



DKT A/S

Fanøvej 6
4060 Kirke Såby
CVR No. 82151419

Annual report 2023

The Annual General Meeting adopted the annual report on 11.07.2024

Anthony William Joseph Basham
Chairman of the General Meeting

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Entity details

Entity

DKT A/S

Fanøvej 6

4060 Kirke Såby

Business Registration No.: 82151419

Registered office: Lejre

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Ludwig Michael Modra, chairman

Anthony William Joseph Basham

Tim Strube

Executive Board

Anthony William Joseph Basham

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of DKT A/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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.

Kirke Såby, 11.07.2024

Executive Board

Anthony William Joseph Basham

Board of Directors

Ludwig Michael Modra
chairman

Anthony William Joseph Basham

Tim Strube

Independent auditor's report

To the shareholders of DKT A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of DKT A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 11.07.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Henrik Wolff Mikkelsen

State Authorised Public Accountant

Identification No (MNE) mne33747

Management commentary

Financial highlights

	2023	2022	2021	2020	2018/19
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	11,484	23,887	24,621	27,269	28,355
Operating profit/loss	(7,118)	3,342	7,603	8,315	4,690
Net financials	(303)	(591)	(297)	(539)	(418)
Profit/loss for the year	(3,403)	1,874	5,337	8,221	4,314
Balance sheet total	79,841	94,215	77,153	80,329	74,307
Equity	58,966	62,372	60,475	55,218	46,954
Cash flows from operating activities	(9,653)	10,927	(3,805)	12,899	12,103
Cash flows from investing activities	(6,905)	(2,923)	(3,234)	(1,749)	(3,573)
Ratios					
Return on equity (%)	(5.61)	3.05	9.23	16.09	9.63
Equity ratio (%)	73.85	66.20	78.38	68.74	63.19

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

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Primary activities

The DKT Group offers a comprehensive range of products for broadband and telecommunication networks, categorized into three main groups:

1. TFTTB (Fibre To The Home/Fibre To The Building) Networks
2. Coaxial Distribution
 - a. Focused on DOCSIS 3.1 upgrades and solutions
3. Home Networks
 - a. Focused on the distribution of broadband services to households, including Wi-Fi/wireless networks

The products are primarily developed by DKT and distributed through its own companies or via partners, mainly across Europe.

With over 40 years of experience, DKT began by specializing in coaxial networks and expanded to include fibre-optic networks around the year 2000, recognizing it as the future of telecommunications. Leveraging this historical expertise, DKT aims to solidify its role as a key partner to operators, installers, and solution providers. Our vision is to enhance the standard of living in Europe by improving broadband performance in networks and homes, with a focus on quality and innovation.

DKT A/S is part of BTV Multimedia GmbH, an international group of companies based in Germany. BTV Multimedia GmbH was acquired by the Netceed Group in May 2023. All companies within the Group share a common mission: the development and consultancy of products and solutions for broadband networks. In this collaborative framework, DKT serves as the international arm of the Group, leveraging collective strengths through its proprietary products. This strategic alignment significantly boosts our capacity to achieve our vision. Recently, DKT established subsidiaries in Great Britain and Sweden, both crucial markets for our growth.

Development in activities and finances

In 2023, DKT reported a loss of DKK 3,402,880, compared to a profit of DKK 1,874,108 in the previous year. The balance sheet as of 31st of December 2023 shows equity of DKK 58,966,138.

Significant developments in 2023 included the merger into the Netceed Group and growth in the UK market. The integration into the Netceed Group provides a clear trajectory for future growth, marking a substantial progression from coaxial networks to becoming a global supplier.

Profit/loss for the year in relation to expected developments

The expected growth as communciated in the Annual Report for 2022 did not materialise, which Management considers unsatisfactory.

Sales of optical network termination (ONT) devices in 2023 were disrupted by industry uncertainty. DKT had prepared stock and compliance with NIS2 and the Cyber Resilience Act, heavily investing in firmware development with sales expected towards the end of 2023. The shift from Homes Passed to Homes Connected has become the standard for network funding, opening the market for DKT's ONTs.

DKT becoming part of Netceed has given several synergies and has required some effort to become part of a larger group. This has not taken focus from the focus but has delayed some developments that did require a second visit to ensure the necessary business case requirement of a larger group and financial sensibility.

Outlook

The merger with Netceed has significantly expanded DKT's reach and capabilities, positioning it to capitalize on emerging opportunities and drive substantial growth in the coming years. Despite the loss of DKK 3,402,880 due to heavy investment and challenging market conditions in 2023, DKT expects to return to profit, aiming for 2022 profit of DKK 2,000,000.

Continued growth in ONT resources will be paramount for the future to ensure the support and growth potential that is required to expand.

Knowledge resources

DKT's longstanding market position has enabled growth and the capitalization of new opportunities. With deep insights into network transitions, DKT is accelerating the shift towards fibre-optic solutions, ensuring a smooth transition and a promising future for network enhancements.

Events after the balance sheet date

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

Consolidated income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		11,484,257	23,887,099
Staff costs	1	(15,898,598)	(18,272,133)
Depreciation, amortisation and impairment losses	2	(2,703,852)	(2,272,726)
Operating profit/loss		(7,118,193)	3,342,240
Other financial income	3	308,670	2,250,587
Other financial expenses	4	(611,199)	(2,841,569)
Profit/loss before tax		(7,420,722)	2,751,258
Tax on profit/loss for the year	5	4,017,842	(877,150)
Profit/loss for the year	6	(3,402,880)	1,874,108

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	8	4,632,004	5,857,227
Acquired intangible assets		880,331	1,229,690
Goodwill		678,609	904,811
Development projects in progress	8	6,703,450	504,303
Intangible assets	7	12,894,394	8,496,031
Plant and machinery		194,953	269,476
Other fixtures and fittings, tools and equipment		125,371	247,630
Property, plant and equipment	9	320,324	517,106
Deposits		305,450	304,939
Financial assets	10	305,450	304,939
Fixed assets		13,520,168	9,318,076
Manufactured goods and goods for resale		26,252,077	28,731,496
Prepayments for goods		3,168,963	0
Inventories		29,421,040	28,731,496
Trade receivables	11	26,521,709	30,827,088
Receivables from group enterprises		1,437,606	1,381,713
Deferred tax	12	2,955,872	23,901
Other receivables		54,000	78,003
Tax receivable		235,552	406,348
Prepayments	13	251,167	1,442,451
Receivables		31,455,906	34,159,504
Cash		5,444,052	22,006,021
Current assets		66,320,998	84,897,021
Assets		79,841,166	94,215,097

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	14	1,000,000	1,000,000
Retained earnings		57,966,138	61,372,457
Equity		58,966,138	62,372,457
Deferred tax	12	0	982,724
Other provisions	15	555,518	693,626
Provisions		555,518	1,676,350
Trade payables		5,500,215	10,068,003
Payables to group enterprises		5,919,888	7,534,387
Tax payable		162,617	47,523
Other payables		5,955,766	11,349,710
Deferred income	16	2,781,024	1,166,667
Current liabilities other than provisions		20,319,510	30,166,290
Liabilities other than provisions		20,319,510	30,166,290
Equity and liabilities		79,841,166	94,215,097
Unrecognised rental and lease commitments	18		
Contingent liabilities	19		
Non-arm's length related party transactions	20		
Group relations	21		
Subsidiaries	22		

Consolidated statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	61,372,457	62,372,457
Exchange rate adjustments	0	(3,439)	(3,439)
Profit/loss for the year	0	(3,402,880)	(3,402,880)
Equity end of year	1,000,000	57,966,138	58,966,138

Consolidated cash flow statement for 2023

	Notes	2023 DKK	2022 DKK
Operating profit/loss		(7,118,193)	3,342,240
Amortisation, depreciation and impairment losses		2,703,852	2,272,726
Working capital changes	17	(5,145,242)	8,180,034
Cash flow from ordinary operating activities		(9,559,583)	13,795,000
Financial income received		308,670	2,250,587
Financial expenses paid		(611,199)	(2,841,569)
Taxes refunded/(paid)		209,015	(2,276,828)
Cash flows from operating activities		(9,653,097)	10,927,190
Acquisition etc. of intangible assets		(6,905,433)	(2,467,016)
Acquisition etc. of property, plant and equipment		0	(455,868)
Cash flows from investing activities		(6,905,433)	(2,922,884)
Free cash flows generated from operations and investments before financing		(16,558,530)	8,004,306
Increase/decrease in cash and cash equivalents		(16,558,530)	8,004,306
Cash and cash equivalents beginning of year		22,006,021	13,977,912
Currency translation adjustments of cash and cash equivalents		(3,439)	23,803
Cash and cash equivalents end of year		5,444,052	22,006,021
Cash and cash equivalents at year-end are composed of:			
Cash		5,444,052	22,006,021
Cash and cash equivalents end of year		5,444,052	22,006,021

Notes to consolidated financial statements

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	14,404,782	16,605,847
Pension costs	1,024,395	1,167,699
Other social security costs	161,525	173,860
Other staff costs	307,896	324,727
	15,898,598	18,272,133
Average number of full-time employees	20	22

Referring to section 98b (3) of the Danish Financial Statements Act, management remuneration is not disclosed.

2 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Amortisation of intangible assets	2,507,070	2,105,980
Depreciation on property, plant and equipment	196,782	166,746
	2,703,852	2,272,726

3 Other financial income

	2023	2022
	DKK	DKK
Financial income from group enterprises	213,684	0
Other interest income	61,972	0
Exchange rate adjustments	33,014	2,250,587
	308,670	2,250,587

4 Other financial expenses

	2023	2022
	DKK	DKK
Financial expenses from group enterprises	229,536	0
Other interest expenses	641	104,498
Exchange rate adjustments	381,022	2,737,071
	611,199	2,841,569

5 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	111,056	1,847,335
Change in deferred tax	(3,966,553)	1,348,994
Adjustment concerning previous years	(162,345)	(521,601)
Refund in joint taxation arrangement	0	(1,797,578)
	(4,017,842)	877,150

6 Proposed distribution of profit/loss

	2023	2022
	DKK	DKK
Retained earnings	(3,402,880)	1,874,108
	(3,402,880)	1,874,108

7 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Goodwill DKK	Development projects in progress DKK
Cost beginning of year	13,143,745	1,571,935	1,809,619	504,303
Transfers	548,382	0	0	(548,382)
Additions	0	157,904	0	6,747,529
Disposals	(243,495)	0	0	0
Cost end of year	13,448,632	1,729,839	1,809,619	6,703,450
Amortisation and impairment losses beginning of year	(7,286,518)	(342,245)	(904,808)	0
Amortisation for the year	(1,773,605)	(507,263)	(226,202)	0
Reversal regarding disposals	243,495	0	0	0
Amortisation and impairment losses end of year	(8,816,628)	(849,508)	(1,131,010)	0
Carrying amount end of year	4,632,004	880,331	678,609	6,703,450

8 Development projects

Completed development projects and development projects in progress comprise development of webpage, products and other IT equipments for use in the operations of the company, as well as the development of products and services with which the company expects to generate additional revenues and where a future market and profit for the company can be proven.

9 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	767,528	1,507,896
Disposals	0	(118,925)
Cost end of year	767,528	1,388,971
Depreciation and impairment losses beginning of year	(498,052)	(1,260,266)
Depreciation for the year	(74,523)	(122,259)
Reversal regarding disposals	0	118,925
Depreciation and impairment losses end of year	(572,575)	(1,263,600)
Carrying amount end of year	194,953	125,371

10 Financial assets

	Deposits DKK
Cost beginning of year	304,939
Additions	511
Cost end of year	305,450
Carrying amount end of year	305,450

11 Trade receivables

Out of the Group's total receivables, trade receivables totalling DKK 1,536k fall due for payment after more than one year after the balance sheet date.

12 Deferred tax

	2023 DKK	2022 DKK
Intangible assets	(2,687,472)	(1,670,069)
Property, plant and equipment	92,881	91,515
Inventories	2,694,059	(137,319)
Tax losses carried forward	2,856,404	757,050
Deferred tax	2,955,872	(958,823)
	2023	2022
Changes during the year	DKK	DKK
Beginning of year	(958,823)	71,529
Recognised in the income statement	3,914,695	(1,348,994)
Currency variances	0	50
Adjustment concerning previous years	0	318,592
End of year	2,955,872	(958,823)

	2023	2022
	DKK	DKK
Deferred tax has been recognised in the balance sheet as follows		
Deferred tax assets	2,955,872	23,901
Deferred tax liabilities	0	(982,724)
	2,955,872	(958,823)

Deferred tax assets

On the basis of expectations for future operations, Management believes that deferred tax asset of a total DKK 2,955,872 can be fully recognized.

13 Prepayments

Prepayments under assets consists of costs incurred which relates to future accounting periods.

14 Contributed capital

	Number	Par value	Nominal
		DKK	value
			DKK
30 shares of DKK 10,000.00 nominal value each	30	10,000.00	300,000
7 shares of DKK 100,000.00 nominal value each	7	100,000.00	700,000
	37		1,000,000

The parent's share capital has remained DKK 1,000,000 over the past 5 years.

15 Other provisions

The provision relates to loss-making contracts.

16 Deferred income

Deferred income under liabilities consists of income incurred which relates to future accounting periods.

17 Changes in working capital

	2023	2022
	DKK	DKK
Increase/decrease in inventories	(689,544)	620,431
Increase/decrease in receivables	5,464,262	(6,428,027)
Increase/decrease in trade payables etc.	(9,919,960)	13,867,746
Other changes	0	119,884
	(5,145,242)	8,180,034

18 Unrecognised rental and lease commitments

	2023	2022
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	1,811,753	2,480,287

19 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which DKT A/S

serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

20 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

21 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Eos Finco Sàrl, Rue Albert Borschette 4, 1246 Luxembourg, Luxembourg

The consolidated financial statements of BTV Multimedia GmbH may be ordered at this address:
Eos Finco Sàrl, Rue Albert Borschette 4, 1246 Luxembourg, Luxembourg

22 Subsidiaries

	Registered in
Dansk Kabel Teknik, DKT AB	Sweden
DKT Connect A/S	Denmark
DKT Fibrecom Ltd.	UK

Parent income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		6,849,297	11,725,835
Staff costs	1	(11,101,349)	(12,989,316)
Depreciation, amortisation and impairment losses	2	(2,457,451)	(2,018,394)
Operating profit/loss		(6,709,503)	(3,281,875)
Income from investments in group enterprises		(386,380)	3,458,004
Other financial income	3	245,407	2,400,416
Other financial expenses	4	(124,128)	(1,526,415)
Profit/loss before tax		(6,974,604)	1,050,130
Tax on profit/loss for the year	5	3,571,724	823,978
Profit/loss for the year	6	(3,402,880)	1,874,108

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	8	4,632,004	5,857,227
Acquired intangible assets		880,330	1,219,916
Development projects in progress	8	6,703,450	504,303
Intangible assets	7	12,215,784	7,581,446
Plant and machinery		194,953	269,476
Other fixtures and fittings, tools and equipment		125,371	237,204
Property, plant and equipment	9	320,324	506,680
Investments in group enterprises		11,636,293	15,560,123
Deposits		300,000	300,000
Financial assets	10	11,936,293	15,860,123
Fixed assets		24,472,401	23,948,249
Manufactured goods and goods for resale		19,806,336	24,574,184
Prepayments for goods		3,168,963	0
Inventories		22,975,299	24,574,184
Trade receivables		6,354,275	8,262,735
Receivables from group enterprises		9,404,948	2,068,556
Deferred tax	11	2,589,000	0
Other receivables		54,000	75,728
Tax receivable		0	254,000
Joint taxation contribution receivable		0	1,797,578
Prepayments	12	218,081	421,577
Receivables		18,620,304	12,880,174
Cash		1,179,335	13,116,315
Current assets		42,774,938	50,570,673
Assets		67,247,339	74,518,922

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		1,000,000	1,000,000
Reserve for net revaluation according to equity method		6,995,135	10,918,965
Reserve for development costs		8,841,654	4,568,637
Retained earnings		42,129,349	45,884,855
Equity		58,966,138	62,372,457
Deferred tax	11	0	982,724
Provisions for investments in group enterprises	13	0	289,557
Provisions		0	1,272,281
Trade payables		3,650,718	9,188,360
Payables to group enterprises		2,712,656	0
Other payables		1,917,827	1,685,824
Current liabilities other than provisions		8,281,201	10,874,184
Liabilities other than provisions		8,281,201	10,874,184
Equity and liabilities		67,247,339	74,518,922
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Assets charged and collateral	16		

Parent statement of changes in equity for 2023

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	10,918,965	4,568,637	45,884,855	62,372,457
Exchange rate adjustments	0	(3,439)	0	0	(3,439)
Dividends from group enterprises	0	(3,251,924)	0	3,251,924	0
Transfer to reserves	0	(508,289)	4,273,017	(3,764,728)	0
Profit/loss for the year	0	(160,178)	0	(3,242,702)	(3,402,880)
Equity end of year	1,000,000	6,995,135	8,841,654	42,129,349	58,966,138

Notes to parent financial statements

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	9,807,035	11,524,769
Pension costs	866,993	1,006,571
Other social security costs	138,970	158,248
Other staff costs	288,351	299,728
	11,101,349	12,989,316
Average number of full-time employees	15	17

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

2 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Amortisation of intangible assets	2,271,095	1,863,023
Depreciation on property, plant and equipment	186,356	155,371
	2,457,451	2,018,394

3 Other financial income

	2023	2022
	DKK	DKK
Financial income from group enterprises	208,325	166,407
Other interest income	37,082	0
Exchange rate adjustments	0	2,234,009
	245,407	2,400,416

4 Other financial expenses

	2023	2022
	DKK	DKK
Financial expenses from group enterprises	44,647	0
Other interest expenses	417	98,927
Exchange rate adjustments	79,064	1,427,488
	124,128	1,526,415

5 Tax on profit/loss for the year

	2023 DKK	2022 DKK
Change in deferred tax	(3,571,724)	1,292,192
Adjustment concerning previous years	0	(318,592)
Refund in joint taxation arrangement	0	(1,797,578)
	(3,571,724)	(823,978)

6 Proposed distribution of profit and loss

	2023 DKK	2022 DKK
Retained earnings	(3,402,880)	1,874,108
	(3,402,880)	1,874,108

7 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	13,143,745	1,521,670	504,303
Transfers	548,382	0	(548,382)
Additions	0	157,904	6,747,529
Disposals	(243,495)	0	0
Cost end of year	13,448,632	1,679,574	6,703,450
Amortisation and impairment losses beginning of year	(7,286,518)	(301,754)	0
Amortisation for the year	(1,773,605)	(497,490)	0
Reversal regarding disposals	243,495	0	0
Amortisation and impairment losses end of year	(8,816,628)	(799,244)	0
Carrying amount end of year	4,632,004	880,330	6,703,450

8 Development projects

Completed development projects and development projects in progress comprise development of webpage, products and other IT equipments for use in the operations of the company, as well as the development of products and services with which the company expects to generate additional revenues and where a future market and profit for the company can be proven.

9 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	767,528	1,473,772
Disposals	0	(118,925)
Cost end of year	767,528	1,354,847
Depreciation and impairment losses beginning of year	(498,052)	(1,236,568)
Depreciation for the year	(74,523)	(111,833)
Reversal regarding disposals	0	118,925
Depreciation and impairment losses end of year	(572,575)	(1,229,476)
Carrying amount end of year	194,953	125,371

10 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	4,641,158	300,000
Cost end of year	4,641,158	300,000
Revaluations beginning of year	10,918,965	0
Exchange rate adjustments	(3,439)	0
Amortisation of goodwill	(226,202)	0
Share of profit/loss for the year	(160,178)	0
Dividend	(3,251,924)	0
Investments with negative equity value depreciated over receivables	(282,087)	0
Revaluations end of year	6,995,135	0
Carrying amount end of year	11,636,293	300,000
Goodwill or negative goodwill recognised during the financial year	678,609	

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

11 Deferred tax

	2023 DKK	2022 DKK
Intangible assets	(2,687,472)	(1,667,919)
Property, plant and equipment	71,622	65,464
Inventories	2,446,873	(137,319)
Tax losses carried forward	2,757,977	757,050
Deferred tax	2,589,000	(982,724)

	2023	2022
	DKK	DKK
Changes during the year		
Beginning of year	(982,724)	(9,124)
Recognised in the income statement	3,571,724	(1,292,192)
Adjustment concerning previous years	0	318,592
End of year	2,589,000	(982,724)

Deferred tax assets

On the basis of expectations for future operations, the management believes that deferred tax asset of a total 2.589 t.kr can be fully recognized.

12 Prepayments

Prepayments under assets consists of costs incurred which relates to future accounting periods.

13 Provisions for investments in group enterprises

The provision relates to negative equity in the subsidiaries.

14 Unrecognised rental and lease commitments

	2023	2022
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	1,806,303	2,475,348

15 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

16 Assets charged and collateral

As security for bank commitment, a business charge at the amount of DKK 42,875 thousand has been issued with security in claims, inventories, intellectual rights and fixtures and fittings, tools and equipment.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Foreign currency translation

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

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, costs of raw materials and consumables and external expenses.

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010. Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

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

activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds .

Cost of sales

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

Costs of raw materials and consumables

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

Other external expenses

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

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to 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 plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

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

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

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

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

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 in the 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 on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost 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:

	Useful life
Plant and machinery	5
Other fixtures and fittings, tools and equipment	3

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or loss. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

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

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful lives are reassessed annually. The amortisation periods used are 8 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Cost consists of purchase price plus delivery costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and

doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. 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.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

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

Joint taxation contributions payable or receivable

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating

profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.