

# Deloitte.



## AE Partner A/S

Ellemosen 7  
8680 Ry  
CVR No. 40081992

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 15.05.2023

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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: 01.01.2022 - 31.12.2022

## 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 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

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, 15.05.2023

## 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 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 under the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Silkeborg, 15.05.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Peter Mølkjær**

State Authorised Public Accountant  
Identification No (MNE) mne24821

**Jannie Skovbo Madsen**

State Authorised Public Accountant  
Identification No (MNE) mne43513

# Management commentary

## Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Revenue	543,969	415,043	357,055	333,980	329,325
Operating profit/loss	25,792	32,087	19,351	12,797	15,807
Net financials	(3,843)	(2,182)	(2,263)	(3,028)	(2,927)
Profit/loss for the year	17,531	23,689	14,010	4,995	12,189
Balance sheet total	329,180	224,450	146,075	146,564	154,536
Investments in property, plant and equipment	6,129	7,721	1,293	1,671	1,216
Equity	95,240	78,656	55,491	43,154	42,144
Cash flows from operating activities	(68,096)	(29,161)	26,967	8,763	25,192
Cash flows from investing activities	(6,326)	(6,932)	(1,417)	472	472
Cash flows from financing activities	72,372	23,077	28,089	(6,254)	(26,524)
Average number of employees	524	422	362	407	400



**Ratios**

Gross margin (%)	0.00	0.00	0.00	0.00	0.00
Net margin (%)	3.22	5.71	3.92	1.50	3.70
Return on equity (%)	20.16	35.32	28.40	11.71	27.30
Equity ratio (%)	28.93	35.04	37.99	29.44	27.27

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

**Gross margin (%):**

Gross profit/loss \* 100

Revenue

**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 high growth rates with a significant growth in volumes and net turnover. The company supplied more than 24,000 electrical panels to customers in more than 40 countries. Please refer to note 1 for the total revenue distribution by geographical markets.

The net turnover reached DKK 544.0 mio., which is an increase of 31% compared to the previous financial year. The profit for the year ended on DKK 17.5 mio. (2021: DKK 23.7 mio.) which is a decrease of 26%.

The balance sheet show an equity of DKK 95.2 mio.

The development in the result is not considered to be satisfactory.

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

The initial expectation for the development in 2022 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 profit has not met the expectations, and has been influenced by the following:

- Loss of efficiency in production due to shortages in the global supplies of components. The company has experienced continued problems with long and uncertain delivery times from suppliers of critical components, leading to longer production time and additional handling in most of the supply chain.
- During 2022 the Company has increased its volume of stock, which allowed us to produce and deliver with relatively short delivery times. The high stock volumens has led to increased borrowings using factoring and overdraft facilities and together with increased interest rates there are an increase in interest payments.
- In order to satisfy the growing volume of customer orders, the production capacity was expanded by creating new production units in rented premises.
- The impact of Covid-19 continued in the first half of the financial year and has had a negative impact on the cost of doing business with high levels of sick leave and ongoing internal restrictions and testing requirements thus reducing efficiency in all areas of the company's operations.
- The high level of inflation in Latvia and other countries contributed to the increase in costs for both direct and fixed costs.
- In the reporting year, non-recurring costs were incurred in connection with legal and tax issues regarding the planning of the restructuring of the Company's legal structure. It is planned that a more transparent and efficient structure will be created during 2023, 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.

During the first months of 2023 the company continues its growth, with constant high order intake. In combination with the onboarding of new customers and continuous high forecasts from existing customers this leads to expected increase in both turnover and results.

At the time of publication of this annual report, there is a global undersupply of the world market for electronic components, potentially affecting AE Partner.

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.

In addition, there are no special risks beyond commonly occurring risks for the industry.

### **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 2022 the Group has invested in heat pumps for heating of the production and office facilities in Latvia. When installation is finished we have changed from use of gas to electricity. It is our opinion that the initiated activities have contributed positively to minimizing the company's environmental impact in 2022.

### **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 are discriminated. 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 2022.

### 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 occupational accidents at AE Partner.

In 2022, the occupational safety target of 0 accidents was not met, with us experiencing 3 incidents, which is unchanged number with 3 incidents also in 2021. We are working on improving preventive actions through regular on-site checks, new safety improvements and by training employees to ensure occupational 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 2022.

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**

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 following goals:

1. As of 31.12.2022, the number of female board members elected by the general assembly is 0.
2. The goal is that by the end of the financial year 2026, the Board of Directors will have at least 1 woman elected by the general assembly at the general meeting.
3. The target was not reached in the financial year 2022.
4. As of December 31, 2022, AE Partner has 50% women in the company's top management level.
5. The goal is a representation of at least 35% but we will always choose the best person for the job.

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 2022.

### **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 with 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 2022

	Notes	2022 DKK	2021 DKK
Revenue	1	543,969,447	415,043,218
Other operating income		750,391	478,834
Cost of sales		(402,879,855)	(296,844,226)
Other external expenses	2	(18,787,176)	(12,877,066)
<b>Gross profit/loss</b>		<b>123,052,807</b>	<b>105,800,760</b>
Staff costs	3	(93,625,673)	(70,760,563)
Depreciation, amortisation and impairment losses		(3,634,641)	(2,952,804)
<b>Operating profit/loss</b>		<b>25,792,493</b>	<b>32,087,393</b>
Other financial income from group enterprises		4,162	0
Impairment losses on financial assets		0	(125,780)
Financial expenses from group enterprises		(3,289)	(6,544)
Other financial expenses		(3,843,709)	(2,049,344)
<b>Profit/loss before tax</b>		<b>21,949,657</b>	<b>29,905,725</b>
Tax on profit/loss for the year	4	(4,418,919)	(6,216,497)
<b>Profit/loss for the year</b>	5	<b>17,530,738</b>	<b>23,689,228</b>

# Consolidated balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Acquired rights		1,218,121	1,407,142
<b>Intangible assets</b>	6	<b>1,218,121</b>	<b>1,407,142</b>
Land and buildings		13,217,918	13,987,894
Other fixtures and fittings, tools and equipment		10,771,644	9,253,454
Property, plant and equipment in progress		267,974	165,581
Prepayments for property, plant and equipment		2,031,577	0
<b>Property, plant and equipment</b>	7	<b>26,289,113</b>	<b>23,406,929</b>
<b>Fixed assets</b>		<b>27,507,234</b>	<b>24,814,071</b>
Raw materials and consumables		131,291,125	61,603,014
Work in progress		57,798,687	49,521,260
Manufactured goods and goods for resale		6,029,425	6,066,035
Prepayments for goods		45,980	68,855
<b>Inventories</b>		<b>195,165,217</b>	<b>117,259,164</b>
Trade receivables		97,330,005	70,689,711
Receivables from group enterprises		175,782	0
Deferred tax	8	207,000	233,000
Other receivables		3,458,222	5,764,346
Prepayments	9	3,058,759	1,360,775
<b>Receivables</b>		<b>104,229,768</b>	<b>78,047,832</b>
<b>Cash</b>		<b>2,278,062</b>	<b>4,329,100</b>
<b>Current assets</b>		<b>301,673,047</b>	<b>199,636,096</b>
<b>Assets</b>		<b>329,180,281</b>	<b>224,450,167</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		400,000	400,000
Translation reserve		(33,585)	(25,048)
Retained earnings		94,873,819	78,280,623
<b>Equity</b>		<b>95,240,234</b>	<b>78,655,575</b>
Deferred tax	8	15,815,414	12,511,607
Other provisions	10	698,979	599,657
<b>Provisions</b>		<b>16,514,393</b>	<b>13,111,264</b>
Bank loans		8,484,212	10,608,376
Debt to other credit institutions		777,761	289,422
<b>Non-current liabilities other than provisions</b>	11	<b>9,261,973</b>	<b>10,897,798</b>
Bank loans		81,190,183	11,166,990
Payables to other credit institutions		45,415,821	40,493,973
Prepayments received from customers		3,243,236	1,146,508
Trade payables		54,955,011	50,953,750
Payables to group enterprises		0	268,299
Other payables		13,898,536	12,665,295
Deferred income	12	9,460,894	5,090,715
<b>Current liabilities other than provisions</b>		<b>208,163,681</b>	<b>121,785,530</b>
<b>Liabilities other than provisions</b>		<b>217,425,654</b>	<b>132,683,328</b>
<b>Equity and liabilities</b>		<b>329,180,281</b>	<b>224,450,167</b>
Unrecognised rental and lease commitments	14		
Assets charged and collateral	15		
Transactions with related parties	16		
Group relations	17		
Subsidiaries	18		



# Consolidated statement of changes in equity for 2022

	<b>Contributed capital DKK</b>	<b>Translation reserve DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	400,000	(25,048)	78,280,623	78,655,575
Ordinary dividend paid	0	0	(650,000)	(650,000)
Extraordinary dividend paid	0	0	(287,542)	(287,542)
Exchange rate adjustments	0	(8,537)	0	(8,537)
Profit/loss for the year	0	0	17,530,738	17,530,738
<b>Equity end of year</b>	<b>400,000</b>	<b>(33,585)</b>	<b>94,873,819</b>	<b>95,240,234</b>

# Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		25,792,493	32,087,393
Amortisation, depreciation and impairment losses		3,634,641	1,510,321
Working capital changes	13	(92,581,558)	(59,683,830)
<b>Cash flow from ordinary operating activities</b>		<b>(63,154,424)</b>	<b>(26,086,116)</b>
Financial income received		4,162	0
Financial expenses paid		(3,846,998)	(2,181,668)
Taxes refunded/(paid)		(1,084,205)	(870,258)
Other cash flows from operating activities		(14,928)	(22,606)
<b>Cash flows from operating activities</b>		<b>(68,096,393)</b>	<b>(29,160,648)</b>
Acquisition etc. of intangible assets		(197,670)	(754,399)
Sale of intangible assets		0	7,437
Acquisition etc. of property, plant and equipment		(6,128,650)	(7,720,856)
Sale of property, plant and equipment		0	1,445,099
Other cash flows from investing activities		0	91,201
<b>Cash flows from investing activities</b>		<b>(6,326,320)</b>	<b>(6,931,518)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(74,422,713)</b>	<b>(36,092,166)</b>

Loans raised	74,046,464	24,028,610
Repayment of lease liabilities	(737,247)	(451,217)
Dividend paid	(937,542)	(500,000)
<b>Cash flows from financing activities</b>	<b>72,371,675</b>	<b>23,077,393</b>
<hr/>		
<b>Increase/decrease in cash and cash equivalents</b>	<b>(2,051,038)</b>	<b>(13,014,773)</b>
Cash and cash equivalents beginning of year	4,329,100	17,343,873
<b>Cash and cash equivalents end of year</b>	<b>2,278,062</b>	<b>4,329,100</b>
<hr/>		
Cash and cash equivalents at year-end are composed of:		
Cash	2,278,062	4,329,100
<b>Cash and cash equivalents end of year</b>	<b>2,278,062</b>	<b>4,329,100</b>
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# Notes to consolidated financial statements

## 1 Revenue

	2022 DKK	2021 DKK
Denmark	405,714,701	320,959,339
Other Europe	126,175,562	81,333,537
Other World	12,079,184	12,750,342
<b>Total revenue by geographical market</b>	<b>543,969,447</b>	<b>415,043,218</b>

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

	2022 DKK	2021 DKK
Statutory audit services	311,426	262,535
Tax services	805,248	459,043
Other services	205,741	36,400
	<b>1,322,415</b>	<b>757,978</b>

## 3 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	92,354,500	57,297,785
Pension costs	1,262,613	1,150,144
Other social security costs	8,560	12,312,634
	<b>93,625,673</b>	<b>70,760,563</b>

Average number of full-time employees	<b>524</b>	<b>422</b>
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	Remuneration of manage- ment 2022 DKK	Remuneration of manage- ment 2021 DKK
Executive Board	2,640,408	2,520,697
Board of Directors	350,000	350,000
	<b>2,990,408</b>	<b>2,870,697</b>

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

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	1,089,032	806,280
Change in deferred tax	3,329,887	5,422,614
Adjustment concerning previous years	0	(12,397)
	<b>4,418,919</b>	<b>6,216,497</b>

**5 Proposed distribution of profit/loss**

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Retained earnings	17,530,738	23,689,228
	<b>17,530,738</b>	<b>23,689,228</b>

**6 Intangible assets**

	<b>Acquired rights</b>
	<b>DKK</b>
Cost beginning of year	4,142,004
Additions	197,670
Disposals	(8,574)
<b>Cost end of year</b>	<b>4,331,100</b>
Amortisation and impairment losses beginning of year	(2,734,862)
Amortisation for the year	(386,691)
Amortisation and impairment losses on assets disposed of	8,574
<b>Amortisation and impairment losses end of year</b>	<b>(3,112,979)</b>
<b>Carrying amount end of year</b>	<b>1,218,121</b>

## 7 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	16,567,422	165,581	0
Transfers	0	63,478	(165,581)	102,103
Additions	0	3,931,202	267,974	1,929,474
Disposals	0	(435,178)	0	0
<b>Cost end of year</b>	<b>19,718,579</b>	<b>20,126,924</b>	<b>267,974</b>	<b>2,031,577</b>
Depreciation and impairment losses beginning of year	(5,730,685)	(7,313,968)	0	0
Depreciation for the year	(769,976)	(2,476,488)	0	0
Depreciation and impairment losses on assets disposed of	0	435,176	0	0
<b>Depreciation and impairment losses end of year</b>	<b>(6,500,661)</b>	<b>(9,355,280)</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>13,217,918</b>	<b>10,771,644</b>	<b>267,974</b>	<b>2,031,577</b>

## 8 Deferred tax

	2022 DKK	2021 DKK
<b>Changes during the year</b>		
Beginning of year	(12,278,607)	(6,855,993)
Recognised in the income statement	(3,329,887)	(5,422,614)
Recognised directly in equity	80	0
<b>End of year</b>	<b>(15,608,414)</b>	<b>(12,278,607)</b>

	2022 DKK	2021 DKK
<b>Deferred tax has been recognised in the balance sheet as follows</b>		
Deferred tax assets	207,000	233,000
Deferred tax liabilities	(15,815,414)	(12,511,607)
	<b>(15,608,414)</b>	<b>(12,278,607)</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.

## 9 Prepayments

Prepayments consist of incurred costs relating to subsequent financial years.

1,368 kDKK of the amount relates to costs after 12 months.

### 10 Other provisions

Other provisions consist of warranty obligations on sold goods.

### 11 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2022 DKK</b>
Bank loans	8,484,212
Debt to other credit institutions	777,761
	<b>9,261,973</b>

### 12 Deferred income

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

### 13 Changes in working capital

	<b>2022 DKK</b>	<b>2021 DKK</b>
Increase/decrease in inventories	(77,906,053)	(68,707,979)
Increase/decrease in receivables	(26,207,936)	(17,372,968)
Increase/decrease in trade payables etc.	11,433,109	26,697,128
Other changes	99,322	(300,011)
	<b>(92,581,558)</b>	<b>(59,683,830)</b>

### 14 Unrecognised rental and lease commitments

	<b>2022 DKK</b>	<b>2021 DKK</b>
Total liabilities under rental or lease agreements until maturity	<b>7,299,870</b>	<b>7,456,660</b>

### 15 Assets charged and collateral

As security for bank debt, 89,674 kDKK, the group has pledged land and buildings, other facilities, operating equipment and inventory. Per 31.12.2022 the carrying value of the fixed assets amount to 26,290 kDKK, while inventories amount to 195,165 kDKK.

As security for other credit institution debts, 46,194 kDKK, the group has provided security in trade receivables, 97,330 kDKK.

### 16 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.

### 17 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.

### 18 Subsidiaries

	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>
AE Partner SIA	Latvia	Limited	100.00



# Parent income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>		<b>1,854,573</b>	<b>1,947,629</b>
Staff costs	1	(1,755,221)	(1,430,366)
<b>Operating profit/loss</b>		<b>99,352</b>	<b>517,263</b>
Income from investments in group enterprises		17,458,032	23,416,408
Other financial income from group enterprises		4,162	0
Impairment losses on financial assets		0	(125,780)
Financial expenses from group enterprises		(3,289)	(6,544)
Other financial expenses		(1,519)	(119)
<b>Profit/loss before tax</b>		<b>17,556,738</b>	<b>23,801,228</b>
Tax on profit/loss for the year	2	(26,000)	(112,000)
<b>Profit/loss for the year</b>	3	<b>17,530,738</b>	<b>23,689,228</b>

# Parent balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Investments in group enterprises		93,311,973	75,862,478
<b>Financial assets</b>	4	<b>93,311,973</b>	<b>75,862,478</b>
<b>Fixed assets</b>		<b>93,311,973</b>	<b>75,862,478</b>
Receivables from group enterprises		1,706,355	2,851,256
Deferred tax	5	207,000	233,000
Other receivables		216,561	138,157
Joint taxation contribution receivable		0	164,621
<b>Receivables</b>		<b>2,129,916</b>	<b>3,387,034</b>
<b>Cash</b>		<b>323,601</b>	<b>312,587</b>
<b>Current assets</b>		<b>2,453,517</b>	<b>3,699,621</b>
<b>Assets</b>		<b>95,765,490</b>	<b>79,562,099</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		400,000	400,000
Reserve for net revaluation according to equity method		63,450,553	46,001,058
Retained earnings		29,889,681	31,604,517
Proposed dividend for the financial year		1,500,000	650,000
<b>Equity</b>		<b>95,240,234</b>	<b>78,655,575</b>
Trade payables		451,718	546,451
Payables to group enterprises		0	268,299
Other payables		73,538	91,774
<b>Current liabilities other than provisions</b>		<b>525,256</b>	<b>906,524</b>
<b>Liabilities other than provisions</b>		<b>525,256</b>	<b>906,524</b>
<b>Equity and liabilities</b>		<b>95,765,490</b>	<b>79,562,099</b>
Unrecognised rental and lease commitments	6		
Contingent liabilities	7		
Related parties with controlling interest	8		
Transactions with related parties	9		

# Parent statement of changes in equity for 2022

	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	46,001,058	31,604,517	0	650,000
Ordinary dividend paid	0	0	0	0	(650,000)
Extraordinary dividend paid	0	0	0	(287,650)	0
Exchange rate adjustments	0	(8,537)	0	108	0
Profit/loss for the year	0	17,458,032	(1,714,836)	287,542	1,500,000
<b>Equity end of year</b>	<b>400,000</b>	<b>63,450,553</b>	<b>29,889,681</b>	<b>0</b>	<b>1,500,000</b>

	Total DKK
Equity beginning of year	78,655,575
Ordinary dividend paid	(650,000)
Extraordinary dividend paid	(287,650)
Exchange rate adjustments	(8,429)
Profit/loss for the year	17,530,738
<b>Equity end of year</b>	<b>95,240,234</b>

# Notes to parent financial statements

## 1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	1,518,242	1,228,800
Pension costs	228,419	194,326
Other social security costs	8,560	7,240
	<b>1,755,221</b>	<b>1,430,366</b>
Average number of full-time employees	<b>1</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

	2022 DKK	2021 DKK
Change in deferred tax	26,000	112,000
	<b>26,000</b>	<b>112,000</b>

## 3 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Ordinary dividend for the financial year	1,500,000	650,000
Extraordinary dividend distributed in the financial year	287,542	0
Retained earnings	15,743,196	23,039,228
	<b>17,530,738</b>	<b>23,689,228</b>

#### 4 Financial assets

	<b>Investments in group enterprises DKK</b>
Cost beginning of year	29,861,420
<b>Cost end of year</b>	<b>29,861,420</b>
Revaluations beginning of year	46,001,058
Exchange rate adjustments	(8,537)
Share of profit/loss for the year	17,458,032
<b>Revaluations end of year</b>	<b>63,450,553</b>
<b>Carrying amount end of year</b>	<b>93,311,973</b>

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

#### 5 Deferred tax

	<b>2022 DKK</b>	<b>2021 DKK</b>
Tax losses carried forward	207,000	233,000
<b>Deferred tax</b>	<b>207,000</b>	<b>233,000</b>

<b>Changes during the year</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Beginning of year	233,000	345,000
Recognised in the income statement	(26,000)	(112,000)
<b>End of year</b>	<b>207,000</b>	<b>233,000</b>

#### Deferred tax assets

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.

#### 6 Unrecognised rental and lease commitments

	<b>2022 DKK</b>	<b>2021 DKK</b>
Total liabilities under rental or lease agreements until maturity	<b>86,745</b>	<b>0</b>

#### 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 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.

**9 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 ordinary 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.

**Impairment losses on financial assets**

Impairment losses on financial assets comprises impairment losses on financial assets which are not measured at fair value on a current basis.

**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.

**Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**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.