DCB Holding ApS

Østerlandsvej 2, 9240 Nibe

Company reg. no. 36 73 28 81

Annual report

2021/22

The annual report was submitted and approved by the general meeting on the 8 December 2022.

Kim Weidemann
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of DCB Holding ApS for the financial year 2021/22.

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

We consider the chosen accounting policy to be appropriate, and 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 30 September 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 October 2021 – 30 September 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Nibe, 8 December 2022

Managing Director

Poul Kjærsgaard

Board of directors

Kim Weidemann	Jacob Møller Knudsen	Poul Kjærsgaard
Benny Balle Jensen		

Independent auditor's report

To the Shareholders of DCB Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of DCB Holding ApS for the financial year 1 October 2021 to 30 September 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

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 30 September 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 October 2021 - 30 September 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company 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.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements and parent company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group´s and the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group´s and the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

Independent auditor's report

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on Management’s Review
Management is responsible for Management’s Review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the consolidated financial statements and the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management’s Review provides the information required under the Danish Financial Statements Act.

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

Aalborg, 8 December 2022

Redmark
Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Søren Korgaard-Mollerup
State Authorised Public Accountant
mne31477

Company information

The company	DCB Holding ApS Østerlandsvej 2 9240 Nibe	
	Company reg. no.	36 73 28 81
	Established:	5 May 2015
	Financial year:	1 October - 30 September
Board of directors	Kim Weidemann Jacob Møller Knudsen Poul Kjærsgaard Benny Balle Jensen	
Managing Director	Poul Kjærsgaard	
Auditors	Redmark Godkendt Revisionspartnerselskab Hasseris Bymidte 6 9000 Aalborg	
Bankers	Nordea Bank A/S, Prinsensgade 15, 9000 Aalborg	
Subsidiaries	Danish Crane Building A/S, Nibe Danish Crane Building UK Ltd., London	

Consolidated financial highlights

DKK in thousands.	2021/22	2020/21	2019/20	2018/19	2017/18
Income statement:					
Gross profit	39.710	53.898	42.509	35.802	22.089
Profit from operating activities	1.459	10.471	-2.727	-48.296	-24.746
Net financials	-1.785	-2.246	-2.320	-1.770	-1.524
Net profit or loss for the year	-253	7.537	-3.403	-48.526	-21.167
Statement of financial position:					
Balance sheet total	66.085	61.153	77.308	81.962	121.335
Investments in property, plant and equipment	3.513	304	1.759	732	821
Equity	12.932	13.185	5.227	8.690	44.834
Employees:					
Average number of full-time employees	57	66	70	77	71
Key figures in %:					
Solvency ratio	19,6	21,6	6,8	10,6	37,0
Return on equity	-1,9	81,9	-48,9	-181,3	-38,2

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Solvency ratio

$$\frac{\text{Equity, closing balance x 100}}{\text{Total assets, closing balance}}$$

Return on equity

$$\frac{\text{Net profit or loss for the year x 100}}{\text{Average equity}}$$

Management´s review

The principal activities of the group

Like previous years, the main activity of the group and of DCB Holding ApS is the design, manufacture, sale and servicing of cranes and accessories.

Development in activities and financial matters

The ordinary result after tax amounts to DKK -0,3 million against DKK 7,5 million last year. The result is not in compliance with the positive result expected by the management in the annual report for 2020/21. The reason for the deviation is lower than expected earnings in the subsidiary Danish Crane Building A/S.

Expected developments

The group expects a positive result for the coming financial year, and when the accounts are presented, there is a satisfactory order backlog and very high activity on offers and inquiries.

It is management's assessment that the liquidity required for operations is available and sufficient to ensure the implementation of the activities that are recognized in the budget for the coming financial year.

Know how resources

As the group develops, produces and markets high-tech products in high quality, the aim is to ensure a high level of competence among the employees.

Environmental issues

The group follows the ongoing development in the environmental area and complies with all applicable requirements. It is the management's position that there must be ongoing attention to the possibility of reducing the group's use of resources, so that the environmental impact is limited as much as possible.

Research and development activities

The group incurs ongoing development costs to be at the forefront of the development of its own products and customer-specific wishes.

Treasury shares

The enterprise’s holding of treasury shares is 664 shares at DKK 1 each, corresponding to 0,33 % of the contributed capital.

Income statement 1 October - 30 September

Amounts concerning 2021/22: DKK.
Amounts concerning 2020/21: DKK thousand.

		Group		Parent	
Note		2021/22	2020/21	2021/22	2020/21
	Gross profit	**39.709.813**	**53.898**	**-23.615**	**-15**
1	Staff costs	-36.072.258	-41.457	0	0
	Depreciation, amortisation, and impairment	-2.178.315	-1.970	0	0
	Operating profit	**1.459.240**	**10.471**	**-23.615**	**-15**
	Income from investments in subsidiaries	0	0	423.665	7.980
	Other financial income	134.432	300	0	0
	Other financial expenses	-1.919.394	-2.546	-841.563	-801
	Pre-tax net profit or loss	**-325.722**	**8.225**	**-441.513**	**7.164**
	Tax on net profit or loss for the year	72.348	-688	188.139	373
2	**Net profit or loss for the year**	**-253.374**	**7.537**	**-253.374**	**7.537**

Balance sheet at 30 September

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

	Assets	Group		Parent	
Note		2022	2021	2022	2021
	Non-current assets				
3	Completed development projects	441.075	706	0	0
4	Software	306.441	898	0	0
	Total intangible assets	747.516	1.604	0	0
5	Plant and machinery	1.083.948	1.487	0	0
6	Other fixtures and fittings, tools and equipment	3.832.527	1.083	0	0
	Total property, plant, and equipment	4.916.475	2.570	0	0
7	Investments in subsidiaries	0	0	29.426.846	29.003
	Total investments	0	0	29.426.846	29.003
	Total non-current assets	**5.663.991**	**4.174**	**29.426.846**	**29.003**
	Current assets				
	Raw materials and consumables	11.868.862	11.311	0	0
	Work in progress	750.000	2.370	0	0
	Prepayments for goods	0	191	0	0
	Total inventories	12.618.862	13.872	0	0
	Trade receivables	17.741.271	17.722	0	0
8	Contract work in progress	15.445.046	17.314	0	0
	Receivables from subsidiaries	0	0	319.870	343
9	Deferred tax assets	990.983	919	602.625	415
	Other receivables	722.244	0	0	0
10	Prepayments	523.113	590	0	0
	Total receivables	35.422.657	36.545	922.495	758

Balance sheet at 30 September

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

Assets

		Group		Parent	
Note		2022	2021	2022	2021
	Other financial investments	3.898	4	0	0
	Total investments	3.898	4	0	0
	Cash and cash equivalents	12.375.117	6.558	1.795	2
	Total current assets	**60.420.534**	**56.979**	**924.290**	**760**
	Total assets	**66.084.525**	**61.153**	**30.351.136**	**29.763**

Balance sheet at 30 September

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

Equity and liabilities

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Equity				
	Contributed capital	204.053	204	204.053	204
	Retained earnings	12.727.978	12.981	12.727.978	12.981
	Total equity	**12.932.031**	**13.185**	**12.932.031**	**13.185**
	Long term labilities other than provisions				
	Bank loans	7.500.000	7.500	0	0
	Lease liabilities	2.726.004	519	0	0
	Other payables	3.410.051	4.456	0	0
11	Payables to shareholders and management	17.406.605	16.565	17.406.605	16.565
12	Total long term liabilities other than provisions	31.042.660	29.040	17.406.605	16.565
12	Current portion of long term liabilities	856.910	245	0	0
	Prepayments received from customers	708.981	0	0	0
8	Contract work in progress	6.589.008	3.007	0	0
	Trade payables	7.474.147	4.453	12.500	13
	Other payables	6.480.788	11.223	0	0
	Total short term liabilities other than provisions	22.109.834	18.928	12.500	13
	Total liabilities other than provisions	**53.152.494**	**47.968**	**17.419.105**	**16.578**
	Total equity and liabilities	**66.084.525**	**61.153**	**30.351.136**	**29.763**

13 Charges and security

14 Contingencies

15 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 October 2021	204.053	12.981.352	13.185.405
Profit or loss for the year brought forward	0	-253.374	-253.374
	204.053	**12.727.978**	**12.932.031**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 October 2021	204.053	12.981.352	13.185.405
Profit or loss for the year brought forward	0	-253.374	-253.374
	204.053	**12.727.978**	**12.932.031**

Statement of cash flows 1 October - 30 September

Amounts concerning 2021/22: DKK.
Amounts concerning 2020/21: DKK thousand.

Note		Group 2021/22	2020/21
	Net profit or loss for the year	-253.374	7.537
16	Adjustments	3.827.913	-2.701
17	Change in working capital	3.971.417	2.157
	Cash flows from operating activities before net financials	7.545.956	6.993
	Interest received, etc.	134.435	300
	Interest paid, etc.	-1.919.394	-2.249
	Cash flows from ordinary activities	5.760.997	5.044
	Corporate tax paid/received	0	308
	Cash flows from operating activities	**5.760.997**	**5.352**
	Purchase of intangible assets	-164.949	-30
	Purchase of property, plant, and equipment	-3.513.488	-304
	Sale of property, plant, and equipment	70.496	20.674
	Change in cash deposited as collateral	0	13
	Cash flows from investment activities	**-3.607.941**	**20.353**
	Long-term payables incurred	4.224.080	801
	Repayments of long-term payables	-562.981	-10.615
	Changes in short-term bank debts	0	-14.805
	Cash flows from investment activities	**3.661.099**	**-24.619**
	Change in cash and cash equivalents	**5.814.155**	**1.086**
	Cash and cash equivalents at opening balance	1.271.344	185
	Cash and cash equivalents at end of period	**7.085.499**	**1.271**

		2021/22	2020/21
	Cash and cash equivalents		
	Cash and cash equivalents	7.085.499	1.271
	Cash and cash equivalents at end of period	**7.085.499**	**1.271**

Notes

Amounts concerning 2021/22: DKK.
Amounts concerning 2020/21: DKK thousand.

		Group		Parent	
		2021/22	2020/21	2021/22	2020/21
1.	**Staff costs**				
	Salaries and wages	31.693.165	36.689	0	0
	Pension costs	4.183.753	4.543	0	0
	Other costs for social security	195.340	225	0	0
		36.072.258	**41.457**	**0**	**0**
	Executive board and board of directors	220.000	220	0	0
	Average number of employees	57	66	0	0

Management remuneration is paid in the subsidiary Danish Crane Building A/S.

		Parent	
		2021/22	2020/21
2.	**Proposed appropriation of net profit**		
	Transferred to retained earnings	0	7.537
	Allocated from retained earnings	-253.374	0
	Total allocations and transfers	**-253.374**	**7.537**

Notes

Amounts concerning 2021/22: DKK.
Amounts concerning 2020/21: DKK thousand.

		Group	
		30/9 2022	30/9 2021
3.	**Completed development projects**		
	Cost opening balance	1.609.736	1.005
	Additions during the year	164.949	0
	Transfers	0	605
	Cost end of period	**1.774.685**	**1.610**
	Amortisation and writedown opening balance	-903.684	-501
	Amortisation for the year	-429.926	-403
	Amortisation and writedown end of period	**-1.333.610**	**-904**
	Carrying amount, end of period	**441.075**	**706**

Development projects consist of three completed projects. One project is the development and optimization of a software unit that has previously been purchased from a subcontractor. Danish Crane Building A/S has developed an optimized unit that reduces the work of adapting to the individual projects.

The second project is the development of a component that is used in engine room cranes. Both units are for use in the sale of projects and it is assessed that the recoverable amount in the form of the value in use exceeds the carrying amount.

The third project concerns a cooling system that Danish Crane Building A/S has developed to cool electrical control panels placed on waste cranes. The system is used in all waste cranes, and it is assessed that the recoverable amount in the form of the value in use exceeds the carrying amount.

Notes

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

		Group	
		30/9 2022	30/9 2021
4.	**Software**		
	Cost opening balance	3.018.957	2.989
	Additions during the year	0	30
	Cost end of period	**3.018.957**	**3.019**
	Amortisation and writedown opening balance	-2.120.573	-1.526
	Amortisation for the year	-591.943	-595
	Amortisation and writedown end of period	**-2.712.516**	**-2.121**
	Carrying amount, end of period	**306.441**	**898**

		Group	
		30/9 2022	30/9 2021
5.	**Plant and machinery**		
	Cost opening balance	9.148.645	9.114
	Additions during the year	0	82
	Disposals during the year	-43.769	-47
	Cost end of period	**9.104.876**	**9.149**
	Depreciation and writedown opening balance	-7.661.782	-7.209
	Depreciation for the year	-398.704	-500
	Reversal of depreciation, amortisation and writedown, assets disposed of	39.558	47
	Depreciation and writedown end of period	**-8.020.928**	**-7.662**
	Carrying amount, end of period	**1.083.948**	**1.487**

Notes

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

		Group	
		30/9 2022	30/9 2021
6.	**Other fixtures and fittings, tools and equipment**		
	Cost opening balance	2.588.913	6.579
	Additions during the year	3.513.488	222
	Disposals during the year	-211.290	-4.212
	Cost end of period	**5.891.111**	**2.589**
	Depreciation and writedown opening balance	-1.505.885	-5.245
	Depreciation for the year	-757.742	-473
	Reversal of depreciation, amortisation and writedown, assets disposed of	205.043	4.212
	Depreciation and writedown end of period	**-2.058.584**	**-1.506**
	Carrying amount, end of period	**3.832.527**	**1.083**
	Lease assets are recognised at a carrying amount of	3.530.822	805

Notes

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

		Parent	
		30/9 2022	30/9 2021
7.	**Investments in subsidiaries**		
	Acquisition sum opening balance	95.000.000	95.000
	Cost end of period	**95.000.000**	**95.000**
	Revaluations opening balance	-20.785.401	-29.188
	Results for the year before goodwill amortisation	423.665	7.980
	Changes in the fair value of derived financial instruments	0	422
	Revaluation end of period	**-20.361.736**	**-20.786**
	Amortisation of goodwill opening balance	-45.211.418	-45.211
	Depreciation on goodwill end of period	**-45.211.418**	**-45.211**
	Carrying amount, end of period	**29.426.846**	**29.003**

Subsidiaries:

	Domicile	Equity interest
Danish Crane Building A/S	Nibe	100 %
Danish Crane Building UK Ltd.	London	100 %

		Group	
		30/9 2022	30/9 2021
8.	**Contract work in progress**		
	Sales value of the production of the period	58.443.532	101.779
	Progress billings	-49.587.494	-87.472
	Contract work in progress, net	**8.856.038**	**14.307**
	The following is recognised:		
	Work in progress for the account of others (current assets)	15.445.046	17.314
	Work in progress for the account of others (short-term liabilities)	-6.589.008	-3.007
		8.856.038	**14.307**

Notes

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

	Group		Parent	
	30/9 2022	30/9 2021	30/9 2022	30/9 2021
9. Deferred tax assets				
Deferred tax assets opening balance	918.635	1.642	414.486	42
Deferred tax of the results for the year	72.348	-723	188.139	373
	990.983	**919**	**602.625**	**415**

The group has recognized tax assets for a total of TDKK 991. The tax asset consists of tax loss carryforwards of DKK 23,4 million in which temporary differences of DKK 18,9 million are set off.

The parent company has recognized tax assets for a total of TDKK 603. The tax asset consists of tax loss carryforwards of DKK 2,7 million.

On the basis of the budgets, the management has assessed it probable that within 3-5 years there will be future taxable income available in which tax loss carryforwards can be set off.

10. Prepayments

Prepayments consist of prepaid expenses relating to the financial year 2022/23, including leasing, insurance and subscriptions, etc.

11. Payables to shareholders and management

The creditors have given notice of withdrawal in relation to the company's banking institution's possible receivables from the company. The debt, that per 30 September 2022 amounts to TDKK 17.407, is due for redemption on 31 December 2024.

Notes

Amounts concerning 2021/22: DKK.
Amounts concerning 2020/21: DKK thousand.

12. Long term labilities other than provisions

	Total payables 30 Sep 2022	Current portion of long term payables	Long term payables 30 Sep 2022	Outstanding payables after 5 years
Group				
Bank loans	7.540.551	40.551	7.500.000	0
Lease liabilities	3.542.363	816.359	2.726.004	811.263
Other payables	3.410.051	0	3.410.051	3.217.976
Payables to shareholders and management	17.406.605	0	17.406.605	0
	31.899.570	**856.910**	**31.042.660**	**4.029.239**
Parent				
Payables to shareholders and management	17.406.605	0	17.406.605	0
	17.406.605	**0**	**17.406.605**	**0**

13. Charges and security

Group

For bank loans, TDKK 7.541, the company has provided security in company assets representing a nominal value of DKK 22.500. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	12.619
Trade receivables	14.574
Plant and machinery, other fixtures and fittings, tools and equipment	1.386
Intangible assets	748
Contract work in progress	15.445

Fixtures, fittings, tools, and equipment representing a carrying amount of TDKK 3.531 at 30 September 2022, cf. note 6, have been financed by means of finance leases. At 30 September 2022, this lease liability totals TDKK 3.542.

As security for third party guarantees, DKK 5,3 million has been deposited at Nordea.

Notes

Amounts concerning 2021/22: DKK.
Amounts concerning 2020/21: DKK thousand.

13. Charges and security (continued)

Parent

As security for a subsidiarys bank debt, TDKK 7.541, and guarantees given by the bank, TDKK 3.222, a pledge has been given on the shares in the subsidiary whose book value per 30 September 2022 constitutes TDKK 29.427.

14. Contingencies

Contingent liabilities

Group

Rent and lease liabilities:

In addition to finance leases, the company has entered into operational leases with an average annual lease payment of TDKK 289. The leasing contracts have a residual term of 2 - 57 months, and a total residual lease payment of TDKK 706.

The company has entered into a rental contract which is non-cancellable until September 30, 2030. The annual rent amounts to TDKK 1.850.

Warranty commitments and other contingent liabilities:

Via Atradius, the group has issued guarantees for a total of TDKK 9.581.

The groups bank has issued guarantees for a total of TDKK 3.222.

Parent

The parent company has guaranteed a subsidiari's bank debt. As of 30 September 2022 the subsidiari's bank debt amounts to TDKK 7.541, and guarantees given by the bank amount to TDKK 3.222.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

TheThe company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an amount of DKK 0.

Notes

Amounts concerning 2021/22: DKK.
Amounts concerning 2020/21: DKK thousand.

14. Contingencies (continued)

Joint taxation (continued)

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

15. Related parties

Transactions

Pursuant to section 98c, subsection 7, of the Danish Financial Statements Act, it can be stated that there have been no related party transactions that have not been carried out under normal market conditions.

	Group	
	2021/22	2020/21
16. Adjustments		
Depreciation, amortisation, and impairment	2.178.315	1.970
Profit from disposal of non-current assets	-61.047	-7.797
Regulation of leasing obligation	-1.969	32
Fair value adjustment of derivatives carried on equity	0	159
Other financial income	-134.432	-300
Other financial expenses	1.919.394	2.547
Tax on net profit or loss for the year	-72.348	688
	3.827.913	**-2.701**

	Group	
	2021/22	2020/21
17. Change in working capital		
Change in inventories	1.252.651	-1.691
Change in receivables	1.194.362	3.344
Change in trade payables and other payables	1.524.404	504
	3.971.417	**2.157**

Accounting policies

The annual report for DCB Holding ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

If the foreign group enterprises meet the criteria for independent entities, the income statements aretranslated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Accounting policies

Derivatives
At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derived financial instruments classified as hedging of future cash flows are recognised in other receivables or other payables, and in equity.

If the future transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or costs, amounts recognised in equity on a continuing basis are transferred to the income statement for the period in which the hedged item affected the income statement.

For derived financial statements that are no longer recognised as hedging instruments, changes in fair value are recognised in the income statement on a current basis.

The consolidated financial statements
The consolidated income statements comprise the parent company DCB Holding ApS and those group enterprises of which DCB Holding ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies
The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%.

Income statement

Gross profit
Gross profit comprises the revenue, cost of sales, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Contract work in progress concerning construction contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

When the results of a contract cannot be reliably validated, the revenue is recognised solely on a cost basis to the extent that it seems probable that the costs will be recovered.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing and realised and unrealised capital gains and losses relating to transactions in foreign currency.

Results from investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual subsidiaries are recognised in the income statement of the parent as a proportional share of the subsidiaries' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects and software

Development costs comprise salaries, wages, and amortisation directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is 4 years.

Software are measured at cost less accrued amortisation and writedowns for impairment. Software is amortised on a straight-line basis over the estimated useful economic life. The amortisation period is 5 years.

Plant and equipment

Plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

Accounting policies

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the group holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 15 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Accounting policies

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Financial instruments and equity investments

Financial instruments and equity investments recognised under current assets consist of unlisted shares which are measured at cost. Writedown takes place to the recoverable amount if this value is lower than the carrying amount.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

As administration company, DCB Holding ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and shortterm financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.