



## AE Partner A/S

Ellemosen 7  
8680 Ry  
CVR No. 40081992

## Annual report 2023

The Annual General Meeting adopted the annual report on 29.04.2024

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**Thomas Villum Folmann**

Chairman of the General Meeting

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# Entity details

## Entity

AE Partner A/S  
Ellemosen 7  
8680 Ry

Business Registration No.: 40081992  
Registered office: Skanderborg  
Financial year: 01.01.2023 - 31.12.2023

## Board of Directors

Thomas Villum Folmann  
Esben Holm  
Claus Ravn

## Executive Board

Claus Ravn  
Morten Bitsch Janik

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Papirfabrikken 26  
8600 Silkeborg

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of AE Partner A/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Ry, 29.04.2024

## Executive Board

**Claus Ravn**

**Morten Bitsch Janik**

## Board of Directors

**Thomas Villum Folmann**

**Esben Holm**

**Claus Ravn**

# Independent auditor's report

## To the shareholders of AE Partner A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of AE Partner A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 financial statements" section of this auditor's 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 financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 Entity'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 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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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 the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Silkeborg, 29.04.2024

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Peter Mølkjær**

State Authorised Public Accountant

Identification No (MNE) mne24821

**Nicolaj Haarup**

State Authorised Public Accountant

Identification No (MNE) mne46613

# Management commentary

## Financial highlights

	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000
<b>Key figures</b>					
Revenue	557,877	543,969	415,043	357,055	333,980
Operating profit/loss	41,140	25,792	32,087	19,351	12,797
Net financials	(8,439)	(3,843)	(2,182)	(2,263)	(3,028)
Profit/loss for the year	26,192	17,531	23,689	14,010	4,995
Balance sheet total	330,781	329,180	224,450	146,075	146,564
Investments in property, plant and equipment	5,482	6,129	7,721	1,293	1,671
Equity	118,180	95,240	78,656	55,491	43,154
Cash flows from operating activities	29,200	(68,096)	(29,161)	26,967	8,763
Cash flows from investing activities	(5,598)	(6,326)	(6,932)	(1,417)	472
Cash flows from financing activities	(10,025)	72,372	23,077	28,089	(6,254)
Average number of employees	545	524	422	362	407
<b>Ratios</b>					
Net margin (%)	4.69	3.22	5.71	3.92	1.50
Return on equity (%)	24.55	20.16	35.32	28.40	11.71
Equity ratio (%)	35.73	28.93	35.04	37.99	29.44

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Net margin (%):

Profit/loss for the year \* 100

Revenue

### Return on equity (%):

Profit/loss for the year \* 100

Average equity

### Equity ratio (%):

Equity \* 100

Balance sheet total



### Primary activities

The main activities of the company are sales, engineering production and test of high-quality automation systems with focus on electrical panels and motor control centers.

The design, production and administration is carried out in the Latvian subsidiary AE Partner SIA, whereas the Group Management, Sales Management and some specialist functions are situated in Ry, Denmark.

### Development in activities and finances

AE Partner continued its growth and the net turnover reached DKK 557.9 mio., which is an increase of 2.5% compared to the previous financial year. The profit for the year ended at DKK 26.2 mio. (2022: DKK 17.5 mio.) which is an increase of 50%.

The balance sheet show an equity of DKK 118.2 mio.

The result is in line with the plans and budgets and the management consider the development to be satisfactory.

### Profit/loss for the year in relation to expected developments

The initial expectation for the development in 2023 was expressed in the form of a budget that showed a relatively conservative but even growth in both net sales and profit.

The development in the net turnover did not show the expected growth, due to some postponed customer projects and the loss of one major customer, who has moved its production to Asia and wanted to have local supply of electrical control panels.

On the other hand the development in profit has been positive and has met the expectations, primarily due to:

- Regaining efficiency in production due to some improvements in the global supplies of components. The company is still having some problems with long delivery times from suppliers of critical components, even though recently there is signs of more certain delivery times.
- During 2023 the Company had focus on reducing the significant high volumes of stock held on behalf of its customers, and late in the year we have seen the decrease in stock values. The high stock values was leading to continuous high interest payments.
- The high level of inflation in Latvia and other countries contributed to the increase in costs for both direct and fixed costs. Fortunately the inflation rates have decreased during the year, but of course without prices going down.
- Also in 2023 non-recurring costs were incurred in connection with legal and tax issues regarding the planning of the restructuring of the Company's legal structure. A more transparent and efficient structure has been created in January 2024, by separating the sales activities in a new Danish subsidiary.

### Outlook

The company continues its strategy with focus on growth through increased activities with both current and new customers, based on partnerships. We are continuously working on optimizing our development processes, production and competencies, leading to improved efficiency and profitability. The company has launched several investment programmes to expand the capacity both by investing in expansion of existing production facilities and by investing in digitalization and automation.

The budget for 2024 shows an increase in both net turnover and in the corresponding profit. The above-mentioned investment programmes is not expected to have effect in the profits in 2024.

Russia's invasion of Ukraine in February 2022 continues to create geopolitical tensions around the world. In our opinion there are no individual risks related to the war in Ukraine that would significantly affect the economic activity of AE Partner.

### **Use of financial instruments**

Most of the company's transactions are settled in euros or Danish kroner. Fluctuations in euro are considered limited, limiting currency risk, which is assessed to be at acceptable levels.

### **Knowledge resources**

Management continuously focuses on employee development, including both external and internal education and training, to maintain and reinforce the high level of quality and knowledge.

In addition, the company continues to seek to attract relevant employees who can strengthen the company's competencies in many areas.

### **Environmental performance**

Due to the nature of AE partner's activities, the overall environmental impact is considered to be relatively small. The main environmental aspects are related to paper and packaging waste, used chemicals and electrical equipment. Specific action programmes have been developed to deal with these areas. The most significant risk of negative environmental impact is that we harm the environment for the surrounding community, as well as that it gives us a less positive reputation.

We follow current environmental legislation, including through continuous training and monitoring. We work systematically to continuously reduce our impact on the environment and promote greater environmental responsibility.

The company holds a ISO14001 certificate.

AE Partner has received a POWERED BY GREEN certificate confirming that AE Partner buys and uses electricity produced from 100% renewable energy sources in Latvia.

During 2023 the Group has invested in solar panels contributing with production of electricity. Together with the investment in heat pumps in 2022 for heating of the production and office facilities in Latvia, we have made a significant change from use of gas to electricity. The initiated activities have contributed positively to minimizing the company's environmental impact in 2023.

### **Research and development activities**

The company has ongoing development projects in cooperation with customers to optimize and develop the products in terms of quality and competitiveness. Costs for these are included in the current sales and administrative costs.

The company has no research activities.

### **Statutory report on corporate social responsibility**

CSR policy

AE Partner takes responsibility for how our business impacts society, partners and the environment while

providing the best possible products and services to our customers.

Our CSR policy forms the framework for our activities and provides a solid foundation for developing and maintaining our profile as a socially responsible and attractive employer.

Our CSR policy is based on compliance with applicable laws and regulations.  
The Latvian subsidiary is certified according to ISO 9001, ISO 14001 and ISO 45001.

#### Human rights

The greatest risk in relation to human rights is that employees experience discrimination. This may result in us not being able to attract and retain employees. At the same time, it can lead to criticism from our stakeholders, including customers and partners.

We have not registered any human rights violations in AE Partner in 2023.

#### Employees

The main risk regarding employees is the inability to retain them, for example due to lack of motivation or due to accidents at work. AE Partner spends significant resources on ongoing education and training of employees.

We ensure that our employees' contractual relationships comply with applicable laws in our areas regarding the payment of wages and other employment conditions. We work to ensure that our employees have development opportunities by offering them continuing education.

AE Partner has developed and implemented a health and safety policy to provide employees with a safe and healthy working environment. By developing and maintaining the international standard ISO 45001, we strengthen our intention not only to comply with binding legal requirements, but also to take additional measures to prevent work accidents at AE Partner.

In 2023, the work safety target of 0 accidents was not met, with us experiencing 2 incidents, which is a reduction compared to 3 incidents in 2022. We are working on improving preventive actions through regular on-site checks, continuously implementing safety improvements and by training employees to ensure work safety and health and by using appropriate protective equipment.

#### Anti-corruption

The main risks associated with anti-corruption are potential illegal behaviour and the resulting negative image of business partners and their financial consequences.

We maintain a high degree of integrity and accountability in all our external relations, and we are not engaged in corruption or bribery. We do not offer, promise, or give any kind of bribe.

These guidelines are outlined in our internal policies, which are communicated to all employees. We have not detected any violations of these policies by AE Partner in 2023.

After the entry into force of the Whistleblowing Act, the company developed a Whistleblowing Policy and guidelines. Thus, the company enables a fair and open handling of such inquiries when preparing reporting guidelines.

## Statutory report on the underrepresented gender

**2023**

### Supreme management body

Total number of members	3
Underrepresented gender (%)	0.00
Target figures (%)	33.00
Year of expected achievement of target figures	2027

AE Partner's goal is that all employees feel that the company has an open and open-minded culture, where the individual can make the best use of their abilities and talents regardless of gender.

AE Partner wants to reflect society's distribution of women and men, also at the company's management levels.

The AE Partner Board of Directors currently has 3 members. Over a four-year period, we want to increase the proportion of female board members and have the above goals:.

**2023**

### Other management levels

Total number of members	6
Underrepresented gender (%)	33.00
Target figures (%)	33.00
Year of expected achievement of target figures	2027

The company's goal is to attract applicants from both genders in different age groups and with different experience. AE Partner is aware of the value that a diverse workforce can create.

Therefore, the company considers it a strength that employees reflect the diversity of society. It is the company's policy that all applicants are treated equally.

We have not detected any violations of these policies by AE Partner in 2023.

## Statutory report on data ethics policy

We continuously relate to the latest trends in digitization and technology and take data ethics responsibility seriously. We continuously work in compliance with all parts of GDPR legislation and ensure that data only is used for purposes for which our customers have consented. It is essential to us that data is stored and protected so that data cannot be accessed unintentionally. We do not use or collect personal data when by use of artificial intelligence or algorithms in general, and we do not sell or share personal data of any kind.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Consolidated income statement for 2023

	Notes	2023 DKK	2022 DKK
Revenue	1	557,876,511	543,969,447
Other operating income		1,203,259	750,391
Cost of sales		(387,403,452)	(402,879,855)
Other external expenses	2	(22,601,673)	(18,787,176)
<b>Gross profit/loss</b>		<b>149,074,645</b>	<b>123,052,807</b>
Staff costs	3	(104,122,061)	(93,625,673)
Depreciation, amortisation and impairment losses		(3,812,242)	(3,634,641)
<b>Operating profit/loss</b>		<b>41,140,342</b>	<b>25,792,493</b>
Other financial income from group enterprises		583	4,162
Other financial income	4	55,802	0
Financial expenses from group enterprises		0	(3,289)
Other financial expenses	5	(8,495,539)	(3,843,709)
<b>Profit/loss before tax</b>		<b>32,701,188</b>	<b>21,949,657</b>
Tax on profit/loss for the year	6	(6,509,063)	(4,418,919)
<b>Profit/loss for the year</b>	7	<b>26,192,125</b>	<b>17,530,738</b>

# Consolidated balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK	2022 DKK
Acquired rights		963,433	1,218,121
<b>Intangible assets</b>	8	<b>963,433</b>	<b>1,218,121</b>
Land and buildings		13,773,658	13,217,918
Other fixtures and fittings, tools and equipment		12,859,705	10,771,644
Property, plant and equipment in progress		187,177	267,974
Prepayments for property, plant and equipment		1,493,768	2,031,577
<b>Property, plant and equipment</b>	9	<b>28,314,308</b>	<b>26,289,113</b>
<b>Fixed assets</b>		<b>29,277,741</b>	<b>27,507,234</b>
Raw materials and consumables		110,518,458	131,291,125
Work in progress		53,499,435	57,798,687
Manufactured goods and goods for resale		9,198,570	6,029,425
Prepayments for goods		656,943	45,980
<b>Inventories</b>		<b>173,873,406</b>	<b>195,165,217</b>
Trade receivables		103,880,287	97,330,005
Receivables from group enterprises		51,692	175,782
Deferred tax	10	198,000	207,000
Other receivables		5,588,611	3,458,222
Prepayments	11	2,056,494	3,058,759
<b>Receivables</b>		<b>111,775,084</b>	<b>104,229,768</b>
<b>Cash</b>		<b>15,854,962</b>	<b>2,278,062</b>
<b>Current assets</b>		<b>301,503,452</b>	<b>301,673,047</b>
<b>Assets</b>		<b>330,781,193</b>	<b>329,180,281</b>

## Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		400,000	400,000
Translation reserve		214,126	(33,585)
Retained earnings		112,365,944	94,873,819
Proposed dividend for the financial year		5,200,000	0
<b>Equity</b>		<b>118,180,070</b>	<b>95,240,234</b>
Deferred tax	10	21,121,189	15,815,414
Other provisions	12	580,954	698,979
<b>Provisions</b>		<b>21,702,143</b>	<b>16,514,393</b>
Bank loans		10,135,944	8,484,212
Debt to other credit institutions		513,766	777,761
<b>Non-current liabilities other than provisions</b>	13	<b>10,649,710</b>	<b>9,261,973</b>
Bank loans		75,468,863	81,190,183
Payables to other credit institutions		43,224,211	45,415,821
Prepayments received from customers		6,790,636	3,243,236
Trade payables		38,919,334	54,955,011
Other payables		14,315,861	13,898,536
Deferred income	14	1,530,365	9,460,894
<b>Current liabilities other than provisions</b>		<b>180,249,270</b>	<b>208,163,681</b>
<b>Liabilities other than provisions</b>		<b>190,898,980</b>	<b>217,425,654</b>
<b>Equity and liabilities</b>		<b>330,781,193</b>	<b>329,180,281</b>
Unrecognised rental and lease commitments	16		
Assets charged and collateral	17		
Non-arm's length related party transactions	18		
Group relations	19		
Subsidiaries	20		

# Consolidated statement of changes in equity for 2023

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Proposed dividend for the financial year DKK
Equity beginning of year	400,000	(33,585)	94,873,819	0	0
Ordinary dividend paid	0	0	(1,500,000)	0	0
Extraordinary dividend paid	0	0	0	(2,000,000)	0
Exchange rate adjustments	0	247,711	0	0	0
Profit/loss for the year	0	0	18,992,125	2,000,000	5,200,000
<b>Equity end of year</b>	<b>400,000</b>	<b>214,126</b>	<b>112,365,944</b>	<b>0</b>	<b>5,200,000</b>

  

	Total DKK
Equity beginning of year	95,240,234
Ordinary dividend paid	(1,500,000)
Extraordinary dividend paid	(2,000,000)
Exchange rate adjustments	247,711
Profit/loss for the year	26,192,125
<b>Equity end of year</b>	<b>118,180,070</b>



# Consolidated cash flow statement for 2023

	Notes	2023 DKK	2022 DKK
Operating profit/loss		41,140,342	25,792,493
Amortisation, depreciation and impairment losses		3,812,242	3,634,641
Working capital changes	15	(6,381,987)	(92,581,558)
<b>Cash flow from ordinary operating activities</b>		<b>38,570,597</b>	<b>(63,154,424)</b>
Financial income received		56,208	4,162
Financial expenses paid		(8,495,362)	(3,846,998)
Taxes refunded/(paid)		(1,181,389)	(1,084,205)
Other cash flows from operating activities		249,678	(14,928)
<b>Cash flows from operating activities</b>		<b>29,199,732</b>	<b>(68,096,393)</b>
Acquisition etc. of intangible assets		(115,356)	(197,670)
Acquisition etc. of property, plant and equipment		(5,482,283)	(6,128,650)
<b>Cash flows from investing activities</b>		<b>(5,597,639)</b>	<b>(6,326,320)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>23,602,093</b>	<b>(74,422,713)</b>

Loans raised	11,924,640	74,046,464
Repayments of loans etc.	(18,078,537)	0
Repayment of lease liabilities	(371,296)	(737,247)
Dividend paid	(3,500,000)	(937,542)
<b>Cash flows from financing activities</b>	<b>(10,025,193)</b>	<b>72,371,675</b>
<hr/>		
<b>Increase/decrease in cash and cash equivalents</b>	<b>13,576,900</b>	<b>(2,051,038)</b>
Cash and cash equivalents beginning of year	2,278,062	4,329,100
<b>Cash and cash equivalents end of year</b>	<b>15,854,962</b>	<b>2,278,062</b>
<hr/>		
Cash and cash equivalents at year-end are composed of:		
Cash	15,854,962	2,278,062
<b>Cash and cash equivalents end of year</b>	<b>15,854,962</b>	<b>2,278,062</b>
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# Notes to consolidated financial statements

## 1 Revenue

	2023 DKK	2022 DKK
Denmark	422,317,569	405,714,701
Other Europe	127,909,786	126,175,562
Other World	7,649,156	12,079,184
<b>Total revenue by geographical market</b>	<b>557,876,511</b>	<b>543,969,447</b>

## 2 Fees to the auditor appointed by the Annual General Meeting

	2023 DKK	2022 DKK
Statutory audit services	338,878	311,426
Tax services	650,534	805,248
Other services	387,013	205,741
	<b>1,376,425</b>	<b>1,322,415</b>

## 3 Staff costs

	2023 DKK	2022 DKK
Wages and salaries	102,542,172	92,354,500
Pension costs	1,559,410	1,262,613
Other social security costs	27,074	8,560
Other staff costs	(6,595)	0
	<b>104,122,061</b>	<b>93,625,673</b>

Average number of full-time employees	<b>545</b>	<b>524</b>
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	Remuneration of management 2023 DKK	Remuneration of management 2022 DKK
Executive Board	3,022,071	2,640,408
Board of Directors	350,000	350,000
	<b>3,372,071</b>	<b>2,990,408</b>

**4 Other financial income**

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Other interest income	55,802	0
	<b>55,802</b>	<b>0</b>

**5 Other financial expenses**

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	14,899	0
Other financial expenses	8,480,640	3,843,709
	<b>8,495,539</b>	<b>3,843,709</b>

**6 Tax on profit/loss for the year**

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	1,194,288	1,089,032
Change in deferred tax	5,314,775	3,329,887
	<b>6,509,063</b>	<b>4,418,919</b>

**7 Proposed distribution of profit/loss**

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Ordinary dividend for the financial year	5,200,000	0
Extraordinary dividend distributed in the financial year	2,000,000	0
Retained earnings	18,992,125	17,530,738
	<b>26,192,125</b>	<b>17,530,738</b>

**8 Intangible assets**

	<b>Acquired rights DKK</b>
Cost beginning of year	4,331,100
Additions	115,356
<b>Cost end of year</b>	<b>4,446,456</b>
Amortisation and impairment losses beginning of year	(3,112,979)
Amortisation for the year	(370,044)
<b>Amortisation and impairment losses end of year</b>	<b>(3,483,023)</b>
<b>Carrying amount end of year</b>	<b>963,433</b>

## 9 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK	Prepayments for property, plant and equipment DKK
Cost beginning of year	19,718,579	20,126,924	267,974	2,031,577
Transfers	0	1,976,025	(246,952)	(1,729,073)
Additions	1,341,082	2,783,781	166,155	1,191,264
Disposals	0	(107,873)	0	0
<b>Cost end of year</b>	<b>21,059,661</b>	<b>24,778,857</b>	<b>187,177</b>	<b>1,493,768</b>
Depreciation and impairment losses beginning of year	(6,500,661)	(9,355,280)	0	0
Depreciation for the year	(785,342)	(2,657,838)	0	0
Depreciation and impairment losses on assets disposed of	0	93,966	0	0
<b>Depreciation and impairment losses end of year</b>	<b>(7,286,003)</b>	<b>(11,919,152)</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>13,773,658</b>	<b>12,859,705</b>	<b>187,177</b>	<b>1,493,768</b>

## 10 Deferred tax

	2023 DKK	2022 DKK
<b>Changes during the year</b>		
Beginning of year	(15,608,414)	(12,278,607)
Recognised in the income statement	(5,314,775)	(3,329,887)
Recognised directly in equity	0	80
<b>End of year</b>	<b>(20,923,189)</b>	<b>(15,608,414)</b>

	2023 DKK	2022 DKK
<b>Deferred tax has been recognised in the balance sheet as follows</b>		
Deferred tax assets	198,000	207,000
Deferred tax liabilities	(21,121,189)	(15,815,414)
	<b>(20,923,189)</b>	<b>(15,608,414)</b>

Deferred tax relates to deferred taxation of accumulated transferred results in the group's Latvian unit, which is only taxed upon dividend distribution.

### Deferred tax assets

Deferred tax assets relates to tax losses carried forward in Denmark. The company's full tax assets are capitalized, as based on budgets it is expected to be utilized in the joint taxation within a shorter period of time.

## 11 Prepayments

Prepayments consist of incurred costs relating to subsequent financial years.

## 12 Other provisions

Other provisions consist of warranty obligations on sold goods.

## 13 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK
Bank loans	10,135,944
Debt to other credit institutions	513,766
	<b>10,649,710</b>

## 14 Deferred income

Deferred income recognized under liabilities include income received for revenue recognition in subsequent financial years.

## 15 Changes in working capital

	2023 DKK	2022 DKK
Increase/decrease in inventories	21,291,810	(77,906,053)
Increase/decrease in receivables	(7,554,292)	(26,207,936)
Increase/decrease in trade payables etc.	(20,001,480)	11,433,109
Other changes	(118,025)	99,322
	<b>(6,381,987)</b>	<b>(92,581,558)</b>

## 16 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Total liabilities under rental or lease agreements until maturity	32,945,240	7,299,870

## 17 Assets charged and collateral

As security for bank debt, 85,605 kDKK, the group has pledged land and buildings, other facilities, operating equipment and inventory. Per 31.12.2023 the carrying value of the fixed assets amount to 28,314 kDKK, while inventories amount to 173,873 kDKK.

As security for other credit institution debts, 43,738 kDKK, the group has provided security in trade receivables, 103,880 kDKK.

The group has guaranteed the group enterprises' debt with Nordea Bank. The maximum limit of the guarantee is T.DKK 107,517 Bank loans of group enterprises amount to T.DKK 114,275 .

## 18 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

## 19 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Claus Ravn Holding ApS, Ellemosevej 8, 8600 Silkeborg.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Claus Ravn Holding ApS, Ellemosevej 8, 8600 Silkeborg.

## 20 Subsidiaries

	Registered in	Corporate form	Ownership %
AE Partner SIA	Latvia	Limited	100.00

# Parent income statement for 2023

	Notes	2023 DKK	2022 DKK
<b>Gross profit/loss</b>		<b>4,541,514</b>	<b>1,854,573</b>
Staff costs	1	(4,526,005)	(1,755,221)
<b>Operating profit/loss</b>		<b>15,509</b>	<b>99,352</b>
Income from investments in group enterprises		26,155,567	17,458,032
Other financial income from group enterprises		583	4,162
Other financial income		55,802	0
Financial expenses from group enterprises		0	(3,289)
Other financial expenses		(26,337)	(1,519)
<b>Profit/loss before tax</b>		<b>26,201,124</b>	<b>17,556,738</b>
Tax on profit/loss for the year	2	(9,000)	(26,000)
<b>Profit/loss for the year</b>	3	<b>26,192,124</b>	<b>17,530,738</b>



# Parent balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK	2022 DKK
Investments in group enterprises		115,613,391	93,311,973
<b>Financial assets</b>	4	<b>115,613,391</b>	<b>93,311,973</b>
<b>Fixed assets</b>		<b>115,613,391</b>	<b>93,311,973</b>
Receivables from group enterprises		1,251,983	1,706,355
Deferred tax	5	198,000	207,000
Other receivables		290,948	216,561
<b>Receivables</b>		<b>1,740,931</b>	<b>2,129,916</b>
<b>Cash</b>		<b>2,638,354</b>	<b>323,601</b>
<b>Current assets</b>		<b>4,379,285</b>	<b>2,453,517</b>
<b>Assets</b>		<b>119,992,676</b>	<b>95,765,490</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023 DKK</b>	<b>2022 DKK</b>
Contributed capital		400,000	400,000
Reserve for net revaluation according to equity method		85,751,971	63,450,553
Retained earnings		26,828,098	29,889,681
Proposed dividend for the financial year		5,200,000	1,500,000
<b>Equity</b>		<b>118,180,069</b>	<b>95,240,234</b>
Prepayments received from customers		920,881	0
Trade payables		520,053	451,718
Other payables		371,673	73,538
<b>Current liabilities other than provisions</b>		<b>1,812,607</b>	<b>525,256</b>
<b>Liabilities other than provisions</b>		<b>1,812,607</b>	<b>525,256</b>
<b>Equity and liabilities</b>		<b>119,992,676</b>	<b>95,765,490</b>
Unrecognised rental and lease commitments	6		
Contingent liabilities	7		
Assets charged and collateral	8		
Related parties with controlling interest	9		
Non-arm's length related party transactions	10		

# Parent statement of changes in equity for 2023

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Proposed dividend for the year DKK
Equity beginning of year	400,000	63,450,553	29,889,681	0	1,500,000
Ordinary dividend paid	0	0	0	0	(1,500,000)
Extraordinary dividend paid	0	0	0	(2,000,000)	0
Exchange rate adjustments	0	247,711	0	0	0
Dividends from group enterprises	0	(4,101,860)	4,101,860	0	0
Profit/loss for the year	0	26,155,567	(7,163,443)	2,000,000	5,200,000
<b>Equity end of year</b>	<b>400,000</b>	<b>85,751,971</b>	<b>26,828,098</b>	<b>0</b>	<b>5,200,000</b>

	Total DKK
Equity beginning of year	95,240,234
Ordinary dividend paid	(1,500,000)
Extraordinary dividend paid	(2,000,000)
Exchange rate adjustments	247,711
Dividends from group enterprises	0
Profit/loss for the year	26,192,124
<b>Equity end of year</b>	<b>118,180,069</b>

# Notes to parent financial statements

## 1 Staff costs

	2023 DKK	2022 DKK
Wages and salaries	3,940,383	1,518,242
Pension costs	565,143	228,419
Other social security costs	27,074	8,560
Other staff costs	(6,595)	0
	<b>4,526,005</b>	<b>1,755,221</b>
Average number of full-time employees	<b>3</b>	<b>1</b>

The management remuneration is allocated between the group companies based on an assessment of to which unit, the work effort relates and are delivered to.

As the parent company is a holding company with no material operations of its own, no management remuneration is allocated to the parent company. Please refer to the group's notes for total remuneration of management.

## 2 Tax on profit/loss for the year

	2023 DKK	2022 DKK
Change in deferred tax	9,000	26,000
	<b>9,000</b>	<b>26,000</b>

## 3 Proposed distribution of profit and loss

	2023 DKK	2022 DKK
Ordinary dividend for the financial year	5,200,000	1,500,000
Extraordinary dividend distributed in the financial year	2,000,000	287,542
Retained earnings	18,992,124	15,743,196
	<b>26,192,124</b>	<b>17,530,738</b>

#### 4 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	29,861,420
<b>Cost end of year</b>	<b>29,861,420</b>
Revaluations beginning of year	63,450,553
Exchange rate adjustments	247,711
Share of profit/loss for the year	26,155,567
Dividend	(4,101,860)
<b>Revaluations end of year</b>	<b>85,751,971</b>
<b>Carrying amount end of year</b>	<b>115,613,391</b>

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

#### 5 Deferred tax

	2023 DKK	2022 DKK
Tax losses carried forward	198,000	207,000
<b>Deferred tax</b>	<b>198,000</b>	<b>207,000</b>

	2023 DKK	2022 DKK
<b>Changes during the year</b>		
Beginning of year	207,000	233,000
Recognised in the income statement	(9,000)	(26,000)
<b>End of year</b>	<b>198,000</b>	<b>207,000</b>

#### Deferred tax assets

The company's tax assets are capitalized, as based on budgets it is expected to be utilized in the joint taxation within a shorter period of time.

#### 6 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Total liabilities under rental or lease agreements until maturity	285,336	86,745

#### 7 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## **8 Assets charged and collateral**

### **Collateral provided for group enterprises**

The Entity has guaranteed the group enterprises' debt with Nordea Bank. The maximum limit of the guarantee is T.DKK 107,517. Bank loans of group enterprises amount to T.DKK 114,275.

## **9 Related parties with controlling interest**

AE Partner Invest ApS, Ellemosen 7, 8680 Ry, owns all shares in the Entity, thus exercising control.

Claus Ravn, Ellemosevej 12, 8600 Silkeborg, is beneficial owner and exercising control through the ultimate parent company, Claus Ravn Holding ApS, Ellemosevej 12, 8600 Silkeborg, in which the company also is included in the consolidated financial statements for.

## **10 Non-arm's length related party transactions**

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

# Accounting policies

## Reporting class

The consolidated financial statements have been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large). The parent financial statements have been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### Income statement

#### Gross profit or loss

Gross profit or loss in the Parent Company comprises of revenue, other operating income and other external expenses.

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

#### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.



**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Other financial income from group enterprises**

Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

**Other financial income**

Other financial income comprises interest income from bank deposits.

**Financial expenses from group enterprises**

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc.**

Intellectual property rights etc. comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

### **Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Buildings	20-30 years
Other fixtures and fittings, tools and equipment	3-10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### **Inventories**

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

**Operating leases**

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

**Other financial liabilities**

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

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash with an insignificant price risk.