

NTP Technology A/S

Nybrovej 99, 2820 Gentofte
CVR no. 67 26 00 15

Annual report for the financial year 01.04.22 - 31.03.23

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 17.08.23

Ole Peter Clausen
Dirigent

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The company

NTP Technology A/S
Nybrovej 99
2820 Gentofte

Registered office: Gentofte
CVR no.: 67 26 00 15
Financial year: 01.04 - 31.03

Executive Board

CEO Ole Peter Clausen
COO Mikael Peter Magalhaes Vest

Board of Directors

Ole Peter Clausen
Christoffer Vest Kay, chairman
Henning Brønnum Sørensen
Graham Michael Pitman

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.04.22 - 31.03.23 for NTP Technology A/S.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.03.23 and of the results of the company's activities for the financial year 01.04.22 - 31.03.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Gentofte, August 17, 2023

Executive Board

Ole Peter Clausen
CEO

Mikael Peter Magalhaes Vest
COO

Board of Directors

Ole Peter Clausen
CEO

Christoffer Vest Kay
Chairman

Henning Brønnum Sørensen

Graham Michael Pitman

To the Shareholder of NTP Technology A/S**Opinion**

We have audited the financial statements of NTP Technology A/S for the financial year 01.04.22 - 31.03.23, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.03.23 and of the results of the company's operations for the financial year 01.04.22 - 31.03.23 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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' 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.

Statement regarding the 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 Acts. We did not identify any material misstatement of management's review.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the Management determines is necessary to enable the preparation of 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 International Standards on Auditing 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.
- 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.

Soeborg, Copenhagen, August 17, 2023

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Morten Alsted

State Authorized Public Accountant
MNE-no. mne34080

Primary activities

NTP Technology A/S develops and produces advanced digital audio routing systems and related control software for radio and TV stations internationally as well as digital sound processors for sound studios, concert halls, etc. The products are marketed internationally through distributors.

Exceptional conditions

The Company has been impacted by the global supply challenges facing the electronic manufacturing sector. The Company has successfully been working closely with customers and partners to minimize and mitigate the financial impact of the situation. However, the shortage of components supply has had an impact on the timing of revenue. The supply challenges are expected to ease up during 2023/24, where the Company aims to fulfill a substantial part of its historically large backlog of confirmed orders.

Development in activities and financial affairs

The income statement for the period 01.04.22 - 31.03.23 shows a profit of DKK 4,306,288 against DKK 4,813,160 for the period 01.04.21 - 31.03.22. The balance sheet shows equity of DKK 12,445,387.

Subsequent events

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

Income statement

Note	2022/23 DKK	2021/22 DKK
	16,665,550	17,867,678
1 Staff costs	-9,972,853	-10,029,133
	6,692,697	7,838,545
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-1,318,532	-1,523,321
	5,374,165	6,315,224
Financial expenses	-137,479	-183,109
	5,236,686	6,132,115
Tax on profit for the year	-930,398	-1,318,955
	4,306,288	4,813,160
Proposed appropriation account		
Proposed dividend for the financial year	4,000,000	5,000,000
Retained earnings	306,288	-186,840
	4,306,288	4,813,160

ASSETS		31.03.23	31.03.22
		DKK	DKK
Note			
	Completed development projects	4,698,744	2,187,536
2	Total intangible assets	4,698,744	2,187,536
	Leasehold improvements	447,106	781,169
	Other fixtures and fittings, tools and equipment	213,529	317,088
	Total property, plant and equipment	660,635	1,098,257
	Deposits	62,794	57,219
	Total investments	62,794	57,219
	Total non-current assets	5,422,173	3,343,012
	Manufactured goods and goods for resale	10,607,109	6,791,136
	Total inventories	10,607,109	6,791,136
	Trade receivables	11,519,166	7,864,948
	Receivables from group enterprises	201,851	7,532
	Other receivables	211,675	0
	Prepayments	553,617	151,206
	Total receivables	12,486,309	8,023,686
	Cash	0	3,669,216
	Total current assets	23,093,418	18,484,038
	Total assets	28,515,591	21,827,050

EQUITY AND LIABILITIES		31.03.23	31.03.22
		DKK	DKK
Note			
	Share capital	1,000,000	1,000,000
	Reserve for development costs	3,665,021	1,706,279
	Retained earnings	3,780,366	5,432,820
	Proposed dividend for the financial year	4,000,000	5,000,000
	Total equity	12,445,387	13,139,099
	Provisions for deferred tax	1,130,936	504,168
	Total provisions	1,130,936	504,168
3	Other payables	688,743	911,455
	Total long-term payables	688,743	911,455
	Payables to other credit institutions	4,340,831	0
	Trade payables	3,558,204	2,805,854
	Payables to group enterprises	5,138,447	1,801,414
	Income taxes	303,634	1,412,866
	Other payables	909,409	1,252,194
	Total short-term payables	14,250,525	7,272,328
	Total payables	14,939,268	8,183,783
	Total equity and liabilities	28,515,591	21,827,050
4	Contingent liabilities		
5	Related parties		

Statement of changes in equity

Figures in DKK	Share capital	Reserve for development costs	Retained earnings	Proposed dividend for the financial year	Total equity
Statement of changes in equity for 01.04.22 - 31.03.23					
Balance as at 01.04.22	1,000,000	1,706,279	5,432,820	5,000,000	13,139,099
Dividend paid	0	0	0	-5,000,000	-5,000,000
Transfers to/from other reserves	0	1,958,742	-1,958,742	0	0
Net profit/loss for the year	0	0	306,288	4,000,000	4,306,288
Balance as at 31.03.23	1,000,000	3,665,021	3,780,366	4,000,000	12,445,387

	2022/23 DKK	2021/22 DKK
1. Staff costs		
Wages and salaries	9,660,687	9,610,090
Other social security costs	99,330	107,077
Other staff costs	212,836	311,966
Total	9,972,853	10,029,133
Average number of employees during the year	12	12

2. Intangible assets

Figures in DKK	Completed development projects
Cost as at 01.04.22	5,594,044
Additions during the year	3,392,117
Cost as at 31.03.23	8,986,161
Amortisation and impairment losses as at 01.04.22	-3,406,507
Amortisation during the year	-880,910
Amortisation and impairment losses as at 31.03.23	-4,287,417
Carrying amount as at 31.03.23	4,698,744

The development projects performed in the period are related to 2 new products released for sales in 2023.

3. Long-term payables

Figures in DKK	Outstanding debt after 5 years	Total payables at 31.03.23	Total payables at 31.03.22
Other payables	604,489	688,743	911,455
Total	604,489	688,743	911,455

4. Contingent liabilities

Lease commitments

The company has concluded lease agreements with group enterprises with a total of DKK 931.128.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and is liable for income taxes on a pro rata basis and must comply with any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly or indirectly by the ultimate parent. The total tax liability for the jointly taxed companies at the balance sheet date has not yet been determined. For further information, please see the financial statements of the management company CCTV Holding A/S.

5. Related parties

The company is included in the consolidated financial statements of the parent CCTV Holding A/S, Gentofte.

6. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

6. Accounting policies - continued -**LEASES**

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

INCOME STATEMENT**Gross profit**

Gross profit comprises revenue, work performed for own account and capitalised and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Work performed for own account and capitalised

Work performed for own account and capitalised comprises cost of sales, wages and salaries and other internal expenses incurred during the year and included in the cost of self-constructed or self-produced intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise selling costs, vehicle expenses, cost of premises and administrative expenses

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

6. Accounting policies - continued -

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Completed development projects	2-5	0
Leasehold improvements	3-5	0
Other plant, fixtures and fittings, tools and equipment	3-5	0

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

6. Accounting policies - continued -**BALANCE SHEET****Intangible assets***Completed development projects and development projects in progress*

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

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

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of intangible assets

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

6. Accounting policies - continued -

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

6. Accounting policies - continued -**Receivables**

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank account.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

6. Accounting policies - continued -

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.