

CTS Denmark A/S

Porthusvej 4, 3490 Kvistgård
CVR-nr. 25 95 49 71

Annual Report 2024

1 January - 31 December

The Annual Report has been presented and adopted at the
Company's Annual General Meeting on 31 July 2025

Peter Kim Ketelsen

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Company Details

Company	CTS Denmark A/S
	Porthusvej 4
	3490 Kvistgård
	CVR No.: 25 95 49 71
	Established: 15 March 2001
	Municipality: Helsingør
	Financial Year: 1 January - 31 December
Board of Directors	Pratik Harendra Trivedi
	Deanna Rene Kunze, chairman
	Jeffrey Charles Gulbranson
Executive Board	Pratik Harendra Trivedi
Auditor	BDO Statsautoriseret revisionsaktieselskab
	Havneholmen 29
	1561 Copenhagen V

Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of CTS Denmark A/S for the financial year 1 January - 31 December 2024.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Kvistgård, 31 July 2025

Executive Board

Pratik Harendra Trivedi

Board of Directors

Pratik Harendra Trivedi

Deanna Rene Kunze
Chairman

Jeffrey Charles Gulbranson

Independent Auditor's Report

To the Shareholder of CTS Denmark A/S

Opinion

We have audited the Financial Statements of CTS Denmark A/S for the financial year 1 January - 31 December 2024, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2024 and of the results of the Company's operations 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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the 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 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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.

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.

Independent Auditor's Report

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 31 July 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Per Frost Jensen
State Authorised Public Accountant
MNE no. mne27740

Ferass Hamade
State Authorised Public Accountant
MNE no. mne35441

Financial Highlights

	2024 DKK '000	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000
Income statement					
Gross profit/loss	134.464	113.490	115.229	93.426	89.468
Operating profit/loss of main activities	61.114	37.291	37.548	27.811	22.186
Financial income and expenses, net	1.564	-265	1.607	-539	-1.393
Profit/loss for the year	48.873	28.844	30.156	21.382	16.280
Balance sheet					
Total assets	145.497	94.371	106.484	109.199	134.219
Equity	109.815	67.588	83.644	87.604	83.497
Investment in property, plant and equipment	-5.183	-6.962	-2.183	-253	-4.352
Average number of full-time employees	101	101	99	91	105
Key ratios					
Equity ratio	75,5	71,6	78,6	80,2	62,2
Return on equity	55,1	38,1	35,2	25,0	21,9

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio:
$$\frac{\text{Equity, at year-end} \times 100}{\text{Total assets, at year-end}}$$

Return on equity:
$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

Management Commentary

Principal activities

The objectives of the Company is to develop, produce and sell piezoceramic components along with other related activities to our customers.

Development in activities and financial and economic position

Effective 1 January 2024, CTS Holding Denmark A/S (formerly CTS Ceramics Denmark A/S) transferred its operational business activities within development, production, and sales of piezoceramics components to its subsidiary, CTS Denmark A/S, pursuant to part 15 of the Danish Companies Act (the “Demerger”).

The income statement of the Company for 2024 shows a profit of DKK 48,872,890, and at 31 December 2024 the balance sheet of the Company shows equity of DKK 109,815,367.

Profit/loss for the year compared to the expected development

During 2024, the Company managed to maintain its operating earnings despite a slight decline in gross profit which was driven predominantly by operating inefficiencies.

The profit expectation for 2024 was for an increase in net profit between 2 –4 m DKK as compared to 2023, based on further general growth in the Company's end markets as well as continued focus on managing costs and anticipated synergies from affiliated companies and increased investments in strategic investments.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

Foreign exchange risk

The Company is exposed to both translation and transaction risk due to changes in foreign exchange rates. These risks principally relate to the US dollar/DKK rate, although exposure also exists in relation to other currency pairs.

Transaction risk arises where revenues and/or costs of the Company are denominated in a currency other than DKK. The Company's policy is currently not to formally hedge transaction currency exposures, though exposure is constantly monitored and attempted hedged naturally.

Research and development activities

Development activities primarily consist of development of specially designed products to meet our customers' needs.

Future expectations

The Company's outlook for the future continues to be affected by the conflict in Ukraine and Middle east, the measures imposed by governments as well as any derivative effects from the conflict, including, but not limited to, cost inflation and volatility.

The Company is monitoring the risks associated with these conflicts and is proactively implementing mitigation efforts to minimize any negative impacts to its financial results.

Management expectations are for an increase in net profit between 4 to 6 mDKK for the coming year as compared to 2024. This is based on continued general growth in the Company's end markets as well as continued focus on managing costs, further expected synergies with its affiliated companies, and continued investments in strategic initiatives.

Despite the uncertainty, it is Management's belief that the Company remain in position to mitigate any known negative consequences arising from global conflicts in comparison to the above expectations.

Management Commentary

External environment

The company has a developed strategy for handling environmental aspects as well as environmental politics and associated goals.

The company is ISO certified.

Management Commentary

Intellectual capital resources

Production and delivery of special products constitutes part of the company's business model. This leads to high dependence on knowledge resources regarding employees, development, and business processes.

In order to be able to deliver these products, it is essential that the company can recruit and retain employees with a high level of education and as well as employees with a technical background.

The company has implemented procedures and objectives to support this.

Income Statement 1 January - 31 December

	Note	2024 DKK	2023 DKK
Gross profit		134.463.534	113.489.637
Staff costs	1	-67.597.769	-66.276.805
Operating profit/loss before depreciation and amortisation (EBITDA)		66.865.765	47.212.832
Depreciation, amortisation and impairment losses		-5.751.989	-9.922.323
Operating profit		61.113.776	37.290.509
Other financial income	2	2.773.064	4.122.618
Other financial expenses	3	-1.208.644	-4.387.425
Profit before tax		62.678.196	37.025.702
Tax on profit/loss for the year	4	-13.805.306	-8.181.405
Profit for the year	5	48.872.890	28.844.297

Balance Sheet at 31 December

Assets

	Note	2024 DKK	2023 DKK
Software		589.728	1.377.129
Intangible assets	6	589.728	1.377.129
Other plant, machinery tools and equipment		15.212.679	16.355.680
Leasehold improvements		2.822.739	2.976.876
Tangible fixed assets in progress and prepayments for tangible fixed assets		1.743.784	0
Property, plant and equipment	7	19.779.202	19.332.556
Rent deposit and other receivables		1.124.338	1.124.338
Financial non-current assets	8	1.124.338	1.124.338
Non-current assets		21.493.268	21.834.023
Raw materials and consumables		3.701.711	3.170.189
Work in progress		21.229.859	19.159.777
Finished goods and goods for resale		6.344.116	6.254.534
Inventories		31.275.686	28.584.500
Trade receivables		50.807.861	23.014.669
Receivables from group enterprises		12.422.248	3.549.741
Other receivables		1.595.577	1.592.758
Prepayments	9	1.449.010	2.622.555
Receivables		66.274.696	30.779.723
Cash and cash equivalents		26.453.002	13.172.682
Current assets		124.003.384	72.536.905
Assets		145.496.652	94.370.928

Balance Sheet at 31 December

Equity and liabilities

	Note	2024 DKK	2023 DKK
Share capital	10	26.501.000	26.500.000
Retained earnings		48.314.367	27.087.980
Proposed dividend		35.000.000	14.000.000
Equity		109.815.367	67.587.980
Provision for deferred tax	11	4.835.073	4.047.411
Other provisions	12	65.000	65.000
Provisions		4.900.073	4.112.411
Prepayments from customers		1.010.307	320.930
Trade payables		8.354.447	4.394.973
Debt to Group companies		1.630.398	1.889.508
Corporation tax payable		13.017.644	8.811.274
Other liabilities		6.768.416	7.253.852
Current liabilities		30.781.212	22.670.537
Liabilities		30.781.212	22.670.537
Equity and liabilities		145.496.652	94.370.928
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Equity

DKK	Share capital	Share Premium	Retained earnings	Proposed dividend	Total
Equity at 1 January 2024	26.500.000	0	27.087.980	14.000.000	67.587.980
Proposed profit allocation, see note 5			13.872.890	35.000.000	48.872.890
Transactions with owners					
Dividend paid				-14.000.000	-14.000.000
Additions/disposals relating to equity by mergers and acquisitions	1.000	7.353.497			7.354.497
Transfers					
Allowed equalization		-7.353.497	7.353.497		0
Equity at 31 December 2024	26.501.000	0	48.314.367	35.000.000	109.815.367

In the financial year, 1 new shares were subscribed with a nominal value of 1.000 DKK.

Notes

	2024 DKK	2023 DKK
1 Staff costs		
Average number of full time employees	101	101
Wages and salaries	61.760.592	59.914.225
Pensions	5.520.736	5.316.879
Social security costs	240.834	1.045.701
Other staff costs	75.607	0
	67.597.769	66.276.805
Remuneration to the Executive Board has not been disclosed in accordance with section 98 8(3) of the Danish Financial Statements Act.		
2 Other financial income		
Other interest income	2.773.064	4.122.618
	2.773.064	4.122.618
3 Other financial expenses		
Other interest expenses	1.208.644	4.387.425
	1.208.644	4.387.425
4 Tax on profit/loss for the year		
Calculated tax on taxable income of the year	13.017.644	8.811.274
Adjustment of deferred tax	787.662	-629.869
	13.805.306	8.181.405
5 Proposed distribution of profit		
Proposed dividend for the year	35.000.000	14.000.000
Extraordinary dividend	0	17.500.000
Retained earnings	13.872.890	-2.655.703
	48.872.890	28.844.297

Notes

6 | Intangible assets

DKK	Intangible fixed assets acquired
Cost at 1 January 2024	4.416.006
Cost at 31 December 2024	4.416.006
Amortisation at 1 January 2024	3.038.877
Amortisation for the year	787.401
Amortisation at 31 December 2024	3.826.278
Carrying amount at 31 December 2024	589.728

7 | Property, plant and equipment

DKK	Other plant, machinery tools and equipment	Leasehold improvements	Tangible fixed assets in progress and prepayments for tangible fixed assets
Cost at 1 January 2024	74.340.827	40.179.236	0
Additions	3.154.096	284.873	1.743.784
Addition from mergers and acquisition of Company	10.254.571	0	0
Disposals	-6.796.216	-2.353.467	0
Disposals from demergers and sale of company	-3.473.260	0	0
Cost at 31 December 2024	77.480.018	38.110.642	1.743.784
Depreciation and impairment losses at 1 January 2024	57.985.148	37.202.360	0
Reversal of depreciation of assets disposed of	-10.164.667	-2.353.467	
Depreciation for the year	4.420.769	439.010	
Amortisation and impairment from mergers and acquisitions	10.026.089	0	
Depreciation and impairment losses at 31 December 2024	62.267.339	35.287.903	0
Carrying amount at 31 December 2024	15.212.679	2.822.739	1.743.784

8 | Financial non-current assets

DKK	Rent deposit and other receivables
Cost at 1 January 2024	1.124.338
Cost at 31 December 2024	1.124.338
Carrying amount at 31 December 2024	1.124.338

Notes

	2024 DKK	2023 DKK
9 Prepayments		
Other prepayments	1.449.010	2.622.555
	1.449.010	2.622.555

10 | Share capital

Allocation of Share capital:

Share capital, 26.500 unit in the denomination of 1.000 DKK	26.500.000	26.500.000
Share capital, 1 unit in the denomination of 1.000 DKK	1.000	0
	26.501.000	26.500.000

11 | Provision for deferred tax

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

Deferred tax, beginning of year	4.047.411	4.677.280
Deferred tax of the year, income statement	787.662	-629.869
Provision for deferred tax 31 December 2024	4.835.073	4.047.411

12 | Other provisions

Within 1 year	65.000	65.000
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The Company provides warranties of 1 to 5 years on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, general provisions of kDKK (2023: kDKK 65) have been recognized for expected warranty claims. No warranty provision has been booked to cover the expected cost to replacements under warranty for specific ongoing warranty claims.

Notes

13 | Contingencies etc.

Contingent liabilities

	2024 DKK	2023 DKK
Lease liabilities (operating leases), the payment is due:		
Within 1 year	0	104.589
	0	104.589
Rental commitments, the remaining non-cancellable period being:		
Within 1 year	1.319.706	1.319.705
	1.319.706	1.319.705

Joint liabilities

The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of CTS Denmark Holding A/S, which serves as management Company for the joint taxation.

14 | Related parties

The Company's related parties include CTS Denmark Holding A/S and its affiliates.

Controlling interest

The company's related parties also include the Board of Directors and the Executive Board, as well as the related family members of these persons. Related parties also include companies in which the aforementioned group of persons has significant interests.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

15 | Consolidated Financial Statements

The Company is included in the Group Annual Report of CTS Corporation, USA

The Group Annual Report may be obtained at the following address:
www.ctscorp.com

Accounting Policies

The Annual Report of CTS Denmark A/S for 2024 has been presented in accordance with the provisions of the Danish medium-size Financial Statements Act for enterprises in reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Income Statement

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

Balance Sheet

Software and Property, plant and equipment

Software and Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

Accounting Policies

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Production buildings	50 years	
Software	3-5 years	
Other plant, fixtures and equipment	3-20 years	
Leasehold improvements	3-5 years	

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible fixed and property, plant and equipment together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Accounting Policies

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

The amortised cost of current liabilities corresponds usually to the nominal value.

Cash Flow Statement

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.