



**Precision Technic Defence A/S**

Lansen 13  
9230 Svenstrup J  
CVR No. 79218928

**Annual report 01.04.2020 -  
31.03.2021**

The Annual General Meeting adopted the  
annual report on 21.06.2021

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**Jeppe Müller**  
Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2020/21	8
Balance sheet at 31.03.2021	9
Statement of changes in equity for 2020/21	11
Notes	12
Accounting policies	15

# Entity details

## Entity

Precision Technic Defence A/S

Lansen 13

9230 Svenstrup J

CVR No.: 79218928

Registered office: Aalborg

Financial year: 01.04.2020 - 31.03.2021

## Board of Directors

Jeppé Müller

Preben Edvard Kønig

Thomas Henrik Dresler Petersen, formand

## Executive Board

Jeppé Müller

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Precision Technic Defence A/S for the financial year 01.04.2020 - 31.03.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2021 and of the results of its operations for the financial year 01.04.2020 - 31.03.2021.

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.

Svenstrup, 21.06.2021

## Executive Board

**Jeppe Müller**

## Board of Directors

**Jeppe Müller**

**Preben Edvard Kønig**

**Thomas Henrik Dresler Petersen**

formand

# Independent auditor's extended review report

To the shareholders of Precision Technic Defence A/S

## Conclusion

We have performed an extended review of the financial statements of Precision Technic Defence A/S for the financial year 01.04.2020 - 31.03.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2021 and of the results of its operations for the financial year 01.04.2020 - 31.03.2021 in accordance with the Danish Financial Statements Act.

## Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## 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 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

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

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review 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 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.

Aalborg, 21.06.2021

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **René Winther Pedersen**

State Authorised Public Accountant  
Identification No (MNE) mne34173

# Management commentary

## Primary activities

The company's most important activity is to develop and sell products to the defense industry - primarily the Danish Defense. Products includes clothing, protective equipment, electronics, vehicle and platform equipment, such as screens, navigation equipment and cameras. The company is an agency company and at the same time a system integrator.

In addition, a large part of the company's daily activity is to maintain the long-term frame contracts entered with the Defense Force and to win new contracts with the defense and public authorities in Denmark and within NATO.

In addition to that, the company provides service and training on the abovementioned equipment.

## Development in activities and finances

The company has experienced a generally limited level of activity compared to previous years. This is primarily due to the COVID19 pandemic, which has led to major restrictions on the company's opportunities to complete its business. Furthermore, a purchase halt on a framework agreement for digital infrastructure for the Danish Armed Forces has led to deferred sales for this project. With an expected turnover of 20% of the total budget it has had an extensive consequence on the predicted sales for financial year 2020/2021.

The final impact of the COVID19 pandemic is yet to be seen, but the company have experienced significant higher costs on materials, components and not least shipping.

## Largest orders in the financial year

- Delivery of Tactical Gear pockets for the Danish Armed Forces on existing framework contract.
- Delivery of boots to the Danish Armed Forces on existing framework contract.

Furthermore, the company has received a significant commission from TYR Tactical, LLC. on deliveries of ballistic vests and protective equipment for the Danish Armed Forces.

The annual report shows a profit before tax of DKK 4,325,329 against DKK 8,547,941 last year, which is considered satisfactory given the global marked situation. The equity ratio at the end of the year after disposition of the profit for the year amounts to DKK 17,805,843.

The implementation of the growth strategy was continued to the extent permitted by the situation. This has led to the hire of additional staff and the implementation of a new ERP system and procedures with the aim to ensure that the company is geared for the overall growth strategy.

The company sees an increasing growth potential, especially in the technological areas as well as in new markets in the southern parts of NATO. Furthermore, an increased need to offer various logistical support tasks is seen as part of product deliveries.

**Corporate Social Responsibility**

Precision Technic Defence A/S is a responsible company, which comply with all laws and regulations in the countries in which the company operates. The company is part of the Precision Technic Defence Group, and as such solemnly owned by Precision Global ApS.

Hence, the company comply with the Corporate strategies and policies regarding Code of Conduct as well as Corporate Social Responsibility.

The overall account for the annual actions and results on these matters can be found in the Corporate Annual Report. The company is TRACE certified, and as such comply with a practice on Anti Bribery and best practice.

**Events after the balance sheet date**

From the balance sheet date until today, no circumstances have arisen that upset the assessment of the annual report.



# Income statement for 2020/21

	Notes	2020/21 DKK	2019/20 DKK
<b>Gross profit/loss</b>	1	<b>12,614,815</b>	<b>14,152,340</b>
Staff costs	2	(6,269,520)	(5,413,873)
Depreciation, amortisation and impairment losses		(191,028)	(181,040)
<b>Operating profit/loss</b>		<b>6,154,267</b>	<b>8,557,427</b>
Other financial income	3	191,508	300,436
Other financial expenses	4	(1,029,194)	(309,922)
<b>Profit/loss before tax</b>		<b>5,316,581</b>	<b>8,547,941</b>
Tax on profit/loss for the year	5	(991,252)	(1,886,630)
<b>Profit/loss for the year</b>		<b>4,325,329</b>	<b>6,661,311</b>
<b>Proposed distribution of profit and loss</b>			
Ordinary dividend for the financial year		2,000,000	3,500,000
Retained earnings		2,325,329	3,161,311
<b>Proposed distribution of profit and loss</b>		<b>4,325,329</b>	<b>6,661,311</b>

# Balance sheet at 31.03.2021

## Assets

	Notes	2020/21 DKK	2019/20 DKK
Development projects in progress	7	4,504,222	4,073,976
<b>Intangible assets</b>	6	<b>4,504,222</b>	<b>4,073,976</b>
Other fixtures and fittings, tools and equipment		176,716	86,939
Leasehold improvements		425,580	380,221
<b>Property, plant and equipment</b>	8	<b>602,296</b>	<b>467,160</b>
<b>Fixed assets</b>		<b>5,106,518</b>	<b>4,541,136</b>
Manufactured goods and goods for resale		1,677,970	1,170,689
<b>Inventories</b>		<b>1,677,970</b>	<b>1,170,689</b>
Trade receivables		3,974,027	15,281,111
Receivables from group enterprises		11,529,418	10,370,697
Other receivables		208,563	201,957
Prepayments		4,551,126	367,816
<b>Receivables</b>		<b>20,263,134</b>	<b>26,221,581</b>
<b>Cash</b>		<b>1,564,629</b>	<b>783,066</b>
<b>Current assets</b>		<b>23,505,733</b>	<b>28,175,336</b>
<b>Assets</b>		<b>28,612,251</b>	<b>32,716,472</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020/21 DKK</b>	<b>2019/20 DKK</b>
Contributed capital		500,000	500,000
Reserve for development expenditure		3,177,701	3,177,701
Retained earnings		12,128,142	9,802,813
Proposed dividend		2,000,000	3,500,000
<b>Equity</b>		<b>17,805,843</b>	<b>16,980,514</b>
Deferred tax		971,080	882,167
<b>Provisions</b>		<b>971,080</b>	<b>882,167</b>
Other payables		470,990	340,526
<b>Non-current liabilities other than provisions</b>	<b>9</b>	<b>470,990</b>	<b>340,526</b>
Current portion of non-current liabilities other than provisions	9	37,858	0
Bank loans		3,778,892	3,890,306
Prepayments received from customers		129,461	231,191
Trade payables		3,062,223	2,956,413
Payables to group enterprises		33,179	0
Payables to shareholders and management		173,438	2,004,548
Joint taxation contribution payable		902,339	1,843,884
Other payables		1,246,948	3,586,923
<b>Current liabilities other than provisions</b>		<b>9,364,338</b>	<b>14,513,265</b>
<b>Liabilities other than provisions</b>		<b>9,835,328</b>	<b>14,853,791</b>
<b>Equity and liabilities</b>		<b>28,612,251</b>	<b>32,716,472</b>
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		

# Statement of changes in equity for 2020/21

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	3,177,701	9,802,813	3,500,000	16,980,514
Ordinary dividend paid	0	0	0	(3,500,000)	(3,500,000)
Profit/loss for the year	0	0	2,325,329	2,000,000	4,325,329
<b>Equity end of year</b>	<b>500,000</b>	<b>3,177,701</b>	<b>12,128,142</b>	<b>2,000,000</b>	<b>17,805,843</b>

# Notes

## 1 Gross profit/loss

The company has received compensation regarding COVID-19 in the form of salary compensation, which amounts to 143,770 DKK in the year 2020/21.

## 2 Staff costs

	2020/21 DKK	2019/20 DKK
Wages and salaries	5,371,653	4,625,153
Pension costs	720,536	640,669
Other social security costs	72,231	76,268
Other staff costs	105,100	71,783
	<b>6,269,520</b>	<b>5,413,873</b>
Average number of full-time employees	10	9

## 3 Other financial income

	2020/21 DKK	2019/20 DKK
Financial income from group enterprises	189,773	179,724
Other interest income	0	3,823
Exchange rate adjustments	1,735	116,889
	<b>191,508</b>	<b>300,436</b>

## 4 Other financial expenses

	2020/21 DKK	2019/20 DKK
Other interest expenses	103,790	113,552
Exchange rate adjustments	678,978	47,919
Other financial expenses	246,426	148,451
	<b>1,029,194</b>	<b>309,922</b>

## 5 Tax on profit/loss for the year

	2020/21 DKK	2019/20 DKK
Current tax	902,339	1,843,884
Change in deferred tax	88,913	42,746
	<b>991,252</b>	<b>1,886,630</b>

## 6 Intangible assets

	Development projects in progress DKK
Cost beginning of year	4,073,976
Additions	430,246
<b>Cost end of year</b>	<b>4,504,222</b>
<b>Carrying amount end of year</b>	<b>4,504,222</b>

## 7 Development projects

The development projects are expected to be completed in the financial year of 2021/2022. There are indications of future positive cash flows from the development projects which exceeds the capitalized development costs on the balance sheet date.

## 8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	189,592	605,625
Additions	143,995	182,169
<b>Cost end of year</b>	<b>333,587</b>	<b>787,794</b>
Depreciation and impairment losses beginning of year	(102,653)	(225,404)
Depreciation for the year	(54,218)	(136,810)
<b>Depreciation and impairment losses end of year</b>	<b>(156,871)</b>	<b>(362,214)</b>
<b>Carrying amount end of year</b>	<b>176,716</b>	<b>425,580</b>

## 9 Non-current liabilities other than provisions

	Due within 12 months 2020/21 DKK	Due after more than 12 months 2020/21 DKK	Outstanding after 5 years 2020/21 DKK
Other payables	37,858	470,990	407,854
	<b>37,858</b>	<b>470,990</b>	<b>407,854</b>

## 10 Unrecognised rental and lease commitments

	2020/21 DKK	2019/20 DKK
Liabilities under rental or lease agreements until maturity in total	1,116,427	1,642,313

### **11 Contingent liabilities**

The Entity participates in a Danish joint taxation arrangement where Precision Global 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 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend 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.

### **12 Assets charged and collateral**

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor of nominal DKK 3.000 t.kr. on trade receivables, inventories, tools and equipment and intangible rights.

# 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 certain provisions for reporting class C.

The accounting policies applied to these 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.

## Foreign currency translation

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

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost 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 from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.



**Other operating income**

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

**Cost of sales**

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

**Other external expenses**

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

**Staff costs**

Staff costs comprise salaries and wages, 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.

**Other financial income**

Other financial income comprises interest income, payables and transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

**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, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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

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

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

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

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

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling

the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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

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

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3 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.

### **Inventories**

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

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

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.

### **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.

**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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

**Other financial liabilities**

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

**Prepayments received from customers**

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

**Joint taxation contributions payable or receivable**

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been 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.