World leader in perforation

Annual Report 2023

RMIG A/S • CVR nr. 64 11 31 19 • Industriparken 40, 2750 Ballerup, Denmark

Contents

COMPANY DETAILS

Company

RMIG A/S
Industriparken 40
DK-2750 Ballerup
Denmark

CVR No: 64 11 31 19

Phone: +45 44 20 88 00
Mail: info@rmig.com

Board of Directors

Bjarne Moltke Hansen, Chairman
Jørgen Frost, Vice Chairman
Per Thanning Johansen
Anne Christine Beck
Kim Borch-Kristensen, employee-elected board member
Kim Jensen, member employee-elected board member

Corporate Management

Mads Bonde Hansen, Chief Executive Officer

Company auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Jacob Fromm Christiansen
State Authorised Public Accountant
MNE-nr. mne18628

Jakob Thisted Binder
State Authorised Public Accountant
MNE-nr. mne42816

The Annual General Meeting adopted the Annual Report on 15 March 2024

Chairman of the General Meeting

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Mads Bonde Hansen

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Corporate Management have today considered and approved the Annual Report of RMIG A/S for the financial year 1 January - 31 December, 2023.

The consolidated financial statements and the parent financial statements are 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 as of 31 December, 2023, as well as of the results of their operations and the Group's cash flows for the financial year 1 January - 31 December, 2023.

In our opinion, the Management's Review including Corporate Social Responsibility contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

We recommend the annual report for adoption at the Annual General Meeting.

Ballerup, 15 March 2024

Corporate Management

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Mads Bonde Hansen
Chief Executive Officer

Board of Directors

Bjarne Moltke Hansen Chairman	Jørgen Frost Vice Chairman	Per Thanning Johansen
Anne Christine Beck	Kim Borch-Kristensen employee representative	Kim Jensen employee representative

INDEPENDENT AUDITOR'S REPORT

To the shareholder of RMIG A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Financial Statements give a true and fair view of the financial position of the Group and the Parent at 31 December, 2023, and of the results of the Group's and the Parent's operations as well as the consolidated cash flows for the financial year 1 January - 31 December, 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Financial Statements of RMIG A/S for the financial year 1 January - 31 December, 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent, as well as a consolidated statement of cash flows ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements section* of our report. We are independent of the 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.

Statement on Management's Review

Management is responsible for Management's Review including Corporate Social Responsibility.

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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the 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 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 Group's and the Parent'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 Group or the Parent or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 Group's and the Parent'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 Group's and the Parent'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 Group and the Parent 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.

- 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.

Ballerup, 15 March 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Business Registration No: 33 77 12 31

Jacob Fromm Christiansen
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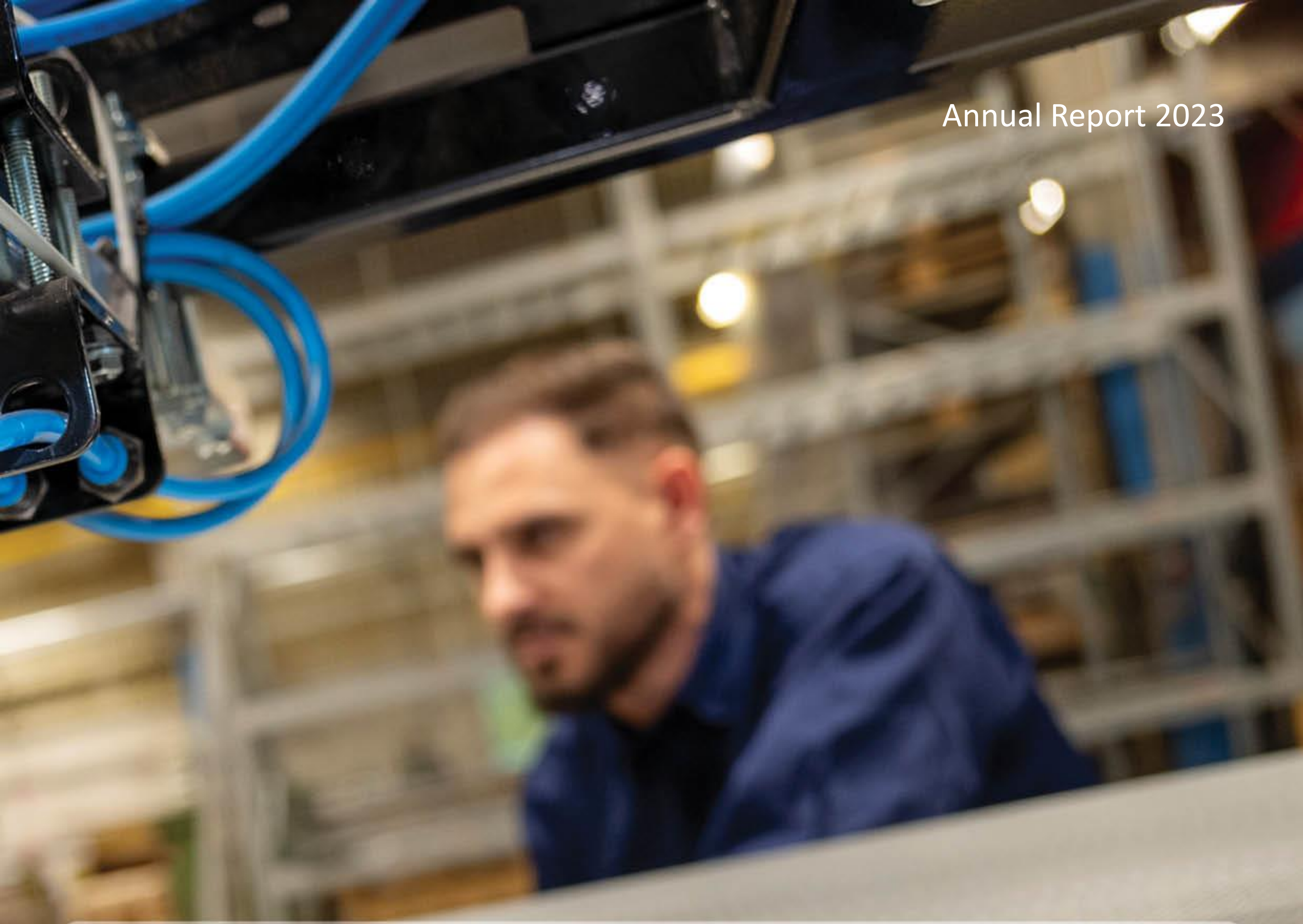
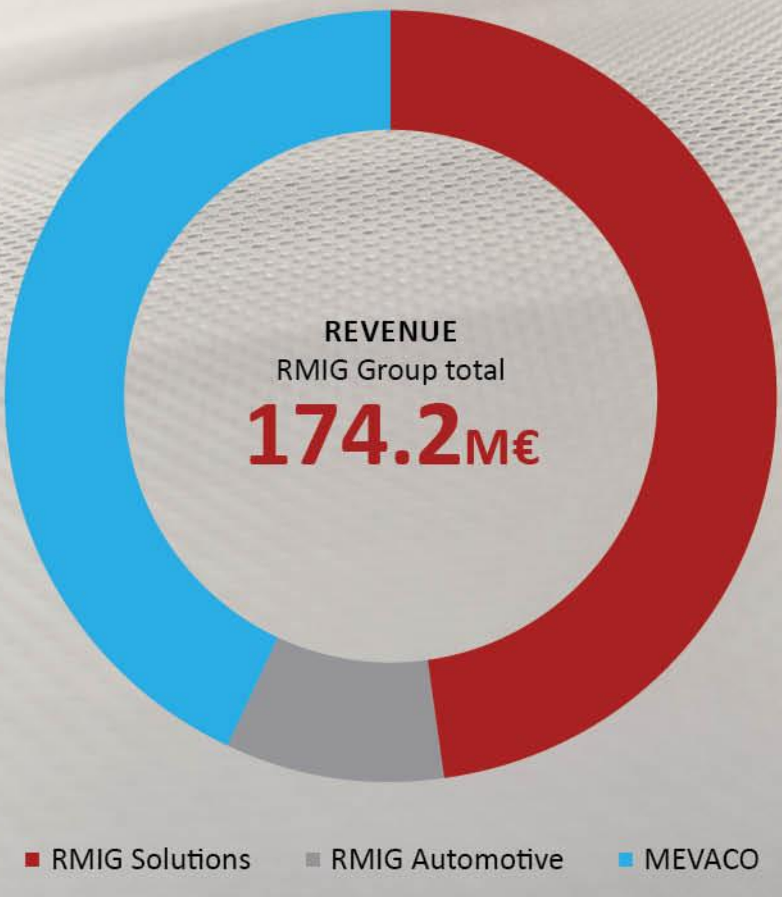
Management's Review



FINANCIALS HIGHLIGHTS 2023

EBITDA
16.0M€
9.2%

OPERATING CASH FLOW
14.3M€



EQUITY
57.0M€
58.6%

NIBD
7.1M€

The Group’s primary activity

The Group are internationally known under the brands RMIG and MEVACO with the vision to be the world’s leading perforation company by being an innovative and sustainable supplier of perforated products.

The Group’s main market is Europe where the Group serves its customers through local sales offices in 14 countries and by having 6 manufacturing facilities in 4 different countries. RMIG also sells its perforated products to customers outside Europe either as direct export or through cooperations with sales representatives, agents or distributors. RMIG perceives Europe as its home market and countries outside these markets as export markets.

The business structure of the Group is organised in three business areas: RMIG Solutions, RMIG Automotive and MEVACO. Common for the three business areas is that they sell perforated products of high quality to their key customer segments. The three business areas have different business models each with focus on offering the best value for their customers.

RMIG Solutions focuses on supplying premium tailor-made solutions for selected customer segments in specific industries. In most cases, the delivered products are manufactured from perforated metal with additional services including secondary operations, logistic and project management. The customers are typically larger companies within industrial wear & tear parts, durable components and building projects that demand technical advice.

RMIG Automotive focuses on supplying interior and exterior grills to the automotive industry. In most cases, the grills are manufactured from perforated metal or expanded metal, formed, surface treated and mounted on a plastic carrier. The customers are typically Tier 1 or Tier 2 suppliers to the automotive OEMs (Original Equipment Manufacturers).

MEVACO focuses on selling standard sheets or simple tailor-made products in an efficient and digitalised setup within an automated production flow with delivery times between 24 hours and 4 days. The customers are typically smaller metalworkers or resellers/distributors.

The RMIG Group is servicing the overall market for perforation.

The Group's manufacturing facilities

The production facilities within the Group consist of both traditional hydraulic presses and modern technology for perforation and secondary operations. The production facilities have acquired the ISO 14001:2015 certification and RMIG keep investing in a new sustainable and safe working environment solutions.

RMIG DK Ballerup (HQ)

Global/Export coverage
17,878 m^2

RMIG DE Raguhn

South/Central coverage
12,815 m^2

RMIG SE Mariestad

SE/NO local coverage
6,350 m^2

RMIG UK Warrington

UK/IR local coverage
3,418 m^2

RMIG DE Nold (RMIG Automotive)

Automotive coverage
13,656 m^2

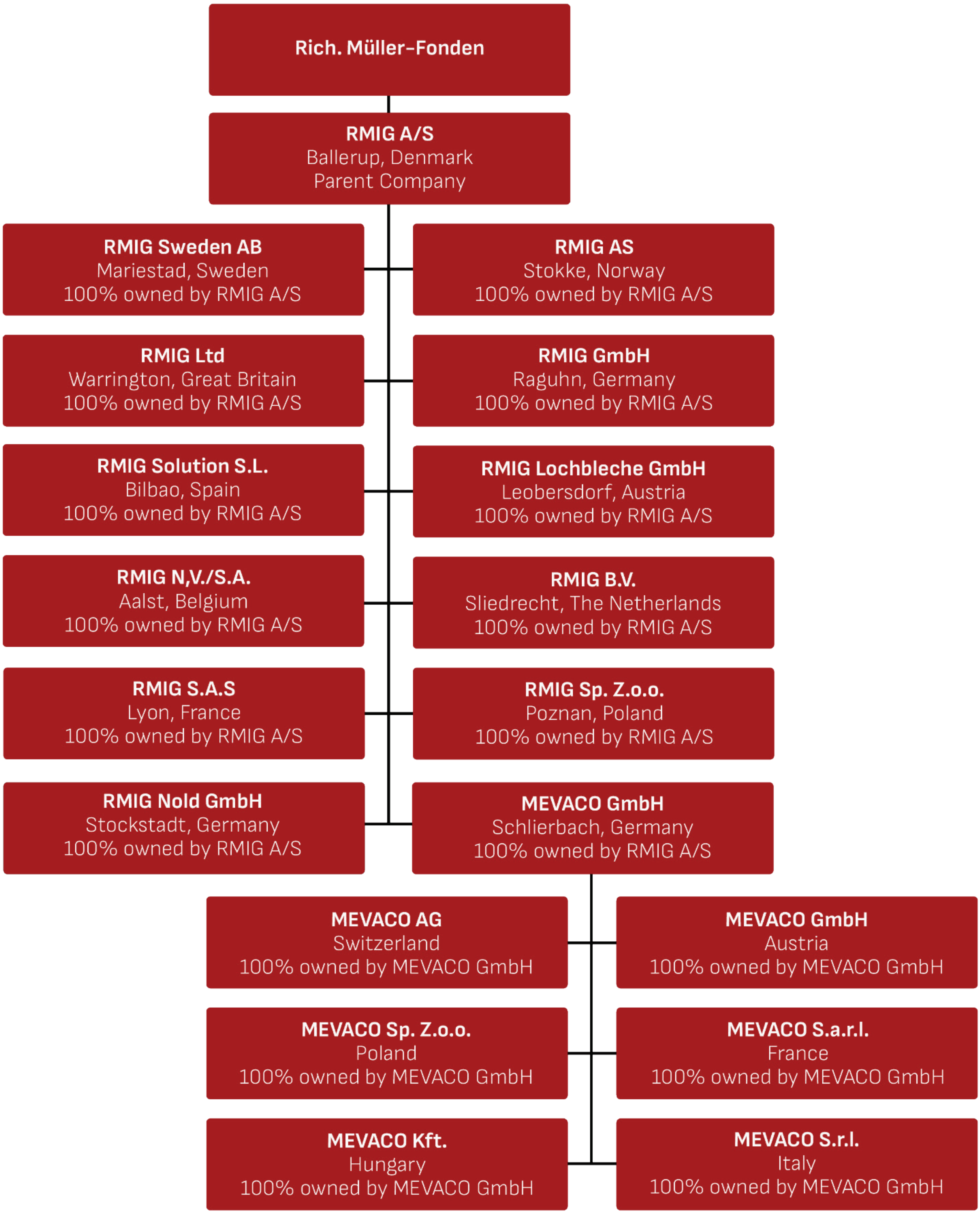
MEVACO DE Schlierbach

MEVACO coverage
6,118 m^2

Total 60,235 m^2

Group chart

All subsidiaries are owned 100% by RMIG A/S or subsidiaries of RMIG A/S and are referred to as "The Group". Rich. Müller-Fonden, Ballerup is the sole owner of RMIG A/S.



Group Financial Highlights

	2023 €'000	2022 €'000	2021 €'000	2020 €'000	2019 €'000
Revenue	174,210	209,248	177,804	143,346	130,093
EBITDA	15,972	29,196	24,129	11,709	4,730
EBIT	10,533	23,481	18,114	5,786	1,174
Net financials	(1,216)	(1,521)	(1,356)	(1,759)	(892)
Net result for the year	6,824	16,752	12,986	2,735	415
Cash flow from operating activities	14,308	16,344	18,251	11,692	7,915
Investments in PPE	7,876	6,683	4,682	2,926	8,770
Total assets	97,363	99,823	94,367	97,197	99,328
Equity	57,037	56,111	44,700	31,138	28,404
Net interest bearing debt (NIBD)	7,140	8,107	12,300	26,525	35,224
EBITDA ratio	9.2%	14.0%	13.6%	8.2%	3.6%
EBIT ratio	6.0%	11.2%	10.2%	4.0%	0.9%
Return on invested capital excl. goodwill	15.5%	44.5%	36.3%	14.2%	4.3%
Return on equity (ROE)	12.1%	33.2%	34.4%	9.2%	1.5%
Equity ratio (solvency ratio)	58.6%	56.2%	47.4%	32.0%	28.6%

Financial ratios

The ratios have been compiled in accordance with Recommendations & Ratios 2017 issued by The Danish Finance Society and generally accepted calculation formulas.

EBITDA Ratio	$\dfrac{\textit{EBITDA x 100}}{\textit{Revenue}}$
EBIT ratio	$\dfrac{\textit{EBIT x 100}}{\textit{Revenue}}$
Return on invested capital excl. goodwill (ROIC)	$\dfrac{\textit{(EBITDA excl. goodwill write down) x 100}}{\textit{Average invested capital excl. goodwill}}$
Return on equity (ROE)	$\dfrac{\textit{Net result for the year x 100}}{\textit{Average equity}}$
Equity ratio (solvency ratio)	$\dfrac{\textit{Equity, end of period x 100}}{\textit{Equity and liabilities, end of period}}$

Development within the financial year

The Group's revenue reached € 174 million, reflecting a 17% decrease, compared to the expected € 210 million in Annual Report of 2022. This decline is mainly attributed to the continual decrease in raw material prices throughout 2023, and decreasing customer demand influenced by the European macroeconomic and geopolitical landscape across all three business areas within RMIG. Despite these challenges, the Group successfully maintained its markets position and market share within the primary geographical markets.

There has been high focus on securing earnings through customer service improvements and cost initiatives. This aligns with the strategy of the Group's business areas, emphasising the delivery of best possible value for the various types of customers, a commitment that extends into 2024.

In 2023 the Group continued the phased roll out of the MEVACO online shop, providing customers with the ability to design customised perforated products as well as ordering standard products with significantly reduced delivery times.

Further initiatives in 2023 aimed at reinforcing the business areas including an ambitious investment program. Anticipated outcomes include the operationalisation of several new All Across Presses and other production equipment in 2024/2025. Additionally, a centre of excellence for the manufacturing of expanded metal has been initiated in MEVACO and will be fully operational by the end of 2024.

EBITDA for the year was € 16.0 million and was affected by the lower revenue for the year but compensated by cost savings and initiatives. This resulted in an EBITDA ratio of 9.2% compared to last year's ratio of 14.0%.

The net profit for the year was € 6.8 million compared to an expected net profit of € 10-13 million and last year's net profit of € 16.8 million, showing a direct impact of the lower EBITDA.

Management finds the result and performance acceptable considering the market conditions encountered in 2023.

Cash flow statement

Cash flow from operating activities was € 14.3 million, € 2.0 million below last year's amount of € 16.3 million. Cash flow from operating activities was lower due to lower EBIT and compensated from lower working capital.

The cash spending on investing activities was € 7.4 million, € 1.3 million higher than in 2022.

Cash flows from financing amounted to € (7.2) million as a result of a dividend payment of € 6.0 million and repayment of a loan.

Net Interest Bearing Debt (NIBD) was reduced to € 7.1 million and the financial leverage was 0.4x (Net interest bearing debt/EBITDA). Equity ratio increased to 58.6% from 56.2% in 2022.

Outlook

RMIG expects a Revenue in 2024 of approximately € 185 million and a net profit of between € 6-7 million. The lower demand experienced during 2023 is expected to continue in a flat market in 2024. However this is expected to be compensated with new business initiatives primarily within the market of green energy products and the Groups new established company in Spain.

The outlook for 2024 is based on the assumptions that the European macroeconomic and geopolitical situation will not significantly change the business conditions for RMIG during 2024, as well as energy and supply chains not being affected by disruptions.

The Group will continue its strong investment programme in 2024. The investment plan in new machinery, equipment and buildings is expected to be doubled compared to 2023.

An important amount of resources will be allocated to enhancing digitization within the Group, such as implementing performance-enhancing software throughout the value chain. These cloud-based software solutions will be recognised in the income statement as expenses, consequently reducing EBITDA.

Events after the balance sheet date

No events that would materially influence the evaluation of this Annual Report have occurred since the date stated on the balance sheet up to today.

Management's Review, Corporate Social Responsibility

Group ESG highlights

	2023	2022	2021	2020	2019
Environmental*					
Energy Consumption, MWh	4,424	4,506	5,754	4,385	4,701
Electricity Consumption, MWh	9,277	9,957	10,001	9,716	10,997
Water Consumption, M^3	4,247	4,709	4,621	4,137	7,098
Social					
Full-Time Workforce, FTE	600	613	612	636	715
Gender Diversity	21%	21%	20%	21%	16%
Group Management, FTE[3]	5	5	5	5	5
Gender Diversity, Group Management[3]	40%[4]	40%[4]	40%[4]	40%[4]	40%[4]
Employee Turnover Rate	15%	11%	8%	33%	12%
Sickness Absence, Days per FTE	15.1	15.7	12.5	14.3	-[2]
Average Seniority	15.1	14.6	14.4	14.2	-[2]
Average age	47.5	46.7	46.1	48.6	-[2]
Lost-Time Injury Ratio (LTIR)	5.25	3.85	4.82[1]	4.40[1]	-[2]
Lost-Time Days	100	309	204[1]	155[1]	-[2]
Governance					
Board members[3]	4	4	4	4	4
Gender Diversity, Board[3]	25%[4]	25%[4]	25%[4]	25%[4]	0%
Board Meeting Attendance Rate	100%	100%	100%	100%	100%

Key figures for selected environmental social and governance areas are provided in accordance with the recommendations set out in “ESG key figures in the annual report” from the Danish Finance Society / CFA Society Denmark, FSR – Danish Auditors, and Nasdaq Copenhagen.

* Only manufacturing facilities are included

1 Includes only RMIG Solutions Business Area

2 Data not registered in the Group

3 Overview of Årsregnskabslovens §99b reporting c.f. Gender diversity on page 18

4 Equal gender representation in accordance with guidance from the Danish Business Authorities

CORPORATE SOCIAL RESPONSIBILITY

Business model

The RMIG Group (RMIG) is a world leading group in the field of perforation technologies and associated services. RMIG delivers standard and simple tailor-made products with fast delivery through the most user-friendly, automated and advanced online-shop, and has the widest and, in selected areas, most extensive product range being supplied worldwide. RMIG wants to continue to expand its position. RMIG's business mission is to be an innovative and sustainable supplier of perforated products.

RMIG wishes to succeed by fair competition as well as by ethically correct behaviour and lawful conduct. A solid business collaboration to the benefit of all can only exist on the basis of fair competition and the strict compliance with legal systems. At RMIG, all interaction and cooperation between colleagues as well as towards our external partners are characterised by trust, reliability and honesty. In order to keep winning the trust and confidence of RMIG's customers, employees and the public, it is essential to respect justice and law.

RMIG is aware of its responsibilities towards its customers, employees, suppliers and other stakeholders, and RMIG defines ethical, social and legal guidelines and principles for a successful business collaboration in the RMIG Code of Conduct. The Code of Conduct is available to the public at www.RMIG.com. The RMIG Code of Conduct defines the general principles and requirements for RMIG employees and suppliers.

Social and ecological aspects such as human rights, working conditions, prevention of corruption and environmental protection are particularly important to RMIG.

The focus of RMIG is on the overall ESG (Environment, Social and Governance) footprint and the Group concentrates on improving its performance on selected areas within each of the three ESG areas.

The Group has implemented a Whistleblower policy for its employees. The policy has been made available for all employees in four different languages and Group Management have encouraged employees to speak up if they notice any breach of the Groups internal policies or external laws.

Gender diversity

The board of Directors at RMIG elected at the general meeting consist of three male members and one female member, hence the share of the under-represented gender are 25% in 2023, which was unchanged from 2022.

Group Management at RMIG consist of the Chief Executive Officer, the Chief Financial Officer and each Director of the three Business Areas, which is in total 5 persons. Group Management are considered as other Management levels in accordance with Årsregnskabslovens §99b. The share of the under-represented gender is 40% at the end of 2023 consisting of three male members and two female members.

RMIG has both in the Board of Directors and Group Management equal gender representation. RMIG intends to continue its work on diversity and inclusion with the same high ambitions as in 2023.

An overview can be found in the table on page 17.

Corporate Social Responsibility

1.1 Policy for respecting human rights

RMIG respects the personal dignity, privacy and personal rights of all individuals. When working internationally there is a risk of violations of human rights. RMIG is therefore in accordance with its corporate values, committed to showing respect, honesty and trust towards its employees and along the value chain. Interacting with one another, RMIG values a fair, friendly and constructive behaviour. The Group's awareness is embodied in the RMIG Code of Conduct which includes actions of equality and non-discriminating behaviour. We do not tolerate discrimination with regard to ethnic origin, culture, sex, religion, ideology, disability, age or sexual identity under any circumstances. All employees receives training in the Code of Conduct and our corporate values.

1.1.1 Results for the year and targets for next year

RMIG are not aware that any breach of our Code of Conduct or any other human rights violations have taken place during 2023. RMIG will continue training and maintain good communication with suppliers of RMIG Group about the risks of human rights violations.

1.2 Policy for labour rights

RMIG's policy for labour rights is to ensure an attractive working environment so that RMIG can attract, develop and maintain a qualified and engaged workforce. Through safety committees, RMIG focuses on ensuring a safe and ergonomic working environment and RMIG takes preventive measures concerning occupational health and safety.

Systematic follow-up on health and safety incidents are taking place to reduce the numbers and severity of the incidents.

1.2.1 Results for the year and targets for next year

During 2023, great efforts have been made to increase safety awareness and thereby avoid injuries on the production sites. RMIG has focused on preventive actions by adding various support and safety equipment and by securing safety training and awareness.

In 2023, RMIG registered a total of 27 incident compared to last year's 22. The total number of injuries has increased from last year; however the severity of the registered injuries is significantly less. The total number of absence days due to work related injuries was 100 in 2023, compared to 309 days the year before. The Lost Time Injury Rate (LTIR) has increased during the previous 5 years, but absence days due to work related injuries are significantly reduced. Group Management is working continuously with safety improvement of its manufacturing facilities.

The Group have not had any fatal injuries in its history.

RMIG hired external experts to assess the technical safety of the machine park in Ballerup in 2023. Based on their suggestions, RMIG has created an investment plan for 2024 to raise the safety standards on the machines at the production sites in the Group. Moreover, RMIG is strengthening activities related to behaviour, training and process control to keep improving the safety level in the Group, with the continuous decrease of injuries as the measure of performance.

From 2024 a senior arrangement has been implemented in RMIG A/S. The senior arrangement consists of paid days off, with the number of days increasing the closer the employee comes to retirement age. Group

Management recognise and appreciate the knowledge and experience of senior employees and is encouraging senior employees to stay.

1.3 Policy for environment and climate impact

RMIG complies with current environmental laws and regulations, and develops measures in order to minimise environmental pollution. In the metal industry, the CO_2 emissions are very high and there is an environmental risk related to this. RMIG continuously work to improve environmental protection and implement initiatives in order to reduce the environmental impact. RMIG expects to experience increased interest from its stakeholders in regard to climate changes and RMIG strives to give the best answer to potential questions arising related to climate changes. RMIG wishes to be part of the green transformation within its industry.

1.3.1 Result for the year and targets for next year

The objective of Management is that the Group's products and production processes are not harmful to the environment. The Group have an ongoing dialogue with the authorities in the countries in which the Group has manufacturing facilities and seek to contribute to an environmentally sustainable development.

During 2023, RMIG worked on various projects to reduce its climate impact. In the manufacturing facilities in Denmark and Germany, the Group changed to more energy-effective windows and lighting and made various insulation improvements on the buildings. These improvements resulted in a noticeable deduction in the energy used during the year. In 2023, Group Management and the Board of Directors held a 2-day seminar with external consultants to identify the needs of its customers and the possibilities from its suppliers. The Group is gradually starting to offer more environmentally friendly produced raw materials to its customers and expects to see this trend developing in the years to come.

In 2023, RMIG continued to conduct a systematic measurement of electricity, heating etc. in the manufacturing facilities and KPI's are reported in the ESG figures above. Simultaneously, RMIG increased the number of manufacturing facilities achieving the certification of the ISO 14001 standard. The Group will also invest in solar panels in its upcoming investments related to building expansion for the centre of excellence in MEVACO.

RMIG works with responsible use of raw materials and is collecting all cut-off from the perforation process and recirculating it to metal dealers.

Business trips and the use of flights stayed at a lower level than before Covid-19 due to more meetings being held via Teams. The practice of using of virtual meetings instead of travelling is expected to continue.

In 2024, The Group will work with the upcoming requirements in the CSRD-directive and the Group will be obligated to report on this matter in the Annual Report 2025. However the Group will increase it's reporting in 2024 and are onboarding new resources.

1.4 Policy for bribery and corruption

In accordance with this policy, RMIG commits to working against bribery and corruption as expressed in the Supplier Code of Conduct. A risk when working internationally is that bribery and corruption may happen, however free and fair competition is the foundation of RMIG's economic activities. Corruption, disloyalty and betrayal distort this competition. RMIG is obligated to comply with all current regulations concerning fair competition and antitrust laws. RMIG shall not violate those antitrust laws by agreements concerning, for example, price collusion, allocation of markets and customers, market agreements or bid rigging, and shall not abusively take advantage of an existing market-dominating position. RMIG must comply with all relevant legal obligations concerning money laundering prevention and shall not be involved in money laundering activities. RMIG business relationships are based on honesty and should not be distorted or influenced by means of bribery or other measures.

The RMIG Code of Conduct expresses the policy for employees in the Group and defines expected behaviour. RMIG employees are obligated to notify Management immediately upon learning of any known or suspected improper behaviour by suppliers or subcontractors, or by colleagues within RMIG. All subcontractors and suppliers are asked to sign the Supplier Code of Conduct and RMIG employees are asked at their yearly Personal Development Review to confirm that they are aware of our procedures and act in accordance with the RMIG Code of Conduct. RMIG has not experienced any incidents regarding bribery and corruption and expects to continue raising awareness and keeping a strong focus on avoiding bribery and corruption in the years to come.

1.4.1 Result for the year and targets for next year

RMIG is not aware that any bribery or corruption cases have taken place during 2023.

1.5 Policy for data ethics

The use of data is constantly increasing and new technologies are being developed rapidly. RMIG's business model and activities use data acquired from external sources in order to support our market strategy and trading activities, and because of this, Group Management has prepared a policy for data ethics. The policy is expected to be approved by the Board of Directors in March 2024 and will be implemented when approved.

All data are considered business critical and will as such never be shared with or in any way made available to third parties. The Group do not use AI or any other machine-learning technologies in its development of primary activity. The Group has strengthened its data awareness through training, testing and evaluation of employees. Data ethics and security are decided on Group Management level and are evaluated annually and presented to the Board of Directors.

We wish to succeed by fair competition as well as by ethically correct behaviour and lawful conduct in relation to data

The policy consists of 8 principles:

1. Dedication of the executive management
2. Being accountable for data processing
3. Ensuring ethical data processing carried out by third parties
4. Ensuring value, transparency and security
5. Employees are trained and data processing monitored
6. Ethics hotline
7. Use of new data processing technologies
8. Internal control

The full policy can be found on our website www.RMIG.com when finally approved

Risk management

In order for RMIG to become a sustainable business, management of risks is key in order to create and protect value on a short, medium and long term.

It is part of RMIG's business to take risks. The Group operates with different risks, of which some derive from external events and others are related to the business RMIG operates in. Common for risks is that some are more likely to be foreseen and hereby assessed while others can arise without any notice or warning. The latter is mainly risks related to some kind of catastrophe or disaster which can be related to environmental, political or religious reasons. These risks are often unpredictable and therefore in general very difficult to mitigate.

An external risk of high severity is disruption to IT systems, such as cyberattacks or infrastructure failure resulting in business disruption or breach of data confidentiality. In 2023, the Group continued its focus on reducing the risk against cyber and IT interruptions and implemented further actions to protect our IT environment by ensuring that all employees underwent a security awareness programme.

Another increasing risk area is the lack of technical knowledge which is growing as skilled operators retire. It is extremely important for RMIG to be able to maintain technical knowledge at a high level; therefore, it is the Group's goal to ensure that RMIG is an attractive workplace. Furthermore, RMIG are taking steps to alleviate this challenge by i.a, working with education, training and technical documentation. In 2024, new Artificial Intelligence technologies will be considered, with respect to the policy for data ethics, for further mitigation.

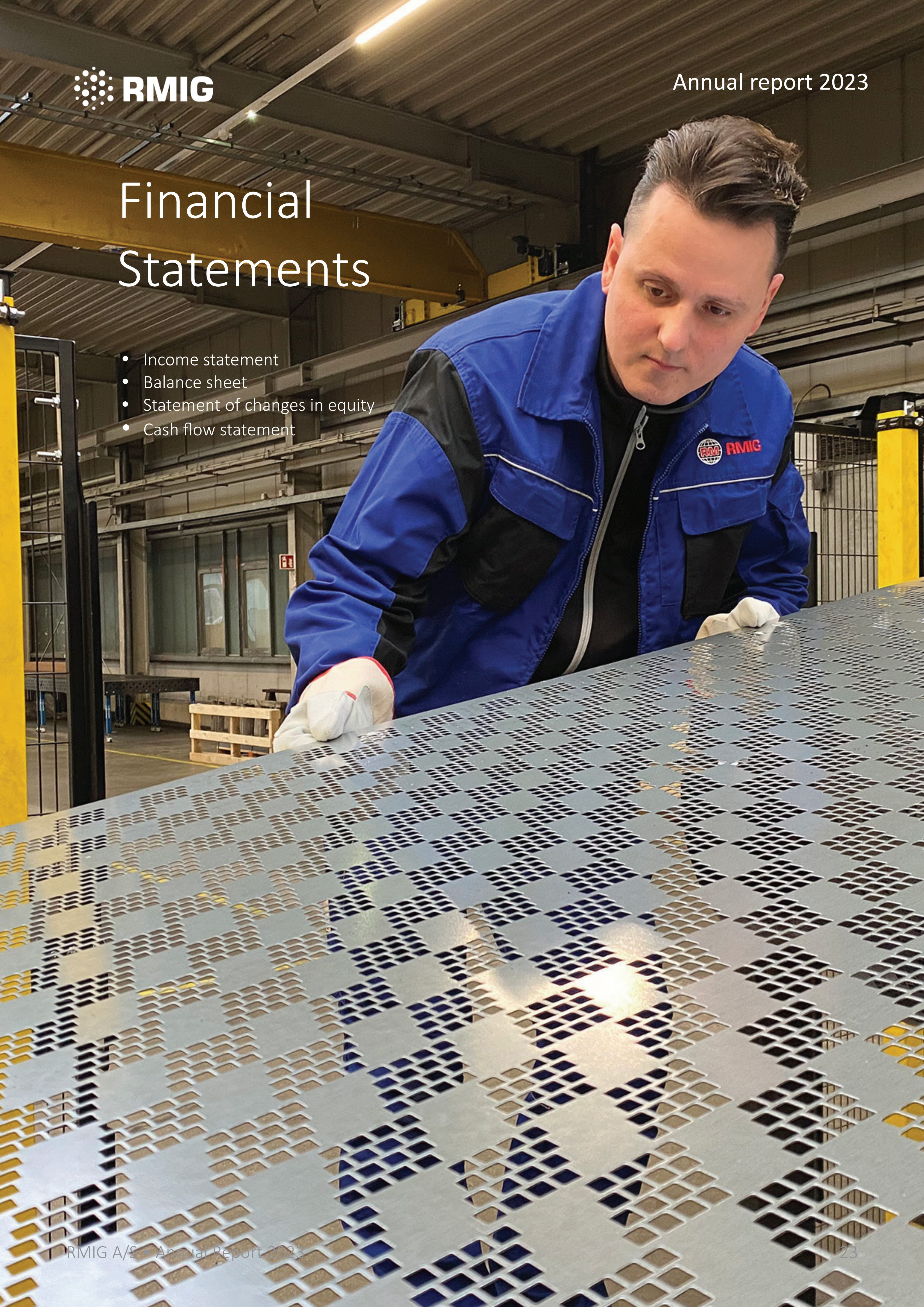
As an international group, RMIG bears some risks related to fluctuations in currency and raw material prices. RMIG is an international group with activities in a number of countries and consequently, RMIG has a number of ordinary currency-related positions in DKK, SEK, NOK, GBP etc. It is the Group's policy to continuously evaluate if these net positions are to be hedged. The Group's net position consists of investments in subsidiaries, receivables and liabilities other than provisions. The Group is working with clear rules for hedging: solely commercial transactions and maximum 12 months' future cash flow. Historically, the currency risk has been considered low. With regard to the price risk on raw material, it is the Group's practice to secure raw material purchases back to back in relation to concluded sales agreements and to procure the common and frequently sold raw materials on contracts. Close monitoring of price developments ensures a high level of awareness when making decisions to secure raw material procurement.

The risks related to tax, VAT and new legislation have increased over the past couple of years. RMIG wants to act in compliances with local and international tax and VAT laws and is following OECD guidelines.

Scenario and risk-thinking exercises were carried out in 2023 and will be expanded on further in 2024 as part of the Group's future strategic planning processes.

Financial Statements

- Income statement
- Balance sheet
- Statement of changes in equity
- Cash flow statement



Income statement

Parent 2022 €'000	Parent 2023 €'000		Note	Group 2023 €'000	Group 2022 €'000
70,249	55,870	Revenue	1	174,210	209,248
(44,327)	(39,154)	Production costs	2, 3	(131,955)	(153,584)
25,922	**16,716**	**Gross profit**		**42,255**	**55,664**
(3,527)	(3,902)	Sales and distribution costs	2, 3	(17,848)	(17,909)
(9,246)	(9,582)	Administrative costs	2, 3, 4	(14,426)	(14,601)
2,647	2,284	Other operating income	5	648	351
-	(45)	Other operating expenses	6	(96)	(23)
15,796	**5,471**	**Earnings before interest and tax**		**10,533**	**23,482**
5,251	3,419	Income from investments in subsidiaries	11	-	-
185	285	Financial income	7	300	267
(1,122)	(1,011)	Financial expenses	8	(1,516)	(1,787)
20,110	**8,164**	**Earnings before tax**		**9,317**	**21,962**
(3,358)	(1,340)	Tax on profit for the year	9	(2,493)	(5,210)
16,752	**6,824**	**Net result for the year**	10	**6,824**	**16,752**

Balance sheet

Parent 2022 €'000	Parent 2023 €'000		Note	Group 2023 €'000	Group 2022 €'000
5,429	4,617	Software and trademarks		4,618	5,429
536	235	Goodwill and other intangible assets		3,787	4,374
5,965	**4,852**	**Intangible assets**	11	**8,405**	**9,803**
1,851	1,688	Land and buildings		13,770	14,190
4,254	4,423	Plant and machinery		18,077	17,221
430	384	Fixtures and fittings, other tools and equipment		1,538	1,669
1,346	2,299	Tangible assets in progress and prepayments		6,939	3,678
7,881	**8,794**	**Tangible assets**	12	**40,324**	**36,758**
51,198	52,273	Investments in subsidiaires		-	-
-	-	Other receivables		12	12
51,198	**52,273**	**Financial assets**	13	**12**	**12**
65,044	**65,919**	**Non-current assets**		**48,741**	**46,573**
4,695	**4,710**	**Inventories**	14	**18,960**	**21,998**
3,520	2,474	Trade receivables		12,221	13,609
10,338	9,073	Receivables from group enterprises		-	-
535	-	Deferred tax asset	15	-	453
141	733	Corporation tax receivables		643	-
678	1,375	Other receivables		2,433	1,908
168	211	Prepayments		929	827
15,379	**13,866**	**Receivables**		**16,226**	**16,797**
8,638	**8,001**	**Cash and cash equivalents**		**13,436**	**14,455**
28,712	**26,577**	**Current assets**		**48,622**	**53,250**
93,756	**92,496**	**Assets**		**97,363**	**99,823**

FINANCIAL STATEMENTS

Parent 2022 €'000	Parent 2023 €'000		Note	Group 2023 €'000	Group 2022 €'000
16,985	16,985	Share capital		16,985	16,985
32,181	39,005	Retained earnings		39,005	32,181
945	1,047	Fair value reserve		1,047	945
6,000	-	Proposed dividend	10	-	6,000
56,111	**57,037**	**Equity**		**57,037**	**56,111**
-	455	Provision for deferred tax	15	472	-
-	-	Pensions and similar provisions	16	627	616
56	65	Other provisions	17	399	730
56	**520**	**Provisions**		**1,498**	**1,346**
5,446	4,448	Mortgage debt		16,580	17,570
-	-	Lease liabilities		429	710
115	140	Other liabilities		2,488	2,480
5,561	**4,588**	**Non-current liabilities other than provisions**	18	**19,497**	**20,760**
708	-	Bank debt		-	708
-	-	Lease liabilities		208	208
1,986	1,692	Trade payables		7,242	8,642
1,024	1,007	Mortgage debt		1,007	1,024
25,072	23,575	Payables to group enterprises		-	-
-	-	Corporation tax payables		-	569
3,238	4,077	Other liabilities		10,874	10,456
32,028	**30,351**	**Current liabilities other than provisions**		**19,331**	**21,606**
37,589	**34,939**	**Liabilities other than provisions**		**38,828**	**42,366**
93,756	**92,496**	**Equity, provisions and liabilities**		**97,363**	**99,823**
		Working capital changes	19		
		Assets charged, contingent liabilities, related parties	20 - 22		

Statement of changes in equity

Group	Share capital €'000	Retained earnings €'000	Fair value reserve €'000	Proposed Dividend €'000	Total equity €'000
Balance at 1 January 2023	**16,985**	**32,181**	**945**	**6,000**	**56,111**
Profit for the year	-	6,824	-	-	6,824
Paid dividend	-	-	-	(6,000)	(6,000)
Exchange rate adjustments	-	-	129	-	129
Net value adjustments, derivatives	-	-	(27)	-	(27)
Balance at 31 December 2023	**16,985**	**39,005**	**1,047**	**-**	**57,037**

The share capital is registered in DKK and amounts to DKK 126.6 million equal to € 16,985 thousand. Changes in the share capital relating to exchange rate adjustments are recognised under fair value reserves. The share capital consists of 126,600 shares of DKK 1,000 each. The shares are not classified.

Parent	Share capital €'000	Retained earnings €'000	Fair value reserve €'000	Proposed Dividend €'000	Total equity €'000
Balance at 1 January 2023	**16,985**	**32,181**	**945**	**6,000**	**56,111**
Profit for the year	-	6,824	-	-	6,824
Paid dividend	-	-	-	(6,000)	(6,000)
Exchange rate adjustments	-	-	129	-	129
Net value adjustments, derivatives	-	-	(27)	-	(27)
Balance at 31 December 2023	**16,985**	**39,005**	**1,047**	**-**	**57,037**

Cash flow statement

	Note	Group 2023 €'000	Group 2022 €'000
Earnings before interest and tax (EBIT)		10,533	23,482
Depreciation and amortisation	3	5,439	5,715
Adjustment of profits and losses from the sale of PPE	12	(221)	(164)
Adjusted earnings before interest and tax		**15,751**	**29,033**
Change in provisions		(320)	(891)
Working capital changes	19	2,843	(2,875)
Cash flows from operating activities before net financials		**18,274**	**25,267**
Net financial items		(1,226)	(1,516)
Income taxes and withholding taxes paid		(2,740)	(7,406)
Cash flows from operating activities		**14,308**	**16,345**
Acquisition of intangible assets	11	-	8
Acquisition of tangible assets and property, plant and equipment	12	(7,876)	(6,327)
Acquisitions of subsidaries	13	3	-
Acquisition and sale of other securities, investments, etc	13	-	25
Sale of property, plant and equipment	12	485	173
Cash flows from investing activities		**(7,388)**	**(6,121)**
Cash flows from operating and investing activities		**6,920**	**10,224**
Paid dividend		(6,000)	(6,000)
Captial contribution RM Foundation		-	223
Other equity changes		(27)	(255)
Change in interest-bearing debt		(968)	(1,553)
Cash flow change in exchange rates		(235)	-
Cash flows from financing activities		**(7,230)**	**(7,584)**
(Decrease)/Increase in cash and cash equivalents		**(310)**	**2,639**
Cash and cash equivalents at 1 January		13,745	11,106
Cash and cash equivalents at 31 December		**13,435**	**13,745**

NOTES

Parent 2022 €'000	Parent 2023 €'000		Group 2023 €'000	Group 2022 €'000
		1. Revenue		
		Split by market area:		
66,044	48,464	Europe	166,249	203,015
4,205	7,406	Rest of the world	7,961	6,233
70,249	55,870		174,210	209,248
		Split by Business Area:		
54,981	44,632	Solution	83,583	101,087
2,835	2,436	Automotive	15,834	15,725
12,433	8,802	MEVACO	74,793	92,436
70,249	55,870		174,210	209,248
		2. Staff costs		
(11,873)	(12,491)	Wages and salaries	(37,140)	(36,920)
(783)	(1,027)	Pension contributions	(1,399)	(1,130)
(170)	(169)	Social security costs	(5,426)	(5,339)
(12,826)	(13,687)		(43,965)	(43,389)
		Split by function:		
(6,795)	(7,547)	Production costs	(24,444)	(23,671)
(2,521)	(2,550)	Sales and distribution costs	(12,867)	(13,292)
(3,510)	(3,590)	Administrative costs	(6,654)	(6,426)
(12,826)	(13,687)		(43,965)	(43,389)

NOTES

Parent 2022 €'000	Parent 2023 €'000		Group 2023 €'000	Group 2022 €'000
		2. Staff costs (continued)		
		Split by body:		
(202)	(201)	Board of Directors	(201)	(202)
(1,527)	(1,410)	Corporate Management	(1,410)	(1,527)
(954)	(1,133)	Other Group Management	(1,133)	(954)
(10,143)	(10,943)	Staff	(41,221)	(40,706)
(12,826)	**(13,687)**		**(43,965)**	**(43,389)**
		Staff costs for Corporate Management includes accrued severance payment to resigned members.		
134	130	Average number of full time employees	600	613
		3. Depreciations and amortisations		
(1,166)	(1,100)	Amortisations	(1,384)	(1,471)
(1,171)	(1,045)	Depreciations	(4,055)	(4,244)
(2,337)	**(2,145)**		**(5,439)**	**(5,715)**
		Split by function:		
(1,182)	(1,045)	Production costs	(3,804)	(4,023)
-	-	Sales and distribution costs	(208)	(191)
(1,155)	(1,100)	Administrative costs	(1,427)	(1,501)
(2,337)	**(2,145)**		**(5,439)**	**(5,715)**
		4. Fees to auditor appointed at the Annual General Meeting		
(78)	(87)	Audit of financial statements	(235)	(233)
(7)	(22)	Tax advisory	(41)	(20)
(40)	(77)	Other services	(82)	(45)
(125)	**(186)**		**(358)**	**(298)**

NOTES

Parent 2022 €'000	Parent 2023 €'000		Group 2023 €'000	Group 2022 €'000
		5. Other operating Income		
2,647	2,284	Other operating income	584	351
-	-	Government grants	64	-
2,647	**2,284**		**648**	**351**
		6. Other operating Expenses		
-	(45)	Other operating expenses	(96)	(23)
-	**(45)**		**(96)**	**(23)**
		7. Financial income		
34	68	Interest income and other financial income	93	63
151	217	Interest income from group enterprises	-	-
-	-	Foreign exchange gains	207	204
185	**285**		**300**	**267**
		8. Financial expenses		
(490)	(324)	Interest expenses and other financial expenses	(1,265)	(979)
(248)	(650)	Interest expenses to group enterprises	-	-
(384)	(37)	Foreign exchange losses	(251)	(808)
(1,122)	**(1,011)**		**(1,516)**	**(1,787)**
		9. Tax on profit for the year		
(3,323)	(725)	Current tax	(1,910)	(4,422)
(35)	(287)	Change in deferred tax	(262)	(766)
-	(328)	Adjustment concerning previous years	(321)	(22)
(3,358)	**(1,340)**		**(2,493)**	**(5,210)**
		10. Proposed distribution of profit		
6,000	-	Proposed dividend	-	6,000
10,752	6,824	Retained earnings	6,824	10,752
16,752	**6,824**		**6,824**	**16,752**

11. Intangible assets

	Group	
11. Intangible assets	Software and trademarks €'000	Goodwill Other intagible €'000
Cost at 1 January 2023	11,210	9,164
Exchange rate adjustment	(9)	(4)
Disposals	(9)	-
Cost at 31 December 2023	**11,192**	**9,160**
Amortisation at 1 January 2023	(5,781)	(4,790)
Exchange rate adjustment	4	(5)
Amortisation for the year	(806)	(578)
Disposals	9	-
Amortisation at 31 December 2023	**(6,574)**	**(5,373)**
Carrying amount at 31 December 2023	**4,618**	**3,787**
Leased assets included above:	54	-

	Parent	
	Software and trademarks €'000	Goodwill Other intagible €'000
Cost at 1 January 2023	9,414	3,624
Exchange rate adjustment	(20)	(8)
Cost at 31 December 2023	**9,394**	**3,616**
Amortisation at 1 January 2023	(3,985)	(3,088)
Exchange rate adjustment	9	7
Amortisation for the year	(800)	(300)
Amortisation at 31 December 2023	**(4,776)**	**(3,381)**
Carrying amount at 31 December 2023	**4,617**	**235**

12. Tangible assets	Land and buildings €'000	Plant and machinery €'000	Fixtures fittings, tools equipment €'000	Tangible assets in progress €'000
	Group			
Cost at 1 January 2023	30,067	58,171	6,723	3,678
Exchange rate adjustment	(12)	96	7	(19)
Additions	232	715	389	6,628
Disposals	(88)	(3,149)	(329)	(88)
Reclassification	124	3,080	56	(3,260)
Cost at 31 December 2023	**30,323**	**58,913**	**6,845**	**6,939**
Depreciation at 1 January 2023	(15,877)	(40,950)	(5,054)	-
Exchange rate adjustment	10	(67)	(6)	-
Depreciation for the year	(749)	(2,956)	(350)	-
Disposals	67	3,136	99	-
Reclassification	(4)	-	4	-
Depreciation 31 December 2023	**(16,553)**	**(40,836)**	**(5,307)**	**-**
Carrying amount at 31 December 2023	**13,770**	**18,077**	**1,538**	**6,939**
Leased assets included above:	-	535	48	-

Parent

12. Tangible assets (continued)	Land and buildings €'000	Plant and machinery €'000	Fixtures fittings, tools equipment €'000	Tangible assets in progress €'000
Cost at 1 January 2023	6,689	18,589	1,266	1,346
Exchange rate adjustment	(14)	(16)	(3)	(2)
Additions	-	18	236	2,006
Disposals	(11)	(673)	(198)	(88)
Reclassification	30	932	-	(963)
Cost at 31 December 2023	**6,694**	**18,850**	**1,301**	**2,299**
Depreciation at 1 January 2023	(4,838)	(14,335)	(836)	-
Exchange rate adjustment	11	50	2	-
Depreciation for the year	(190)	(815)	(83)	-
Impairment for the year	-	-	-	-
Disposals	11	673	-	-
Depreciation 31 December 2023	**(5,006)**	**(14,427)**	**(917)**	**-**
Carrying amount at 31 December 2023	**1,688**	**4,423**	**384**	**2,299**

Parent 2022 €'000	Parent 2023 €'000		Group 2023 €'000	Group 2022 €'000
		13. Financial assets		
		Investments in subsidiaries		
69,363	69,363	Cost at 1 January	-	-
-	3	Additions	-	-
-	(5,684)	Disposals from divested subsidiary		
69,363	**63,682**	**Cost at 31 December**	**-**	**-**
(21,183)	(18,165)	Net revaluation as of 1 January	-	-
(262)	(549)	Exchange rate adjustment	-	-
-	5,684	Disposals from divested subsidiary	-	-
5,251	3,419	Share of profit/(loss) for the year in subsidiaries	-	-
(1,971)	(1,798)	Dividends from subsidiaries	-	-
(18,165)	**(11,409)**	**Net revaluation as of 31 December**	**-**	**-**
51,198	**52,273**	**Carrying amount as of 31 December**	**-**	**-**
		Other receivables		
-	-	Cost at 1 January	12	37
-	-	Disposals in the year	-	(25)
-	**-**	**Cost at 31 December**	**12**	**12**

Name	Place of business	Share Capital	Votes and ownership
RMIG Sweden AB	Mariestad, Sweden	SEK 4 thousand	100%
RMIG AS	Stokke, Norway	NOK 1 thousand	100%
RMIG Ltd.	Warrington,Great Britain	£ 500 thousand	100%
RMIG GmbH	Raguhn, Germany	€ 2,557 thousand	100%
RMIG Nold GmbH	Stockstadt, Germany	€ 1,023 thousand	100%
RMIG Lochbleche GmbH	Leobersdorf, Austria	€ 400 thousand	100%
RMIG Solutions S.L.	Bilbao, Spain	€ 3 thousand	100%
RMIG B.V.	Dordrecht, The Netherlands	€ 193 thousand	100%
RMIG N.V./S.A.	Aalst, Belgium	€ 217 thousand	100%
RMIG Sp. Z.o.o.	Poznan, Poland	PLN 500 thousand	100%
RMIG S.A.S.	Lyon, France	€ 200 thousand	100%
MEVACO GmbH	Schlierbach, Germany	€ 1,600 thousand	100%

NOTES

Parent 2022 €'000	Parent 2023 €'000		Group 2023 €'000	Group 2022 €'000
		14. Inventories		
2,062	2,240	Raw materials and consumables	6,610	7,992
588	477	Work in progress	2,219	1,958
1,949	1,981	Manufactured goods and goods for resale	9,868	11,715
96	12	Advanced payments	263	333
4,695	**4,710**		**18,960**	**21,998**
		15. Deferred tax		
764	535	Tax asset/liabilities at 1 January	453	883
-	(1)	Exchange rate adjustment	(7)	16
(99)	(8)	Changes during the year, recognised on equity	(8)	(99)
(130)	(981)	Changes during the year, recognised in profit ar	(910)	(347)
535	**(455)**		**(472)**	**453**
		Deferred tax relate to the following items:		
-	1,019	Goodwill	1,019	-
130	(1,067)	Intangible assets	(1,048)	135
398	(404)	Tangible assets	(1,835)	(875)
-	(131)	Inventories	(128)	-
(83)	17	Receivables	26	(139)
28	-	Other Receivables	188	-
-	(46)	Prepayments	(46)	-
12	14	Provisions	(101)	64
50	143	Liabilities other than provisions	395	352
-	-	Tax losses carry forward, gross	1,596	1,658
	-	Impairment of tax asset	(538)	(742)
535	**(455)**		**(472)**	**453**

Parent 2022 €'000	Parent 2023 €'000		Group 2023 €'000	Group 2022 €'000
		16. Pension and similar provisions		
-	-	Liability at 1 January	616	750
-	-	Spent during the year	(43)	(36)
-	-	Interest income	7	5
-	-	Change in assumptions	47	(103)
-	**-**		**627**	**616**

Pension and similar provisions solely relate to provisions made in connection with the subsidiaries' pension obligations to present and former employees. Provisions are calculated on the basis of actuarial computations according to the Group's accounting policy.

Parent 2022 €'000	Parent 2023 €'000		Group 2023 €'000	Group 2022 €'000
		17. Other provisions		
60	56	Other provisions at 1 January	730	1,584
(9)	(155)	Spent during the year	(611)	(1,429)
-	(5)	Reversed during the year	(118)	(56)
5	169	Provisions made during the year	398	631
56	**65**		**399**	**730**

Other provisions primarily relates to warranty provisions. Provisions are, in all material respects, expected to mature within the coming financial years.

Parent 2022 €'000	Parent 2023 €'000		Group 2023 €'000	Group 2022 €'000
		18. Non-current liabilities other than provisions		
		Part of non-current liabilities due after more than 5 years from the balance sheet date:		
1,152	-	Mortgage debt	3,882	13,349
23	-	Other liabilities	2,348	2,388
1,175	**-**		**6,230**	**15,737**
		Part of non-current liabilities due between 1 and 5 years from the balance sheet date:		
4,294	4,448	Mortgage debt	12,698	4,221
-	-	Finance lease	429	710
92	140	Other liabilities	140	92
4,386	**4,588**		**13,267**	**5,023**

Derivatives measured at fair value of € 171 thousand and recognized under other liabilities is founded to secure a fixed interest rate on the variable mortgage loan. The derivates of notional principal amount DKK 48.2 million equals to € 6.447 million, are securing a fixed interest rate of 4.02% and will expire in 2028. Mortgage loan and derivates are with the same counterpart.

	Group 2023 €'000	Group 2022 €'000
19. Working capital changes		
Change in inventories	3,012	(2,125)
Change in receivables	511	(2,113)
Change in trade payables, etc	(510)	(200)
Change in other NWC items	(170)	1,563
	2,843	**(2,875)**

20. Assets charged

Group	Net book value 2023 €'000	Charge 2023 €'000	Net book value 2022 €'000	Charge 2022 €'000
Shares	-	15,004	11,405	20,000
Land, buildings and machineries	6,653	20,602	28,504	23,881
	6,653	**35,606**	**39,909**	**43,881**

Debt related to shares of € 0 thousand concerns a committed overdraft facility of € 15 million which have been cancelled in 2024 by the Group.

Debt related to land, buildings and machinery is € 16,720 thousand end of 2023.

Parent	Net book value 2023 €'000	Charge 2023 €'000	Net book value 2022 €'000	Charge 2022 €'000
Shares	-	15,004	11,405	20,000
Land, buildings and machineries	4,491	8,428	7,881	9,392
	4,491	**23,432**	**19,286**	**29,392**

Parent 2022 €'000	Parent 2023 €'000		Group 2023 €'000	Group 2022 €'000
		21. Contingent liabilities		
		Operational lease obligations		
111	219	Due within 1 year	1,383	1,039
157	216	Due within 1 to 5 years	805	950
		Other obligations		
259	618	Due within 1 year	1,067	704
285	28	Due within 1 to 5 years	1,464	1,669
-	-	Due above 5 years	-	333
812	**1,081**		**4,719**	**4,695**

The parent company has signed suretyships regarding all current and future obligations of a number of subsidiaries towards Nordea Group. At 31 December, 2023 the balance between these subsidiaries and Nordea amounted to zero

22. Related parties and Group relations

Related party comprise the shareholder, the Board of Directors and Corporate Management as well as subsidiaries of the RMIG A/S Group, see Group chart on page 11 and Company details on page 3 in the Annual Report. Please also refer to the Accounting Policies.

The distribution agreements and manufacturing agreements between RMIG A/S and it subsidiaries are honored according to OECD's guidelines for a Limited Risk Distributor and a Contract Manufacturer.

Related parties with a controlling interest:

The Rich. Müller-Fonden, Industriparken 40, 2750 Ballerup, Denmark wholly owns the share capital and the voting rights.

Rich. Müller-Fonden is the ultimate shareholder of RMIG A/S. The Foundation does not prepare any consolidated financial statement.

All transactions with related parties, meet the requirements of arm’s length conditions.

Accounting Policies

Basis of accounting

The annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large). The accounting policies are unchanged from last year.

Reporting currency

The financial statements are presented in euro which is also the Group's internal reporting currency.

Recognition and measurement

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

Liabilities are recognised in the balance when the Group, as a consequence of a previous event, has a legal or actual liability, and it is likely that future financial advantages will be deducted from the Group, and the value of the 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 financial statement item below.

Certain financial assets and liabilities are measured at amortised cost which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount.

Profits, losses and risks 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, including recognition of value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Costs incurred to make this year's earnings, including depreciation, amortisation, impairment losses, provisions and reversals due to changed accounting estimates previously recognised in the income statement are furthermore recognised in the income statement.

Consolidation

The consolidated financial statements include RMIG A/S (Parent) and the group enterprises (subsidiaries) in which the Group holds more than 50% of the voting rights or in any other way exercises controlling influence.

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

Foreign currency translation

Foreign currency transactions are translated applying standard exchange rates that roughly reflect the exchange rate at the transaction date. Assets and liabilities in foreign currencies are translated using the exchange rate at the balance sheet date and hedged amounts are translated at the agreed exchange rates. Exchange differences deriving from this are recognised in the income statement under financial income and expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the year and the balance sheet items are translated at the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' and associates' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly on equity.

Currency exposure related to foreign enterprises' equity is as a main assumption not hedge, as investments in foreign enterprises are seen as long-term investments. Exchange gains and losses – if any- on hedging are recognised directly on equity.

Derivatives

The Group uses derivatives to control financial exposure that arises in connection with operating, financing and investing activities.

On initial recognition, derivatives are measured at cost and subsequently at fair value in the balance sheet. Positive and negative fair values of derivatives are recognised under other receivables or other liabilities.

Changes in the fair value of derivatives, classified as and complying with the requirements for hedging of the fair value of a recognised asset or liability, are recorded in the income statement according to the policy applied for hedged items.

Changes in the fair value of derivatives, classified as and complying with the requirements for hedging future assets or liabilities, are recognised under receivables or liabilities as well as equity. Income and expenses regarding such hedging transactions are transferred from equity at realisation and recognised under the same financial statement item as the hedged amount.

For derivatives that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement.

Changes in the fair value of derivatives, applied for hedging of net investments in independent foreign subsidiaries or associates, are classified directly on equity.

Pension obligations

The Group has made pension schemes and similar contracts with most of its employees.

The Company's payments into contributory schemes are recognised in the income statement at the time of maturity and any outstanding payments are recognised in the balance sheet under other payables.

For benefit schemes, an actuarial calculation is made of the net present value of future benefits to be paid by the Company pursuant to the schemes. The net present value less market value of assets related to the scheme is recognised in the balance sheet under pension obligations. Changes in net present value are recognised in the income statement.

Income statement

Revenue
Income from the sales of goods is recognised in the income statement when delivery has taken place and risk hereby 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 cash discounts

Production costs
Production costs comprise costs incurred to achieve revenue for the year. Production costs include direct payroll expenses, raw materials, consumables and indirect production costs, incl. among others costs for freight, which is a deviation from the Danish Companies Act. In addition, research and non-capitalised development costs are included. Depreciation, amortisation and impairment losses on the fixed assets used in the production process, are recognised under production costs.

Sales and distribution costs
Costs for the distribution of goods sold during the year, such as sales campaigns etc. including wages and salaries for sales staff, advertising and exhibition costs etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used in the distribution and sales activity, are recognised as sales and distributions costs.

Administrative costs
Administrative expenses comprise expenses for the administrative staff and Management include wages and salaries, office premise expenses etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used for administration.

Other operating income and expenses
Other operating income and expenses comprise income and expenses of a secondary nature to the Group's primary activities, incl. grants for research and development, rental and commission income as well as payroll refunding etc.

Income from investments in subsidiaries
For equity investments in subsidiaries, measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses. Income from equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Financial income and expenses

Interest income and interest expenses are recognised in the income statement at the amounts attributable to the financial year. In addition, financial income and expenses comprise income and expenses under finance leases.

Furthermore, realised and unrealised value adjustments on financial instruments, securities and transactions in foreign currencies are recognised in the income statement.

Tax on profit for the year

Tax for the year includes current tax for the year and changes in deferred tax. Tax for the year relates to both profit/losses from ordinary and extraordinary activities. Tax related to the exchange gains and losses on financial instruments used for hedging the equity of foreign group enterprises are recognised directly on equity.

Deferred tax is recognized on all temporary differences between the accounting and tax values of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to non-tax-depreciable goodwill and other items, if these – apart from business takeovers – arose at the time of acquisition without having an effect on the accounting result or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will apply with the balance sheet date's legislation when the deferred tax is expected to be triggered as current tax. In cases where the tax value can be calculated according to alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by equalization in tax of future earnings or by offset against deferred tax liabilities.

Deferred tax assets and liabilities are presented offsetting within the Group.

Balance sheet

Fixed assets

When acquiring an enterprise goodwill or negative goodwill on consolidation is computed as the difference between purchase price and fair value of the net assets.

The economic useful life on goodwill is estimated on basis of the empirical professional knowledge of Management within each segment. The amotisation period is maximum 20 years and lasts longest for companies with a strong market position and a long profit profile.

Research expenditure is written off as incurred. Development expenditures is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalized as an intangible asset and amortised over the period during which the company is expected to benefit. This period is 5-7 years. Provision is made for any impairment.

Property, plant and equipment, and other intangible assets are in the year of acquisition measured at acquisition price or cost. The cost of self-constructed assets comprises expenses for materials, direct labour costs and a portion of indirect production costs. Interests are not included in the indirect production costs.

All fixed assets are measured less accumulated depreciation and impairment losses. The carrying amounts of intangible assets and property, plant and equipment are reviewed annually to determine whether or not there are indications of impairment. If such indication exists, the recoverable amount is estimated as the higher of net sales price and utility value. Impairment losses are expensed under amortisation and depreciation.

Straight-line depreciation and amortisation are made on the basis of the estimated useful lives of the assets:

Software, licenses and patents	up to 5 years
Trademarks	up to 10 years
Goodwill	up to 20 years
R&D and other intangible assets	up to 7 years
Buildings	20 to 40 years
Plant and machinery	5 to 15 years
Fixtures and fittings, tools and equipment	3 to 10 years
Other plant and machinery, fixtures and fittings, tools and equipment	3 to 10 years

Assets of a low acquisition price or of a short useful life are expensed right away in the income statement

Assets, held under financial leases, are recognised in the balance sheet at the lower of fair value and present value of future lease payments at the time of acquisition. The internal rate of return of the lease or an approximation of this is applied as a discount factor for determining the present value. Assets, held under financial leases, are depreciated equal to the Group's other property, plant and equipment.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest portion of the lease payment is recognised in the income statement.

For operating lease the lease payments are expensed on a straight-line basis over the lease term.

Fixed asset investments

Investments in subsidiaries are measured under the equity method. The share of the subsidiaries' equity is adjusted for unrealised intra-group profits and losses and goodwill/negative goodwill on consolidation.

Investments in subsidiaries with a negative equity are measured at zero value and to the extend any receivable from these companies is irrecoverable it is written down by the share of the negative equity. When the share of the negative equity exceeds the receivable, the remaining amount is recognised under provisions to the extent that there is a legal or actual liability to pay them.

Newly acquired companies are recognized in the consolidated financial statement from the date of acquisition. In the acquisition of new entities over which the Group obtains control, the acquisition method is used, meaning that the acquired entities' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Intangible assets identified are recognized if they can be separated or if they originate from contractual terms. The tax effect of the revaluation is taken into account.

Inventories

Inventories are measured at the lower of acquisition price and cost using the FIFO method. If the acquisition price or cost exceeds the net realisable value, a write-down is made to such lower value.

Work in progress and finished goods are recognised at manufacturing cost that includes consumption of materials and payroll costs plus indirect production costs. Indirect production costs comprise operating expenses, maintenance and depreciation of production plant as well as administration and factory management.

In cases where the acquisition price or the manufacturing cost exceeds the estimated sales price less completion costs and distribution costs, a write-down is made to such lower net realisable value.

Receivables

Receivables are measured in the balance sheet at amortised cost or a lower net realizable value, which corresponds to nominal value less impairment losses. Write-downs for losses are calculated on the basis of an individual assessment of the individual receivables as well as for receivables from sales together with a general write-down based on the company's experience from previous years.

Prepayments

Prepayments listed as assets include incurred prepaid costs relating to rent, insurance premiums, subscriptions and interest.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity
The net revaluation of equity investments in subsidiaries is recognised in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost. The dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions
Provisions are recognized when, as a result of an event that occurred at the latest on the balance sheet date, the group has a legal or actual obligation, and it is likely that financial benefits will have to be provided to fulfill the obligation.

Other provisions include warranty obligations for repair work within the warranty period of 1-5 years. The provisions are measured and recognized on the basis of experience with warranty work. Provisions with an expected maturity of more than 1 year from the balance sheet date are discounted using the average bond interest rate

Current corporate tax receivables and liabilities
Current corporate tax liabilities and current tax receivable are recognized in the balance sheet as calculated tax on the year's taxable income adjusted for tax on previous years' taxable income and for taxes paid on account. Supplements and reimbursements under the advance tax scheme are recognized in the income statement under financial items.

Financial liabilities
Mortgage debt and bank debt are recognised in the balance sheet at the proceeds received deducted any costs of transaction. In subsequent periods, the debts are measured at amortised cost. The difference between proceeds and nominal value is thus recognised in the profit and loss accounts as an interest expense over the duration of the debts.

Cash flow statement

The cash flow statement is presented using the indirect method split into operating, investing and financing activities as well as the Group's cash and cash equivalents at the beginning and the end of the financial year.

No cash flow statement has been prepared for the parent company as the cash flow of the parent company is included in the cash flow of the Group.

Cash flows from operating activities are calculated as the operating result adjusted for non-cash operating items, working capital changes and net financial items.

Cash flows from investing activities comprise payments in connection with purchase and sale of property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise payments to and investment from shareholders as well as raising and repayment of loans and payments of dividends.

The cash flow statement cannot be concluded only from the published financial records.

Cash and cash equivalents comprise of cash funds and any investments recognised as current assets, which are highly liquid and readily convertible to cash, deducted by the amount of bank debts which consists of overdraft facilities.

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