



## **Mark & Wedell A/S. Ingeniør- Og Handelsfirma**

Oldenvej 5  
3490 Kvistgård  
CVR No. 48299210

## **Annual report 01.05.2021 - 30.04.2022**

The Annual General Meeting adopted the  
annual report on 26.10.2022

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**Precylinda Zafra Ekvall**  
Chairman of the General Meeting

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# Entity details

## Entity

Mark & Wedell A/S. Ingeniør- Og Handelsfirma  
Oldenvej 5  
3490 Kvistgård

Business Registration No.: 48299210  
Registered office: Helsingør  
Financial year: 01.05.2021 - 30.04.2022

## Board of Directors

Marie-Ann Winther Pålsson  
Bjarke Pålsson  
Precylinda Zafra Ekvall

## Executive Board

Torben Filip Ekvall  
Bjarke Pålsson

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Mark & Wedell A/S. Ingeniør- Og Handelsfirma for the financial year 01.05.2021 - 30.04.2022.

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 30.04.2022 and of the results of their operations for the financial year 01.05.2021 - 30.04.2022.

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.

Kvistgård, 26.10.2022

## Executive Board

**Torben Filip Ekvall**

**Bjarke Pålsson**

## Board of Directors

**Marie-Ann Winther Pålsson**

**Bjarke Pålsson**

**Precylinda Zafra Ekvall**

# Independent auditor's report

## To the shareholders of Mark & Wedell A/S. Ingeniør- Og Handelsfirma

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Mark & Wedell A/S. Ingeniør- Og Handelsfirma for the financial year 01.05.2021 - 30.04.2022, 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. 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 30.04.2022 and of the results of their operations for the financial year 01.05.2021 - 30.04.2022 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.

København, 26.10.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**René Carøe Andersen**

State Authorised Public Accountant  
Identification No (MNE) mne34499

# Management commentary

## Primary activities

As in previous years, the company's activities have consisted in sales, development and production of specialized machines, instruments and solutions for automated representative sampling and measurement, current leads for the Big Science industry as well as the development and production of special orders for the company's subsidiary.

In addition, subcontracting work is carried out both in the machine and welding workshops.

## Description of material changes in activities and finances

The profit for the year is 1,978 t.kr. against a loss of 2,304 t.kr. in 2020/21. The equity is per 30th of April 2022 14,887 t.kr. against 15,069 t.kr. last year.

Management considers the development to be satisfactory – in particular in the light of longer lead times for certain components and higher transportation and product costs.

The positive development in earnings is primarily due to higher activity levels and higher earnings on realized Projects. Furthermore, the negative impact from COVID which affected the 2020/21 annual accounts have not been experienced during the 2021/22 reporting period.

## 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 2021/22

	Notes	2021/22 DKK	2020/21 DKK
<b>Gross profit/loss</b>	1	<b>21,002,327</b>	<b>15,746,267</b>
Staff costs	2	(16,704,293)	(16,696,206)
Depreciation, amortisation and impairment losses	3	(1,196,249)	(1,198,846)
<b>Operating profit/loss</b>		<b>3,101,785</b>	<b>(2,148,785)</b>
Other financial income	4	26,504	6,194
Financial expenses from group enterprises		(980)	0
Other financial expenses	5	(826,652)	(396,319)
<b>Profit/loss before tax</b>		<b>2,300,657</b>	<b>(2,538,910)</b>
Tax on profit/loss for the year	6	(322,147)	234,705
<b>Profit/loss for the year</b>		<b>1,978,510</b>	<b>(2,304,205)</b>
<b>Proposed distribution of profit and loss</b>			
Extraordinary dividend distributed in the financial year		2,226,000	0
Retained earnings		(247,490)	(2,304,205)
<b>Proposed distribution of profit and loss</b>		<b>1,978,510</b>	<b>(2,304,205)</b>

# Consolidated balance sheet at 30.04.2022

## Assets

	Notes	2021/22 DKK	2020/21 DKK
Acquired intangible assets		1,098,896	493,180
<b>Intangible assets</b>	7	<b>1,098,896</b>	<b>493,180</b>
Land and buildings		14,000,000	21,300,000
Plant and machinery		6,973,821	7,667,911
Other fixtures and fittings, tools and equipment		611,834	620,425
<b>Property, plant and equipment</b>	8	<b>21,585,655</b>	<b>29,588,336</b>
<b>Fixed assets</b>		<b>22,684,551</b>	<b>30,081,516</b>
Raw materials and consumables		551,131	527,450
Manufactured goods and goods for resale		2,539,671	1,748,280
<b>Inventories</b>		<b>3,090,802</b>	<b>2,275,730</b>
Trade receivables		6,321,567	5,921,158
Contract work in progress	9	4,279,301	5,482,667
Receivables from group enterprises		389,757	0
Other receivables		3,333,633	3,380,861
Prepayments		148,947	259,764
<b>Receivables</b>		<b>14,473,205</b>	<b>15,044,450</b>
<b>Cash</b>		<b>8,986,035</b>	<b>499,339</b>
<b>Current assets</b>		<b>26,550,042</b>	<b>17,819,519</b>
<b>Assets</b>		<b>49,234,593</b>	<b>47,901,035</b>

**Equity and liabilities**

	Notes	2021/22 DKK	2020/21 DKK
Contributed capital		500,000	500,000
Revaluation reserve		7,407,860	8,649,470
Retained earnings		6,979,139	5,919,603
<b>Equity</b>		<b>14,886,999</b>	<b>15,069,073</b>
Deferred tax		4,252,000	4,997,000
<b>Provisions</b>		<b>4,252,000</b>	<b>4,997,000</b>
Mortgage debt		8,190,971	8,724,342
Bank loans		6,392,539	3,600,000
Lease liabilities		1,698,576	2,041,637
Tax payable		1,010,147	0
Other payables		985,162	1,000,430
<b>Non-current liabilities other than provisions</b>	10	<b>18,277,395</b>	<b>15,366,409</b>
Current portion of non-current liabilities other than provisions	10	965,238	833,933
Trade payables		1,586,549	2,268,527
Payables to group enterprises		0	477,039
Tax payable		26,000	0
Other payables	11	9,240,412	8,889,054
<b>Current liabilities other than provisions</b>		<b>11,818,199</b>	<b>12,468,553</b>
<b>Liabilities other than provisions</b>		<b>30,095,594</b>	<b>27,834,962</b>
<b>Equity and liabilities</b>		<b>49,234,593</b>	<b>47,901,035</b>
Unrecognised rental and lease commitments	12		
Assets charged and collateral	13		
Subsidiaries	14		

# Consolidated statement of changes in equity for 2021/22

	Contributed capital DKK	Revaluation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	8,649,470	5,919,603	15,069,073
Extraordinary dividend paid	0	0	(2,226,000)	(2,226,000)
Revaluations for the year	0	1,834,416	0	1,834,416
Reversal of revaluations	0	(1,800,000)	0	(1,800,000)
Tax of entries on equity	0	31,000	0	31,000
Dissolution of reserves	0	(1,307,026)	1,307,026	0
Profit/loss for the year	0	0	1,978,510	1,978,510
<b>Equity end of year</b>	<b>500,000</b>	<b>7,407,860</b>	<b>6,979,139</b>	<b>14,886,999</b>

# Notes to consolidated financial statements

## 1 Gross profit/loss

As a result of Covid-19, the group has been entitled to compensation for fixed costs and staff costs in the previous year. The group has received DKK000' 828 in compensation in the previous year. The compensations compensate the group for having to send employees home and for fixed costs, which are inevitable despite the closure of society during the period when the authorities had imposed restrictions on reducing Covid-19 spread of infection.

## 2 Staff costs

	2021/22 DKK	2020/21 DKK
Wages and salaries	15,737,403	15,736,471
Pension costs	551,285	507,910
Other social security costs	260,747	327,969
Other staff costs	154,858	123,856
	<b>16,704,293</b>	<b>16,696,206</b>
Average number of full-time employees	<b>29</b>	<b>31</b>

## 3 Depreciation, amortisation and impairment losses

	2021/22 DKK	2020/21 DKK
Amortisation of intangible assets	211,694	130,453
Depreciation on property, plant and equipment	1,104,555	1,068,393
Profit/loss from sale of intangible assets and property, plant and equipment	(120,000)	0
	<b>1,196,249</b>	<b>1,198,846</b>

## 4 Other financial income

	2021/22 DKK	2020/21 DKK
Financial income from group enterprises	0	8,313
Other interest income	8	(2,119)
Other financial income	26,496	0
	<b>26,504</b>	<b>6,194</b>

**5 Other financial expenses**

	<b>2021/22</b>	<b>2020/21</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	530,439	309,437
Exchange rate adjustments	122,207	30,669
Other financial expenses	174,006	56,213
	<b>826,652</b>	<b>396,319</b>

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

	<b>2021/22</b>	<b>2020/21</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	1,010,147	0
Change in deferred tax	(714,000)	(495,629)
Adjustment concerning previous years	26,000	260,924
	<b>322,147</b>	<b>(234,705)</b>

**7 Intangible assets**

	<b>Acquired intangible assets DKK</b>
Cost beginning of year	677,131
Additions	817,410
<b>Cost end of year</b>	<b>1,494,541</b>
Amortisation and impairment losses beginning of year	(183,951)
Amortisation for the year	(211,694)
<b>Amortisation and impairment losses end of year</b>	<b>(395,645)</b>
<b>Carrying amount end of year</b>	<b>1,098,896</b>

## 8 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	13,598,900	23,977,474	1,718,268
Additions	0	0	67,460
Disposals	(6,035,462)	0	0
<b>Cost end of year</b>	<b>7,563,438</b>	<b>23,977,474</b>	<b>1,785,728</b>
Revaluations beginning of year	12,587,743	0	0
Revaluations for the year	1,834,416	0	0
Reversal of revaluations	(4,924,903)	0	0
<b>Revaluations end of year</b>	<b>9,497,256</b>	<b>0</b>	<b>0</b>
Depreciation and impairment losses beginning of year	(4,886,643)	(16,309,563)	(1,097,843)
Depreciation for the year	(158,188)	(694,090)	(76,051)
Reversal regarding disposals	1,984,137	0	0
<b>Depreciation and impairment losses end of year</b>	<b>(3,060,694)</b>	<b>(17,003,653)</b>	<b>(1,173,894)</b>
<b>Carrying amount end of year</b>	<b>14,000,000</b>	<b>6,973,821</b>	<b>611,834</b>
Carrying amount if asset had not been revalued	4,502,744		
Recognised assets not owned by Entity		2,290,799	

## 9 Contract work in progress

	2021/22 DKK	2020/21 DKK
Contract work in progress	33,327,698	37,498,634
Progress billings	(29,048,397)	(32,015,967)
	<b>4,279,301</b>	<b>5,482,667</b>

## 10 Non-current liabilities other than provisions

	Due within 12 months 2021/22 DKK	Due within 12 months 2020/21 DKK	Due after more than 12 months 2021/22 DKK	Outstanding after 5 years 2021/22 DKK
Mortgage debt	544,149	544,157	8,190,971	6,201,400
Bank loans	104,705	0	6,392,539	1,231,674
Lease liabilities	316,384	289,776	1,698,576	338,219
Tax payable	0	0	1,010,147	0
Other payables	0	0	985,162	0
	<b>965,238</b>	<b>833,933</b>	<b>18,277,395</b>	<b>7,771,293</b>

**11 Other payables**

	<b>2021/22</b>	<b>2020/21</b>
	<b>DKK</b>	<b>DKK</b>
VAT and duties	6,180,353	5,564,387
Wages and salaries, personal income taxes, social security costs, etc. payable	1,815,455	2,073,030
Holiday pay obligation	622,558	647,379
Other costs payable	622,046	604,258
	<b>9,240,412</b>	<b>8,889,054</b>

**12 Unrecognised rental and lease commitments**

	<b>2021/22</b>	<b>2020/21</b>
	<b>DKK</b>	<b>DKK</b>
Total liabilities under rental or lease agreements until maturity	<b>179,381</b>	<b>378,048</b>

**13 Assets charged and collateral**

Mortgage debt is secured by way of mortgage on properties.

For security of bank debt there is a deposited owner mortgage letter nom. 4,400 t.kr. (2020/21: 4,400 t.kr.) and indemnity letters nom. 15,000 t.kr. (2020/21: 15,000 t.kr.) in properties.

The carrying amount of mortgaged properties amounts to 14,000 t.kr. (2020/21: 21,300 t.kr.).

The group has issued bank and labor guarantees to ensure fulfillment of orders with customers for a total of 6.2 mio.kr. (2020/21: 4.0 mio.kr.)

For security of bank debt assets are charged nom. 6.5 mio.kr. (2020/21: 5 mio.kr.). The carrying amount of assets charged amounts to 14,213 t.kr. (2020/21: 11,801 t.kr.)

**14 Subsidiaries**

	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>
M & W JAWO Handling A/S	Kvistgård	A/S	100



# Parent income statement for 2021/22

	Notes	2021/22 DKK	2020/21 DKK
<b>Gross profit/loss</b>	1	<b>20,113,280</b>	<b>15,193,427</b>
Staff costs	2	(16,704,293)	(16,696,206)
Depreciation, amortisation and impairment losses	3	(1,196,249)	(1,198,846)
<b>Operating profit/loss</b>		<b>2,212,738</b>	<b>(2,701,625)</b>
Income from investments in group enterprises		531,299	30,301
Other financial income	4	95,165	147,492
Financial expenses from group enterprises		(980)	0
Other financial expenses	5	(687,312)	(357,303)
<b>Profit/loss before tax</b>		<b>2,150,910</b>	<b>(2,881,135)</b>
Tax on profit/loss for the year	6	(172,400)	576,930
<b>Profit/loss for the year</b>		<b>1,978,510</b>	<b>(2,304,205)</b>
<b>Proposed distribution of profit and loss</b>			
Extraordinary dividend distributed in the financial year		2,226,000	0
Retained earnings		(247,490)	(2,304,205)
<b>Proposed distribution of profit and loss</b>		<b>1,978,510</b>	<b>(2,304,205)</b>

# Parent balance sheet at 30.04.2022

## Assets

	Notes	2021/22 DKK	2020/21 DKK
Acquired intangible assets		1,098,896	493,180
<b>Intangible assets</b>	7	<b>1,098,896</b>	<b>493,180</b>
Land and buildings		14,000,000	21,300,000
Plant and machinery		6,973,821	7,667,911
Other fixtures and fittings, tools and equipment		611,834	620,425
<b>Property, plant and equipment</b>	8	<b>21,585,655</b>	<b>29,588,336</b>
Investments in group enterprises		1,619,505	4,088,206
<b>Financial assets</b>	9	<b>1,619,505</b>	<b>4,088,206</b>
<b>Fixed assets</b>		<b>24,304,056</b>	<b>34,169,722</b>
Raw materials and consumables		551,131	527,450
Manufactured goods and goods for resale		2,539,671	1,748,280
<b>Inventories</b>		<b>3,090,802</b>	<b>2,275,730</b>
Trade receivables		2,438,126	3,501,369
Contract work in progress	10	688,734	1,258,135
Receivables from group enterprises		7,043,345	4,797,541
Dividends receivable from group enterprises		3,000,000	0
Other receivables		24,539	0
Joint taxation contribution receivable		82,000	108,000
Prepayments		148,947	259,764
<b>Receivables</b>		<b>13,425,691</b>	<b>9,924,809</b>
<b>Cash</b>		<b>7,087,037</b>	<b>414,306</b>
<b>Current assets</b>		<b>23,603,530</b>	<b>12,614,845</b>
<b>Assets</b>		<b>47,907,586</b>	<b>46,784,567</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021/22 DKK</b>	<b>2020/21 DKK</b>
Contributed capital		500,000	500,000
Revaluation reserve		7,407,860	8,649,470
Reserve for net revaluation according to equity method		110,237	2,578,938
Retained earnings		6,868,902	3,340,665
<b>Equity</b>		<b>14,886,999</b>	<b>15,069,073</b>
Deferred tax		3,967,000	4,700,000
<b>Provisions</b>		<b>3,967,000</b>	<b>4,700,000</b>
Mortgage debt		8,190,971	8,724,342
Bank loans		6,392,539	3,600,000
Lease liabilities		1,698,576	2,041,637
Tax payable		848,400	0
Other payables		985,162	1,000,430
<b>Non-current liabilities other than provisions</b>	11	<b>18,115,648</b>	<b>15,366,409</b>
Current portion of non-current liabilities other than provisions	11	965,238	833,933
Trade payables		1,526,549	2,197,931
Payables to group enterprises		0	477,040
Other payables	12	8,446,152	8,140,181
<b>Current liabilities other than provisions</b>		<b>10,937,939</b>	<b>11,649,085</b>
<b>Liabilities other than provisions</b>		<b>29,053,587</b>	<b>27,015,494</b>
<b>Equity and liabilities</b>		<b>47,907,586</b>	<b>46,784,567</b>
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		

# Parent statement of changes in equity for 2021/22

	Contributed capital DKK	Revaluation reserve DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	8,649,470	2,578,938	3,340,665	15,069,073
Extraordinary dividend paid	0	0	0	(2,226,000)	(2,226,000)
Revaluations for the year	0	1,834,416	0	0	1,834,416
Reversal of revaluations	0	(1,800,000)	0	0	(1,800,000)
Tax of entries on equity	0	31,000	0	0	31,000
Dissolution of reserves	0	(1,307,026)	0	1,307,026	0
Profit/loss for the year	0	0	(2,468,701)	4,447,211	1,978,510
<b>Equity end of year</b>	<b>500,000</b>	<b>7,407,860</b>	<b>110,237</b>	<b>6,868,902</b>	<b>14,886,999</b>

# Notes to parent financial statements

## 1 Gross profit/loss

As a result of Covid-19, the company has been entitled to compensation for fixed costs and staff costs in the previous year. The company has received DKK000' 828 in compensation in the previous year. The compensations compensate the company for having to send employees home and for fixed costs, which are inevitable despite the closure of society during the period when the authorities had imposed restrictions on reducing Covid-19 spread of infection.

## 2 Staff costs

	2021/22 DKK	2020/21 DKK
Wages and salaries	15,737,403	15,736,471
Pension costs	551,285	507,910
Other social security costs	260,747	327,969
Other staff costs	154,858	123,856
	<b>16,704,293</b>	<b>16,696,206</b>
Average number of full-time employees	<b>29</b>	<b>31</b>

## 3 Depreciation, amortisation and impairment losses

	2021/22 DKK	2020/21 DKK
Amortisation of intangible assets	211,694	130,453
Depreciation on property, plant and equipment	1,104,555	1,068,393
Profit/loss from sale of intangible assets and property, plant and equipment	(120,000)	0
	<b>1,196,249</b>	<b>1,198,846</b>

## 4 Other financial income

	2021/22 DKK	2020/21 DKK
Financial income from group enterprises	68,661	149,611
Other interest income	8	(2,119)
Other financial income	26,496	0
	<b>95,165</b>	<b>147,492</b>

**5 Other financial expenses**

	<b>2021/22</b>	<b>2020/21</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	516,771	306,275
Exchange rate adjustments	71,072	18,915
Other financial expenses	99,469	32,113
	<b>687,312</b>	<b>357,303</b>

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

	<b>2021/22</b>	<b>2020/21</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	848,400	0
Change in deferred tax	(702,000)	(468,930)
Adjustment concerning previous years	26,000	0
Refund in joint taxation arrangement	0	(108,000)
	<b>172,400</b>	<b>(576,930)</b>

**7 Intangible assets**

	<b>Acquired intangible assets DKK</b>
Cost beginning of year	677,131
Additions	817,410
<b>Cost end of year</b>	<b>1,494,541</b>
Amortisation and impairment losses beginning of year	(183,951)
Amortisation for the year	(211,694)
<b>Amortisation and impairment losses end of year</b>	<b>(395,645)</b>
<b>Carrying amount end of year</b>	<b>1,098,896</b>

## 8 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	13,598,900	23,977,474	1,559,283
Additions	0	0	67,460
Disposals	(6,035,462)	0	0
<b>Cost end of year</b>	<b>7,563,438</b>	<b>23,977,474</b>	<b>1,626,743</b>
Revaluations beginning of year	12,587,743	0	0
Revaluations for the year	1,834,416	0	0
Reversal of revaluations	(4,924,903)	0	0
<b>Revaluations end of year</b>	<b>9,497,256</b>	<b>0</b>	<b>0</b>
Depreciation and impairment losses beginning of year	(4,886,643)	(16,309,563)	(938,858)
Depreciation for the year	(158,188)	(694,090)	(76,051)
Reversal regarding disposals	1,984,137	0	0
<b>Depreciation and impairment losses end of year</b>	<b>(3,060,694)</b>	<b>(17,003,653)</b>	<b>(1,014,909)</b>
<b>Carrying amount end of year</b>	<b>14,000,000</b>	<b>6,973,821</b>	<b>611,834</b>
Carrying amount if asset had not been revalued	4,502,744		
Recognised assets not owned by entity		2,290,799	

## 9 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	1,509,268
<b>Cost end of year</b>	<b>1,509,268</b>
Revaluations beginning of year	2,578,938
Share of profit/loss for the year	531,299
Dividend	(3,000,000)
<b>Revaluations end of year</b>	<b>110,237</b>
<b>Carrying amount end of year</b>	<b>1,619,505</b>

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

## 10 Contract work in progress

	2021/22 DKK	2020/21 DKK
Contract work in progress	3,180,236	3,690,561
Progress billings	(2,491,502)	(2,432,426)
	<b>688,734</b>	<b>1,258,135</b>

### 11 Non-current liabilities other than provisions

	Due within 12 months 2021/22 DKK	Due within 12 months 2020/21 DKK	Due after more than 12 months 2021/22 DKK	Outstanding after 5 years 2021/22 DKK
Mortgage debt	544,149	544,157	8,190,971	6,201,400
Bank loans	104,705	0	6,392,539	1,231,674
Lease liabilities	316,384	289,776	1,698,576	338,219
Tax payable	0	0	848,400	
Other payables	0	0	985,162	0
	<b>965,238</b>	<b>833,933</b>	<b>18,115,648</b>	<b>7,771,293</b>

### 12 Other payables

	2021/22 DKK	2020/21 DKK
VAT and duties	5,394,914	4,893,556
Wages and salaries, personal income taxes, social security costs, etc. payable	1,815,455	2,073,030
Holiday pay obligation	622,558	647,379
Other costs payable	613,225	526,216
	<b>8,446,152</b>	<b>8,140,181</b>

### 13 Unrecognised rental and lease commitments

	2021/22 DKK	2020/21 DKK
Total liabilities under rental or lease agreements until maturity	<b>179,381</b>	<b>557,762</b>

### 14 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Foton Holding ApS serves as the administration company.

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.

### 15 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties.

For security of bank debt there is a deposited owner mortgage letter nom. 4,400 t.kr. (2020/21: 4,400 t.kr.) and indemnity letters nom. 15,000 t.kr. (2020/21: 15,000 t.kr.) in properties.

The carrying amount of mortgaged properties amounts to 14,000 t.kr. (2020/21: 21,300 t.kr.).

The group has issued bank and labor guarantees to ensure fulfillment of orders with customers for a total of 1.1 mio.kr. (2020/21: 1.7 mio.kr.)



For security of bank debt assets are charged nom. 6.5 mio.kr. (2020/21: 5 mio.kr.). The carrying amount of assets charged amounts to 14,213 t.kr. (2020/21: 11,801 t.kr.)

**Collateral provided for group enterprises**

Above-mentioned mortgage letter nom. 4,400 t.kr. (2020/21: 4,400 t.kr.) has also been deposited for security for group enterprises' debts to Jyske Bank.

The company has secured guarantees for group enterprises' debts to Jyske Bank.

Bank debt in group enterprises amounts to 0 t.DKK.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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 takeover date, with net assets having been calculated at fair value.

## **Income statement**

### **Gross profit or loss**

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, costs of raw materials and consumables and 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 is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

### **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.

### **Costs of raw materials and consumables**

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

### **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, and gains and losses from the sale of intangible assets and property, plant and equipment.

### **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**

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**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.

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

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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 are measured at cost plus revaluation, and for buildings, less accumulated depreciation and impairment losses.

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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.

The basis of depreciation is cost plus revaluation and minus 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:

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.

	<b>Useful life Years</b>
Buildings	50 years
Plant and machinery	2 - 10 years
Other fixtures and fittings, tools and equipment	2 -10 years

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.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to 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 and direct labour costs.

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.

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a contract in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

**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.

**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.

**Mortgage debt**

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Other financial liabilities**

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

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.