

**LEUZE ELECTRONIC
SCANDINAVIA ApS**

**Gydevang 39
3450 Allerød**

CVR no. 32 15 60 37

Annual report for 2023

Adopted at the annual general
meeting on 5 April 2024

Thomas Erik Martin Winemar
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of LEUZE ELECTRONIC SCANDINAVIA ApS for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Allerød, 5 April 2024

Executive board

Thomas Erik Martin Winemar
Director

Supervisory board

Salvatore Buccheri
chairman

Markus Kast

Independent auditor's report

To the shareholder of LEUZE ELECTRONIC SCANDINAVIA ApS

Opinion

We have audited the financial statements of LEUZE ELECTRONIC SCANDINAVIA ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's responsibilities for the financial statements

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

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

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

København K, 5 April 2024

Rödl & Partner Danmark

Godkendt Revisionsaktieselskab
CVR no. 39 18 86 78

Gitte Henckel
Statsautoriseret Revisor
MNE no. mne32734

Company details

The company

LEUZE ELECTRONIC SCANDINAVIA ApS
Gydevang 39
3450 Allerød

CVR no.: 32 15 60 37

Reporting period: 1 January - 31 December 2023

Incorporated: 1 May 2009

Financial year: 15th financial year

Domicile: Birkerød

Supervisory board

Salvatore Buccheri, chairman
Markus Kast

Executive board

Thomas Erik Martin Winemar, director

Auditors

Rödl & Partner Danmark
Godkendt Revisionsaktieselskab
Store Kongensgade 40H, 2
1264 København K

General meeting

The annual general meeting is held at the company's address on 5 April 2024.

Management's review

Business review

Leuze Electronic Scandinavia ApS's primary activities are trade with electronic sensors.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of DKK 626,061, and the balance sheet at 31 December 2023 shows negative equity of DKK 21,083,512.

The company's equity is negative by DKK 21,083,512 as of 31 December 2023. The company is therefore subject to the Danish Companies Act's rules regarding capital loss. Management expects that the company's equity will be re-established through its own operations.

To support the company's continued operation, the parent company, Leuze electronic GmbH + Co. KG, has declared to subordinate the open payments of Leuze Electronic Scandinavia ApS with Leuze electronic GmbH + Co. KG, which amounts to DKK 22,896,447 as of 31 December 2023.

On this basis, it is the management's assessment that the company can be considered a going concern, and the company's financial statements for 2023 have therefore been prepared on a going concern basis.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of LEUZE ELECTRONIC SCANDINAVIA ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK

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 amortisation, depreciation and impairment losses, 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 the asset 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 the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Accounting policies

Gross profit reflects an aggregation of revenue less costs of raw materials and consumables and other external expenses.

Revenue

As income recognition criterion, the completed contract method is applied so that revenue comprises invoiced revenue for the income year. Income from the sale of goods for resale is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Expenses for raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external costs

Other external costs include expenses related to facility costs, sale, administration and bad debts.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised exchange gains and losses, liabilities and foreign currency transactions.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year.

Accounting policies

Balance sheet

Fixed asset investments

Deposits

Deposits consist of deposits, measured at amortised costs.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. The value is reduced by write-down for bad debt according to an individual assesment.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise deposits at banks.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Liabilities

Liabilities, which include trade payables, payables to group enterprises and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		3,132,163	4,516,922
Staff costs	1	<u>-2,389,905</u>	<u>-4,250,245</u>
Profit/loss before amortisation/depreciation and impairment losses		742,258	266,677
Depreciation and impairment of property, plant and equipment		<u>0</u>	<u>-58,300</u>
Profit/loss before net financials		742,258	208,377
Financial costs	2	<u>-111,575</u>	<u>-393,298</u>
Profit/loss before tax		630,683	-184,921
Tax on profit/loss for the year	3	<u>-4,622</u>	<u>-178,532</u>
Profit/loss for the year		<u>626,061</u>	<u>-363,453</u>
Retained earnings		<u>626,061</u>	<u>-363,453</u>
		<u>626,061</u>	<u>-363,453</u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Deposits		18,897	29,570
Fixed asset investments		18,897	29,570
Total non-current assets		18,897	29,570
Trade receivables		1,198,747	1,246,421
Receivables from group enterprises		85,240	0
Other receivables		1,185	101,508
Prepayments		26,851	27,967
Receivables		1,312,023	1,375,896
Cash at bank and in hand		1,340,314	1,773,194
Total current assets		2,652,337	3,149,090
Total assets		2,671,234	3,178,660

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Share capital		625,000	625,000
Retained earnings		<u>-21,708,512</u>	<u>-22,334,573</u>
Equity		<u>-21,083,512</u>	<u>-21,709,573</u>
Trade payables		95,994	144,072
Payables to group enterprises		22,896,447	23,794,483
Corporation tax		0	1,778
Other payables		<u>762,305</u>	<u>947,900</u>
Total current liabilities		<u>23,754,746</u>	<u>24,888,233</u>
Total liabilities		<u>23,754,746</u>	<u>24,888,233</u>
Total equity and liabilities		<u>2,671,234</u>	<u>3,178,660</u>
Uncertainty about the continued operation (going concern)	4		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	625,000	-22,334,573	-21,709,573
Net profit/loss for the year	0	626,061	626,061
Equity at 31 December 2023	<u>625,000</u>	<u>-21,708,512</u>	<u>-21,083,512</u>

Notes

	<u>2023</u> DKK	<u>2022</u> DKK
1 Staff costs		
Wages and salaries	2,315,668	3,826,228
Pensions	10,224	318,721
Other staff costs	<u>64,013</u>	<u>105,296</u>
	<u>2,389,905</u>	<u>4,250,245</u>
Number of fulltime employees on average	<u>3</u>	<u>5</u>
2 Financial costs		
Other financial costs	49,352	63,681
Exchange loss	<u>62,223</u>	<u>329,617</u>
	<u>111,575</u>	<u>393,298</u>
3 Tax on profit/loss for the year		
Current tax for the year	0	178,532
Adjustment of tax concerning previous years	<u>4,622</u>	<u>0</u>
	<u>4,622</u>	<u>178,532</u>

Notes**4 Uncertainty about the continued operation (going concern)**

The company's equity is negative by DKK 21,083,512 as of 31 December 2023. The company is therefore subject to the Danish Companies Act's rules regarding capital loss. Management expects that the company's equity will be re-established through its own operations.

To support the company's continued operation, the parent company, Leuze electronic GmbH + Co. KG, has declared to subordinate the open payments of Leuze Electronic Scandinavia ApS with Leuze electronic GmbH + Co. KG, which amounts to DKK 22,896,447 as of 31 December 2023.

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	<u>2023</u> DKK	<u>2022</u> DKK
5 Rent and lease liabilities		
Rent and lease liabilities		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	176,418	128,000
Between 1 and 5 years	<u>0</u>	<u>90,000</u>
	<u>176,418</u>	<u>218,000</u>

6 Contingent assets

The Company has unrecognised deferred tax asset of DKK 5,028,531 as per 31 December 2023.

7 Mortgages and collateral

DKK 65,000 has been deposited as security for engagement with a credit institution.

Notes

8 Related parties and ownership structure

Consolidated financial statements

The company is reflected in the group report as the parent company Leuze electronic GmbH + Co. KG

The group report of Leuze electronic GmbH + Co. KG can be obtained at the following address:

In der Braike 1
73277 Owen
Germany