 DKK '000	2020/21 DKK '000	2019/20 DKK '000
<b>10. Tax on profit or loss for the year</b>				
Current tax for the year	10,987	4,185	39	91
Adjustment of deferred tax for the year	1,889	1,180	0	0
<b>Total</b>	<b>12,876</b>	<b>5,365</b>	<b>39</b>	<b>91</b>

**11. Distribution of net profit**

Reserve for net revaluation according to the equity method	0	0	43,909	20,749
Extraordinary dividend for the financial year	0	10,000	0	10,000
Proposed dividend for the financial year	15,000	10,000	15,000	10,000
Retained earnings	29,047	1,072	-14,862	-19,677
<b>Total</b>	<b>44,047</b>	<b>21,072</b>	<b>44,047</b>	<b>21,072</b>

**12. Intangible assets**

Figures in DKK '000	Goodwill
Group:	
Cost as at 01.10.20	2,072
Cost as at 30.09.21	2,072
Amortisation and impairment losses as at 01.10.20	-2,038
Amortisation during the year	-34
Amortisation and impairment losses as at 30.09.21	-2,072
Carrying amount as at 30.09.21	0

**13. Property, plant and equipment**

Figures in DKK '000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction
Group:				
Cost as at 01.10.20	257,385	379,755	52,796	1,631
Foreign currency translation adjustment of foreign enterprises	-121	0	0	0
Additions during the year	0	17,522	3,915	4,648
Disposals during the year	0	-5,851	-120	-1,632
Cost as at 30.09.21	257,264	391,426	56,591	4,647
Depreciation and impairment losses as at 01.10.20	-31,200	-271,656	-40,000	0
Depreciation during the year	-2,529	-17,381	-3,615	0
Depreciation of and impairment losses on disposed assets for the year	0	5,625	48	0
Depreciation and impairment losses as at 30.09.21	-33,729	-283,412	-43,567	0
Carrying amount as at 30.09.21	223,535	108,014	13,024	4,647

**14. Equity investments in group enterprises**

Figures in DKK '000	Equity invest- ments in group enterprises
Parent:	
Cost as at 01.10.20	145,000
Cost as at 30.09.21	145,000
Revaluations as at 01.10.20	47,145
Foreign currency translation adjustment of foreign enterprises	-287
Net profit/loss from equity investments	43,909
Other adjustments relating to equity investments	469
Revaluations as at 30.09.21	91,236
Carrying amount as at 30.09.21	236,236
Subsidiaries:	
Name and registered office:	Ownership interest
Mekoprint A/S, Rebild	100%
Mekoprint Ejendomme A/S, Rebild	100%

Subsidiary Mekoprint Ejendomme A/S has presented its annual report for 2020/21 according to the provisions on Class B enterprises set out in section 78 a of the Danish Financial Statements Act.

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

Figures in DKK '000	Deposits
Group:	
Cost as at 01.10.20	322
Additions during the year	148
Cost as at 30.09.21	470
Carrying amount as at 30.09.21	470

**Mekoprint Holding A/S****Notes**

	Group		Parent	
	30.09.21 DKK '000	30.09.20 DKK '000	30.09.21 DKK '000	30.09.20 DKK '000
<b>16. Prepayments</b>				
Other prepayments	4,107	3,341	0	0

**17. Share capital**

The share capital consists of:

	Quantity	Total nominal value
Share capital	500	5,000

Treasury shares consist of:

	Purchase- /salesprice DKK '000	Total nominal value DKK '000	Percent of capital
Holding of treasury shares as at 01.10.20		58	1.16%
Additions during the year	2,414	60	1.19%
Holding of treasury shares as at 30.09.21		118	2.35%

The acquisition of treasury shares has been made in relation to 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.

	Group		Parent	
	30.09.21 DKK '000	30.09.20 DKK '000	30.09.21 DKK '000	30.09.20 DKK '000
<b>18. Deferred tax</b>				
Deferred tax as at 01.10.20	47,514	46,157	0	0
Deferred tax recognised in the income statement	1,889	1,180	0	0
Deferred tax recognised in equity	133	177	0	0
Deferred tax as at 30.09.21	49,536	47,514	0	0

**19. Long-term payables**

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 30.09.21	Total payables at 30.09.20
Group:				
Mortgage debt	4,845	53,088	77,291	82,102
Payables to other credit institutions	398	0	2,726	3,447
Lease commitments	9,298	10,100	49,389	54,778
Other payables	0	15,190	15,190	15,017
Total	14,541	78,378	144,596	155,344

**20. Fair value information**

Figures in DKK '000	Derivative financial instruments
Group:	
Fair value as at 30.09.21	-266



**21. Derivative financial instruments**

The group has concluded an interest rate swap as hedging of future interest payments on a variable interest mortgage. The interest rate swap is measured at fair value. Fair value at the balance sheet date amounts to DKK -208k after taxes. In the financial year an unrealised profit after taxes of DKK 469k are recognised in equity. The interest rate swap is signed with a Danish financial institution.

**22. Contingent liabilities**

Group:

*Lease commitments*

The group has concluded operating lease agreements on tools and cars amounting to DKK 1,316k, and all agreements ends before 31.01.24.

*Recourse guarantee commitments*

The group has placed a guarantee to the credit institutions Nordea Finans and Nordania Leasing in Mekoprint A/S' payments concerning lease agreements with outstanding balance DKK 240k and DKK 48,438k at 30.09.21.

The group has placed a guarantee to credit institution Nykredit in Mekoprint Ejendomme A/S with outstanding balance DKK 78,022k at 30.09.21.

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.

**23. Charges and security**

Group:

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.

The group has placed a pledge to Danske Bank and Nykredit not to pay dividends resulting in a solvency ratio less than 25%.

**24. Related parties**

Controlling influence	Basis of influence
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Samek ApS, Rebild	Capital owner
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Mekoprint Holding A/S is included in the consolidated financial statement of the parent, Samek ApS, Rebild

	Group	
	2020/21	2019/20
	DKK '000	DKK '000

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

Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	23,560	23,163
Other operating expenses	18	296
Financial income	-680	-153
Financial expenses	4,059	5,035
Tax on profit or loss for the year	12,877	5,365
Other adjustments	6,566	2,350
Total	46,400	36,056

**26. 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.

**26. 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 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.

**DERIVATIVE FINANCIAL INSTRUMENTS**

On initial recognition, derivative financial instruments are measured at cost. Subsequently, they are measured at fair value and recognised under other receivables and other payables, respectively.

Fair value adjustment of derivative financial instruments classified as and meeting the criteria for hedging future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. In the event that the hedged transaction results in the recognition of an asset or a liability, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be included in the cost of the asset or the liability. In the event that the hedged transaction results in the recognition of an income or an expense, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be recognised together with the hedged income or expense.

**26. Accounting policies** - continued -

If the hedged transaction is no longer expected to occur, the cash flow hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument is transferred to other net financials in the income statement. If the hedged transaction is still expected to occur, but the criteria for cash flow hedging are no longer met, the hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument remains in equity until the transaction occurs.

Fair value adjustments of derivative financial instruments that do not meet the criteria for hedge accounting treatment are recognised under other net financials in the income statement on an ongoing basis.

**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.

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

**GRANTS**

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised on a proportionate basis in the income statement over the period in which the expenses eligible for grants are expensed. Grants are recognised under other operating income.

**26. Accounting policies** - continued -**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 costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

**Staff costs**

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

**26. Accounting policies** - continued -**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	5	0
Buildings	40	60
Plant and machinery	7-20	0-15
Other plant, fixtures and fittings, tools and equipment	3-10	0-15

Goodwill is amortised over 5 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.

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

**26. Accounting policies** - continued -**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.

**Property, plant and equipment**

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



**26. Accounting policies** - continued -

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.

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.

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.

**26. Accounting policies** - continued -

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.

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.

**26. Accounting policies** - continued -**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 as well as operating cash.

**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.

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.

**26. Accounting policies** - continued -

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.

**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.

**26. Accounting policies** - continued -

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 and short-term payables to credit institutions.

**Definition of Ratios***Definitions of ratios*

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 intangible assets.
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:	$\frac{\text{Turnover}}{\text{Avg. total assets}}$
Equity interest:	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets}}$

