Annual Report for

JAI A/S

Valby Torvegade 17, 1.,
DK-2500 Valby

1 April 2023 - 31 March 2024

CVR No 34 79 53 12

The Annual Report was
presented and adopted at
the Annual General Meeting of
the Company on
3 July 2024

Ole Finn Nielsen
Chairman of the General Meeting

www.jai.com

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of JAI A/S for the financial year 1 April 2023 - 31 March 2024.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 March 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023/24.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Valby, 27 June 2024

Executive Board

Michael Lisby Jensen
CEO

Board of Directors

Jørgen Kjeld Andersen Chairman	Mogens Jensen Vice chairman	Karl Kristian Nielsen
Sigurd Lilienfeldt	Masatoshi Hitomi	

Independent Auditor's report

To the shareholder of JAI A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 March 2024 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 April 2023 - 31 March 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of JAI A/S for the financial year 1 April 2023 - 31 March 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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 Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement 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, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the 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 Financial Statements unless Management either intends to liquidate the Group or the Parent 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 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 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 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 Parent Company to cease to continue as a going concern.

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

- 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.

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.

Independent Auditor's report

Hellerup, 27 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Flemming Eghoff	Mads Blichfeldt Fjord
State Authorised Public Accountant	State Authorised Public Accountant
mne30221	mne46065

Company information

The Company	JAI A/S Valby Torvegade 17, 1 2500 Valby CVR No: 34 79 53 12 Financial period: 1 April 2023 - 31 March 2024 Incorporated: 18 June 1971 Municipality of reg. office: Copenhagen
Board of Directors	Jørgen Kjeld Andersen, chairman Mogens Jensen, vice chairman Karl Kristian Nielsen Sigurd Lilienfeldt Masatoshi Hitomi
Executive Board	Michael Lisby Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Group Chart

Company	Residence	Ownership
JAI A/S	**Valby, Denmark**	
JAI Ltd.	Yokohama City, Japan	100
JAI Inc.	California, USA	100
JAI Korea Ltd.	Seoul, South Korea	100
JAI China	Beijing, China	100
JAI Singapore	Singapore	100
JAI Aviation ApS	Valby, Denmark	100

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023/24	2022/23	2021/22	2020/21	2019/20
	TEUR	TEUR	TEUR	TEUR	TEUR
Key figures					
Profit/loss					
Revenue	41,489	48,575	33,190	30,531	33,930
Gross profit	15,809	17,784	10,525	13,321	12,244
EBITDA	5,297	6,411	69	3,438	1,358
Profit/loss of primary operations	3,003	3,949	-2,437	678	-1,324
Profit/loss of financial income and expenses	-651	2	11	-79	-78
Net profit/loss for the year	2,168	2,900	-1,684	683	-1,039
Balance sheet	43,939	47,825	44,169	42,154	42,767
Balance sheet total Equity	27,230	29,795	28,114	31,155	32,504
Cash flows					
Cash flows from:					
- operating activities	4,844	-1,943	-8,279	5,650	1,911
- investing activities	-1,501	-4,725	-2,311	-2,246	-1,724
- financing activities	-1,276	3,479	2,387	1,096	1,031
Change in cash and cash equivalents for the year	2,067	-3,189	-8,203	4,500	-844
Number of employees	127	133	118	115	121
Ratios					
Gross margin	38.1%	36.6%	31.7%	43.6%	36.1%
Return on assets	6.8%	8.3%	-5.5%	1.6%	-3.1%
Solvency ratio	62.0%	62.3%	63.7%	73.9%	76.0%
Return on equity	7.6%	10.0%	-5.7%	2.1%	-6.4%

Management's Review

Key activities

JAI is a leading manufacturer of high-quality, industrial-grade cameras for various markets, including machine vision, transportation, food & beverage, aerospace, medical, and scientific sectors. With over 60 years in the vision industry, JAI has sold more than 1 million cameras globally, serving multiple applications and industries where camera vision technology is crucial to processes, products, or services.

JAI's extensive product line features high-performance progressive scan CMOS cameras, including NIR, SWIR and UV, with spatial resolutions up to 45 megapixels. It also includes innovative multi-sensor prism-block cameras, available in both area scan and line scan models.

Physical interfaces supported by JAI cameras include Camera Link®, GigE Vision®, CoaX-Press, and USB3 Vision digital standards, along with SFP+ fiber optic transmission.

With a global presence, JAI cameras enhance customer businesses by improving quality and accuracy, reducing costs, increasing yields, and enabling better service. Besides cameras, JAI's traffic solutions group is a world leader in specialized traffic systems, offering solutions based on JAI-developed hardware and software, often integrated with third-party products.

Development in the year

The financial year 2023/24 delivered an acceptable revenue compared to the extraordinary strong performance in 2022/23. In the same way there is a slightly decline in the EBTIDA.

The market has in the last four years been characterised by challenging conditions with a Covid-19 that stop most activities, followed by two years of component shortages combined with a high level of orders from the customers, and subsequently a hesitant year. The war in Europe and the high tension between USA and China are other factors that have a negative impact on the market.

JAI Group has adapted to the situation with focus on the future customer demand. JAI is prepared to come up with a wide range of new products in the coming years.

Significant highlights

This year, as the rest of the machine vision market we experienced a market slowdown, which presented us with an opportunity to focus on optimizing our internal processes across the entire organization. By streamlining operations and enhancing efficiencies, we have positioned ourselves to respond more effectively to future market demands.

Our Research and Development (R&D) department has been particularly active, ramping up efforts and progressing on several new products. We are excited to announce that these innovations are on track for launch within the coming years, promising to bring cutting-edge solutions to our customers.

Despite a lower level of new orders this year, primarily due to de-stocking trends in the market and a flat global market specific in 2024, our customers continue to express strong satisfaction with our products. This feedback reinforces our commitment to quality and customer service, which remains a cornerstone of our business.

We maintained a robust and healthy order backlog, which was successfully shipped throughout the year. As a result, our revenue only experienced a slight decline, underscoring the resilience of our business model and the effectiveness of our operational strategies.

Our Supply Chain Management (SCM) operations remain robust. Through continuous optimization, we have achieved high and flexible capacity, significantly reducing the order-to-delivery time. These improvements enhance our ability to meet customer demands promptly and efficiently, further solidifying our market position.

Financial highlights

· The EBITDA amounted to a profit of 5,297 KEUR compared to a profit of 6,411 KEUR in 2022/23.

· Adjusted for non-machine-vision activities the EBITDA shows a profit of 5.734 KEUR compared to 6,779 KEUR in 2022/23.

· The income statement of the Group for 2023/24 shows a profit of 2,168 KEUR, and on 31 March 2024, the balance sheet of the Group shows equity of 27,230 KEUR.

· The revenue was 41,489 KEUR in 2023/24, which was a decline of 16% compared to 2022/23.

· JAI considers the result of the year to be satisfactory considering the general de-stocking in the global industry. In this light, JAI is satisfied that The EBITDA is in line with pre-Covid levels however the revenue and earnings is below the expectations as set out in the annual report for 2022/23.

Expectations for the future

The longer-term projections for the market for machine vision is overall growth, driven by the increasing demand for solutions from factory automation to quality assurance. Our products are uniquely positioned to address a wide array of challenges in these sectors, ensuring continued relevance and demand.

We anticipate that the market will remain slow in the near 2024 with no significant increase expected immediately. Economic conditions and industry trends suggest a cautious outlook for the coming quarters. However, we are prepared for a gradual increase in orders as market conditions stabilize and customer demand rebounds.

JAI is in close dialogue with our customers, and in second half year, we expect that our customers will have largely depleted their existing stockpiles, leading to a return to normal order levels. This anticipated shift will mark a pivotal moment, restoring momentum and demand for our products.

Despite the current market challenges, JAI is well-prepared for the future. Our strategic initiatives and internal optimizations have strengthened our foundation, ensuring that we are ready to capitalize on opportunities as the market recovers.

JAI A/S expect a revenue for the financial year 2024/25 of 40- 45 MEUR, which is in line with the financial year 2023/24. With increasing investments in R&D we expect slightly lower earnings with an EBITDA of 2-4 MEUR.

Risks

General risks
The Group's largest operating risks relate to the ability to stay strongly positioned in the market and to remain a market leader in terms of the technological developments within the Group's business areas.

Financial risks
As part of its operations, investments, and financial affairs the Group is exposed to changes in foreign exchange rates and interest rate levels. It is Group policy not to engage in active speculation in financial risks. The Group Financial Management is thus directed solely at managing existing financial risks.

Currency risks
The Group is affected by changes in foreign exchange rates, as the net profit/loss for the year of foreign subsidiaries is translated into EUR based on average exchange rates at the balance sheet date.

The Group currency risks are primarily hedged by matching income/expenses and short-term assets/liabilities in the same currency.

The Group has no hedging of long-term group assets and liabilities. The net foreign exchange loss for the year 2023/24 amounts to 274 KEUR primarily due to unrealized profit from group entities. The impact on the equity is a loss of 1,833 KEUR due to a devaluation of the JPY of 11% combined with a significant part of the Group is located in Japan.

Intellectual capital and research and development activities

Intellectual capital
JAI's intellectual capital comprises customer relations, employees, technologies, and processes. Skilled and committed employees are a prerequisite for the results of the Group. The working environment is informal with a large degree of freedom and responsibility delegated to each employee. Employee skills are maintained and developed continuously.

The JAI Group has considerable know-how about advanced camera technology and traffic systems, which are maintained and developed on an ongoing basis.

Product development takes place in Japan, USA, and Denmark. It is strategically important for JAI to undertake development activities in these three countries.

Production takes place in Japan, and the USA. JAI has considerable experience in the production of advanced cameras where quality requirements are at a high level.

Research and development activities

In 2023/24 the Group incurred research and development costs of 2,170 KEUR against 2,339 KEUR in 2022/23. Development costs of 1,108 KEUR were capitalized in 2023/24 compared to 1,486 KEUR in 2022/23.

Development projects in progress and Capitalized research amounted to 914 KEUR on 31 March 2024.

Quality systems

Quality has a high priority at JAI, and the company strives to deliver the best possible quality in all respects.

All companies in the JAI Group are ISO 9001:2015 / ISO 14001:2008 certified. JAI’s quality management systems are subject to constant development and improvement.

Subsequent events

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Income statement 1 April 2023 - 31 March 2024

	Note	Group 2023/24	Group 2022/23	Parent company 2023/24	Parent company 2022/23
		TEUR	TEUR	TEUR	TEUR
Revenue		41,489	48,575	9,364	12,641
Work on own account recognised in assets		927	1,731	0	0
Other operating income		0	0	4,248	3,884
Expenses for raw materials and consumables		-19,822	-25,164	-6,783	-8,227
Other external expenses		-6,785	-7,358	-3,194	-3,384
Gross profit		**15,809**	**17,784**	**3,635**	**4,914**
Staff expenses	1	-10,512	-11,373	-3,918	-3,496
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-2,294	-2,462	-1,113	-698
Profit/loss before financial income and expenses		**3,003**	**3,949**	**-1,396**	**720**
Income from investments in subsidiaries	3	0	0	3,344	2,284
Financial income	4	644	734	710	379
Financial expenses	5	-1,295	-732	-860	-267
Profit/loss before tax		**2,352**	**3,951**	**1,798**	**3,116**
Tax on profit/loss for the year	6	-184	-1,051	370	-216
Net profit/loss for the year	7	**2,168**	**2,900**	**2,168**	**2,900**

Balance sheet 31 March 2024

Assets

	Note	Group 2023/24	Group 2022/23	Parent company 2023/24	Parent company 2022/23
		TEUR	TEUR	TEUR	TEUR
Completed development projects		2,866	3,005	2,356	2,013
Acquired licenses		10	14	0	0
Goodwill		0	0	0	0
Development projects in progress		914	1,315	914	1,249
Intangible assets	8	**3,790**	**4,334**	**3,270**	**3,262**
Land and buildings		835	937	122	122
Other fixtures and fittings, tools and equipment		2,114	2,376	52	84
Leasehold improvements		220	213	0	0
Property, plant and equipment in progress		186	337	100	0
Property, plant and equipment	9	**3,355**	**3,863**	**274**	**206**
Investments in subsidiaries	10	0	0	23,687	24,802
Fixed asset investments		**0**	**0**	**23,687**	**24,802**
Fixed assets		**7,145**	**8,197**	**27,231**	**28,270**
Inventories	11	**20,776**	**24,032**	**204**	**108**
Trade receivables		7,188	9,523	1,795	2,462
Receivables from group enterprises		0	0	5,870	4,135
Other receivables		226	445	33	39
Deferred tax asset	12	1,911	1,595	518	226
Corporation tax		413	0	0	0
Corporation tax receivable from group enterprises		0	0	44	37
Prepayments	13	699	567	114	187
Receivables		**10,437**	**12,130**	**8,374**	**7,086**

Balance sheet 31 March 2024

Assets

		Group		Parent company	
	Note	2023/24	2022/23	2023/24	2022/23
		TEUR	TEUR	TEUR	TEUR
Cash at bank and in hand		**5,581**	**3,466**	**258**	**400**
Current assets		**36,794**	**39,628**	**8,836**	**7,594**
Assets		**43,939**	**47,825**	**36,067**	**35,864**

Balance sheet 31 March 2024

Liabilities and equity

	Note	Group 2023/24	Group 2022/23	Parent company 2023/24	Parent company 2022/23
		TEUR	TEUR	TEUR	TEUR
Share capital	14	1,254	1,254	1,254	1,254
Reserve for net revaluation under the equity method		0	0	15,477	16,767
Reserve for development costs		0	0	2,557	2,547
Other statutory reserves		-3,572	-1,612	-378	-346
Retained earnings		27,380	27,253	6,152	6,673
Proposed dividend for the year		2,168	2,900	2,168	2,900
Equity		**27,230**	**29,795**	**27,230**	**29,795**
Provision for deferred tax	12	366	422	0	0
Provisions for pensions and similar obligations		285	297	0	0
Other provisions	15	392	406	0	0
Provisions		**1,043**	**1,125**	**0**	**0**
Credit institutions		619	1,761	0	0
Payables to group enterprises		2,862	0	2,862	0
Long-term debt	16	**3,481**	**1,761**	**2,862**	**0**
Credit institutions	16	5,664	5,896	2,468	2,125
Prepayments received from customers		508	1,304	0	230
Trade payables		3,600	5,151	170	379
Payables to group enterprises	16	0	0	2,609	2,646
Corporation tax		354	726	0	0
Other payables		2,059	2,067	728	689
Short-term debt		**12,185**	**15,144**	**5,975**	**6,069**
Debt		**15,666**	**16,905**	**8,837**	**6,069**
Liabilities and equity		**43,939**	**47,825**	**36,067**	**35,864**

Contingent assets, liabilities and other financial obligations	19
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Statement of changes in equity

Group

	Share capital	Other statutory reserves	Retained earnings	Proposed dividend for the year	Total
	TEUR	TEUR	TEUR	TEUR	TEUR
Equity at 1 April	1,254	-1,612	27,253	2,900	29,795
Exchange adjustments	0	-1,960	0	0	-1,960
Ordinary dividend paid	0	0	0	-2,773	-2,773
Ordinary dividend on treasury shares	0	0	127	-127	0
Net profit/loss for the year	0	0	0	2,168	2,168
Equity at 31 March	**1,254**	**-3,572**	**27,380**	**2,168**	**27,230**

Statement of changes in equity

Parent company

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Other statutory reserves	Retained earnings	Proposed dividend for the year	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Equity at 1 April	1,254	16,767	2,547	-346	6,673	2,900	29,795
Exchange adjustments	0	-1,928	0	-32	0	0	-1,960
Ordinary dividend paid	0	0	0	0	0	-2,773	-2,773
Ordinary dividend on treasury shares	0	0	0	0	127	-127	0
Dividend from group enterprises	0	-2,735	0	0	2,735	0	0
Transfers, reserves	0	29	0	0	-29	0	0
Development costs for the year	0	0	864	0	-864	0	0
Depreciation, amortisation and impairment for the year	0	0	-854	0	854	0	0
Net profit/loss for the year	0	3,344	0	0	-3,344	2,168	2,168
Equity at 31 March	**1,254**	**15,477**	**2,557**	**-378**	**6,152**	**2,168**	**27,230**

Cash flow statement 1 April 2023 - 31 March 2024

	Note	Group 2023/24 TEUR	Group 2022/23 TEUR
Result of the year		2,168	2,900
Adjustments	17	1,169	2,292
Change in working capital	18	3,297	-7,024
Cash flow from operations before financial items		**6,634**	**-1,832**
Financial income		644	734
Financial expenses		-1,295	-732
Cash flows from ordinary activities		**5,983**	**-1,830**
Corporation tax paid		-1,139	-113
Cash flows from operating activities		**4,844**	**-1,943**
Purchase of intangible assets		-1,118	-1,741
Purchase of property, plant and equipment		-383	-700
Fixed asset investments made etc		0	-2,284
Cash flows from investing activities		**-1,501**	**-4,725**
Repayment of loans from credit institutions		-1,374	1,195
Repayment of payables to group enterprises		100	0
Other equity entries		0	2,284
Dividend paid		-2	0
Cash flows from financing activities		**-1,276**	**3,479**
Change in cash and cash equivalents		**2,067**	**-3,189**
Cash and cash equivalents at 1 April		3,466	6,435
Exchange adjustment		48	220
Cash and cash equivalents at 31 March		**5,581**	**3,466**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		5,581	3,466
Cash and cash equivalents at 31 March		**5,581**	**3,466**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TEUR	TEUR	TEUR	TEUR
1. Staff Expenses				
Wages and salaries	9,211	10,384	3,779	3,455
Pensions	193	0	72	0
Other social security expenses	629	765	24	41
Other staff expenses	479	224	43	0
	10,512	**11,373**	**3,918**	**3,496**
Including remuneration to the Executive Board and Board of Directors	**1,187**	**1,244**	**1,187**	**1,244**
Average number of employees	**127**	**133**	**19**	**21**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TEUR	TEUR	TEUR	TEUR
2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	1,618	1,322	1,096	339
Depreciation of property, plant and equipment	676	1,140	17	359
	2,294	**2,462**	**1,113**	**698**

	Parent company	
	2023/24	2022/23
	TEUR	TEUR
3. Income from investments in subsidiaries		
Share of profits of subsidiaries	3,344	2,284
	3,344	**2,284**

Notes to the Financial Statements

4. Financial income

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TEUR	TEUR	TEUR	TEUR
Interest received from group enterprises	0	0	155	66
Other financial income	18	11	13	2
Exchange gains	626	723	542	311
	644	**734**	**710**	**379**

5. Financial expenses

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TEUR	TEUR	TEUR	TEUR
Interest paid to group enterprises	109	0	260	56
Other financial expenses	286	283	128	96
Exchange loss	900	449	472	115
	1,295	**732**	**860**	**267**

6. Income tax expense

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TEUR	TEUR	TEUR	TEUR
Current tax for the year	656	1,131	-44	0
Deferred tax for the year	-439	-113	-293	183
Adjustment of deferred tax concerning previous years	-33	33	-33	33
	184	**1,051**	**-370**	**216**

	Parent company	
	2023/24	2022/23
	TEUR	TEUR
7. Profit allocation		
Proposed dividend for the year	2,168	2,900
Reserve for net revaluation under the equity method	3,344	2,284
Retained earnings	-3,344	-2,284
	2,168	**2,900**

8. Intangible fixed assets

	Group				Parent company	
	Completed develop-ment projects	Acquired licenses	Goodwill	Develop-ment projects in progress	Completed develop-ment projects	Develop-ment projects in progress
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Cost at 1 April	18,246	565	2,126	1,315	2,634	1,249
Exchange adjustment	-1,553	-65	0	73	-7	-1
Additions for the year	0	10	0	1,108	0	1,108
Transfers for the year	1,582	0	0	-1,582	1,442	-1,442
Cost at 31 March	18,275	510	2,126	914	4,069	914
Impairment losses and amortisation at 1 April	15,241	551	2,126	0	621	0
Exchange adjustment	-1,436	-65	0	0	-4	0
Amortisation for the year	1,604	14	0	0	1,096	0
Impairment losses and amortisation at 31 March	15,409	500	2,126	0	1,713	0
Carrying amount at 31 March	**2,866**	**10**	**0**	**914**	**2,356**	**914**
Amortised over	5 years	5 years	10 years		5 years	

As a Technology company our development projects relates to development of new camera technologies, and improvement of existing products and some customization.

Our development projects is developed according to plan and launch to support our growth.

Development of new technologies is a key activity to keep up with the industry standards and will continue to support the company strategy. Projects are monitored and progressing according to plans.

9. Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Property, plant and equipment in progress
	TEUR	TEUR	TEUR	TEUR
Cost at 1 April	2,521	10,510	1,446	337
Exchange adjustment	-230	-1,060	31	-56
Additions for the year	0	249	34	100
Disposals for the year	0	-234	0	0
Transfers for the year	0	195	0	-195
Cost at 31 March	2,291	9,660	1,511	186
Impairment losses and depreciation at 1 April	1,584	8,134	1,233	0
Exchange adjustment	-155	-995	50	0
Depreciation for the year	27	641	8	0
Reversal of impairment and depreciation of sold assets	0	-234	0	0
Impairment losses and depreciation at 31 March	1,456	7,546	1,291	0
Carrying amount at 31 March	**835**	**2,114**	**220**	**186**
Amortised over	20-50 years	3-20 years	3-10 years	

Parent company

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Property, plant and equipment in progress
	TEUR	TEUR	TEUR	TEUR
Cost at 1 April	125	943	123	0
Exchange adjustment	0	-16	0	0
Additions for the year	0	0	0	100
Cost at 31 March	125	927	123	100
Impairment losses and depreciation at 1 April	3	859	123	0
Exchange adjustment	0	-1	0	0
Depreciation for the year	0	17	0	0
Impairment losses and depreciation at 31 March	3	875	123	0
Carrying amount at 31 March	**122**	**52**	**0**	**100**
Amortised over	20-50 years	3-20 years	3-10 years	

	Parent company	
	2023/24	2022/23
	TEUR	TEUR

10. Investments in subsidiaries

	2023/24 TEUR	2022/23 TEUR
Cost at 1 April	8,035	8,046
Exchange adjustment	-10	-11
Additions for the year	185	0
Cost at 31 March	8,210	8,035
Value adjustments at 1 April	16,767	15,702
Exchange adjustment	-1,928	-1,219
Net profit/loss for the year	3,344	2,284
Dividend to the Parent Company	-2,735	0
Other adjustments	29	0
Value adjustments at 31 March	15,477	16,767
Carrying amount at 31 March	**23,687**	**24,802**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Owner-ship	Equity	Net profit/loss for the year
JAI Ltd.	Yokohama City, Japan	KJPY 90,000	100%	13,827	233
JAI Inc.	California, USA	KUSD 3,000	100%	9,439	3,072
JAI Korea Ltd.	Seoul, South Korea	KKRW 100,000	100%	90	21
JAI China	Beijing, China	KCNY 8,00	100%	138	-13
JAI Singapore	Singapore	KEUR 0	100%	46	5
JAI Aviation ApS	Valby, Denmark	KDKK 200	100%	370	26
				23,910	**3,344**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TEUR	TEUR	TEUR	TEUR
11. Inventories				
Raw materials and consumables	18,107	19,680	0	0
Work in progress	2,178	1,182	0	0
Finished goods and goods for resale	491	3,170	204	108
	20,776	**24,032**	**204**	**108**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TEUR	TEUR	TEUR	TEUR
12. Deferred tax asset				
Deferred tax asset at 1 April	1,173	1,505	226	412
Exchange rate adjustments	-100	-252	-1	-3
Amounts recognised in the income statement for the year	472	-80	293	-183
Deferred tax asset at 31 March	**1,545**	**1,173**	**518**	**226**
Recognised in the balance sheet as follows:				
Assets	1,911	1,595	518	226
Provisions	-366	-422	0	0
	1,545	**1,173**	**518**	**226**

The presentation of the Annual Report involves a calculation of the carrying amount of certain assets and liabilities which is subject to various assessments, estimates and assumptions about future events. These are often based on factors that in certain circumstances are considered reasonable and correct by Company Management at the time of reporting. In the nature of the case, however, these factors are often associated with some degree of uncertainty and unpredictability.

As of 31 March 2024 a deferred tax asset of a total value of EUR 1,911k (2023: EUR 1,595k) is recognised in the Financial Statements. The tax asset is recognised to the extent that it is considered probable that the tax asset may be realised within the foreseeable future. The recognised deferred tax asset is based on the Company's budget for the financial year 2024/25 and the forecasts for the following two financial years.

13. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

14. Share capital

	Number	Nominal value
		TEUR
A-shares, foreign investors	4,000,000	268
B-shares, foreign investors	13,868,200	931
B-shares, treasury shares	818,000	55
		1,254

There have been no changes in the share capital during the last 5 years.

The Company holds a total of 818.000 treasury shares with a nominal value of EUR 54k corresponding to 4.31 % of the total capital.

15. Other provisions

The Company provides warranties of 3 years on its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of 392 kEUR (2023: kEUR 406) have been recognised for expected warranty claims.

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TEUR	TEUR	TEUR	TEUR
Warranty obligations	392	406	0	0
	392	**406**	**0**	**0**
The provisions are expected to mature as follows:				
Between 1 and 5 years	392	406	0	0
After 5 years	0	0	0	0
	392	**406**	**0**	**0**

16. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TEUR	TEUR	TEUR	TEUR
Credit institutions				
After 5 years	0	0	0	0
Between 1 and 5 years	619	1,761	0	0
Long-term part	619	1,761	0	0
Within 1 year	188	229	0	0
Other short-term debt to credit institutions	5,476	5,667	2,468	2,125
	6,283	**7,657**	**2,468**	**2,125**
Payables to group enterprises				
After 5 years	0	0	0	0
Between 1 and 5 years	2,862	0	2,862	0
Long-term part	2,862	0	2,862	0
Other short-term debt to group enterprises	0	0	2,609	2,646
	2,862	**0**	**5,471**	**2,646**

17. Cash flow statement - Adjustments

	Group	
	2023/24	2022/23
	TEUR	TEUR
Financial income	-644	-734
Financial expenses	1,295	732
Depreciation, amortisation and impairment losses, including losses and gains on sales	2,294	2,462
Tax on profit/loss for the year	184	1,051
Exchange adjustments	-1,960	-1,219
	1,169	**2,292**

	Group	
	2023/24	2022/23
	TEUR	TEUR
18. Cash flow statement - Change in working capital		
Change in inventories	3,256	-7,921
Change in receivables	2,422	364
Change in other provisions	-26	-22
Change in trade payables, etc	-2,355	555
	3,297	**-7,024**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TEUR	TEUR	TEUR	TEUR
19. Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Rental obligations	334	372	35	56
Lease obligations	212	85	85	85

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of JAI Group Holding ApS, which is the management company of the joint taxation purposes. Moreover, the danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The Parent Company has provided absolute guarantee for the subsidiary, JAI Aviation ApS', bank institution.

20. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
JAI Group Holding ApS Valby Torvegade 17, 1. 2500 Valby	Parent company
Jørgen Kjeld Andersen Langelinie Allé 27A, 5. th 2100 København Ø	Ultimate owner

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There are no related party transactions that have not been carried through on market terms.

Consolidated Financial Statements

The Company is included in the Group Report of the parent company:

Name	Place of registered office
JAI Group Holding ApS	Valby Torvegade 17, 1., 2500 Valby

Notes to the Financial Statements

21. Accounting policies

The Annual Report of JAI A/S for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023/24 are presented in TEUR.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, JAI A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Translation policies

EUR is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Notes to the Financial Statements

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Staff expenses

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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Notes to the Financial Statements

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with JAI Group Holding ApS and JAI Aviation ApS . The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

Other intangible fixed assets

Licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Software licences are amortised over the period of 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans are not recognised in cost during construction and reconstruction periods.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	20-50 years
Other fixtures and fittings, tools and equipment	3-20 years
Leasehold improvements	3-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at EUR 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Notes to the Financial Statements

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity