

TeeJet Technologies Denmark ApS

Mølhavevej 2, 9440 Aabybro

Company reg. no. 25 49 91 82

Annual report

1 January - 31 December 2024

The annual report was submitted and approved by the general meeting on the 25 June 2025.

Anne Mette Skovbjerg
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of TeeJet Technologies Denmark ApS for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Aabybro, 25 June 2025

Executive board

Olga Sauer
CEO

Mark Grypdon
CEO

Board of directors

Olga Sauer

Thomas Albert Cioni

Mark Grypdon

Independent auditor's report

To the Shareholder of TeeJet Technologies Denmark ApS

Opinion

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's and the Parent 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.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of TeeJet Technologies Denmark ApS for the financial year 1 January - 31 December 2024, 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 Company, as well as consolidated statement of cash flows ("the 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.

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the Financial Statements, which states that investigations are currently underway from the Danish Business Authority in relation to registration of the Company's beneficial owners. It is the Company's management's opinion that an exemption will be received for registration of beneficial owners. If this waiver request is not obtained, there may be risks of forced dissolution of the Company. As a result, there is material uncertainty that could raise significant doubt about the Company's ability to continue its operations.

Our conclusion has not been modified in respect of this matter.

Independent auditor's report

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements 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 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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial statements, including the disclosures, and whether the Financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- 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.

Independent auditor's report

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.

Aalborg, 25 June 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Line Borregaard

State Authorised Public Accountant
mne34353

Company information

The company

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9440 Aabybro

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Company reg. no. 25 49 91 82
Financial year: 1 January - 31 December

Board of directors

Olga Sauer
Thomas Albert Cioni
Mark Grypdon

Executive board

Olga Sauer, CEO
Mark Grypdon, CEO

Auditors

PricewaterhouseCoopers
Skibsbyggerivej 5, 4. floor
9000 Aalborg

Subsidiaries

TeeJet EMEA BV, Belgium
TeeJet Technologies GmbH, Germany
TeeJet LH Agro Polska Spolka Z.o.o., Poland
TeeJet UK Ltd., England
TeeJet Agro LH Orleans, France
TeeJet South Africa, South Africa

Consolidated financial highlights

DKK in thousands.	2024	2023	2022	2021	2020
Income statement:					
Gross profit	24.110	30.593	34.005	28.744	18.036
Net financials	-4.920	-3.643	-2.438	-847	-135
Net profit or loss for the year	-20.652	-8.845	-2.188	-2.655	-15.712
Statement of financial position:					
Balance sheet total	166.091	150.422	110.339	62.835	101.200
Investments in property, plant and equipment	668	4.907	572	430	2.864
Equity	-19.306	1.178	2.416	-13.028	-10.352
Cash flows:					
Operating activities	-9.425	-1.120	-36.409	-13.446	1.556
Investing activities	-669	-4.921	-572	-430	-2.864
Financing activities	11.480	5.009	38.676	13.685	-1.509
Total cash flows	1.386	-1.031	1.695	-192	-2.818
Employees:					
Average number of full-time employees	51	53	58	53	62
Key figures in %:					
Return on asset	-8,2	-3,5	0,4	-2,1	-14,9
Solvency ratio	-11,6	0,8	2,2	-20,7	-10,2
Return on equity	-106,3	-482,9	100,3	22,7	805,3

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:

$$\text{Return on assets} = \frac{\text{Profit before financials} \times 100}{\text{Total assets at year end}}$$

$$\text{Solvency ratio} = \frac{\text{Equity less non-controlling interests, closing balance} \times 100}{\text{Total assets, closing balance}}$$

$$\text{Return on equity} = \frac{\text{*Profit} \times 100}{\text{Average equity exclusive of non-controlling interests}}$$

$$\text{*Profit} = \frac{\text{Net profit or loss for the year less non-controlling interests'}}{\text{share hereof}}$$

Description of key activities of the company

TeeJet Technologies Denmark ApS is based in Aabybro, Denmark and the main business activity in the Group is development, production and marketing of electronic components and systems for mobile equipment within the agricultural sector and acts as a non-exclusive distributor of the parent Company, Spraying Systems Co. products in Europe. TeeJet Technologies Denmark ApS manages the Group's sales subsidiaries in Germany, Belgium, France, UK, Poland and South Africa.

While TeeJet EMEA – the Belgian subsidiary – operates as the central sales entity organizing:

- Intercompany purchases
- Customer Sales
- Sales Expenses

The other subsidiaries act as non-exclusive sales agents for Group products in their respective markets.

Development in activities and financial matters

The income statement of TeeJet Technologies Denmark ApS for 2024 shows a loss of TDKK 20.597, and at 31 December 2024, the balance sheet of TeeJet Technologies Denmark ApS shows equity of TDKK -19.212.

The income statement of the Group for 2024 shows a loss of TDKK 20.652 and at 31 December 2024, the balance sheet of the Group shows equity of TDKK -19.306

The past year and follow-up on development expectations from last year

The results of the year met our expectations. Despite a significant improvement of the operating expenses, we continued to show losses due to the difficult market conditions resulting in a decrease in booked and invoiced orders.

The hesitating market, influenced by the Green Deal pacts and the ongoing situation between Russia & Ukraine, heavily impacted the agricultural sector not only in EMEA but globally. The agricultural market is in the third year of global recession.

Consequently, the volume of orders significantly reduced in 2024, leading us to right size our production capacity and decrease our expenses. Despite our efforts to adapt to these challenging conditions, we continued to show losses.

On the other hand, we had a positive impact from the received dividends from our French and UK operations, which resulted from our sales restructuring.

In 2024 we executed the next phase of our sales restructuring plan by closing the UK & Polish sales offices. Currently our employees for these territories are employed by our sister companies to reduce administration costs.

Management's review

Capital resources

The financial statements have been prepared for continued operation, as the parent company, Spraying Systems Co., has provided the necessary credit facilities. The parent company has issued a letter of support in favor of the company covering the period up to the annual general meeting in 2026.

The Company has lost the share capital. In accordance with section 119 of the Danish Companies Act, management has taken measures to reestablish the share capital.

Operating risks

Since the TeeJet DK sales are mainly organized through TeeJet EMEA, the risks related to debtors are mainly shifted to TeeJet EMEA. The main remaining operating risks are:

Inventories: due to current supply chain challenges TeeJet DK has increased the inventory of electronic components significantly

Russia & Ukraine: because of the current war between Russia & Ukraine, this traditionally very important region is under pressure.

Market risks

Agriculture Electronics & Controls is a rapidly changing market based on new & existing technologies. Research & Development and investments in new technologies and products is essential to stay ahead of the competition.

The agriculture electronics and control market are characterized by rapid changes and advancements in technology. This dynamic environment presents several market risks that need to be carefully managed. Staying on top of new developments is crucial for maintaining our position as a strategic partner for our OEM customers.

Research and development, as well as investments in new technologies and products, are essential to stay ahead of the competition. The ability to quickly adapt to technological advancements and market shifts will determine our success in this sector.

Foreign exchange risks

Currency risks mainly relate to the group's operating activity, where income and costs are in other currencies than DKK and are included as receivables for sales and trade payables. In addition, the group is exposed to currency risks on intra-group balances. The group is exposed to ZAR, GBP, USD, and EUR and this means that results, cash flows and equity are affected by changes in exchange rates.

Strategy and objectives

Strategy

The strategy adopted by TeeJet Technologies Denmark ApS in relation to the precision farming market is to primarily target OEMs, system integrators and simultaneously generate end-user demand. The product characteristics, which TeeJet Technologies Denmark ApS's research has shown to be most valued by its customers, are quality/reliability, simplicity, technical support and responsiveness, customer service, price, lead-time, personal credibility, account presence and native language skills of the salespeople.

Nowadays, the subject of sustainability also plays an increasingly important role in the agricultural machinery industry, as it is the case in almost all sectors. The term "sustainability" itself originates from the forestry sector and is thus closely associated with the agricultural machinery industry. When sustainability is demanded from agriculture, the focus is therefore on both the environment and society. Thus, the challenge is to intensify agricultural production on the existing or shrinking areas and, at the same time, cause as little environmental degradation as possible. Intelligent production methods, which have been developed in recent years and grouped under the umbrella term "precision farming", are a revolutionary step in this direction.

The Group and the Parent Company will continue to develop, manufacture and market electronic components and systems for mobile equipment and systems within the agricultural sector.

Targets and expectations for the year ahead

In 2025, we will finalize our sales restructuring project, while maintaining high levels of engineering investment to further expand and update our product portfolio. However, the sales outlook remains uncertain due to the current economic climate in the agriculture market, and we anticipate an operating loss of 8 to 11 million DKK. Despite this, it is not expected to impact the ongoing operations of TeeJet Technologies Denmark ApS.

On a positive note, the general business climate index for the agricultural machinery industry in Europe has shown signs of improvement. As of March 2025, the CEMA Barometer index has increased from -11 points to -5 points, indicating a continued recovery. However, we expect that these changes in the agriculture business climate will first have significant positive impact on TeeJet Technologies ApS business not before the Q1 2026.

Research and development activities

The company's business foundation includes delivering high-tech, customized, and reliable products. This part makes high demands on the science resources regarding employees and business processes.

To deliver these products, it is crucial that the company can recruit and retain workers with a high level of education in consulting and engineering solutions. As a measure for this, employee composition and employee turnover are important indicators. The proportion of employees with a high level of education is 33%. Employee turnover among employees with a high level of education is 0% this year.

Management's review

External environment

TeeJet is associated with regular waste collectors to ensure good sorting of plastic, electronic scrap, paper/cardboard, etc.

District heating system has been installed since autumn 2024.

We keep up to date with the environment and safety regulations in cooperation with a consultancy firm. We continuously strive to develop & manufacture our products have a minimal negative impact on the environment.

Income statement 1 January - 31 December

All amounts in DKK.

Note	Group		Parent		
	2024	2023	2024	2023	
	Gross profit	24.109.756	30.592.970	23.721.041	25.441.938
3	Staff costs	-37.877.332	-32.637.630	-29.770.358	-25.939.138
	Depreciation and impairment of property, plant, and equipment	-1.807.033	-1.199.905	-1.745.281	-1.119.229
	Other operating expenses	0	-24.186	0	0
	Operating profit	-15.574.609	-3.268.751	-7.794.598	-1.616.429
	Income from investments in group enterprises	0	0	-10.615.434	-2.974.819
4	Financial income	584.147	2.536.923	570.168	2.123.892
5	Financial expenses	-5.504.610	-6.180.179	-2.757.079	-4.595.530
	Pre-tax net profit or loss	-20.495.072	-6.912.007	-20.596.943	-7.062.886
	Tax on net profit or loss for the year	-156.473	-1.933.471	0	-1.765.223
6	Net profit or loss for the year	-20.651.545	-8.845.478	-20.596.943	-8.828.109
	Break-down of the consolidated profit or loss:				
	Shareholders in TeeJet Technologies Denmark ApS	-20.597.261	-8.828.109		
	Non-controlling interests	-54.284	-17.369		
		-20.651.545	-8.845.478		

Balance sheet at 31 December

All amounts in DKK.

Assets				
Note	Group		Parent	
	2024	2023	2024	2023
Non-current assets				
7 Land and buildings	2.708.052	1.637.397	2.708.052	1.637.397
8 Plant and machinery	3.595.980	1.910.037	3.595.980	1.910.037
9 Other fixtures, fittings, tools and equipment	1.150.693	788.433	1.112.870	711.632
10 Property, plant and equipment in progress and prepayments for property, plant and equipment	0	4.256.959	0	4.256.959
Total property, plant, and equipment	7.454.725	8.592.826	7.416.902	8.516.025
11 Investments in group enterprises	0	0	954.929	4.852.265
Total investments	0	0	954.929	4.852.265
Total non-current assets	7.454.725	8.592.826	8.371.831	13.368.290
Current assets				
Raw materials and consumables	16.096.769	19.504.727	16.096.769	19.504.727
Manufactured goods and goods for resale	18.125.642	21.314.082	18.109.722	20.904.694
Total inventories	34.222.411	40.818.809	34.206.491	40.409.421
Trade receivables	28.344.700	35.559.715	2.341.597	4.360.769
Receivables from group enterprises	89.525.737	61.002.775	90.860.830	62.235.643
12 Deferred tax assets	121.449	245.171	0	0
Other receivables	2.671.748	1.691.402	8.000	1.056.262
13 Prepayments	410.357	577.143	407.247	324.296
Total receivables	121.073.991	99.076.206	93.617.674	67.976.970
Cash and cash equivalents	3.340.024	1.934.655	1.294	3.356
Total current assets	158.636.426	141.829.670	127.825.459	108.389.747
Total assets	166.091.151	150.422.496	136.197.290	121.758.037

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities				
Note	Group		Parent	
	2024	2023	2024	2023
Equity				
Contributed capital	2.000.000	2.000.000	2.000.000	2.000.000
Reserve for foreign currency translation	-960.126	-1.127.743	0	0
Retained earnings	-20.251.586	345.676	-21.211.393	-782.067
Equity before non-controlling interest.	-19.211.712	1.217.933	-19.211.393	1.217.933
Non-controlling interests	-93.939	-39.655	0	0
Total equity	-19.305.651	1.178.278	-19.211.393	1.217.933
Provisions				
14 Other provisions	6.648.732	6.648.732	6.648.732	6.648.732
15 Provisions for investments in group enterprises	0	0	18.702.740	7.931.026
Total provisions	6.648.732	6.648.732	25.351.472	14.579.758

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities				
Note	Group		Parent	
	2024	2023	2024	2023
Liabilities other than provisions				
Bank loans	27.057	7.795	0	7.795
Trade payables	4.165.720	7.257.790	2.677.247	1.869.052
Payables to group enterprises	163.944.276	123.941.083	123.370.015	97.740.754
Income tax payable	44.036	112.278	0	0
Other payables	10.566.981	11.276.540	4.009.949	6.342.745
Total short term liabilities other than provisions	178.748.070	142.595.486	130.057.211	105.960.346
Total liabilities other than provisions	178.748.070	142.595.486	130.057.211	105.960.346
Total equity and liabilities	166.091.151	150.422.496	136.197.290	121.758.037

1 Uncertainties relating to going concern

2 Subsequent events

16 Contingencies

17 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for foreign currency translation	Retained earnings	Non-controlling interests	Total
Equity 1 January 2024	2.000.000	-1.127.743	345.676	-39.655	1.178.278
Retained earnings for the year	0	0	-20.597.262	-54.284	-20.651.546
Foreign currency translation adjustments	0	167.617	0	0	167.617
	2.000.000	-960.126	-20.251.586	-93.939	-19.305.651

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2024	2.000.000	-782.067	1.217.933
Retained earnings for the year	0	-20.596.943	-20.596.943
Exchange adjustment related to foreign entities	0	167.617	167.617
	2.000.000	-21.211.393	-19.211.393

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note	Group	
	2024	2023
Net profit or loss for the year	-20.651.545	-8.845.478
18 Adjustments	7.180.469	6.873.446
19 Change in working capital	9.191.000	6.413.558
Cash flows from operating activities before net financials	-4.280.076	4.441.526
Interest received, etc.	584.147	2.536.923
Interest paid, etc.	-5.504.612	-6.180.179
Cash flows from ordinary activities	-9.200.541	798.270
Income tax paid	-224.714	-1.917.845
Cash flows from operating activities	-9.425.255	-1.119.575
Purchase of property, plant, and equipment	-668.866	-4.920.634
Cash flows from investment activities	-668.866	-4.920.634
Cash capital increase	0	7.500.000
Other cash flows from financing activities	11.480.228	-2.490.543
Cash flows from financing activities	11.480.228	5.009.457
Change in cash and cash equivalents	1.386.107	-1.030.752
Cash and cash equivalents at 1 January 2024	1.926.860	2.957.612
Cash and cash equivalents at 31 December 2024	3.312.967	1.926.860
Cash and cash equivalents		
Cash and cash equivalents	3.340.024	1.934.655
Bank loans	-27.057	-7.795
Cash and cash equivalents at 31 December 2024	3.312.967	1.926.860

Notes

All amounts in DKK.

1. Uncertainties relating to going concern

During the financial year 2019, the Danish Business Authority initiated an investigation into the Company's registration of its beneficial owners. Management has submitted an application where they apply for an exemption from registration of beneficial owners. If this waiver request is not obtained, there may be risks of forced dissolution of the Company. As a result, there is significant uncertainty that could raise considerable doubt about the Company's ability to continue its operations.

Management has not yet received an answer to their application, but expects to receive the exemption as the Company currently does not comply with the requirements to disclose beneficial owners. Therefore, management has prepared the financial statements on a going concern basis.

The Company has a significant payable to group enterprises of tDKK 123.370 and the continued operations of the Company is dependent on continued financial support from the group enterprises.

The Company has lost the share capital. In accordance with section 119 of the Danish Companies Act, management has taken measures to reestablish the share capital.

The Company's parent Company has decided to financially support the Company in the form of a letter of financial support. The letter of financial support issued by the parent Company, Spraying Systems Co., covers the period upon to the annual general meeting in 2026. It is Management's opinion that it has ensured the necessary liquidity resources for continued operations.

2. Subsequent events

No events materially affecting the assessment of the Annual Report occurred after the balance sheet date.

Notes

All amounts in DKK.

	Group		Parent	
	2024	2023	2024	2023
3. Staff costs				
Salaries and wages	34.607.437	29.805.253	26.500.463	23.106.761
Pension costs	2.264.860	1.933.316	2.264.860	1.933.316
Other costs for social security	213.706	122.684	213.706	122.684
Other staff costs	791.329	776.377	791.329	776.377
	37.877.332	32.637.630	29.770.358	25.939.138
Executive board	1.097.249	985.895	1.025.874	985.895
Average number of employees	51	53	45	46
4. Financial income				
Other financial income	584.147	2.536.923	570.168	2.123.892
	584.147	2.536.923	570.168	2.123.892
5. Financial expenses				
Interest, group enterprises	0	0	1.019.596	1.522.176
Other financial expenses	4.500.271	5.257.378	733.144	2.150.553
Exchange differences	1.004.339	922.801	1.004.339	922.801
	5.504.610	6.180.179	2.757.079	4.595.530

Notes

All amounts in DKK.

	Group		Parent	
	2024	2023	2024	2023
6. Proposed distribution of net profit				
Reserves for net revaluation according to the equity method	0	0	0	-7.318.756
Non-controlling interests	-54.284	-17.369	0	0
Allocated from retained earnings	-20.597.262	-8.828.109	-20.596.943	-1.509.353
Total allocations and transfers	-20.651.546	-8.845.478	-20.596.943	-8.828.109
7. Land and buildings				
Cost 1 January 2024	14.508.992	14.508.992	14.508.992	14.508.992
Additions during the year	7.785	0	7.785	0
Transfers	1.286.057	0	1.286.057	0
Cost 31 December 2024	15.802.834	14.508.992	15.802.834	14.508.992
Depreciation and write-down 1 January 2024	-12.871.595	-12.703.435	-12.871.595	-12.703.435
Amortisation and depreciation for the year	-223.187	-168.160	-223.187	-168.160
Depreciation and write-down 31 December 2024	-13.094.782	-12.871.595	-13.094.782	-12.871.595
Carrying amount, 31 December 2024	2.708.052	1.637.397	2.708.052	1.637.397

Notes

All amounts in DKK.

	Group		Parent	
	31/12 2024	31/12 2023	31/12 2024	31/12 2023
8. Plant and machinery				
Cost 1 January 2024	8.828.200	8.808.850	8.828.200	8.808.850
Additions during the year	242.311	19.350	242.311	19.350
Transfers	2.543.117	0	2.543.117	0
Cost 31 December 2024	11.613.628	8.828.200	11.613.628	8.828.200
Depreciation and write-down 1 January 2024	-6.918.163	-6.189.511	-6.918.163	-6.189.511
Amortisation and depreciation for the year	-1.099.485	-728.652	-1.099.485	-728.652
Depreciation and write-down 31 December 2024	-8.017.648	-6.918.163	-8.017.648	-6.918.163
Carrying amount, 31 December 2024	3.595.980	1.910.037	3.595.980	1.910.037

Notes

All amounts in DKK.

	Group		Parent	
	31/12 2024	31/12 2023	31/12 2024	31/12 2023
9. Other fixtures, fittings, tools and equipment				
Cost 1 January 2024	3.927.763	3.502.854	2.983.123	2.352.817
Exchange adjustment	492	28.665	0	0
Additions during the year	418.770	644.325	396.062	630.306
Disposals during the year	0	-248.081	0	0
Transfers	427.786	0	427.786	0
Cost 31 December 2024	4.774.811	3.927.763	3.806.971	2.983.123
Depreciation and write-down 1 January 2024	-3.139.330	-2.996.690	-2.271.491	-2.049.075
Exchange adjustment	-427	-28.006	0	0
Amortisation and depreciation for the year	-484.361	-303.093	-422.610	-222.416
Reversal of depreciation, assets disposed of	0	188.459	0	0
Depreciation and write-down 31 December 2024	-3.624.118	-3.139.330	-2.694.101	-2.271.491
Carrying amount, 31 December 2024	1.150.693	788.433	1.112.870	711.632
10. Property, plant and equipment in progress and prepayments for property, plant and equipment				
Cost 1 January 2024	4.256.959	0	4.256.959	0
Additions during the year	0	4.256.959	0	4.256.959
Transfers	-4.256.959	0	-4.256.959	0
Cost 31 December 2024	0	4.256.959	0	4.256.959
Depreciation and write-down 1 January 2024	0	0	0	0
Carrying amount, 31 December 2024	0	4.256.959	0	4.256.959

Notes

All amounts in DKK.

	Parent	
	31/12 2024	31/12 2023
11. Investments in group enterprises		
Cost 1 January 2024	307.076	307.076
Disposals during the year	-10.914	0
Cost 31 December 2024	296.162	307.076
Writedown, opening balance 1 January 2024	-3.385.837	7.210.851
Translation at the exchange rate at the balance sheet date	147.251	107.905
Net profit or loss for the year before amortisation of goodwill	-10.615.434	-2.974.819
Dividend	-4.054.563	-7.729.774
Other movements in capital	-135.390	0
Writedown 31 December 2024	-18.043.973	-3.385.837
Transferred to provisions	18.702.740	7.931.026
Set off against debtors and provisions for liabilities	18.702.740	7.931.026
Carrying amount, 31 December 2024	954.929	4.852.265
Group enterprises:		
	Domicile	Equity interest
TeeJet EMEA BV	Belgium	99 %
TeeJet Technologies GmbH	Germany	100 %
TeeJet LH Agro Polska Spolka Z.o.o.	Poland	100 %
TeeJet UK Ltd.	England	100 %
TeeJet Agro LH Orleans	France	100 %
TeeJet South Africa	South Africa	100 %

The group enterprises of Teejet UK Ltd. and Teejet LH Agro Polska Spolka Z.o.o has been closed in the financial year 2024.

Notes

All amounts in DKK.

	Group		Parent	
	31/12 2024	31/12 2023	31/12 2024	31/12 2023
12. Deferred tax assets				
Deferred tax assets 1 January 2024	245.171	162.726	0	0
Deferred tax of the net profit or loss for the year	<u>-123.722</u>	<u>82.445</u>	<u>0</u>	<u>0</u>
	<u>121.449</u>	<u>245.171</u>	<u>0</u>	<u>0</u>

The recognised tax asset comprises tax loss carry-forwards expected to be utilised within the next three to four years. It is expected that the Group's revenue will increase and affect the gross margin.

13. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

14. Other provisions

Other provisions 1 January 2024	6.248.732	6.248.732	6.248.732	6.248.732
Warranty accruals	<u>400.000</u>	<u>400.000</u>	<u>400.000</u>	<u>400.000</u>
	<u>6.648.732</u>	<u>6.648.732</u>	<u>6.648.732</u>	<u>6.648.732</u>
Maturity is expected to be:				
1-5 years	4.565.821	4.565.821	4.565.821	4.565.821
more than 5 years	<u>2.082.911</u>	<u>2.082.911</u>	<u>2.082.911</u>	<u>2.082.911</u>
	<u>6.648.732</u>	<u>6.648.732</u>	<u>6.648.732</u>	<u>6.648.732</u>

Other provisions include amounts provisioned regarding contractual compensation. Based on Management's best estimates, contracts and realized economic conditions, other provisions of TDKK 6.249 (2023: TDKK 6.249) have been recognised

The Group provides warranties on certain products and thereby undertakes repairs or replacement of items which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of tDKK 400 (2023: tDKK 400) have been recognised for expected warranty claims.

Notes

All amounts in DKK.

		Parent	
		31/12 2024	31/12 2023
15. Provisions for investments in group enterprises			
Subsidiaries		18.702.740	7.931.026
		18.702.740	7.931.026

		Group	
		31/12 2024	31/12 2023
16. Contingencies			
Contingent liabilities			
			DKK in thousands
Rental and lease liabilities wiithin 1 year (parent)			93
Rental and lease liabilities wiithin 2-5 year (parent)			29
Total contingent liabilities			122

The subsidiary in France has a pension liability of tDKK 290 which is due after 5 years.

17. Related parties

Controlling interest

Spraying Systems Co., Wheaton, Illinois, USA

Parent company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated financial statements

The company is included in the consolidated financial statements of Spraying Systems Co., Glendale Heights, Illinois, United States.

Notes

All amounts in DKK.

	Group	
	2024	2023
18. Adjustments		
Depreciation, amortisation, and impairment	1.807.033	1.199.905
Financial income	-584.147	-2.536.923
Financial expenses	5.504.612	6.180.179
Tax on net profit or loss for the year	156.473	1.933.471
Other adjustments	296.498	96.814
	7.180.469	6.873.446
19. Change in working capital		
Change in inventories	6.596.398	-11.539.444
Change in receivables	6.401.454	11.283.811
Change in trade payables and other payables	-3.806.852	6.669.191
	9.191.000	6.413.558

Accounting policies

The annual report for TeeJet Technologies Denmark ApS 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.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

The consolidated financial statements

The consolidated income statements comprise the parent company TeeJet Technologies Denmark ApS and those group enterprises of which TeeJet Technologies Denmark ApS 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 minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Accounting policies

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

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.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

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, as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

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.

Accounting policies

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.

Results from investments in group enterprises

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.

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

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

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
Buildings	20 years
Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-7 years

Accounting policies

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.

Property, plant, and equipment in progress

Property, plant, and equipment in progress are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Leases

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

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.

Investments

Investments in group enterprises

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.

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.

Accounting policies

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 a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

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.

Other fixed asset investments

Other fixed asset investments consist of deposit related to rent for the Parent Company.

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 according to the FIFO method. In cases when the net realisable value of the inventories 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.

Accounting policies

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.

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 net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The Reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

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.

Accounting policies

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

Other provisions comprise amounts provisioned regarding contractual compensation and expected costs of warranty commitments.

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.

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.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Accounting policies

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

Statement of cash flows

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

A cash flow statement for the parent has not been prepared as the cash flows of the enterprise are included in the consolidated cash flow statement, cf. section 86, subsection 4, of the Danish Financial Statements Act.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

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, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Overdraft facilities". The cash flow statement cannot be immediately derived from the published financial records.