

# ANNUAL REPORT

## 2021



Dacs A/S  
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8766 Nr. Snede  
CVR no.: 59 57 57 16

The Annual Report was presented and approved at the Annual General Meeting of the Company on 10<sup>th</sup> of March 2022  
Chairman: Rudolf Dybdahl

**DACS**   
INNOVATION IN VENTILATION

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*We are passionate about animal welfare  
and energy efficiency!*



*World leader in fan efficiency*

# DACS ventilation systems maintain perfect climate conditions where animals thrive and grow to their full potential

DACS produce and sell climate solutions for livestock production to customers all over the world. Our solutions vastly improve animal welfare while reducing power consumption to a minimum.

Founded as an electrical installation company in 1976, DACS is a 100% family-owned, self-financing company deeply rooted in the farming industry and with decades of hands-on experience.

Since the early days of the company's existence, we have developed, produced and supplied ventilation and control systems for production in poultry and pig farms.

## We understand your challenges

DACS is a team of professionals – craftsmen, industrial designers and engineers. We are boots on the ground, literally. When you deal with DACS you talk directly with us.

Whether CEO, CTO, distributor or technical assistant, we live and learn from what goes on in the field – in your production. So that's where you'll find us – out there where it matters.

## The most energy efficient systems on the market

DACS ventilation solutions are the most energy efficient systems on the market. Simply put, we are world leaders in fan efficiency.

The ventilation systems create perfect in-house climate and ensure optimal animal welfare.

## The company's main activities

The company's main activity is trade and product development.



Three circular icons on a blue background. The first icon shows a sun, a windmill, and a farm with the text "Optimum climatization". The second icon shows a recycling symbol with the text "Sustainability". The third icon shows a chicken with the text "Improved animal welfare".

# 5-years development at DACS

5-year key financial numbers:

	2017	2018	2019	2020	2021
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
Gross profit	18,666	10,843	16,971	17,565	16,800
Profit/loss before net financials	8,699	3,176	8,565	10,064	9,168
Net financials	(629)	(706)	(453)	(660)	(18)
Profit/loss for the year	6,321	1,934	6,314	7,392	7,226
<b>Financial ratios</b>					
Return on assets	26.5%	9.4%	25.0%	27.8%	24.0%
Solvency ratio	41.9%	48.5%	64.5%	71.9%	72.4%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.



# A successful and exciting year

The financial year 2021 has in many ways been an unusual year in which the Covid-19 pandemic has led to new challenges but also new opportunities. The cost of raw material has had a negative impact, and dramatic increases in the cost of energy has affected our net costs.

On the other hand, the escalating energy costs led to an increased demand for our high efficiency products.

## Financial review

The company's income statement for the year ended 31 December 2021 shows an income before tax of TDKK 9,150.

The balance sheet at 31 December 2021 shows equity of TDKK 28,158.

The result for the year is considered satisfactory.

## A year with complete focus on innovation

The financial year 2021 has been a year filled with innovation. We have invested a lot of hours and money in many different company areas – especially in energy savings on our existing products, leading to the filing of some very interesting new patent applications. Overall, we strive to achieve massive improvements and have had several new hirings in our R&D department to be able to offer even better and more climate friendly products.

We expect that there will be more focus on climate improvements in the future and even though our products are already climate friendly, this area can be developed even more.

The cost of shipping went up in 2021 but with our new packaging system we managed to reduce the shipping volume per unit by approximately 15%, thereby minimizing the impact of the cost increase in the transport sector.

## Expectations for the future

We look at 2022-2025 with great optimism. We have high expectations as to how the global market will change within e.g. insect farming and expect that these changes will lead to new business opportunities.

Our products can now be found in 58 countries but there are still markets to be explored, and with rising energy prices we stand stronger than ever before due to the extreme energy efficiency of our products.

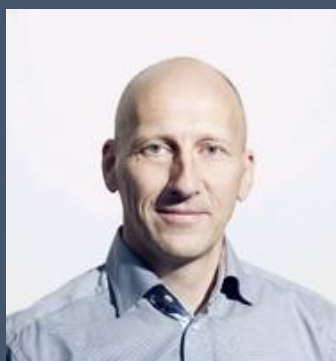
We are confident that our massive investments in new product development shall pay dividend in the coming years – to us as a company as well as to our clients all over the world.

## We would like to thank

We would like to give thanks to our customers and business partners for the good co-operation in the past year.

We are looking forward to the coming year and have high hopes for the future.

Peter Dybdahl, CEO, DACS A/S



*Innovation and speed of development is the cornerstone of our operation. We spend a substantial amount of time, effort and money in this field, and in this way, the company is probably quite a bit different from most other companies.*

## The idea behind our climate systems is efficiency and advanced simplicity



Our ventilation system is simply the most energy efficient system you can get on the market. We run tests in our own wind tunnel, and we develop our products in close cooperation with farmers and the best researchers in the field. Our overall focus is on optimum animal welfare and on maximum energy efficiency.


*Click on the brochure and see our products listed and explained further.*

# We deliver climate control systems – designed, developed, and installed by ourselves or our dedicated distributors


We are an engineering and manufacturing company. What you buy from us are DACS products through and through. We offer complete systems: Ventilation, controllers, heaters and the deep knowledge farmers need in order to optimize animal welfare and energy efficiency.

## VENTILATION

We offer ventilation and climate control systems that vastly improve animal welfare and comfort allowing animals to thrive and grow to their full potential. At the same time gas and electrical consumptions are reduced to a minimum.

 **MagFan** → High-flow, ultra-efficient and extremely durable wall fans. World leaders in fan efficiency.

 **Corona** → Our patented inlet fans mix warm room air with incoming air and distribute this temperate oxygen rich air evenly throughout the entire house

 **MagDoor** → The world's only tightly sealing, loss free damper system

## HOT WATER HEATERS

Our hot water heaters deliver an abundance of warm dry air ensuring performance stays optimized throughout production. They are easy to install, easy to open for cleaning and powerful in operation. We offer the most efficient dehumidification ever introduced to the industry.



## CONTROLLERS/ELECTRONICS

Our unique home-bred controllers control all elements of modern animal production.

The ACS climate and production controllers from DACS are simple to use, yet by far the most advanced on the market. Data can easily be exchanged with ERP/financial systems.

We count the service life of our controllers in decades, with many systems over 30 years of age and still in operation.



## SPECIALIST KNOWLEDGE

We know how to optimize production facilities for animal welfare and energy efficiency. Our customers benefit from our specialist knowledge, both when it comes to product selection, business case calculations, installation and daily optimization of climate conditions and energy consumption.

We are there with you when new equipment is installed, and that gives us first-hand experience and knowledge about your production and our products, and how they interact.

We are not just a supplier; we are specialists and sparring partners.

# Our values

We deliver high-end ventilation and control systems all over the world.



## SUSTAINABILITY

We ensure that our customers handle their resources wisely — with the right choices you can reduce the use of energy as a poultry or pig farmer, and savings in the region of 70% can often be achieved.

DACS is the world leader in fan efficiency. But we focus on all aspects of sustainability, including production, packaging and shipping to final installation.



## CUSTOMERS

We have customers all over the world and have developed and sold ventilation systems to poultry and pig farmers for more than 35 years.

We walk the talk. You meet us in production facilities, on site throughout the world, and the knowledge we bring and receive from countless farm visits benefits both us and our customers.



## ENERGY EFFICIENCY

We have focus on energy efficiency. All our systems are designed to give customers the best energy efficiency without compromising climate and animal welfare.

On average, our systems will reduce overall running costs by 40 % compared to other high-end systems.

Depending on the application and geographical location, savings can often amount to 70% or more.



# We care about sustainability

Our focus is on durable, energy efficient and well-designed solutions that will help our customers stay competitive.

For us sustainability is about handling the resources knowingly – be it heat, electricity, installations or materials.

## Our solutions are the long-term solutions

Our customers invest in our solutions to ensure that their financials and animals are safe and sound, also long-term.

Our customers evaluate our solutions based on the long-term objective:

- What are the pros and cons if you rattle along with the old ventilation system?
- What are your energy costs with the old system and the new system?
- What are the prospects on the market?
- And where are the energy prices heading?

## Sustainability is also Return-on-Investment

On average, our systems will reduce your overall running cost by 40% compared to other high-end systems and in some applications we see savings of 70-75%.

Still, we ensure unmatched climate conditions that allow your animals to utilize their full genetic potential. So saving energy is in no way a compromise.

Our solutions have proven that sustainability can also ensure high return-on-investment.

## Energy efficiency

MagFan remains the world leader in energy efficiency. And the margin to the next best on the market is an astonishing 15-25% depending on the duty point. Compared to traditional high end fans, the MagFan reduces the power consumption per crop and per bird by approximately 70%.

Moreover, a further significant reduction in power consumption is now possible with the addition of the Solectrifier. The Solectrifier is a micro-powerplant, producing power by means of photovoltaic panels and feeding this power straight to the MagFan, without the need for central, grid connected frequency converters. This eliminates cable losses and greatly minimizes the risk of power failures.

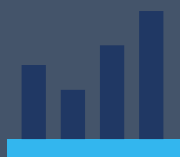




## DACS in numbers 2021

16,800

Gross profit (TDKK)



9,150

Income before tax (TDKK)



72.4 %

Solvency ratio

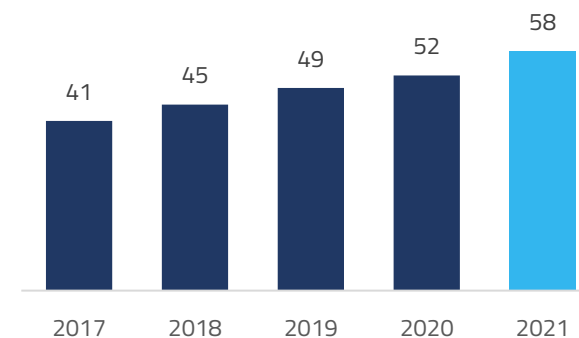


24.0 %

Return on assets

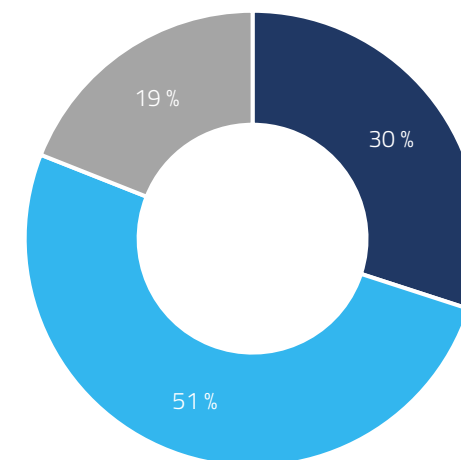


Number of countries



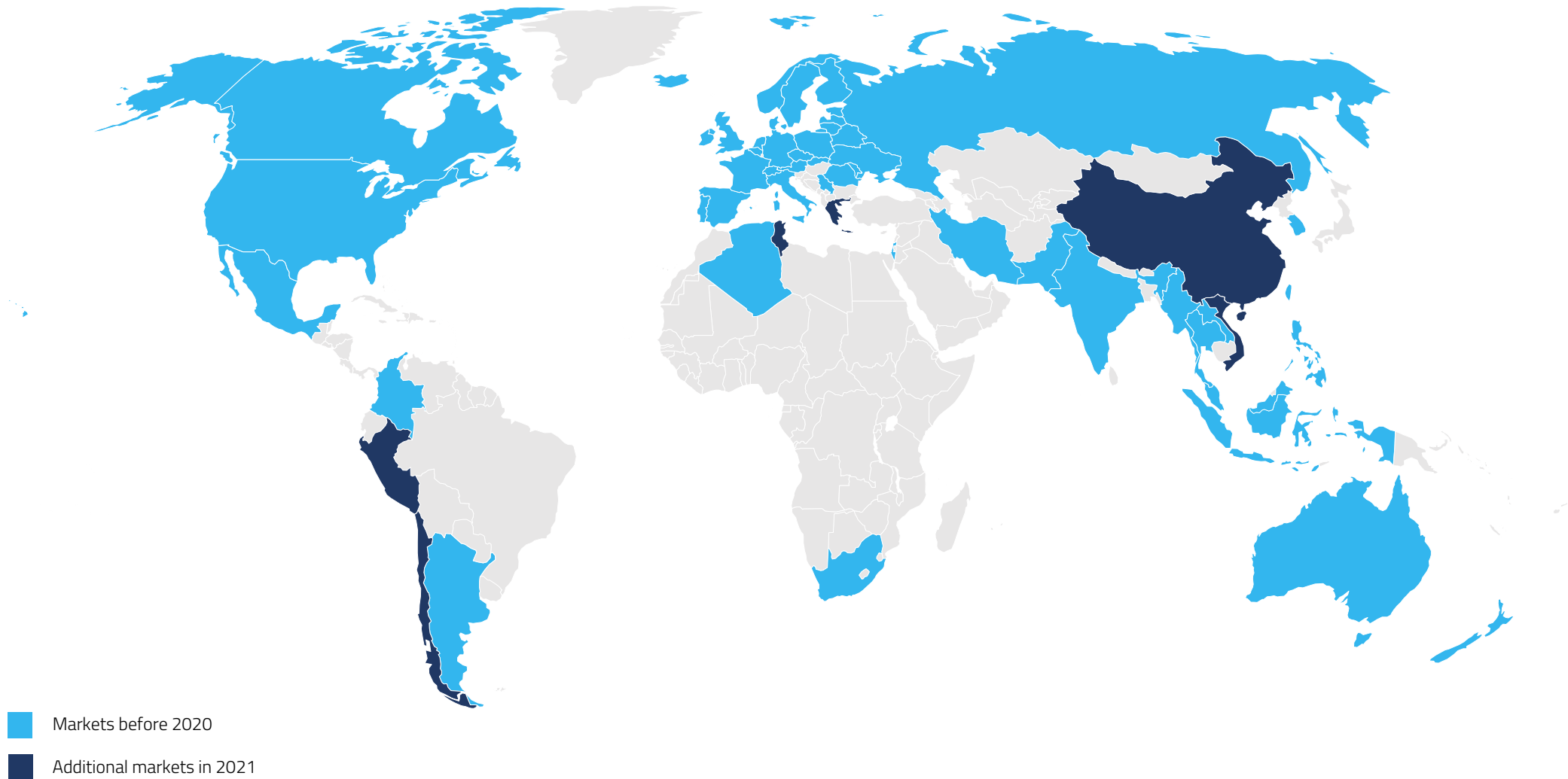
Geographical presence by revenue 2021

■ Europe ■ Asia/Australasia ■ Rest of the world



# Global presence

DACS sell and install ventilation and control systems to independent farmers and integrators all over the world.



# Global supply chain – local presence

Quality control is assured by DACS throughout all steps of the supply chain.

DACS design and develop all products and we have full ownership of all production tools and facilities.

95% of all manufacturing is done in Europe by highly qualified partners.

All components ship from our central warehouse where they undergo strict QC prior to packing and shipping.

At destination, local trained installation crews take over, supervised by our local distributors and/or a DACS technician.

## Design and development

On average 20% of our costs every year is dedicated to R&D activities and our mindset is to constantly improve on all aspects of our products and processes. We work closely with some of the world's leading researchers in the field of Energy Technology.

We are world leaders in energy efficiency with the clear strategy of staying ahead, and we have the financial and intellectual resources to support our strategy.

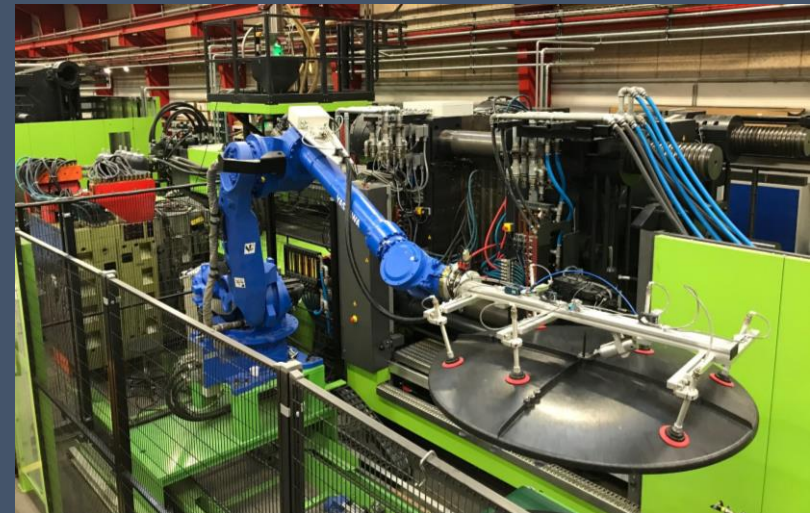


## Manufacturing

We select suppliers of the highest standards and work closely with them to ensure premium quality of all our products.

Due to our smart design and component efficiency, we can use high speed precision manufacturing with a very low percentage of manual labour.

All products are quality checked upon delivery to our warehouse, in order to assure the highest quality of the final products.



# Global supply chain – local presence

Quality control is assured by DACS throughout all steps of the supply chain.

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All components ship from our central warehouse where they undergo strict QC prior to packing and shipping.

At destination, local trained installation crews take over, supervised by our local distributors and/or a DACS technician.

## Assembling and packaging

The terms LEAN and JIT have a different meaning at DACS.

Smart design means one component in our warehouse serves multiple purposes, and that allows for high speed, fully automated manufacturing.

This all results in an extremely high supply ability and short delivery times.

Smart packaging ensures compact, space efficient and safe transport from our warehouse to installation sites all over the world.



## Installation

Our products come with detailed installation instructions and can be installed by local installation crews.

We or our distributors often send out supervisors to assist with installation and commissioning.

We are deeply involved in the design process all the way to commissioning, with advanced flow simulation tools and state of the art test facilities to verify data.





# Financial statements 2021

# Income statement 1 January 2021 – 31 December 2021

	Note	2021 DKK	2020 DKK
<b>Gross profit</b>	1	<b>16,800,075</b>	<b>17,565,056</b>
Staff costs	2	(6,338,621)	(6,594,762)
Profit/loss before amortisation/depreciation and impairment losses		<b>10,461,454</b>	<b>10,970,294</b>
Depreciation/amortisation and impairment of intangible assets and property, plant and equipment		(1,293,269)	(905,826)
<b>Profit/loss before net financials</b>		<b>9,168,185</b>	<b>10,064,468</b>
Financial income	3	163,271	8,566
Financial costs	4	(181,025)	(668,146)
<b>Profit/loss before tax</b>		<b>9,150,431</b>	<b>9,404,888</b>
Tax on profit/loss for the year	5	(1,924,645)	(2,012,986)
<b>Profit/loss for the year</b>		<b>7,225,786</b>	<b>7,391,902</b>
<b>Recommended appropriation of profit/loss</b>			
Proposed dividend for the year		6,000,000	6,000,000
Transferred to other statutory reserves		580,962	307,400
Retained earnings		644,824	1,084,502
		<b>7,225,786</b>	<b>7,391,902</b>



# Balance sheet at 31 December 2021

	Note	2021 DKK	2020 DKK
<b>Assets</b>			
Development projects in progress		1,337,937	593,114
<b>Intangible assets</b>	6	<b>1,337,937</b>	<b>593,114</b>
Land and buildings		7,632,887	7,851,033
Plant and machinery		241,158	310,141
Other fixtures and fittings, tools and equipment		117,150	217,950
<b>Tangible assets</b>	7	<b>7,991,195</b>	<b>8,379,124</b>
<b>Total non-current assets</b>		<b>9,329,132</b>	<b>8,972,238</b>
Raw materials and consumables		19,273,760	13,989,818
Prepayments for goods		2,357,997	543,821
<b>Stocks</b>		<b>21,631,757</b>	<b>14,533,639</b>
Trade receivables		4,840,453	4,192,707
Other receivables		725,106	498,232
Prepayments		212,808	393,010
<b>Receivables</b>		<b>5,778,367</b>	<b>5,083,949</b>
<b>Cash at bank and in hand</b>		<b>2,129,009</b>	<b>8,889,216</b>
<b>Total current assets</b>		<b>29,539,133</b>	<b>28,506,804</b>
<b>Total assets</b>		<b>38,868,265</b>	<b>37,479,042</b>



# Balance sheet at 31 December 2021

	Note	2021 DKK	2020 DKK
<b>Equity and liabilities</b>			
Share capital		500,000	500,000
Reserve for development expenditure		1,043,591	462,629
Retained earnings		20,614,325	19,969,501
Proposed dividend for the year		6,000,000	6,000,000
<b>Equity</b>	<b>8</b>	<b>28,157,916</b>	<b>26,932,130</b>
Provision for deferred tax	9	1,045,429	825,212
<b>Total provisions</b>		<b>1,045,429</b>	<b>825,212</b>
Mortgage debt		1,137,239	1,453,613
<b>Long-term debt</b>	<b>10</b>	<b>1,137,239</b>	<b>1,453,613</b>
Short-term part of long-term debt	10	305,788	305,808
Banks		1,196,120	0
Received prepayments from customers		331,031	374,764
Trade payables		4,185,516	2,445,892
Corporation tax		526,428	1,258,724
Other payables		1,941,285	3,882,899
Deferred income		41,513	0
<b>Short-term debt</b>		<b>8,527,681</b>	<b>8,268,087</b>
<b>Total liabilities</b>		<b>9,664,920</b>	<b>9,721,700</b>
<b>Total equity and liabilities</b>		<b>38,868,265</b>	<b>37,479,042</b>
Mortgages and collateral	11		





# Statement of changes in equity

	Share capital	Reserve for development expenditure	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2021	500,000	462,629	19,969,501	6,000,000	26,932,130
Extraordinary dividend paid	0	0	0	(6,000,000)	(6,000,000)
Revaluation	0	580,962	0	0	580,962
Net profit/loss for the year	0	0	644,824	6,000,000	6,644,824
<b>Equity at 31 December 2021</b>	<b>500,000</b>	<b>1,043,591</b>	<b>20,614,325</b>	<b>6,000,000</b>	<b>28,157,916</b>



# Cashflow statement 1 January – 31 December 2021

		2021	2020
		DKK	DKK
Net profit/loss for the year		7,225,786	7,391,902
Adjustments	12	3,235,668	3,078,392
Change in working capital	13	(7,996,727)	2,882,468
<b>Cash flows from operating activities before financial income and expenses</b>		<b>2,464,727</b>	<b>13,352,762</b>
Interest income and similar income		163,271	8,566
Interest expenses and similar charges		(181,024)	(668,147)
<b>Cash flows from ordinary activities</b>		<b>2,446,974</b>	<b>12,693,181</b>
Corporation tax paid		(2,436,724)	(1,883,058)
<b>Cash flows from operating activities</b>		<b>10,250</b>	<b>10,810,123</b>
Purchase of intangible assets		(1,650,163)	(928,353)
Purchase of property, plant and equipment		0	(336,500)
<b>Cash flows from investing activities</b>		<b>(1,650,163)</b>	<b>(1,264,853)</b>
Repayment of mortgage loans		(316,414)	(313,564)
Dividend paid		(6,000,000)	(3,000,000)
<b>Cash flows from financing activities</b>		<b>(6,316,414)</b>	<b>(3,313,564)</b>
<b>Change in cash and cash equivalents</b>		<b>(7,956,327)</b>	<b>6,231,706</b>
Cash at bank and in hand		8,889,216	4,282,218
Overdraft facility		0	(1,624,708)
Cash and cash equivalents at 1 January 2021		8,889,216	2,657,510
<b>Cash and cash equivalents at 31 December 2021</b>		<b>932,889</b>	<b>8,889,216</b>
Analysis of cash and cash equivalents:			
Cash at bank and in hand		2,129,009	8,889,216
Overdraft facility		(1,196,120)	0
<b>Cash and cash equivalents at 31 December</b>		<b>932,889</b>	<b>8,889,216</b>



# Notes to the annual report

## 1 Special items

Special items comprise significant income and expenses that are special in relation to the company's normal operations, including e.g. government grants, disposal gains / losses, write-downs and reversal of non-recurring write-downs. The result of the special items that are recognized in the items in the income statement can be displayed as follows:

Government grants from the compensation scheme recognized in gross profit

<u>2021</u>	<u>2020</u>
DKK	DKK

	0	632,246
	<b>0</b>	<b>632,246</b>

## 2 Staff costs

Wages and salaries	5,303,726	5,645,734
Pensions	775,512	747,107
Other social security costs	87,547	82,124
Other staff costs	171,836	119,797
	<b>6,338,621</b>	<b>6,594,762</b>

Average number of employees	11	11
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## 3 Financial income

Other financial income	3,388	8,566
Exchange gains	159,883	0
	<b>163,271</b>	<b>8,566</b>

## 4 Financial costs

Financial expenses, associates	0	31,447
Other financial costs	181,025	215,840
Exchange loss	0	420,859
	<b>181,025</b>	<b>668,146</b>

## 5 Tax on profit/loss for the year

Current tax for the year	1,704,428	1,736,724
Deferred tax for the year	220,217	276,262
	<b>1,924,645</b>	<b>2,012,986</b>



# Notes to the annual report

## 6 Intangible assets

	<b>Development projects in progress</b>
Cost at 1 January 2021	9,858,034
Additions for the year	1,650,163
Cost at 31 December 2021	<u>11,508,197</u>
Impairment losses and amortisation at 1 January 2021	9,264,920
Amortisation for the year	905,340
Impairment losses and amortisation at 31 December 2021	<u>10,170,260</u>
<b>Carrying amount at 31 December 2021</b>	<b><u>1,337,937</u></b>

### Special assumptions regarding development projects and tax assets

Ongoing development projects include the development and testing of software for use in the automatic transfer of data from ventilation systems as well as the development of software. Costs are in all material respects composed of internal costs in the form of direct salaries.

As regards development, 2021/22 is also characterised by the fact that we have received a project grant from the Innovation Fund for the development of an electric motor for the ventilation systems. The development costs associated with this mainly consist of labour costs, external suppliers of knowledge and hardware.

The carrying amount is at 31 December 2021 DKK 1,337,937. The development costs are expected to be completed during 2022 after which sale can begin.

The new software as well as electric motors are expected to bring significant competitive advantages and thus an increase in activity and result from 2022 onwards.

Management has not found any indication of impairment in relation to the carrying amount.



# Notes to the annual report

## 7 Tangible assets

	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Other fixtures and fittings, tools and equipment</b>
Cost at 1 January 2021	11,275,465	8,326,937	2,463,664
Cost at 31 December 2021	11,275,465	8,326,937	2,463,664
Impairment losses and depreciation at 1 January 2021	3,424,432	8,016,797	2,245,714
Depreciation for the year	218,146	68,982	100,800
Impairment losses and depreciation at 31 December 2021	3,642,578	8,085,779	2,346,514
<b>Carrying amount at 31 December 2021</b>	<b>7,632,887</b>	<b>241,158</b>	<b>117,150</b>

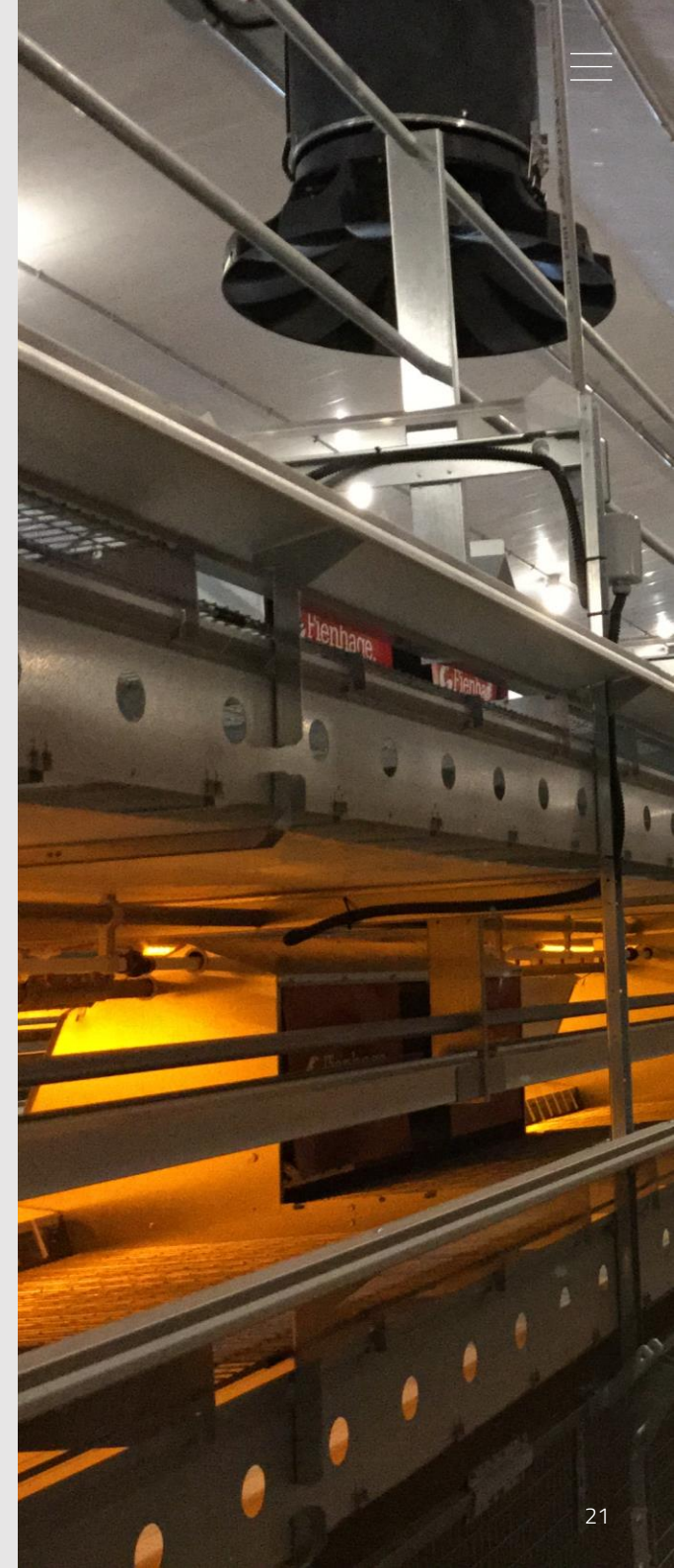
## 8 Equity

The share capital consists of 5,000 shares of a nominal value of DKK 100. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

## 9 Provision for deferred tax

	<b>2021</b>	<b>2020</b>
	DKK	DKK
Provision for deferred tax at 1 January 2021	825,212	548,950
Deferred tax recognised in income statement	220,217	276,262
<b>Provision for deferred tax at 31 December 2021</b>	<b>1,045,429</b>	<b>825,212</b>



# Notes to the annual report

## 10 Long-term debt

	Debt at 1 January 2021	Debt at 31 December 2021	Instalment next year	Debt outstanding after 5 years
Mortgage loans	1,759,421	1,443,027	305,788	120,962
	<b>1,759,421</b>	<b>1,443,027</b>	<b>305,788</b>	<b>120,962</b>

## 11 Mortgages and collateral

As security for debt to mortgage credit institutions, DKK 1,443 thousand, a mortgage has been granted on land and buildings with a book value at 31 December 2021 of DKK 7,633 thousand.

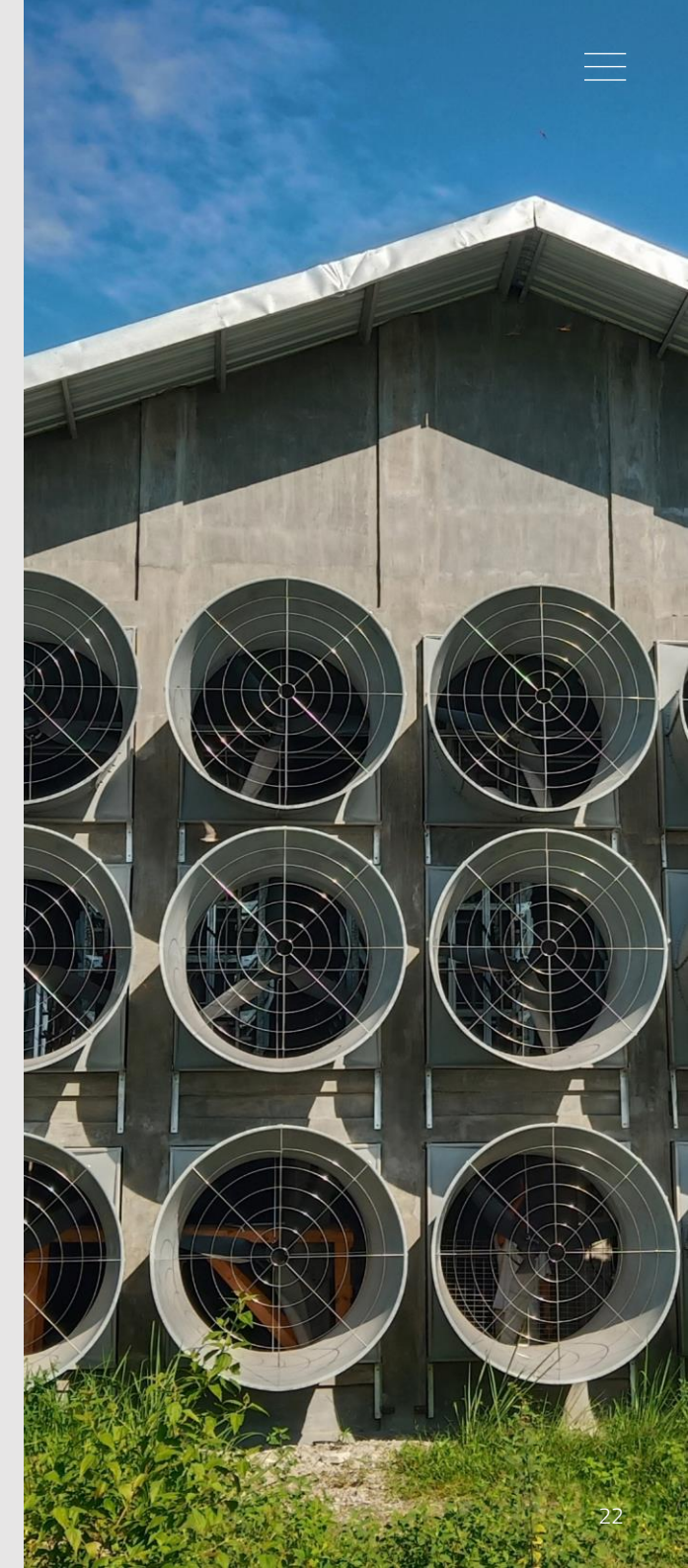
The company has issued mortgages registered to the owners of DKK 2,100 thousand in the above land and buildings. The mortgages registered to the owners have been deposited as security for bank debt.

## 12 Cash flow statement - adjustments

	2021 DKK	2020 DKK
Financial income	(163,271)	(8,566)
Financial costs	181,025	668,146
Depreciation, amortisation and impairment losses	1,293,269	905,826
Tax on profit/loss for the year	1,924,645	2,012,986
Other adjustments	0	(500,000)
	<b>3,235,668</b>	<b>3,078,392</b>

## 13 Cash flow statement - change in working capital

Change in inventories	(7,098,119)	1,927,748
Change in receivables	(694,418)	494,232
Change in trade payables, etc.	(204,190)	460,488
	<b>(7,996,727)</b>	<b>2,882,468</b>



# Accounting policies

The annual report of DACS A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in DKK.

## Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## Income statement

### Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

### Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

### Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

### Other operating expenses

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

### Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Other external expenses also comprise research and development costs that do not qualify for capitalisation.

### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

# Accounting policies

## Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

## Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## Balance sheet

### Intangible assets

#### *Development projects, patents and licences*

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually three years.

### Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Buildings	45-50 years	0 %
Plant and machinery	5 years	0 %
Other fixtures and fittings, tools and equipment	5 years	0 %

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

### Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

### Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets is assessed annually for indications of impairment, in addition to what is expressed by depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.



# Accounting policies

## Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

## Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

## Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

## Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

## Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

## Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Other debt liabilities, which include debt to suppliers, associates and other debt, are measured at amortized cost, which usually corresponds to nominal value.

## Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

# Accounting policies

## Cash flow statement

The cash flow statement shows the company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

## Cash flows from operating activities

Cash flows from operating activities are calculated as the company's profit adjusted for non-cash operating items, change in working capital and paid corporation tax. Dividend income from investments is recognised in 'interest income and dividends received'.

## Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

## Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the company's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

## Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

## Financial highlights

Definitions of financial ratios.

$$\text{Return of assets} = \frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$$

$$\text{Solvency ratio} = \frac{\text{Equity, end of year} \times 100}{\text{Total assets at year-end}}$$



## Company details

### The company

DACS A/S  
Falkevej 18  
8766 Nr. Snede

CVR no.: 59 57 57 16  
Reporting period: 1 January – 31 December 2021  
Domicile: Ikast-Brande

### Board of Directors

Rudolf Dybdahl, chairman  
Finn Strøm Madsen  
Jens Dybdahl  
Niels Dybdahl  
Peter Dybdahl

### Executive Board

Peter Dybdahl

### Auditors

Roesgaard  
Godkendt Revisionspartnerselskab  
Sønderbrogade 16  
8700 Horsens

## Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of DACS A/S for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report be approved by the company at the general meeting.

Nr. Snede, 10th of March 2022

### Executive Board

Peter Dybdahl

### Board of Directors

Rudolf Dybdahl  
Chairman

Finn Strøm Madsen

Jens Dybdahl

Niels Dybdahl

Peter Dybdahl

# Independent auditor's report

## To the shareholders of DACS A/S

### Opinion

We have audited the financial statements of DACS A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

# Independent auditor's report

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

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

## Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

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

Horsens, 10<sup>th</sup> of March 2022

## Roesgaard

Godkendt Revisionspartnerselskab  
CVR no.: 37 54 31 28

Marianne Seeberg  
State Authorised Public Accountant  
MNE no. mne47422



**DACS A/S**

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