
Mobile Industrial Robots A/S

Energivej 51, DK-5260 Odense S

Annual Report for 2023

CVR No. 35 25 12 35

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 27/6 2024

Ole Nørgaard
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	5
Financial Highlights	6
Management's Review	7
Financial Statements	
Income Statement 1 January - 31 December	10
Balance sheet 31 December	11
Statement of changes in equity	14
Notes to the Financial Statements	15

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Mobile Industrial Robots A/S 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations for 2023.

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.

Executive Board

Jean Pierre Hathout
CEO

Claus Larsen
CFO

Board of Directors

Ryan Erik Driscoll
Chairman

Jette Bay Withers

Michael Dennis Callahan

Amy Rose McAndrews

Independent Auditor's report

To the shareholders of Mobile Industrial Robots 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 December 2023 and of the results of the Group's and the Parent Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Mobile Industrial Robots A/S for the financial year 1 January - 31 December 2023, 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 ("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

Odense M, 27 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mikael Johansen

State Authorised Public Accountant

mne23318

Claus Damhave

State Authorised Public Accountant

mne34166

Company information

The Company	Mobile Industrial Robots A/S Energivej 51 5260 Odense S CVR No: 35 25 12 35 Financial period: 1 January - 31 December Municipality of reg. office: Odense
Board of Directors	Ryan Erik Driscoll, chairman Jette Bay Withers Michael Dennis Callahan Amy Rose McAndrews
Executive Board	Jean Pierre Hathout Claus Larsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal DK-5230 Odense M

Financial Highlights

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

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	461,458	528,365	399,835	293,827	301,153
Gross profit	7,204	171,920	107,575	116,158	108,757
Profit/loss of primary operations	-233,100	-63,609	-65,036	-28,927	3,346
Profit/loss of financial income and expenses	-196	-1,767	-752	-429	-2,152
Net profit/loss for the year	-180,204	-51,810	-49,035	-21,024	4,723
Balance sheet					
Balance sheet total	618,510	468,705	343,269	247,839	177,467
Investment in property, plant and equipment	6,519	11,851	5,269	4,972	9,235
Equity	181,993	328,173	157,112	110,099	78,179
Number of employees	280	277	218	200	182
Ratios					
Gross margin	1.6%	32.5%	26.9%	39.5%	36.1%
Profit margin	-50.5%	-12.0%	-16.3%	-9.8%	1.1%
Return on assets	-37.7%	-13.6%	-18.9%	-11.7%	1.9%
Solvency ratio	29.4%	70.0%	45.8%	44.4%	44.1%
Return on equity	-70.6%	-21.4%	-36.7%	-22.3%	6.2%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's review

Key activities

As in prior years, the Group's main activity is development, manufacturing and sale of autonomous mobile robots. The robots are developed and produced in Denmark and sold through partners worldwide.

Financial review

The group reported a loss for 2023 of TDKK 180,204, and equity amounts to TDKK 181,993 December 31, 2023. Revenue declined by 13 % in 2023 from 2022. Revenue growth is strategically important, and the decline in 2023 is not considered satisfactory. The loss for 2023 is also not considered satisfactory, as it is higher than the estimate range of 50-60 MDKK guided in the annual report for 2022 but must be seen in the light of the continued challenging macroeconomic year for many industries, the war in Ukraine and development in inflation and interest rates impacting on customers cancelling or postponing investments. Furthermore, the company has continued investing significantly in growth, product development and building up markets and distribution around the world.

The Group has distribution channels in approximately 60 countries around the world and has subsidiaries, branches and group related companies in USA, Mexico, Spain, Germany, Italy, France, Czech Republic, Sweden, UK, Singapore, China, Japan, Taiwan and South Korea.

Management expects revenue growth within the Group in 2024 and the group expects net loss after tax for 2024 to be within 30-40 MDKK as the company continue investing significantly in growth, innovation, product development and building up markets and distribution around the world.

Currency risk

The Group has a natural currency exposure, primarily in EUR, USD and CNY (Renminbi), and the Group is therefore to some extent exposed to variations in exchange rates. It is the Group's foreign exchange policy not to hedge such exposures.

Credit risk

The credit risk is controlled by performing ongoing credit ratings and credit insurance of customers and partners.

The group has considerable focus on the credit risks in relation to the customers and the total credit risk is therefore considered low.

Research and development

Mobile Industrial Robots A/S continues to invest many resources in the continuous development of the Company's products and markets.

External environment

The activities of the Group do not to a high degree impact the external environment; however, the Company is working on reducing the level of energy on a continuous basis.

Management's review

Subsequent events

No material events have occurred after the end of the financial year which could significantly affect the group's financial position.

Corporate social responsibility statement cf. section 99 a of the Danish Financial Statements Act

CSR is an important focus point at Mobile Industrial Robots A/S, and corporate responsibility as a systematic basis for management decisions has always been and will continue to be an important and integral part of our strategies.

We have visions, policies and guidelines addressing several aspects of the CSR area, including e.g., employee Code of Conduct, anti-corruption, responsible sourcing, compliance with competition laws, whistle-blower scheme, environment, occupational health and safety, community relations, climate and human rights.

As an integral part of management's roles and responsibilities, our management team, and our Board of Directors ongoingly assess risks of relevant areas and decide on initiatives to be implemented.

The full statements according to the above Act can be found in a separate report at our homepage <https://www.mobile-industrial-robots.com/about-mir/corporate-responsibility/>

Gender distribution cf. section 99 b of the Danish Financial Statements Act

The gender distribution as of December 2023 at other management levels in Mobile Industrial Robots A/S is not considered an equal gender distribution. However, our efforts within this area have contributed to maintaining the increase from 2022 to 2023 in gender equality in our workforce of managers and above: in 2022 12,5% of employees were female, in 2023 that stood at 14,5%.

Mobile Industrial Robots A/S is committed to helping to increase the number of women in engineering. It supports programs and initiatives with primary schools, universities, and local communities to change the perception around engineering and robotics and thus encourage women to pursue education and careers in that space.

Mobile Industrial Robots A/S have obtained equal gender distribution on the Board of Directors which is 50/50.

In 2023 Mobile Industrial Robots A/S has implemented a process for filling leader positions internally as well as externally, with process-step checkpoints, to ensure a diversified and representative candidate pool. This also applies through the rest of the organization. We expect to see year-over-year improvements.

Management's review

5-year period overview	2023	2024	2025	2026	2027
Top Management Level					
Number of members	4				
Underrepresented gender (pct)	50				
Other Management levels					
Number of members	55				
Underrepresented gender (pct)	15				
Target (pct)	40				
Year of achievement of target	2040				

Data ethics policy cf. section 99 d of the Danish Financial Statements Act

Mobile Industrial Robots A/S ensures data ethics, which includes addressing and recommending concepts of right and wrong conduct, with transparency in and defensibility of actions and decisions in relation to data in general and personal data.

Mobile Industrial Robots A/S as a part of the Teradyne's Global Data Protection Program, ensures compliance with applicable data privacy laws, and gives individuals more overview over how their data is collected, used, and protected. Teradyne's Global Data Protection Program includes the Privacy Policy, Data Classification Policy, Data Retention Policy, Data Security Incident Response Policy, Information Security Policy, and other internal processes and guidelines in place which details how we handle, classify and store data globally. In accordance with applicable laws and regulations, including GDPR, the EU Whistleblower Directive and Danish Whistleblower Act, Mobile Industrial Robots has a few channels, including Whistleblower Hotline, for report data breach, illegal or unethical conduct, suspected violations, complaints, concerns, or misconduct, including violations of internal policies.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Revenue	1	461,458	528,365	461,469	528,388
Work on own account recognised in assets		85,382	34,346	85,382	34,346
Other operating income		43	8,962	2,865	8,962
Expenses for raw materials and consumables		-187,686	-223,111	-187,686	-223,111
Other external expenses		-351,993	-176,642	-360,758	-202,971
Gross profit		7,204	171,920	1,272	145,614
Staff expenses	2	-207,307	-209,665	-199,366	-185,328
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-32,997	-25,864	-32,841	-25,404
Profit/loss before financial income and expenses		-233,100	-63,609	-230,935	-65,118
Financial income	3	2,469	1,731	2,495	1,824
Financial expenses	4	-2,665	-3,498	-2,664	-3,571
Profit/loss before tax		-233,296	-65,376	-231,104	-66,865
Tax on profit/loss for the year	5	53,092	13,566	53,124	13,904
Net profit/loss for the year	6	-180,204	-51,810	-177,980	-52,961

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Completed development projects		55,596	72,366	55,596	72,366
Acquired patents		3,729	2,584	3,729	2,584
Acquired other similar rights		3,954	6,028	3,954	6,028
Development projects in progress		113,250	31,954	113,250	31,954
Intangible assets	7	176,529	112,932	176,529	112,932
Other fixtures and fittings, tools and equipment		11,538	9,993	11,343	9,521
Leasehold improvements		4,651	7,307	4,651	6,307
Property, plant and equipment	8	16,189	17,300	15,994	15,828
Investments in subsidiaries	9	0	0	666	874
Deposits	10	2,228	2,148	2,228	1,894
Fixed asset investments		2,228	2,148	2,894	2,768
Fixed assets		194,946	132,380	195,417	131,528
Raw materials and consumables		81,348	73,292	81,348	75,809
Finished goods and goods for resale		57,278	35,354	57,278	32,837
Inventories		138,626	108,646	138,626	108,646
Trade receivables		143,410	157,411	143,410	157,411
Receivables from group enterprises		6,275	1,227	6,275	3,097
Other receivables		6,639	9,023	5,180	7,339
Deferred tax asset	11	29,930	0	29,930	0
Prepayments	12	8,324	8,607	8,324	8,607
Receivables		194,578	176,268	193,119	176,454

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Cash at bank and in hand		90,360	51,411	89,543	47,077
Current assets		423,564	336,325	421,288	332,177
Assets		618,510	468,705	616,705	463,705

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Share capital		1,420	1,420	1,420	1,420
Reserve for development costs		0	0	131,700	81,370
Reserve for exchange rate conversion		-794	-107	0	0
Retained earnings		181,367	326,860	45,965	239,564
Equity		181,993	328,173	179,085	322,354
Provision for deferred tax	11	0	1,880	0	1,880
Other provisions	13	9,280	12,534	9,280	12,534
Provisions		9,280	14,414	9,280	14,414
Other payables		9,319	8,931	9,319	8,931
Deferred income		4,049	2,174	4,049	2,174
Long-term debt	14	13,368	11,105	13,368	11,105
Trade payables		14,908	33,368	14,908	33,368
Payables to group enterprises		338,947	30,127	340,459	33,165
Corporation tax		35	298	4	88
Other payables	14	39,450	40,501	39,072	38,492
Deferred income	14, 15	20,529	10,719	20,529	10,719
Short-term debt		413,869	115,013	414,972	115,832
Debt		427,237	126,118	428,340	126,937
Liabilities and equity		618,510	468,705	616,705	463,705
Contingent assets, liabilities and other financial obligations	16				
Related parties	17				
Fee to auditors appointed at the general meeting	18				
Subsequent events	19				
Accounting Policies	20				

Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,420	-107	326,860	328,173
Exchange adjustments	0	-687	0	-687
Contribution from group	0	0	34,711	34,711
Net profit/loss for the year	0	0	-180,204	-180,204
Equity at 31 December	1,420	-794	181,367	181,993

Parent company

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,420	81,370	239,564	322,354
Contribution from group	0	0	34,711	34,711
Development costs for the year	0	68,531	-68,531	0
Depreciation, amortisation and impairment for the year	0	-18,201	18,201	0
Net profit/loss for the year	0	0	-177,980	-177,980
Equity at 31 December	1,420	131,700	45,965	179,085

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
3. Financial income				
Income from securities, which are fixed assets	0	0	0	93
Interest received from group enterprises	93	0	93	0
Other financial income	2,376	1,731	2,402	1,731
	2,469	1,731	2,495	1,824

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
4. Financial expenses				
Interest paid to group enterprises	1,842	1,231	1,842	1,326
Other financial expenses	823	1,350	822	1,350
Exchange adjustments, expenses	0	917	0	895
	2,665	3,498	2,664	3,571

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
5. Income tax expense				
Current tax for the year	58	474	26	136
Deferred tax for the year	-53,157	3,137	-53,157	3,137
Adjustment of tax concerning previous years	-21,340	3,375	-21,340	3,375
Adjustment of deferred tax concerning previous years	21,347	-20,552	21,347	-20,552
	-53,092	-13,566	-53,124	-13,904

Adjustment of deferred tax concerning previous years relates to joint taxation contribution.

Notes to the Financial Statements

	Parent company	
	2023	2022
	TDKK	TDKK
6. Profit allocation		
Retained earnings	-177,980	-52,961
	-177,980	-52,961

7. Intangible fixed assets Group

	Completed development projects	Acquired patents	Acquired other similar rights	Develop- ment projects in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	126,643	2,600	10,365	31,954
Additions for the year	8	1,162	0	87,853
Transfers for the year	6,557	0	0	-6,557
Cost at 31 December	<u>133,208</u>	<u>3,762</u>	<u>10,365</u>	<u>113,250</u>
Impairment losses and amortisation at 1 January	54,277	16	4,337	0
Amortisation for the year	23,335	17	2,074	0
Impairment losses and amortisation at 31 December	<u>77,612</u>	<u>33</u>	<u>6,411</u>	<u>0</u>
Carrying amount at 31 December	<u>55,596</u>	<u>3,729</u>	<u>3,954</u>	<u>113,250</u>

Development projects relating to the further development of the company's product portfolio. The majority of the projects in progress are expected to be finalized in the coming years and the projects are progressing as planned using the resources allocated by Management to the development. Prior to the launching of the projects the company has studied the market and assessed that there is a need for the products.

Notes to the Financial Statements

Parent company

	Completed development projects	Acquired patents	Acquired other similar rights	Develop- ment projects in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	126,643	2,600	10,365	31,954
Additions for the year	8	1,162	0	87,853
Transfers for the year	6,557	0	0	-6,557
Cost at 31 December	133,208	3,762	10,365	113,250
Impairment losses and amortisation at 1 January	54,277	16	4,337	0
Amortisation for the year	23,335	17	2,074	0
Impairment losses and amortisation at 31 December	77,612	33	6,411	0
Carrying amount at 31 December	55,596	3,729	3,954	113,250

Development projects relating to the further development of the company's product portfolio. The majority of the projects in progress are expected to be finalized in the coming years and the projects are progressing as planned using the resources allocated by Management to the development. Prior to the launching of the projects the company has studied the market and assessed that there is a need for the products.

Notes to the Financial Statements

8. Property, plant and equipment

	Group		Parent company	
	Other fixtures and fittings, tools and equipment	Leasehold improvements	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	20,877	12,241	19,553	10,719
Exchange adjustment	-199	-999	0	0
Additions for the year	6,033	486	6,000	486
Disposals for the year	-4,388	0	-4,388	0
Cost at 31 December	22,323	11,728	21,165	11,205
Impairment losses and depreciation at 1 January	10,884	4,936	10,032	4,413
Depreciation for the year	4,307	2,141	4,171	2,141
Impairment and depreciation of sold assets for the year	-4,406	0	-4,381	0
Impairment losses and depreciation at 31 December	10,785	7,077	9,822	6,554
Carrying amount at 31 December	11,538	4,651	11,343	4,651

Parent company	
2023	2022
TDKK	TDKK

9. Investments in subsidiaries

Cost at 1 January	874	1,335
Disposals for the year	-208	-461
Cost at 31 December	666	874
Carrying amount at 31 December	666	874

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
MIR (Shanghai) Cp. Ltd.	China	TCNY 700	100%	3,574	598
				3,574	598

Notes to the Financial Statements

10. Other fixed asset investments

	Group	Parent company
	Deposits	Deposits
	TDKK	TDKK
Cost at 1 January	2,150	1,894
Additions for the year	334	334
Disposals for the year	-256	0
Cost at 31 December	<u>2,228</u>	<u>2,228</u>
Carrying amount at 31 December	<u>2,228</u>	<u>2,228</u>

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Deferred tax asset at 1 January	-1,880	1,257	-1,880	1,257
Amounts recognised in the income statement for the year	31,810	-3,137	31,810	-3,137
Deferred tax asset at 31 December	<u>29,930</u>	<u>-1,880</u>	<u>29,930</u>	<u>-1,880</u>

The recognised tax asset comprises tax loss carry-forwards expected to be utilised within the joint taxation group within the next 3-5 years.

12. Prepayments

Prepayments consist of prepaid expenses concerning rent, exhibitions and materials.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Other provisions	9,280	12,534	9,280	12,534
	<u>9,280</u>	<u>12,534</u>	<u>9,280</u>	<u>12,534</u>

13. Other provisions

The Company provides warranties of 1 years on some of 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 have been recognised for expected warranty claims and retrofit expenses.

Other provisions	9,280	12,534	9,280	12,534
	<u>9,280</u>	<u>12,534</u>	<u>9,280</u>	<u>12,534</u>

Notes to the Financial Statements

Group		Parent company	
2023	2022	2023	2022
TDKK	TDKK	TDKK	TDKK

14. 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:

Other payables

After 5 years	0	0	0	0
Between 1 and 5 years	9,319	8,931	9,319	8,931
Long-term part	9,319	8,931	9,319	8,931
Other short-term payables	39,450	40,501	39,072	38,492
	48,769	49,432	48,391	47,423

Deferred income

After 5 years	0	0	0	0
Between 1 and 5 years	4,049	2,174	4,049	2,174
Long-term part	4,049	2,174	4,049	2,174
Other deferred income	20,529	10,719	20,529	10,719
	24,578	12,893	24,578	12,893

Long term other payables relate to frozen holiday allowance, which is interest bearing debt.

15. Deferred income

Deferred income relates to accrual of revenue from future services relating to the company's delivered products, grants and payments received in respect of income in subsequent years.

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
16. Contingent assets, liabilities and other financial obligations				
Charges and security				
The following assets have been placed as security with bankers:				
Floating charge of TDKK 5.000, pledged in goodwill, operating equipment, unregistered vehicles, inventory, and simple claims at a total booked value of	0	394,816	0	394,816
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	1,305	1,019	1,305	924
Between 1 and 5 years	1,481	2,360	1,481	1,088
	2,786	3,379	2,786	2,012
Rental obligations, non-cancellation period up to 11 months	3,840	11,407	3,840	7,514
Other contingent liabilities				
The 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 Teradyne Holdings Denmark ApS, which is the management company of the joint taxation purposes. Moreover, the 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.				

Notes to the Financial Statements

17. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Teradyne Inc.	Ultimate Parent

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 have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company

<u>Name</u>	<u>Place of registered office</u>
Teradyne Inc.	North Reading, MA, USA

The Group Annual Report of Teradyne Inc. may be obtained by contacting Mobile Industrial Robots A/S.

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
18. Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	225	208	225	208
Other assurance engagements	32	0	32	0
Tax advisory services	110	0	110	0
Non-audit services	22	39	22	39
	389	247	389	247
Ernst & Young				
Non-audit services	88	0	88	0
	88	0	88	0
BDO				
Non-audit services	16	0	16	0
	16	0	16	0

19. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

20. Accounting policies

The Annual Report of Mobile Industrial Robots A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large 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 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Teradyne Inc., the Company has not prepared a cash flow statement.

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, Mobile Industrial Robots 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.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

Notes to the Financial Statements

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Segment information on revenue

Information on geographical segments is based on the Group's risks and returns and its internal financial reporting system. Geographical segments are regarded as the primary segments.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

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.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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.

Notes to the Financial Statements

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

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

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

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

The Company is jointly taxed with the Danish group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

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.

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.

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:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	2-3 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.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Notes to the Financial Statements

Other fixed asset investments

Other fixed asset investments consist of deposits.

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 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.

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.

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 year. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes 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 within the same legal tax entity.

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. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Notes to the Financial Statements

Financial liabilities

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$