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# **Dantec Dynamics A/S**

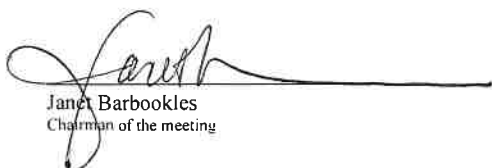
**Tonsbakken 16-18, 2740 Skovlunde**

**Company reg. no. 15 10 75 88**

## **Annual report**

**1 January - 31 December 2024**

The annual report was submitted and approved by the general meeting on the 24 June 2025.



Janet Barbookles  
Chairman of the meeting

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### Notes

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146 940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's statement**

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Today, the Board of Directors and the Managing Director have approved the annual report of Dantec Dynamics A/S for the financial year 1 January - 31 December 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Skovlunde, 24 June 2025

### **Managing Director**

Jean-Marc Muller

### **Board of directors**

Janet Barbookles

Jean-Marc Muller

Michael Anthony Larkin

Anne Wonge Andreassen

Jesper Henriksen

## **Independent auditor's report**

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### **To the Shareholders of Dantec Dynamics A/S**

#### **Opinion**

We have audited the consolidated financial statements and the parent company financial statements of Dantec Dynamics A/S for the financial year 1 January to 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

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

#### **Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements**

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company 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 Company Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 company financial statements.

## Independent auditor's report

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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 consolidated financial statements and the parent company 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent company financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

## **Independent auditor's report**

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

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

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

Copenhagen, 24 June 2025

### **Grant Thornton**

Certified Public Accountants  
Company reg. no. 34 20 99 36



Michael Beuchert  
State Authorised Public Accountant  
mne32794

## Company information

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|                    |                                                  |                         |
|--------------------|--------------------------------------------------|-------------------------|
| The company        | Dantec Dynamics A/S                              |                         |
|                    | Tonsbakken 16-18                                 |                         |
|                    | 2740 Skovlunde                                   |                         |
|                    |                                                  |                         |
|                    | Company reg. no.                                 | 15 10 75 88             |
|                    | Financial year:                                  | 1 January - 31 December |
|                    |                                                  |                         |
| Board of directors | Janet Barbookles                                 |                         |
|                    | Jean-Marc Muller                                 |                         |
|                    | Michael Anthony Larkin                           |                         |
|                    | Anne Wonge Andreassen                            |                         |
|                    | Jesper Henriksen                                 |                         |
|                    |                                                  |                         |
| Managing Director  | Jean-Marc Muller                                 |                         |
|                    |                                                  |                         |
| Auditors           | Grant Thornton, Godkendt Revisionspartnerselskab |                         |
|                    | Lautrupsgade 11                                  |                         |
|                    | 2100 København Ø                                 |                         |
|                    |                                                  |                         |
| Parent company     | Nova Instruments LLC, USA                        |                         |
|                    |                                                  |                         |
| Subsidiaries       | Dantec Dynamics, Inc., USA                       |                         |
|                    | Dantec Dynamics Ltd., England                    |                         |
|                    | Dantec Dynamics GmbH, Germany                    |                         |
|                    | Dantec Dynamics S.A.S, France                    |                         |
|                    | Dantec Dynamics K.K, Japan                       |                         |

**Consolidated financial highlights**

| DKK in thousands                             | 2024    | 2023    | 2022    | 2021    | 2020    |
|----------------------------------------------|---------|---------|---------|---------|---------|
| <b>Income statement:</b>                     |         |         |         |         |         |
| Revenue                                      | 172,108 | 184,454 | 159,923 | 134,441 | 120,902 |
| Profit from operating activities             | 4,451   | 12,004  | 2,266   | -2,972  | -7,162  |
| Net financials                               | -2,526  | -16     | -4,107  | -1,624  | -2,048  |
| Pre-tax net profit or loss for the year      | 1,925   | 11,988  | -1,841  | -4,596  | -9,210  |
| Net profit or loss for the year              | -2,194  | 7,850   | -2,433  | -4,654  | -9,014  |
| <b>Statement of financial position:</b>      |         |         |         |         |         |
| Balance sheet total                          | 122,826 | 124,759 | 109,819 | 98,116  | 88,336  |
| Investments in property, plant and equipment | 2,791   | 2,590   | 398     | 1,419   | 2,200   |
| Equity                                       | 29,413  | 35,728  | 30,019  | 24,304  | 24,333  |
| <b>Employees:</b>                            |         |         |         |         |         |
| Average number of full-time employees        | 98      | 96      | 93      | 95      | 99      |
| <b>Key figures in %:</b>                     |         |         |         |         |         |
| EBIT                                         | 2,6     | 6,5     | 1,4     | -2,2    | -5,9    |
| EBITDA                                       | 7,3     | 10,0    | 5,0     | 3,0     | 49,0    |
| EBIT, adjusted                               | 12,7    | 16,0    | 10,0    | 5,0     | 3,0     |
| EBITDA, adjusted                             | 17,4    | 19,0    | 14,0    | 11,0    | 11,0    |
| Solvency ratio                               | 23,9    | 28,6    | 27,3    | 24,8    | 27,5    |
| Return on equity                             | -6,7    | 23,9    | -9,0    | -19,1   | -32,4   |

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

|                                    |                                                                                                                                               |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Profit margin (EBIT margin)</b> | $\frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$                                                                    |
| <b>EBITDA</b>                      | $\frac{\text{Operating profit or loss} + \text{depreciations} + \text{amortisations} \times 100}{\text{Revenue}}$                             |
| <b>EBIT, adjusted</b>              | $\frac{\text{Operating profit or loss adjusted for management fee} \times 100}{\text{Revenue}}$                                               |
| <b>EBITDA, adjusted</b>            | $\frac{\text{Operating profit or loss adjusted for management fee} + \text{depreciations} + \text{amortisations} \times 100}{\text{Revenue}}$ |

## Consolidated financial highlights

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|                  |                                       |
|------------------|---------------------------------------|
| Solvency ratio   | Equity, closing balance x 100         |
|                  | Total assets, closing balance         |
| Return on equity | Net profit or loss for the year x 100 |
|                  | Average equity                        |

## **Management's review**

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### **Description of key activities of the company**

Dantec Dynamics develops, manufactures and markets measurement equipment and software for measurements and simulation of flows, speed and particle size in liquids and gasses, as well as equipment and software for analyzing strain/stress/vibration and defects in solid materials.

Dantec Dynamics' customers primarily use the products for optimising energy consumption but they can also be used to improve the performance, efficiency and safety in such markets such as aviation, automotive and wind farms. In addition, the products are used to analyse thermal and chemical processes.

Customers include researchers within leading universities and institutes around the world as well as research and development departments in prominent international and domestic industrial companies.

The Group includes a business segment in the UK, which distributes medical measurement equipment and consumables.

In addition to its own sales and service offices in Europe, North America and Japan, Dantec Dynamics has a global network of independent distributors.

### **Business review**

#### **Development in activities and financial matters**

The revenue for the parent company for the year totals kDKK 106.987 against kDKK 121.185 last year. Income or loss from ordinary activities after tax totals kDKK -2.194 against kDKK 7.850 last year.

The revenue for the group for the year totals kDKK 172.108 against kDKK 184.454 last year. Income or loss from ordinary activities after tax totals kDKK -2.194 against kDKK 7.850 last year.

The demand for the Group's products in 2024 decreased by kDKK 14.199 from 2023. The Group had an operating result of kDKK 21.877, exclusive of Related Third Party Management Services expenses.

#### *Group structure*

The group structure remained unchanged in 2024.

#### **Development activities**

The Group holds dominant global positions within its core activities. With a view to maintaining and strengthening this position, the Group regularly invests in the development of new products. In 2024, the Group capitalized research and development projects amounting to kDKK 5.167.

#### **Financial risks and the use of financial instruments**

Due to its international structure and presence, the group's results are affected by exchange rate movements in a number of currencies, primarily EUR, USD, GBP and JPY.

At the end of the financial year, the Group had no open forward exchange contracts.

The group does not engage in speculative foreign exchange positions.

## **Management's review**

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### **External environment**

Dantec Dynamics' effect on the external environment is quite limited, as production is not energy intensive, and hazardous chemicals are not used in production. Still the group continuously works to reduce its effects on the external environment.

### **Outlook for 2025**

The demand for Dantec Dynamics' scientific measurement systems is expected to increase as such systems are a key component in research projects yielding environmentally friendly energy generation and reduction of energy consumption. Based on current trends and despite concerns for market uncertainties, the group expects to continue to invest in the development of new products and applications and to grow revenue and net result.

For 2025 the Group expects a net profit for the year in the range of kDKK 3.000 - 6.000.

### **Events occurring after the end of the financial year**

No significant events have occurred after the financial year-end which could significantly affect the Group's financial position.

**Income statement 1 January - 31 December**

DKK thousand,

| Note                                                         | Group          |                | Parent        |               |
|--------------------------------------------------------------|----------------|----------------|---------------|---------------|
|                                                              | 2024           | 2023           | 2024          | 2023          |
| Revenue                                                      | 172,108        | 184,454        | 106,987       | 121,185       |
| Change in inventories of finished goods and work in progress | -1,294         | -3,007         | -1,294        | -3,007        |
| Own work capitalised                                         | 5,167          | 4,785          | 5,167         | 4,785         |
| Other operating income                                       | 6              | 0              | 12,394        | 11,234        |
| Costs of raw materials and consumables                       | -63,063        | -72,207        | -44,594       | -52,490       |
| Other external expenses                                      | -12,523        | -13,453        | -11,311       | -9,998        |
| <b>Gross profit</b>                                          | <b>100,401</b> | <b>100,572</b> | <b>67,349</b> | <b>71,709</b> |
| 1 Staff costs                                                | -70,440        | -65,302        | -36,338       | -33,089       |
| 2 Depreciation, amortisation, and impairment                 | -8,083         | -6,243         | -6,893        | -5,244        |
| Other operating expenses                                     | -17,427        | -17,023        | -17,258       | -17,023       |
| <b>Operating profit</b>                                      | <b>4,451</b>   | <b>12,004</b>  | <b>6,860</b>  | <b>16,353</b> |
| Income from investments in group enterprises                 | 0              | 0              | -7,677        | -6,735        |
| 3 Other financial income                                     | 1,915          | 2,005          | 5,310         | 4,242         |
| 4 Other financial expenses                                   | -4,441         | -2,021         | -5,144        | -1,896        |
| <b>Pre-tax net profit or loss</b>                            | <b>1,925</b>   | <b>11,988</b>  | <b>-651</b>   | <b>11,964</b> |
| 5 Tax on net profit or loss for the year                     | -4,119         | -4,138         | -1,543        | -4,114        |
| <b>6 Net profit or loss for the year</b>                     | <b>-2,194</b>  | <b>7,850</b>   | <b>-2,194</b> | <b>7,850</b>  |

**Balance sheet at 31 December**

DKK thousand

| <b>Assets</b>                                    |                |                |                |                |
|--------------------------------------------------|----------------|----------------|----------------|----------------|
| Note                                             | Group          |                | Parent         |                |
|                                                  | 2024           | 2023           | 2024           | 2023           |
| <b>Non-current assets</b>                        |                |                |                |                |
| 7 Completed development projects                 | 13.397         | 10.634         | 13.397         | 10.634         |
| 8 Acquired rights                                | 2.508          | 3.969          | 2.484          | 3.914          |
| 9 Development projects in progress               | 1.474          | 3.508          | 1.474          | 3.508          |
| Total intangible assets                          | 17.379         | 18.111         | 17.355         | 18.056         |
| 10 Plant and machinery                           | 2.643          | 2.343          | 1.447          | 712            |
| 11 Other fixtures, fittings, tools and equipment | 1.238          | 886            | 235            | 467            |
| 12 Leasehold improvements                        | 0              | 15             | 0              | 15             |
| Total property, plant, and equipment             | 3.881          | 3.244          | 1.682          | 1.194          |
| 13 Other receivables                             | 4.365          | 5.147          | 0              | 0              |
| 14 Deposits                                      | 1.119          | 1.122          | 624            | 583            |
| Total investments                                | 5.484          | 6.269          | 624            | 583            |
| <b>Total non-current assets</b>                  | <b>26.744</b>  | <b>27.624</b>  | <b>19.661</b>  | <b>19.833</b>  |
| <b>Current assets</b>                            |                |                |                |                |
| Raw materials and consumables                    | 14.622         | 11.803         | 10.841         | 16.510         |
| Work in progress                                 | 9              | 2.083          | 1.790          | 625            |
| Manufactured goods and goods for resale          | 8.977          | 7.015          | 7.405          | 0              |
| Total inventories                                | 23.608         | 20.901         | 20.036         | 17.135         |
| Trade receivables                                | 43.487         | 45.726         | 14.728         | 11.650         |
| Receivables from group enterprises               | 4.516          | 2.287          | 44.394         | 51.670         |
| Other receivables                                | 703            | 1.709          | 447            | 1.750          |
| 15 Prepayments                                   | 1.026          | 479            | 333            | 115            |
| Total receivables                                | 49.732         | 50.201         | 59.902         | 65.185         |
| Cash and cash equivalents                        | 22.742         | 26.033         | 8.534          | 8.981          |
| <b>Total current assets</b>                      | <b>96.082</b>  | <b>97.135</b>  | <b>88.472</b>  | <b>91.301</b>  |
| <b>Total assets</b>                              | <b>122.826</b> | <b>124.759</b> | <b>108.133</b> | <b>111.134</b> |

**Balance sheet at 31 December**

DKK thousand.

| <b>Equity and liabilities</b>                      |               |               |               |               |
|----------------------------------------------------|---------------|---------------|---------------|---------------|
| Note                                               | Group         |               | Parent        |               |
|                                                    | 2024          | 2023          | 2024          | 2023          |
| <b>Equity</b>                                      |               |               |               |               |
| 16 Share capital                                   | 22.721        | 22.721        | 22.721        | 22.721        |
| Reserve for development costs                      | 0             | 0             | 11.599        | 11.031        |
| Retained earnings                                  | 6.692         | 13.007        | -4.907        | 1.976         |
| <b>Total equity</b>                                | <b>29.413</b> | <b>35.728</b> | <b>29.413</b> | <b>35.728</b> |
| <b>Provisions</b>                                  |               |               |               |               |
| 17 Provisions for pensions and similar liabilities | 791           | 675           | 0             | 0             |
| 18 Provisions for deferred tax                     | 3.687         | 3.751         | 3.687         | 3.751         |
| 19 Warranty provisions                             | 209           | 268           | 149           | 149           |
| <b>Total provisions</b>                            | <b>4.687</b>  | <b>4.694</b>  | <b>3.836</b>  | <b>3.900</b>  |

**Balance sheet at 31 December**

DKK thousand,

| <b>Equity and liabilities</b>                             |                |                |                |                |
|-----------------------------------------------------------|----------------|----------------|----------------|----------------|
| Note                                                      | Group          |                | Parent         |                |
|                                                           | 2024           | 2023           | 2024           | 2023           |
| <b>Liabilities other than provisions</b>                  |                |                |                |                |
| 20 Payables to group enterprises                          | 14.612         | 13.059         | 14.612         | 13.034         |
| 21 Other payables                                         | 2.730          | 2.646          | 2.730          | 2.475          |
| Total long term liabilities other than provisions         | 17.342         | 15.705         | 17.342         | 15.509         |
| Prepayments received from customers                       | 4.874          | 3.919          | 115            | 506            |
| Trade payables                                            | 11.030         | 8.351          | 8.654          | 6.745          |
| Payables to group enterprises                             | 40.925         | 38.431         | 40.902         | 37.832         |
| 22 Income tax payable                                     | 1.611          | 3.143          | 1.608          | 3.140          |
| Other payables                                            | 6.400          | 8.496          | 4.014          | 6.029          |
| 23 Deferred income                                        | 6.544          | 6.292          | 2.249          | 1.745          |
| Total short term liabilities other than provisions        | 71.384         | 68.632         | 57.542         | 55.997         |
| <b>Total liabilities other than provisions</b>            | <b>88.726</b>  | <b>84.337</b>  | <b>74.884</b>  | <b>71.506</b>  |
| <b>Total equity and liabilities</b>                       | <b>122.826</b> | <b>124.759</b> | <b>108.133</b> | <b>111.134</b> |
| <b>24 Charges and security</b>                            |                |                |                |                |
| <b>25 Contractual obligations and contingencies, etc.</b> |                |                |                |                |
| <b>26 Related parties</b>                                 |                |                |                |                |

**Consolidated statement of changes in equity**

DKK thousand.

|                                             | <b>Contributed capital</b> | <b>Reserve for<br/>development costs</b> | <b>Retained earnings</b> | <b>Total</b>  |
|---------------------------------------------|----------------------------|------------------------------------------|--------------------------|---------------|
| Equity 1 January 2024                       | 22.721                     | 0                                        | 13.007                   | 35.728        |
| Profit or loss for the year brought forward | 0                          | 0                                        | -2.194                   | -2.194        |
| Exchange rate adjustments                   | 0                          | 0                                        | -1.079                   | -1.079        |
| Adjustment of pension liabilities           | 0                          | 0                                        | -3.042                   | -3.042        |
|                                             | <b>22.721</b>              | <b>0</b>                                 | <b>6.692</b>             | <b>29.413</b> |

**Statement of changes in equity of the parent**

DKK thousand.

|                                              | <b>Contributed capital</b> | <b>Reserve for<br/>development costs</b> | <b>Retained earnings</b> | <b>Total</b>  |
|----------------------------------------------|----------------------------|------------------------------------------|--------------------------|---------------|
| Equity 1 January 2024                        | 22.721                     | 11.031                                   | 1.976                    | 35.728        |
| Profit or loss for the year brought forward  | 0                          | 0                                        | -2.194                   | -2.194        |
| Reserve for capitalized development projects | 0                          | 568                                      | -568                     | 0             |
| Exchange rate adjustments                    | 0                          | 0                                        | -1.079                   | -1.079        |
| Adjustment of pension liabilities            | 0                          | 0                                        | -3.042                   | -3.042        |
|                                              | <b>22.721</b>              | <b>11.599</b>                            | <b>-4.907</b>            | <b>29.413</b> |

**Statement of cash flows 1 January - 31 December**

DKK thousand

| Note                                                       | Group         |                |
|------------------------------------------------------------|---------------|----------------|
|                                                            | 2024          | 2023           |
| Net profit or loss for the year                            | -2,194        | 7,850          |
| 27 Adjustments                                             | 4,046         | 4,493          |
| 28 Change in working capital                               | 337           | -917           |
| Cash flows from operating activities before net financials | 2,189         | 11,426         |
| Interest not paid                                          | 0             | 292            |
| Cash flows from ordinary activities                        | 2,189         | 11,718         |
| <b>Cash flows from operating activities</b>                | <b>2,189</b>  | <b>11,718</b>  |
| Purchase of intangible assets                              | -5,105        | -8,585         |
| Purchase of property, plant, and equipment                 | -2,978        | -2,647         |
| Change in investments                                      | 785           | 1,043          |
| <b>Cash flows from investment activities</b>               | <b>-7,298</b> | <b>-10,189</b> |
| Borrowings from group enterprises                          | 1,818         | 6,979          |
| Bank, repayment                                            | 0             | -258           |
| <b>Cash flows from financing activities</b>                | <b>1,818</b>  | <b>6,721</b>   |
| <b>Change in cash and cash equivalents</b>                 | <b>-3,291</b> | <b>8,250</b>   |
| Cash and cash equivalents at 1 January 2024                | 26,033        | 17,783         |
| <b>Cash and cash equivalents at 31 December 2024</b>       | <b>22,742</b> | <b>26,033</b>  |
| <b>Cash and cash equivalents</b>                           |               |                |
| Cash and cash equivalents                                  | 22,742        | 26,033         |
| <b>Cash and cash equivalents at 31 December 2024</b>       | <b>22,742</b> | <b>26,033</b>  |

**Notes**

DKK thousand,

|                                                                  | Group         |               | Parent        |               |
|------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                  | 2024          | 2023          | 2024          | 2023          |
| <b>1. Staff costs</b>                                            |               |               |               |               |
| Salaries and wages                                               | 63.356        | 59.080        | 34.484        | 31.475        |
| Pension costs                                                    | 1.728         | 1.517         | 1.620         | 1.422         |
| Other costs for social security                                  | 5.356         | 4.705         | 234           | 192           |
|                                                                  | <b>70.440</b> | <b>65.302</b> | <b>36.338</b> | <b>33.089</b> |
| Executive board and board of directors                           | 25            | 25            | 25            | 25            |
| Average number of employees                                      | 98            | 96            | 52            | 48            |
|                                                                  |               |               |               |               |
|                                                                  | Group         |               | Parent        |               |
|                                                                  | 2024          | 2023          | 2024          | 2023          |
| <b>2. Depreciation, amortisation, and impairment</b>             |               |               |               |               |
| Amortisation of development projects                             | 4.348         | 3.396         | 4.348         | 3.396         |
| Amortisation of concessions, patents and licences                | 1.489         | 628           | 1.494         | 653           |
| Depreciation on leasehold improvements                           | 15            | 70            | 15            | 70            |
| Depreciation on plants and machinery                             | 1.784         | 1.531         | 983           | 942           |
| Depreciation on plants, operating assets, fixtures and furniture | 447           | 618           | 53            | 183           |
|                                                                  | <b>8.083</b>  | <b>6.243</b>  | <b>6.893</b>  | <b>5.244</b>  |

**Notes**

DKK thousand.

|                                             | Group        |              | Parent       |              |
|---------------------------------------------|--------------|--------------|--------------|--------------|
|                                             | 2024         | 2023         | 2024         | 2023         |
| <b>3. Other financial income</b>            |              |              |              |              |
| Interest, banks                             | 1,310        | 135          | 1,310        | 135          |
| Exchange differences                        | 0            | 44           | 1,164        | 1,156        |
| Interest receivables from group enterprises | 0            | 0            | 2,836        | 2,446        |
| Other financial income                      | 605          | 1,826        | 0            | 505          |
|                                             | <b>1,915</b> | <b>2,005</b> | <b>5,310</b> | <b>4,242</b> |

|                                    | Group        |              | Parent       |              |
|------------------------------------|--------------|--------------|--------------|--------------|
|                                    | 2024         | 2023         | 2024         | 2023         |
| <b>4. Other financial expenses</b> |              |              |              |              |
| Financial costs, group enterprises | 250          | 292          | 250          | 292          |
| Other financial costs              | 4,191        | 1,729        | 4,894        | 1,604        |
|                                    | <b>4,441</b> | <b>2,021</b> | <b>5,144</b> | <b>1,896</b> |

|                                                  | Group        |              | Parent       |              |
|--------------------------------------------------|--------------|--------------|--------------|--------------|
|                                                  | 2024         | 2023         | 2024         | 2023         |
| <b>5. Tax on net profit or loss for the year</b> |              |              |              |              |
| Tax of the results for the year                  | 1,608        | 3,143        | 1,608        | 3,140        |
| Adjustment for the year of deferred tax          | 2,511        | 995          | -65          | 974          |
|                                                  | <b>4,119</b> | <b>4,138</b> | <b>1,543</b> | <b>4,114</b> |

|                                               | Parent        |              |
|-----------------------------------------------|---------------|--------------|
|                                               | 2024          | 2023         |
| <b>6. Proposed distribution of net profit</b> |               |              |
| Transferred to retained earnings              | 0             | 7,850        |
| Allocated from retained earnings              | -2,194        | 0            |
| <b>Total allocations and transfers</b>        | <b>-2,194</b> | <b>7,850</b> |

**Notes**

DKK thousand.

|                                                         | Group          |                | Parent         |                |
|---------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                         | 31/12 2024     | 31/12 2023     | 31/12 2024     | 31/12 2023     |
| <b>7. Completed development projects</b>                |                |                |                |                |
| Cost 1 January 2024                                     | 68.175         | 61.674         | 65.885         | 59.384         |
| Transfers                                               | 7.111          | 6.501          | 7.111          | 6.501          |
| <b>Cost 31 December 2024</b>                            | <b>75.286</b>  | <b>68.175</b>  | <b>72.996</b>  | <b>65.885</b>  |
| Amortisation and write-down<br>1 January 2024           | -57.541        | -54.145        | -55.251        | -51.855        |
| Amortisation for the year                               | -4.348         | -3.396         | -4.348         | -3.396         |
| <b>Amortisation and write-down<br/>31 December 2024</b> | <b>-61.889</b> | <b>-57.541</b> | <b>-59.599</b> | <b>-55.251</b> |
| <b>Carrying amount, 31 December<br/>2024</b>            | <b>13.397</b>  | <b>10.634</b>  | <b>13.397</b>  | <b>10.634</b>  |
|                                                         |                |                |                |                |
|                                                         | Group          |                | Parent         |                |
|                                                         | 31/12 2024     | 31/12 2023     | 31/12 2024     | 31/12 2023     |
| <b>8. Acquired rights</b>                               |                |                |                |                |
| Cost 1 January 2024                                     | 8.130          | 4.049          | 7.871          | 3.790          |
| Adjustment                                              | -75            | 211            | -68            | 211            |
| Additions during the year                               | 103            | 3.870          | 132            | 3.870          |
| <b>Cost 31 December 2024</b>                            | <b>8.158</b>   | <b>8.130</b>   | <b>7.935</b>   | <b>7.871</b>   |
| Amortisation and write-down<br>1 January 2024           | -4.161         | -3.463         | -3.957         | -3.304         |
| Amortisation for the year                               | -1.489         | -698           | -1.494         | -653           |
| <b>Amortisation and write-down<br/>31 December 2024</b> | <b>-5.650</b>  | <b>-4.161</b>  | <b>-5.451</b>  | <b>-3.957</b>  |
| <b>Carrying amount, 31 December<br/>2024</b>            | <b>2.508</b>   | <b>3.969</b>   | <b>2.484</b>   | <b>3.914</b>   |

## Notes

DKK thousand.

|                                                                          | Group          |                | Parent         |                |
|--------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                          | 31/12 2024     | 31/12 2023     | 31/12 2024     | 31/12 2023     |
| <b>9. Development projects in progress</b>                               |                |                |                |                |
| Cost 1 January 2024                                                      | 3.508          | 5.435          | 3.508          | 5.435          |
| Adjustment                                                               | -90            | -211           | -90            | -211           |
| Additions during the year                                                | 5.167          | 4.785          | 5.167          | 4.785          |
| Transfers                                                                | -7.111         | -6.501         | -7.111         | -6.501         |
| <b>Cost 31 December 2024</b>                                             | <b>1.474</b>   | <b>3.508</b>   | <b>1.474</b>   | <b>3.508</b>   |
| <b>Carrying amount, 31 December 2024</b>                                 | <b>1.474</b>   | <b>3.508</b>   | <b>1.474</b>   | <b>3.508</b>   |
|                                                                          |                |                |                |                |
|                                                                          | Group          |                | Parent         |                |
|                                                                          | 31/12 2024     | 31/12 2023     | 31/12 2024     | 31/12 2023     |
| <b>10. Plant and machinery</b>                                           |                |                |                |                |
| Cost 1 January 2024                                                      | 12.386         | 11.622         | 12.489         | 11.631         |
| Transfer                                                                 | -264           | 0              | 407            | 0              |
| Additions during the year                                                | 2.437          | 2.381          | 1.427          | 858            |
| Disposals during the year                                                | -810           | -1.617         | -729           | 0              |
| <b>Cost 31 December 2024</b>                                             | <b>13.749</b>  | <b>12.386</b>  | <b>13.594</b>  | <b>12.489</b>  |
| Depreciation and write-down                                              |                |                |                |                |
| 1 January 2024                                                           | -10.043        | -10.129        | -11.777        | -10.835        |
| Depreciation for the year                                                | -1.784         | -1.531         | -983           | -942           |
| Reversal of depreciation, amortisation and writedown, assets disposed of | 721            | 1.617          | 613            | 0              |
| <b>Depreciation and write-down 31 December 2024</b>                      | <b>-11.106</b> | <b>-10.043</b> | <b>-12.147</b> | <b>-11.777</b> |
| <b>Carrying amount, 31 December 2024</b>                                 | <b>2.643</b>   | <b>2.343</b>   | <b>1.447</b>   | <b>712</b>     |

**Notes**

DKK thousand,

|                                                                          | Group          |                | Parent         |                |
|--------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                          | 31/12 2024     | 31/12 2023     | 31/12 2024     | 31/12 2023     |
| <b>11. Other fixtures, fittings, tools and equipment</b>                 |                |                |                |                |
| Cost 1 January 2024                                                      | 26.301         | 27.723         | 11.422         | 11.852         |
| Transfer                                                                 | 445            | 0              | -407           | 0              |
| Additions during the year                                                | 354            | 209            | 228            | 71             |
| Disposals during the year                                                | 0              | -1.631         | 0              | -501           |
| <b>Cost 31 December 2024</b>                                             | <b>27.100</b>  | <b>26.301</b>  | <b>11.243</b>  | <b>11.422</b>  |
| Amortisation and write-down                                              |                |                |                |                |
| 1 January 2024                                                           | -25.415        | -26.428        | -10.955        | -11.260        |
| Depreciation for the year                                                | -447           | -618           | -53            | -183           |
| Reversal of depreciation, amortisation and writedown, assets disposed of | 0              | 1.631          | 0              | 488            |
| <b>Amortisation and write-down 31 December 2024</b>                      | <b>-25.862</b> | <b>-25.415</b> | <b>-11.008</b> | <b>-10.955</b> |
| <b>Carrying amount, 31 December 2024</b>                                 | <b>1.238</b>   | <b>886</b>     | <b>235</b>     | <b>467</b>     |
|                                                                          |                |                |                |                |
|                                                                          | Group          |                | Parent         |                |
|                                                                          | 31/12 2024     | 31/12 2023     | 31/12 2024     | 31/12 2023     |
| <b>12. Leasehold improvements</b>                                        |                |                |                |                |
| Cost 1 January 2024                                                      | 3.360          | 3.302          | 2.843          | 2.785          |
| Additions during the year                                                | 0              | 58             | 0              | 58             |
| <b>Cost 31 December 2024</b>                                             | <b>3.360</b>   | <b>3.360</b>   | <b>2.843</b>   | <b>2.843</b>   |
| Depreciation and write-down                                              |                |                |                |                |
| 1 January 2024                                                           | -3.345         | -3.275         | -2.828         | -2.758         |
| Depreciation for the year                                                | -15            | -70            | -15            | -70            |
| <b>Depreciation and write-down 31 December 2024</b>                      | <b>-3.360</b>  | <b>-3.345</b>  | <b>-2.843</b>  | <b>-2.828</b>  |
| <b>Carrying amount, 31 December 2024</b>                                 | <b>0</b>       | <b>15</b>      | <b>0</b>       | <b>15</b>      |

**Notes**

DKK thousand.

|                                          | Group        |              |
|------------------------------------------|--------------|--------------|
|                                          | 31/12 2024   | 31/12 2023   |
| <b>13. Other receivables</b>             |              |              |
| Cost 1 January 2024                      | 5,147        | 6,215        |
| Disposals during the year                | -782         | -1,068       |
| <b>Cost 31 December 2024</b>             | <b>4,365</b> | <b>5,147</b> |
| <b>Carrying amount, 31 December 2024</b> | <b>4,365</b> | <b>5,147</b> |

Other receivables consists of positive net present value of pension liability.

|                                          | Group        |              | Parent     |            |
|------------------------------------------|--------------|--------------|------------|------------|
|                                          | 31/12 2024   | 31/12 2023   | 31/12 2024 | 31/12 2023 |
| <b>14. Deposits</b>                      |              |              |            |            |
| Cost 1 January 2024                      | 1,122        | 1,097        | 583        | 583        |
| Additions during the year                | 41           | 25           | 41         | 0          |
| Disposals during the year                | -44          | 0            | 0          | 0          |
| <b>Cost 31 December 2024</b>             | <b>1,119</b> | <b>1,122</b> | <b>624</b> | <b>583</b> |
| <b>Carrying amount, 31 December 2024</b> | <b>1,119</b> | <b>1,122</b> | <b>624</b> | <b>583</b> |

**15. Prepayments**

Prepayments represent prepaid expenses on subscriptions and housing costs.

**16. Share capital**

The contributed capital consists of 227,210 shares of DKK 100 nominal value or multiple hereof. The Company's shares are not divided into different classes.

|                                                            | Group      |            |
|------------------------------------------------------------|------------|------------|
|                                                            | 31/12 2024 | 31/12 2023 |
| <b>17. Provisions for pensions and similar liabilities</b> |            |            |
| Provisions for pension obligations and similar obligations | 791        | 675        |
|                                                            | <b>791</b> | <b>675</b> |

**Notes**

DKK thousand.

|                                            | Group         |               | Parent        |               |
|--------------------------------------------|---------------|---------------|---------------|---------------|
|                                            | 31/12 2024    | 31/12 2023    | 31/12 2024    | 31/12 2023    |
| <b>18. Provisions for deferred tax</b>     |               |               |               |               |
| Provisions for deferred tax 1 January 2024 | 3.751         | 2.777         | 3.751         | 2.777         |
| Deferred tax of the results for the year   | -64           | 974           | -64           | 974           |
|                                            | <b>3.687</b>  | <b>3.751</b>  | <b>3.687</b>  | <b>3.751</b>  |
|                                            |               |               |               |               |
|                                            | Group         |               | Parent        |               |
|                                            | 31/12 2024    | 31/12 2023    | 31/12 2024    | 31/12 2023    |
| <b>19. Warranty provisions</b>             |               |               |               |               |
| Warranty provisions 1 January 2024         | 268           | 268           | 149           | 149           |
| Change of the year in other provisions     | -59           | 0             | 0             | 0             |
|                                            | <b>209</b>    | <b>268</b>    | <b>149</b>    | <b>149</b>    |
|                                            |               |               |               |               |
|                                            | Group         |               | Parent        |               |
|                                            | 31/12 2024    | 31/12 2023    | 31/12 2024    | 31/12 2023    |
| <b>20. Payables to group enterprises</b>   |               |               |               |               |
| <b>Total payables to group enterprises</b> | <b>14.612</b> | <b>13.059</b> | <b>14.612</b> | <b>13.034</b> |
| Share of liabilities due after 5 years     | 14.612        | 13.059        | 14.612        | 13.034        |
|                                            |               |               |               |               |
|                                            | Group         |               | Parent        |               |
|                                            | 31/12 2024    | 31/12 2023    | 31/12 2024    | 31/12 2023    |
| <b>21. Other payables</b>                  |               |               |               |               |
| <b>Total other payables</b>                | <b>2.730</b>  | <b>2.646</b>  | <b>2.730</b>  | <b>2.475</b>  |

**Notes**

DKK thousand.

|                                               | Group        |              | Parent       |              |
|-----------------------------------------------|--------------|--------------|--------------|--------------|
|                                               | 31/12 2024   | 31/12 2023   | 31/12 2024   | 31/12 2023   |
| <b>22. Income tax payable</b>                 |              |              |              |              |
| Income tax receivables 1 January 2024         | 3.143        | 396          | 3.140        | 393          |
| Paid income tax during the financial year     | -3.143       | -396         | -3.140       | -393         |
| Calculated corporate tax for the present year | 1.611        | 3.143        | 1.608        | 3.140        |
|                                               | <b>1.611</b> | <b>3.143</b> | <b>1.608</b> | <b>3.140</b> |

**23. Deferred income**

Prepayments represent payments received concerning income for services in subsequent reporting years.

**24. Charges and security**

The company has issued mortgages totalling t.DKK 16.000 as security for bank loans. The mortgages registered to the owners provide security on property, plant and equipment, inventory and trade receivables.

**25. Contractual obligations and contingencies, etc.****Contractual obligations and contingent liabilities****Parent:**

Lease liabilities amount to t.DKK 1.247 which includes remaining rent liabilities, and other liabilities etc.

**Group:**

Lease liabilities amount to t.DKK 4.864 which includes remaining rent liabilities, and other contingent liabilities etc.

**Notes**

DKK thousand.

**26. Related parties****Controlling interest**

Nova Instruments LLC, USA

Sole shareholder

**Transactions**

The company has the following related party transactions:

|                                                  | Group<br>2024 | Parent<br>2024 |
|--------------------------------------------------|---------------|----------------|
| Management fee expense to Group enterprises      | 17.258        | 17.258         |
| Management fee income from subsidiaries          | 0             | 12.394         |
| Interest expense to Group enterprises            | 2.837         | 2.837          |
| Interest income from subsidiaries                | 0             | 2.837          |
| Products sold                                    | 3.028         | 44.891         |
| Group enterprises, intercompany balance, payable | 55.694        | 55.694         |
| Subsidiaries, intercompany balance, receivable   | 4.516         | 104.285        |

**27. Adjustments**

|                                   | Group<br>2024 | 2023         |
|-----------------------------------|---------------|--------------|
| Depreciation and amortisation     | 8.083         | 6.244        |
| Exchange rate adjustment          | -988          | 714          |
| Provisions                        | -7            | 390          |
| Adjustment of pension liabilities | -3.042        | -2.855       |
|                                   | <b>4.046</b>  | <b>4.493</b> |

**28. Change in working capital**

|                                             | Group<br>2024 | 2023        |
|---------------------------------------------|---------------|-------------|
| Change in inventories                       | -2.707        | 973         |
| Change in receivables                       | 2.698         | -1.429      |
| Change in trade payables and other payables | 2.679         | 456         |
| Other changes in working capital            | -2.333        | -917        |
|                                             | <b>337</b>    | <b>-917</b> |

## **Accounting policies**

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The annual report for Dantec Dynamics A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### **The consolidated financial statements**

The consolidated income statements comprise the parent company Dantec Dynamics A/S and those group enterprises of which Dantec Dynamics A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

#### *Consolidation policies*

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

## **Income statement**

### **Revenue**

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

### **Change in inventory and costs of raw material**

Change in inventory and costs of raw material comprises costs concerning purchases of raw materials and consumables less discounts and changes in inventories.

### **Own work capitalised**

Own work capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible and tangible fixed assets.

### **Other operating income**

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

## Accounting policies

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### Other external expenses

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing expenses. Furthermore research and development costs which do not meet the criteria for capitalisation are expensed.

### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

### Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

### Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

### Results from investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual entities are recognised in the income statement of the parent as a proportional share of the entities' post-tax profit or loss.

### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

## Statement of financial position

### Intangible assets

#### Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

## Accounting policies

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### Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

|                                                  | Useful life |
|--------------------------------------------------|-------------|
| Plant and machinery                              | 5-10 years  |
| Other fixtures and fittings, tools and equipment | 3-5 years   |

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

### Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

## Accounting policies

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At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the group holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

### Investments

#### Investments in subsidiaries

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprises but are not represented in the parent, the following accounting policies have been applied:

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

## Accounting policies

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To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

### Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively, write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

## Accounting policies

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In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

### Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

### Equity

#### Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the group has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the group.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

## **Accounting policies**

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Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

### **Liabilities other than provisions**

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

### **Accruals and deferred income**

Payments received concerning future income are recognised under deferred income.

## **Statement of cash flows**

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under "Interest income and dividend received".

### **Cash flows from investment activities**

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment.

### **Cash flows from financing activities**

Cash flows from financing activities include changes in loans and repayments of interest-bearing payables.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits and short-term financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.