2023 ANNUAL REPORT

GLUNZ & JENSEN | developing more

Glunz & Jensen Holding A/S; Selandia Park 1, 4100 Ringsted, Denmark
CVR 10239680

GLUNZ & JENSEN

Glunz & Jensen is a supplier of innovative, high-quality plate making equipment and solutions for the global prepress industry. In addition to developing and producing processing equipment for Offset and Flexo printing technologies, we also offer premier customer support as well as a full range of spare parts, wear parts and consumable products. Our diverse product portfolio includes inkjet imaging systems, exposure units, wash out units (processors), dryers, light finishers, full-automatic platemaking (inline) systems, mounting tables, plate stackers & turners.

Our R&D, supply chain, production, testing, and training facilities are in Presov, Slovakia, and our products are based on application know-how and own developed technology. In addition, we have an R&D and test facility in Odense, Denmark, working on unique applications and technology for our single largest customer.

Glunz & Jensen has been operating in prepress for more than 50 years. We have long-standing relations with major industry leading companies such as Asahi, DuPont, ECO3, Fuji Film, Heidelberg, KBA, Kodak, MacDermid, Miraclon, TechNova and more. We market our products and solutions globally through a well-established, comprehensive, and worldwide network of distributors and dealers. We have approx. 114 employees in our facilities in Denmark, Slovakia and the USA.

We are on the path to be the most innovative high-end equipment and services provider, delivering outstanding value for money in our product areas, and thereby growing our market share with our global partners. We are also set to strengthen our earnings through improved trade profitability and optimized manufacturing including within procurement and supply chain.

The segment Prepress consists of two product areas described below:

	OFFSET	**FLEXO**
Products	CtP and iCtP technology solutions which prepare Offset plates for Offset printing together with aftermarket services.	Flexographic (Thermal and Solvent) technology solutions which expose, process and handle plates for Flexo printing together with aftermarket services.
Primary applications	Commercial printing – production of newspapers, magazines, books, flyers, business cards, stationary etc.	Labels & Packaging industry
Share of revenue	Approx. 52% of Prepress	Approx. 48% of Prepress
Main sales channels	Through large customers such as Fuji Film, Kodak, Heidelberg, Technova, and multiple large dealers	Through large customers such as DuPont, KBA, MacDermid, Miraclon, and multiple large dealers
Markets	Global	Global
Main market drivers	Maintain a high-end suite of innovative products and solutions in close cooperation with key customers as well as ongoing consolidation to maintain critical mass. Limited brand-new sites but an abundance of replacement sales to existing accounts as well as competitive accounts capturing. In the past the addressable market has witnessed significant consolidation as well as migration towards process-less plate technologies as well as print output via digital technology solutions.	Improve technological solutions and automation of prepress production processes in close cooperation with customers. There will be focus on developing environmentally friendly solutions which improves performance, through longer lifetime, higher efficiencies, and lower emissions impact and energy consumption. Key technology convergence from Gravure and Offset in packaging in particular onto Flexo technology drives expectation for growth in years ahead.

Besides the main segment **Prepress** Glunz & Jensen reports and operates within the segment **investment property, Selandia Park**.

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The consolidated financial statements are presented in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements in the Danish Financial Statements Act. The registered office of Glunz & Jensen Holding A/S is in Denmark. References to the future in the annual report reflect Management's current expectations as to future events and financial results. References to the future are associated with uncertainty, and the results achieved may therefore deviate from the expectations stated in the annual report. Circumstances which may imply that results achieved differ from expectations are, e.g., developments in the business cycle and financial markets, including economic developments in the world, wars, pandemics, changes in laws and regulations affecting Glunz and Jensen Holding A/S' business areas and markets, trends in demand for products, competitive and supplier relationships, and energy and commodity prices. See also the sections on risk factors in the annual report.

HEADLINES FOR 2023

- The accounting period in 2023 is from January 1st to December 31st, hence covering a 12-month period. The accounting period in 2022 is from April 1st to December 31st, hence covering a 9-month period only. Unless otherwise stated, all references to 2022 cover a 9-month period, whereas all references to other years are based on periods consisting of a 12-month period. The reader should be cautious in comparing 2022 to 2023 or to previous years.

- Revenue in Glunz & Jensen Holding A/S came to DKK 143,3 million in 2023 vs. DKK 103,4 million in 2022. Revenue in Selandia Park increased from DKK 9,7 million in 2022 to DKK 11,2 million in 2023. Revenue is in line with our expectations announced to the market on November 21st, 2023, as revenue then was guided at approximately DKK 145 million.

- Gross profit totaled DKK 31,9 million (2022: DKK 27,5 million), and the gross profit margin decreased to 22,2% (2022: 26,6%).

- Profit before financial income and expenses, tax, depreciation, amortization, and impairment of assets, – the EBITDA, was DKK 10,8 million (2022: DKK 18,2 million). The EBITDA is in line with our expectations announced to the market on November 21st, 2023, as it was then guided at approximately DKK 11 million.

- As a result of sharply increased interest rates, financing costs increased with DKK 2,8 million during 2023.

- Profit for the year before tax totaled DKK 3,5 million (2022: DKK 15,3 million). This is in line with the expectations announced to the market on November 21st, 2023, as profit for the year before tax was then expected at approximately DKK 5 million. The profit for the year before tax is not considered satisfactory.

- Profit for the year totaled DKK 2,9 million (2022: DKK 12,0 million), equal to a profit in earnings per share (EPS) of DKK 1,6 in 2023 (2022: DKK 6,6 per share).

- Net cash flows from operating activities came at DKK 13,9 million (2022: DKK -9,3 million), net investments were DKK -0,7 million (2022: DKK -1,4 million), and cash flow from financing activities were DKK 13,0 million (2022: DKK -10,6 million). Free cash flows at year-end were DKK 13,3 million (2022: DKK -10,7 million).

- The Board of Directors recommends not to distribute dividend for 2023.

GLUNZ & JENSEN HOLDING A/S LOCATIONS

Glunz & Jensen Prepress currently has 4 locations:

Ringsted, Denmark including headquarter, administration, finance, sales and service. In addition, there is a branch office in Odense, Denmark hosting Thermal R&D.

Presov, Slovakia including administration, finance, R&D, internal sales, supply chain, Offset and Flexo manufacturing and global spare parts center.

Inman, SC, USA including service and regional spare parts center.

The investment properties in Selandia Park A/S are in Ringsted, Denmark.

FINANCIAL HIGHLIGHTS

In millions, except per share data	DKK 12 months 2019/20	DKK 12 months 2020/21	DKK 12 months 2021/22	DKK 9 months 2022	DKK 12 months 2023	EUR 12 months 2023[1)]
Key figures						
Income statement						
Revenue	195,6	136,9	147,0	103,4	143,3	19,2
Gross profit	35,3	28,4	39,1	27,5	31,9	4,1
Operating profit/(loss)	(17,8)	4,7	17,8	17,0	8,6	1,2
Net financials	(3,1)	(3,9)	(3,1)	(1,8)	(4,9)	(0,7)
Profit/(loss) before tax	(20,8)	0,9	14,6	15,3	3,5	0,5
Profit/(loss) for the year	(18,4)	0,9	12,1	12,0	2,9	0,4
Profit/(loss) before financial income and expenses, tax, depreciation, amortization, and impairment of assets (EBITDA)	1,7	19,6	23,9	18,2	10,8	1,5
Balance sheet						
Assets						
Completed development projects	5,6	0,2	-	-	-	-
Other non-current assets	166,3	154,7	152,7	157,7	154,1	20,7
Current assets	75,3	57,4	67,5	82,8	64,2	8,6
Total assets	247,2	212,3	220,2	240,5	218,3	29,3
Liabilities						
Share capital	73,6	73,9	86,3	98,4	101,2	13,6
Non-current liabilities	88,9	76,5	70,1	65,9	72,1	9,6
Current liabilities	84,7	61,9	63,8	76,2	45,0	6,1
Total Equity and liabilities	247,2	212,3	220,2	240,5	218,3	29,3
Cash flows						
Cash flows from operating activities	(2,1)	15,6	23,2	(9,3)	13,9	1,8
Cash flows from investing activities[2)]	(7,4)	0,2	(4,1)	(1,4)	(0,6)	(0,1)
Free cash flow	(9,5)	15,8	19,1	(10,7)	13,3	(1,7)
Cash flows from financing activities	9,3	(16,4)	(18,9)	10,6	(13,0)	(1,7)
Change in cash and cash equivalents for the year	(0,2)	(0,6)	0,2	(0,1)	0,3	0,0
[2)] including investments in property, plant and equipment and investment properties	(7,4)	(0,3)	(4,1)	(1,4)	(0,8)	(0,1)
Financial ratios in %						
Operating margin	(9,1)	3,5	11,7	16,5	6,0	6,0
EBITDA margin	0,9	14,3	16,3	17,6	7,5	7,5
Return on assets	(7,3)	2,1	8,0	7,4	3,8	3,8
Return on equity (ROE)	(22,9)	1,2	15,1	13,0	2,9	2,9
Solvency ratio	29,8	34,8	39,2	40,9	46,4	46,4
Other information						
Credit institutions net interest-bearing debt	97,5	86,5	71,1	83,9	73,4	9,8
Interest coverage	(12,4)	1,7	6,9	9,3	2,0	2,0
Earnings per share (EPS)	(10,1)	0,5	6,7	6,6	1,6	0,2
Diluted earnings per share (EPS-D)	(10,1)	0,5	6,7	6,6	1,6	0,2
Cash flow per share (CFPS)	(1,1)	8,6	12,7	(5,1)	7,7	1,0
Book value per share (BVPS)	40,4	40,6	47,4	54,1	55,6	7,5
Share price (KI)	55	65	78	75	72	9,6
Average number of shares outstanding (in thousands)	1.821	1.821	1.821	1.821	1.821	1.821
Dividend per share	0,0	0,0	0,0	0,0	0,0	0,0
Average number of employees	158	119	101	108	113	113

The accounting period in 2022 is from April 1st to December 31st hence covering a 9-month period only.
For definitions of financial ratios, see page 64.

[1)] The DKK/EUR exchange rate applied is 745.

BUSINESS AND FINANCIAL REVIEW

Strategy/Turnaround

Following the decline in gross profit margins over the previous year, a short-term plan (referred to as the Plan 2023/24) was developed during 2023 covering a 1½-year period. This plan – among others - included further operational consolidation, additional focus on purchase of parts and materials, additional focus on new markets, an updated go-to-market approach, new product launches, and organizational adjustments.

Plan 2023/24 initiated by mid-2023 will improve the annual EBITDA by approximately DKK 7,0 million and improve the annual profit before tax by approximately DKK 5,0 million.

Main events in 2023:

- Higher prices due to inflation on i.e., mechanical parts, electronic components, electricity, and gas. The subsequent sales price increases were not implemented fast enough to fully cover the cost within 2023.
- The inflation in Denmark came to 3,3% Y-O-Y in 2023, whereas it remained relatively high in Slovakia at 10,8% Y-O-Y in 2023.
- A significant increase in cost of capital as the short-term interest rates soared from approximately 3% to approximately 7% within 1-1½ year.
- The supply of especially electronic components improved during Q3, 2023.
- We handed back the rented facility in Nyborg to the owner earlier against a one-off payment. This impacts 2023 negatively by DKK 0,5 million but will improve our financial results in 2024 and 2025.
- Our strong focus on improving the balance sheet/working capital was successful. Inventories were reduced from DKK 56,8 million to DKK 43,0 million – a reduction of 24%. This included an inventory write down of DKK 4,2 million.
- Our bank loans were restructured to allow for a higher element of fixed-interest loans. And our solvency ratio improved.
- Our investment property, Selandia Park, saw important changes during 2023. This included a new tenant for a substantial part of the building complex as well as extended rental agreements. As a result, the outlook for 2024 onwards has improved.

Offset market

Glunz & Jensen’s sales to the Offset market increased by 45,2% in 2023 compared to 2022. The market has seen a slow decline over a long period due to changes in consumer behavior driving less need for commercial print as well as a shift from traditional to digital print production. Our sales of offset products in 2023 represents organic growth of 5% (based on a 12-month period), which exceeded our expectations.

Flexo market

While competition in the Flexo market remained fierce in 2023 we saw sales increasing by 8,3% compared to calendar year 2022.

Glunz & Jensen estimates that the global market volume continues to grow at 1-3% annually and remains confident that we maintain momentum in this segment due to our professional network of partners as well as significant value offering.

Focused development activity

Glunz & Jensen's strategic focus in recent years has been to meet customer demands through the development of new and competitive products, both in Offset and in Flexo. We develop machines both for our own brand and act as a trusted development partner for some of the world’s largest plate manufacturers.

Selandia Park A/S

Selandia Park A/S' business objective is to invest in and operate a property portfolio. Rental income in Selandia Park A/S increased to DKK 11,2 million (2022: DKK 9,7 million), excluding rental income from Glunz & Jensen A/S. Approximately 8% of the property complex was idle by the end of 2023.

One tenant vacated Selandia Park by July 2023 after the expiration of the 10-year rental contract agreement. The tenant had occupied a rental area equal to approximately 25,4% of the total square meters at Selandia Park. Approximately 13,9% of the vacant area was leased to a new tenant by August 2023 and the remaining 11,5% was leased to another new tenant by November 2023. The portfolio of rental contracts is currently set to expire from 2026 at the earliest and to 2033 at the latest. Selandia Park A/S contributed DKK 6,0 million to profit before tax. The fair value of the investment properties amounts to DKK 146,5 million by December 31st, 2023 (2022: DKK 146,5 million). The value was positively impacted compared to 2022 due to increased rental income but also negatively impacted by higher market expectations on return on investments compared to 2022 as the cost of financing has increased during the past year.

OPTIMIZATION OF THE VALUE CHAIN

Glunz & Jensen's strategy is based on the following key themes:

1. Leading the market for Offset prepress equipment

Offset is one of Glunz & Jensen's cornerstone business areas with iCtP solutions and CtP processors as main products. These develop and prepare aluminum Offset plates for commercial printing applications such as newspapers, inserts, magazines, books, information, promotional material, and a variety of other printed medias.

Our aim is to further strengthen our position as market leader on the global Offset market by consolidating our variety offering and through continuing to invest in R&D and deliver cutting-edge quality products with low energy consumption and reduced environmental impact at competitive prices. Further we will increase our footprint in regions which are still showing notable progress for Offset products, mainly APAC and North America.

2. Developing a leading position in the Flexo market through customer satisfaction and the development and launch of cost-efficient products

Glunz & Jensen is one of the largest providers of Flexo equipment globally. In addition, we act as a valued development and manufacturing partner for some of the largest plate manufacturers. The Flexo market – which mainly serves the labels and packaging industry - develops at an estimated annual growth rate of 1-3%, driven by underlying growth in packaging, changing demographics, and shares gained from other printing technologies. We expect to continue to gain market share in this segment going forward.

3. Growing the after sale-market

Glunz & Jensen's after sale-market business includes sales of spare parts, consumables for iCtP products, installation, repair, preventive maintenance of hardware and software. In addition to enhanced profitability, these activities strengthen our relationship with customers and provide valuable feedback and dialogue with the end-users.

Early in 2024 we will launch a new training academy at our plant in Presov, Slovakia with the objective here to continue to build technology understanding and skills with our partners and their customers.

We strive to increase the after sale-market business by streamlining our supply chain to serve customers faster and continue to offer high-quality OEM parts to keep our equipment running smoothly.

4. Improving profitability

During the last years, a significant number of steps have been taken to further improve the profitability of Glunz & Jensen. These include reduction of product range (overlapping products), transfer of functions from Glunz & Jensen A/S, Denmark to Glunz & Jensen s.r.o., Slovakia and discontinuation of loss-making parts of our business and product portfolio plus a stringent focus on cost throughout the value chain.

These significant steps combined with great effort by our staff have resulted in a significantly improved profitability, despite the shortages of parts and electronic components and higher-than-normal inflation.

OUTLOOK

For the fiscal year 2024, the Group revenue is expected to come in at approximately DKK 148 million, while operating profit (EBITDA) is expected at approximately DKK 18 million. The profit before tax is expected at approximately DKK 10 million.

Management underlines that the outlook for the fiscal year 2024 is associated with some uncertainty as the Company may be impacted by wars, inflation, challenges on the supply side of parts and other events.

It is the Group's intention to use the free cash flow to the greatest possible benefit of its shareholders. This includes investment in business development and technology as well as reduction of debt.

BUSINESS MODEL

Glunz & Jensen is a supplier of innovative, high-quality plate making equipment and solutions for the global prepress industry. In addition to developing and producing processing equipment for Offset and Flexo printing technologies, we also offer premier customer support as well as a full range of spare parts, wear parts and consumable products. Our diverse product portfolio includes inkjet imaging systems, exposure units, wash out units (processors), dryers, light finishers, full-automatic platemaking (inline) systems, mounting tables, plate stackers & turners.

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We are on the path to be the most innovative high-end equipment and services provider, delivering outstanding value for money in our product areas, and thereby growing our market share with our global partners. We are also set to strengthen our earnings through improved trade profitability and optimized manufacturing including within procurement and supply chain.

FINANCIAL STATEMENTS

The Group

Income statement

Important note: All references to 2022 are based on the period April 1st – December 31st, 2022, equal to 9 months. All other fiscal years consist of the periods equal to 12 months.

Group revenue

The Group's revenue totaled DKK 143,3 million in 2023 (2022: DKK 103,4 million).

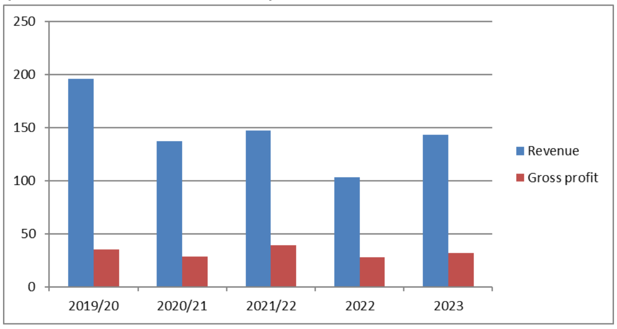


Figure 1: Revenue (million DKK), fiscal years, note 2022 at only 9 months.

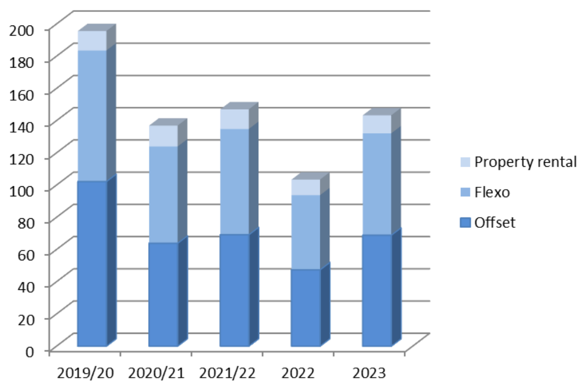


Figure 2: Revenue (million DKK) by product, fiscal years, note 2022 at only 9 months.

Ongoing products and solutions development

Glunz & Jensen is close to having completed a major project in Thermal Flexo, for our single most important customer. Final testing in labs as well as at customer sites nears their completion before commercial release of mentioned product, targeted in Q2, 2024.

Ongoing optimization updating to today's technology platform of our existing product mix including new user controls for Flex-Dry and Flex-Finish will see light of day in Q1. Similarly, for our main offset range of processors we have replaced legacy user control units and software with a friendlier and current technology Android based tablet platform, that will allow for remote operation too. All steps to assure the ongoing respect and appreciation of premier end consumer value in our services offering.

Selandia Park

Selandia Park A/S' business objective is to invest in and operate a property portfolio. Rental income in Selandia Park A/S increased to DKK 11,2 million (2022: DKK 9,7 million), excluding rental income from Glunz & Jensen A/S. Approximately 8% of the property complex was idle by the end of 2023.

One tenant vacated Selandia Park by July 2023 after the expiration of the 10-year rental contract agreement. The tenant had occupied a rental area equal to approximately 25,4% of the total square meters at Selandia Park. Approximately 13,9% percentage points of the vacant area was leased to a new tenant by August 2023 and the remaining 11,5% percentage points was leased to another new tenant by November 2023. The portfolio of rental contracts is currently set to expire from 2026 at the earliest and to 2033 at the latest. Selandia Park A/S contributed DKK 6,0 million to profit before tax. The fair value of the investment properties amounts to DKK 146,5 million by December 31st, 2023 (2022: DKK 146,5 million). The value was positively impacted compared to 2022 due to increased rental income but also negatively impacted by higher market expectations on return on investments compared to 2022 as the cost of financing has increased during the past year.

Gross profit

Gross profit for 2023 totaled DKK 31,9 million (2022: DKK 27,5 million), corresponding to a decrease in gross profit margin to 22,2% (2022: 26,6%).

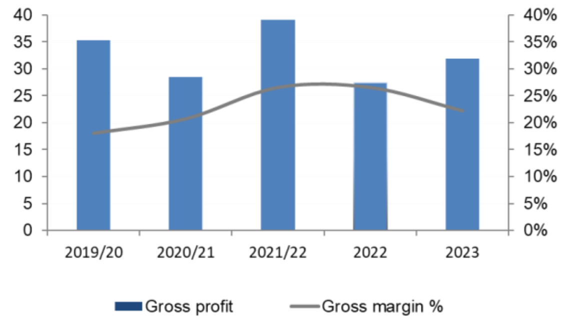


Figure 3: Gross profit and gross profit margin for the fiscal years.

EBITDA

Profit before interest, tax, and depreciation and amortization (EBITDA) totaled DKK 10,8 million, (2022: DKK 18,2 million) corresponding to an EBITDA margin of 7,5% (2022: 17,6%).

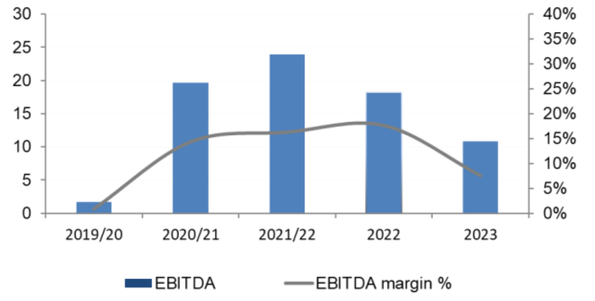


Figure 4: EBITDA/EBITDA margin, all shown in fiscal years. Note 2022 is only 9 months.

Profit before tax under influence from higher cost prices

The 2023 was impacted by higher cost prices due to inflation and the price increases were not fully covered by increases in sales prices.

The inflation in Denmark came to 3,3% Y-O-Y in 2023, whereas it remained relatively high in Slovakia at 10,8% Y-O-Y in 2023.

The Group also experienced significant increase in cost of capital as the short-term interest rates soared from approximately 3% to approximately 7% within 1 year.

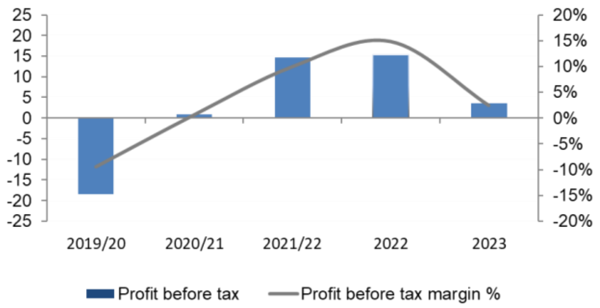


Figure 5: Profit before tax/profit before tax margin, all shown in fiscal years. Note 2022 is only 9 months.

EBITDA and profit before tax are the key KPI's for the Board of Directors and management in assessing the progress made in the turnaround plan. Management has adjusted the sales prices and optimized the organizational footprint and expects to achieve an EBITDA margin approximately at 12% and a profit before tax margin of approx. 7% in the fiscal year 2024.

2022 was the first year of normalized operations in Glunz & Jensen's manufacturing plant in in Presov, Slovakia following the transfer of activities from Nyborg, Denmark. As result of the transfer, part of the leased properties in Nyborg were vacated at the beginning of the calendar year 2022. The leased property was returned to the lessor on January 1st, 2024, which resulted in an impairment of leased properties of DKK 0,5 million (2022: DKK 0,0 million).

The number of staff by the end of 2023 was 114 (2022: 108).

Operating profit for the financial year 2023 represents a profit of DKK 8,6 million against a profit of DKK 17,0 million in 2022.

The Group's net financial expenses in 2023 totaled DKK 4,9 million (2022: DKK 1,8 million).

Financial income in 2023 amounted to DKK 0,6 million against DKK 0,7 million in 2022. The income was positively impacted by subleasing interest of DKK 0,5 million. (2022: DKK 0,4). Financial expenses amounted to DKK 5,5 million against DKK 2,5 million in 2022.

Results of operations

The Group reported a profit before tax of DKK 3,5 million in 2023, against a profit of DKK 15,3 million in 2022. The year 2023 result included provisions for reorganization at DKK 1,8 million, impairment of leased assets at DKK 0,5 million, additional write-down on inventory at DKK 3,8 million due to obsolescence, and the negative effects of the higher than usual inflation, whereas the year 2022 contained a fair value gain on investment property equal to DKK 6,0 million.

The Group recognized tax of DKK 0,6 million in 2023 against a tax of DKK 3,2 million in 2022. Profit for the year after tax was DKK 2,9 million (2022: DKK 12,0 million), corresponding to earnings per share (EPS) of DKK 1,6 (2022: DKK 6,6). Financial performance is considered unsatisfactory by the Executive Management and the Board of Directors.

In 2023 other comprehensive income amounted to DKK -0,1 million of which all were related to exchange rate adjustments of investments in subsidiaries. In 2022 other comprehensive income amounted to DKK 0,2 million – also related to exchange rate adjustments of investments in subsidiaries.

Balance sheet

Decrease in tied-up capital from working capital

The Group's assets totaled DKK 218,3 million on December 31st, 2023, against DKK 240,5 million on December 31st, 2022.

Investment properties totaled DKK 146,5 million by the end of 2023 compared to DKK 146,5 million by the end of 2022.
Non-current assets decreased by DKK 3,6 million primarily due to a decrease of DKK 2,4 million in other receivables.

Inventories decreased from DKK 56,8 million last year to DKK 43,0 million due to the ongoing focus on optimizing working capital.

Trade receivables decreased by DKK 3,0 million to DKK 16,4 million.

Equity came at DKK 101,2 million, corresponding to a solvency ratio of 46,4%, compared to 40,9% end of 2022. The Board of Directors recommends to the Annual General Meeting that no dividends should be distributed for the fiscal year 2023.

Long-term and short-term interest-bearing debt to credit institutions totaled DKK 74,7 million at the end of 2023 (2022: DKK 84,9 million), of which DKK 56,5 million (2022: DKK 47,7 million) are long-term liabilities and DKK 18,3 million (2022: DKK 37,2 million) are current liabilities.

Cash flows and liquidity

Cash flows

Cash flows from operating activities were positive and amounted to DKK 13,9 million in 2023 (2022: loss of DKK -9,3 million), driven by the decreased working capital.

Cash flows from investment activities used DKK 0,7 million in 2023 (2022: use of DKK 1,4 million).

Free cash was positive by DKK 13.3 million in 2023 (2022: DKK -10,7 million).

Capital resources

At the end of the fiscal year 2023, the Group's total available credit facilities amounted to DKK 86,4 million compared to DKK 94,8 million at the end of 2022. DKK 74,7 million was utilized at the end of 2023 against DKK 84,9 million the year before. Liquidity reserves totaled DKK 11,7 million by December 31st, 2023 (2022: DKK 9,9 million).

Based on budgets, including expectations for cash flows and the development of the capital base, existing credit facilities, related contractual and expected maturities and conditions, the Board of Directors and the Executive Management consider the Group's liquidity and capital resources to be satisfactory.

The Group's available credit lines for 2024 was extended by Nordea on January 15th, 2024, to continue to March 2025 and the cooperation letter was signed by the Company on January 16th, 2024. The cooperation letter is subject to three covenants, which the Group must observe in order to maintain the financing. The financial covenants are related to the financial ratio "solvency", the agreed level of EBITDA% (EBITDA vs. revenue), and debt leverage (interest bearing debt vs. EBITDA). Please refer to note 27 regarding covenants.

Events after the balance sheet date

The Group's available credit lines for 2024 were extended by Nordea on January 15th, 2024, to continue to March 2025 and the cooperation letter was signed by the Company on January 16th, 2024.

No other events have occurred since December 31st, 2023, which are considered to have a significant impact on the Group's or the Parent Company’s financial position.

The Parent Company

Income statement

The Parent Company's revenue, which consists of management fees to subsidiaries, totaled DKK 6,2 million in fiscal year 2023 (2022: DKK 6,3 million).

Profit after tax in subsidiaries totaled a profit of DKK 1,1 million in fiscal 2023 (2022: a profit of DKK 11,2 million).

Regarding development in the subsidiaries please refer to the Group income statement information on page 9.

Financial income in 2023 amounted to DKK 2,2 million against DKK 1,0 million in 2022. The financial income relates to interest received from subsidiaries.

The Parent Company's profit after tax totaled a profit of DKK 2,9 million in 2023 against a profit of DKK 12,0 million in 2022.

Balance sheet

The Parent Company's total assets amounted to DKK 103,7 million on December 31st, 2023 (2022: DKK 101,8 million).

Most of the assets in the Parent Company refer to the subsidiaries as investments in subsidiaries amount to DKK 86,4 million (2022: DKK 65,4 million) and receivables from subsidiaries came to DKK 16,8 million as of December 31st, 2023 (2022: DKK 35,6 million).

Equity came at DKK 101,2 million, corresponding to a solvency ratio of 97,6%, compared to 96,7% the year before. The Board of Directors recommends to the Annual General Meeting that no dividends should be distributed for fiscal year 2023.

Cash flow and liquidity

Cash flow from operating activities amounted to DKK 20,1 million in 2023 (2022: DKK 0,0 million). The DKK 20,1 million were driven by a change in payables and receivables from subsidiaries as the parent has granted a DKK 20 million group contribution within the Group.

Free cash flow thus amounted to DKK 0,1 million in 2023 (2022: DKK 0,0 million).

Based on budgets, including expectations to the cash flow and the development of the capital base, existing credit facilities and related contractual and expected maturities and conditions, the Board of Directors and the Executive Management consider the Group's and thereby also the Parent Company's liquidity and capital resources to be satisfactory.

Events after the balance sheet date

No other events have occurred since December 31st, 2023, which are considered to have a significant impact on the Parent Company's financial position.

RISK FACTORS

Glunz & Jensen Holding's risk policies and -procedures must efficiently and securely identify, control, and reduce the risks that may affect the Group's business base, development, and value creation. Several commercial and financial risk factors can have a significant impact on the Group's future financial position, activities, and results of operations. The Group's most important risk factors are outlined below.

Commercial risk

Glunz & Jensen's revenue is affected by both global economic developments and changes in industry-specific conditions. The macroeconomic cycles generally affect Glunz & Jensen's customers' probability of investment and may reduce revenue and earnings.

Glunz & Jensen's order lead time are 4-16 weeks, which is considered to be market-conform. As revenue expectations beyond this period are based on non-binding estimates from the Group's largest customers or based on expectations from management Glunz & Jensen, deviations from the expected revenue may occur.

Glunz & Jensen markets a large part of its production to a number of major customers with whom the Company has a long-term customer relationship. The four largest customers represent approximately 50% of total revenue. One customer account for more than 20% of the Group's revenue.

New technologies and product development

Glunz & Jensen's products are based on many years of development for the Offset and Flexo printing. Insight into the industry's process needs and production technologies is crucial to the Company's ability to maintain customer's loyalty. Some items in Glunz & Jensen's products are patented, but most of the Company's sales are based on products that do not involve patented technology.

Glunz & Jensen's goal is to be among the first to offer products tailored to new technologies within the Company's two product areas. This places great demands on continual product development, enabling the Group to market products at competitive prices in a timely manner, which will also match customer needs. Lack of success in this area can affect revenue and results of operations negatively.

Glunz & Jensen's most important Offset activity is the development and sales of CtP developers. The continued use of CtP processors is conditional on the development of Offset printing plates. Several large plate manufacturers have developed printing plates that do not require development. The process-free CtP technology has gained ground and may affect the demand for CtP processors negatively.

Glunz & Jensen's strategy in the Flexo area is the continued development of technology for solvent-based, and thermal-based prepress solutions, an area in which the Group is currently leading the market. Automation and adaptation to latest technologies are important requirements to ensure continued positive development of the Flexo area.

Competition and market conditions

Prices in Offset and Flexo equipment are under pressure. This is largely due to vendor competition in Flexo offering similar technologies but also in Offset owing to yet cheaper supplies products (plates) coming into markets from China along with low cost processing equipment. These products offer “good enough” quality for a short life span.

Production and supplier risks

Maintaining high reliability of delivery and high quality is important to maintain existing customer relationships. To strengthen competitiveness, Glunz & Jensen has established its main production in Slovakia. If the factory in Slovakia is impacted by production problems or accidents, such as fire, this may affect delivery capacity and thus reduce the Group's earnings.

The Russia-Ukraine conflict has highlighted the need to consider geopolitical instability when choosing suppliers. Glunz & Jensen has strengthened its purchasing organization to counter potential supply risks. However, ongoing world-wide supply shortage may affect the cost prices and the planned in-flow of parts (incl. microchips) to Glunz & Jensen.

Risk related to property market

The risk associated with the investment property is primarily determined by the uncertainty of the value of the property involved. As such, a property market recession could materially adversely affect the value of the property. Further the ability to secure that all property is rented out will impact the future cash flow of Glunz & Jensen and thereby the value of the investment property.

Insurance risk

It is the Group's policy to hedge risks that may threaten the Group's financial position. In addition to statutory insurance, insurance against product liability and operating losses has thus been taken out. Property, plant, and inventories are insured at replacement value at all risk levels.

Cyber risks

The continuously evolving threat of cyber security, data leakage and data security are a key area of focus. A major cyberattack could result in an extended period of down time resulting in delays to customers and additional costs for the organization. Glunz & Jensen is focused on IT Security and awareness. In 2023, increased cyber awareness training and further IT security measures across the organization have been introduced helping to mitigate this risk.

Worldwide economic uncertainty

It became evident during 2022 and 2023 that the inflation has been on the rise. Prices on manufacturing parts, electricity, gas, and financing cost - and general expectations on salaries are now higher than seen for more than a decade. Sourcing from Eastern Europe provides a more competitive market price for Glunz & Jensen even the inflation from these countries have remained at 8% in 2023. Glunz & Jensen is focused on managing the challenges associated with the uncertainty. The worldwide economic uncertainty affects the profitability on Glunz & Jensen and the outlook is uncertain.

The war in Ukraine

The outbreak of the war in Ukraine has led to some loss of revenue from customers in Ukraine, Belarus, and Russia. In addition, challenges have occurred on the supply side for parts and spares to Glunz & Jensen during 2022 and in the first half of 2023. The challenges on the supply side were normalized during 2023.

Other risks

There is an ongoing consolidation in the graphic industry. Glunz & Jensen have no active participation in the industry consolidation; this trend will benefit Glunz & Jensen.

For financial risks, please refer to note 26.

REPORTING ON MANAGEMENT

This statement of reporting on management is part of the Management's review, see section 99b and 107b of the Danish Financial Statements Act, covering the fiscal year January 1st – December 31st, 2023. The statement consists of four elements:

- Corporate Governance
- Data Ethics
- The composition of the governing bodies and their functions
- Main elements of the Company's internal control and risk management system

Corporate Governance

Glunz & Jensen emphasizes the pursuit of good corporate governance and continuous optimization of the Group's Management. The overall framework for the management of Glunz & Jensen is based on the Company's Articles of Association, values, and policies as well as current Danish and international legislation and "Rules for Issuers of Shares" on NASDAQ OMX Copenhagen A/S, to ensure that the Group pursues its obligations to all shareholders, customers, employees, and other stakeholders, as well as to support long-term value creation.

Glunz & Jensen is governed by the Corporate Governance Committee's recommendations of December 2020.

The recommendations are available at:
https://corporategovernance.dk/.

In accordance with the recommendations, we explain on Glunz & Jensen's website how the Company complies with the recommendations:
http://www.glunz-jensen.com/investor/corporate-governance/redegorelse

The Group has decided to deviate from the recommendations due to the size of the Company and thus arranged differently in the following areas:

- The company publishes half-yearly reports at NASDAQ OMX and on the company´s website. The company publishes Q1 and Q3 announcements commenting on the development in the company.
- Glunz & Jensen has implemented 3 of the 4 recommended Board committees. The 4th Board committee (nomination committee) has not yet been set up due to the size of the Company and the size of the Board.
- Glunz & Jensen has no share-based incentive schemes for the Executive Management as the Board of Directors finds the current remuneration sufficient.

Interaction with shareholders and other stakeholders

Glunz & Jensen's Management continually seeks to have a dialogue with shareholders and other stakeholders. The company strives for a high degree of openness and effective dissemination of information.

The dialogue with and information to shareholders and stakeholders take place through the publication of interim reports and other communications from the Company, as well as meetings with investors, analysts, and the press and at the Company's general meeting. Interim reports and other announcements are available on Glunz & Jensen's website immediately after publication.

The company's Articles of Association contain no limits on ownership or voting rights. If an offer is made to acquire the Company's shares, the Board of Directors will – in accordance with Danish law – openly consider and convey the offer to the shareholders, accompanied by the Board of Directors comments.

The Glunz & Jensen Group has not entered into significant agreements that are affected, changed, or expired in the event of a change of control of the Company.

There are no agreements with the Executive Management or employees regarding retention or compensation in case of resignation or dismissal or termination of a post as a result of the acquisition of the Glunz & Jensen Group

The general meeting is Glunz & Jensen's supreme decision-making body, and the Board of Directors emphasizes that shareholders should be given adequate information about the business to be transacted at the general meeting. Notice of general meetings is published on the website and sent electronically to all registered shareholders, who have registered their e-mail address at least three weeks prior to the event.

All shareholders are entitled to attend and vote at the Annual General Meeting. Shareholders can also provide a power of attorney to the Board – on an item-by-item case on the agenda. The general meeting gives shareholders the opportunity to ask questions to the Board of Directors and the Executive Management. The shareholders can submit proposals that must be discussed at the general meeting. The Articles of Association contain no special rules regarding amendments to the Company's Articles of Association. Thus, only the provisions of the Danish Companies Act apply in this area.

Data ethics

In accordance with the regulations, we communicate on compliance on Glunz & Jensen's website: http://www.glunz-jensen.com/content/csr

The processing of personal data is not a critical part of and neither closely linked to the companies' business activities. As a B2B company with no transactions with private customers, the company only processes personal data in respect of customers and suppliers to a very limited extent – and only for customer/supplier administration purposes. The processing of personal data mainly relates to the internal activities involving employees' personal data for HR administration purposes.

Composition of the governing bodies and their function

Board of Directors

According to the Articles of Association, the Board of Directors consists of three to six members elected by the general meeting. Each year, all the members are elected by the general meeting. Resigned members are eligible for re-election. The Board of Directors elects a Chairman and a Deputy Chairman from among its own number. Further, two employee representatives are elected for a 4-year election period, which has been determined in accordance with the Danish Companies Act.

The current Board of Directors consisted of six members at the end of the fiscal year 2023, two of whom are employee representatives. The two employee representatives were elected in May 2021 for a four-year period.

The previous age limit for the members elected by the general meeting was revoked at the Annual General Meeting in 2023.

In connection with the election of new Board members, a careful assessment of required knowledge and professional experience is made to ensure that the Board possesses the necessary competencies. Information about the individual Board members can be found on page 26.

The Board at work

In accordance with the Danish Companies Act, the Board of Directors represents Glunz & Jensen's overall management and defines the Group's goals and strategies as well as approves the overall budgets and action plans. In addition, the Board of Directors in general supervises the Group and checks that it is managed properly and in accordance with Danish law and the Articles of Association. The general guidelines for the Board's work are laid down in the rules of procedure, reviewed at least once a year and adapted to Glunz & Jensen's needs. The rules of procedure include procedures for Management's reporting, the Board's working method and a description of the Chairman's tasks and responsibilities.

The Board of Directors is notified on an ongoing basis of the Group's performance. This takes place systematically at meetings as well as in written and oral reports. The Board receives a monthly report, which includes information on financial performance and the most important activities and transactions are presented by the Management to the Board at monthly review meetings.

At least five ordinary Board meetings must be held annually with a fixed plan for the agenda of the meetings. In addition, the Board meets whenever necessary. In fiscal 2023, six board meetings were held

The three Board committees (Product, Audit and Remuneration) have conducted the following formal number of meetings in 2023; Product committee eleven meetings, Audit committee nine meetings and Remuneration committee two meetings.

Risk management

In connection with the strategy review, the Board of Directors and the Executive Management perform a comprehensive risk assessment for the Group to identify which issues – internal as external – may affect the Group's business base and development.

The risk assessment focuses primarily on the identification of business risks, and for selected risks, action plans are identified to reduce and handle such risks. Glunz & Jensen has decided to manage general risks by taking out relevant insurance, such as "all-risk" on buildings and movables, transport insurance etc. As a main rule, financial risks are the result of commercial activities, and the Group does not actively speculate in financial risks.

The Board of Directors establishes policies and frameworks for the Group's key risks and ensures effective management of these risks. Reporting on significant risks is included in the ongoing reporting to the Board of Directors.

For a more detailed description of Glunz & Jensen's risks, see the section "Risk factors".

Executive Management

The Executive Management is appointed by the Board of Directors. The Executive Management is responsible for the day-to-day operations of the Group and, in accordance with guidelines and written instructions developed by the Board of Directors, prepares action plans and budgets that support the Company's strategy and reports on ongoing performance developments, risks and other essential information to the Board. The Board of Director's delegation of responsibilities to the

Executive Management is outlined in the Board's rules of procedure.

Evaluation of the Board of Directors and the Executive Management

A formalized evaluation of the work of the Board of Directors and the Executive Management is in place. The Chairman of the Board of Directors regularly reviews the work of the Executive Management and individual Board members, the cooperation of the Board of Directors, the Board of Directors' working methods and the cooperation between the Board of Directors, and the Executive Management. Based on these assessments, the Board of Directors' and the Executive Management's work is adjusted on a regular basis.

Remuneration to the Board of Directors and the Executive Management

Glunz & Jensen seeks to ensure that members of the Board of Directors and the Executive Management are remunerated at a competitive and reasonable level, helping to ensure that Glunz & Jensen can attract and retain competent individuals.

Members of the Board of Directors receive a fixed, annual fee, and the total remuneration to the Board of Directors is approved by the Annual General Meeting in connection with the approval of the annual report. In fiscal 2023, directors' fees which covered a 12-month period amounted to DKK 850.000, including DKK 300.000 to the Chairman, DKK 150.000 to the Vice-Chairman and DKK 100.000 to the other members. Members of the Board of Directors are not subject to bonus schemes.

The remuneration of the Executive Management is determined by the Board of Directors. In 2023, members of the Executive Management received a basic salary, including usual benefits such as company car and telephone, and are also eligible for a bonus scheme. The Executive Management consisted of CEO Henrik Blegvad Funk and COO Robert Popik. The total 12-month period remuneration paid to the Executive Management amounted to DKK 3,7 million in 2023.

The Remuneration report 2023 is available at:
https://www.glunz-jensen.com/investor/corporate-governance/incitamentspolitik

Incentive programs

Glunz & Jensen continually seeks to establish incentive programs that support its shareholders value creation.

The incentive programs for the Executive Management and key employees includes a bonus scheme. The results in 2023 led provisions of DKK 0 related to the bonus schemes.

The main elements of the Company's internal control and risk management system

Risk assessment in connection with the financial reporting process

The Board of Directors and the Executive Management have overall responsibility for the Group's risk management and internal control in connection with the financial reporting process, e.g., responsibility for ensuring compliance with relevant legislation and other regulations in relation to the financial reporting.

The Group's internal control and risk management systems should improve the probability of reporting without significant errors, omissions, and irregularities and, moreover, should ensure that the financial statements are presented in accordance with International Financial Reporting Standards (IFRS) as approved by the EU and other accounting regulations applicable to Danish listed companies.

The Group's internal control and risk management systems in connection with the financial reporting include:

Control environment

The Board of Directors is responsible for identifying the Group's most significant risks and the adequacy of internal controls in connection with the presentation of the financial statements. The Executive Management is responsible for the operational organization and daily execution of an effective control environment, e.g., for ensuring compliance with relevant legislation in connection with the presentation of the financial statements. The Executive Management reports to the Board of Directors on all relevant matters and assessments.

The operational management includes an appropriate organizational structure, written procedures for essential processes, accounting instructions for subsidiaries, authorization and certification rules, segregation of duties, consolidation procedures, check and documentation lists and IT security. The Executive Management regularly assesses the adequacy of the control environment, including the adequacy of resources and competencies.

Risk assessment and risk management

The Board of Directors and the Executive Management continually consider risks that are of importance to the Group's financial reporting, based on a concrete assessment of the significance and probability of each individual risk. The risk assessment focuses on significant financial items and involves an assessment of the immediate risk associated with each item and the critical processes that form the individual financial statements.

Risk assessments and risk management are included as part of the Group's strategy plan.

Control activities

The Group's control activities are organized taking into account the overall objective of reducing the risk of material misstatements, deficiencies or irregularities to an acceptable and low level, so that the consolidated financial statements and the financial statements are correct. Control activities are performed at management and operational level, and checks are performed manually and systematically.

Control activities include the following essential elements:

- The Board of directors reviews and approves the budget presented by the Executive Management for the coming year. The budget includes operations, balance sheet, liquidity, and investments.
- The Board receives monthly income, balance and liquidity accounts with budget follow-up, key figures, and comments on significant developments and/or deviations. The reporting also includes an update from area managers regarding actual sales (customers and products), order status, expectations as to the future, product development, competitors etc. Subsidiaries submit monthly accounts with comments on developments. The reporting is used as a basis in the group reporting to the Board of Directors.
- In connection with the year-end, a reporting package is prepared for the subsidiaries with a view to meeting disclosure requirements, including disclosure requirements under IFRS.
- The Parent Company's finance department is responsible for managing the monitoring and controlling of financial reports from subsidiaries, with active participation of local financial controllers. Regular visits are made to subsidiaries. Management in subsidiaries liaises with the external auditor. The Executive Management is informed of matters identified during the audit of subsidiaries.
- Before the financial statements are presented, the Board of Directors and the Executive Management discuss critical accounting practices and estimates as well as other matters of major importance to the presentation of the financial statements.

Monitoring

The Board of Directors and the Executive Management annually assess the adequacy of the Group's risk management and control systems in the context of the year-end process, including how the Group is protected against fraud and accounting irregularities. The assessment is based on a goal of efficiency and accountability, and focus is thus primarily on significant matters.

Audit

The external auditor is elected annually by the Annual General Meeting. Prior to the election, the Board of Directors assesses the auditor's independence and competences etc. Audit tender process is preformed when required by law or more frequently if the Board of Directors decides it to be appropriate.

The scope for the auditor's work – including fee, audit-related tasks, and non-audit related tasks – are stipulated in an agreement.

Members of the Board of Directors receive the external auditor's audit report concerning the auditor's review of the annual report. The Board of Directors reviews the audit report and the annual report at a meeting with the external auditor, and the auditor's observations and significant findings arising from the audit are discussed. In addition, the significant accounting policies and audit assessments are reviewed. The audit committee and the auditor also conduct an annual meeting to approve the audit plan for and the scope for the annual report. This meeting is without the participation of the Executive Management.

STATEMENT ON CORPORATE SOCIAL RESPONSIBILTY AND GENDER DIVERSITY

Social responsibility (CSR)

A statutory CSR statement, according to section 99a of the Danish Financial Statements Act, is part of the Management's review. We adopt social co-responsibility in the local areas where the Group is located. The Group wishes to promote a working culture throughout the organization that ensures a sensible and appropriate balance between financial, social, and environmental development. In this regard, it is crucial for the CSR work that Glunz & Jensen's production strategy and value chain management is based to a large extent on an outsourcing model. Virtually all manufacturing of parts takes place with a large number of subcontractors, after which Glunz & Jensen is responsible for product assembly and distribution. Subcontractors are selected at the starting point of our ISO 9001 procedures. This ensures that subcontractors meet our requirements

In this section, the Glunz & Jensen Group provides a report on intended social responsibility, our policies, actions taken as well as results achieved in 2023. We have performed a risk assessment and have not identified risks within the areas of climate, environment, social and anticorruption.

Glunz & Jensen strives to operate its business in a responsible manner and wants to comply with the legislation in all the countries where operations are conducted. Furthermore, compliance with Human Rights and consideration for the environment are considerable focus areas for the Group.

Glunz & Jensen's work with corporate social responsibility is based on value creation and risk management.

Glunz & Jensen has chosen to focus its work on social responsibility within five areas: environment, anti-corruption, human rights, working environment, and equality.

As part of the Prepress industry, Glunz & Jensen places an ongoing fundamental focus on reducing the use of chemical products and helping reduce the number of production processes that are environmentally harmful and energy intensive

The Group wishes – to the extent possible and if it is financially sound – to help increase the number of young people who get a business-related education.

The Group supports the staff associations and company sports associations, which aim to strengthen collegial cohesion through the organization of various activities that support employee well-being, social relations, and exercise.

The Group has several initiatives which include economic support for charitable purposes that naturally belong to CSR. Thus, the Group assumes social responsibility in some areas and works to comply with the ethical business practices expressed by CSR activities.

The policies below have been approved by the Board of Directors.

For a description of Glunz & Jensen's business model please see pages 6 to 8 in the annual report.

Climate and environment

Policy

Glunz & Jensen seeks to reduce its impact on the climate and environment by reducing energy consumption year by year. The Group is a know-how and engineering company with production of key components. The production mainly consists of assembling and testing and does not include energy-demanding or polluting processes. All surface treatment processes are outsourced to sub-suppliers. A part of Glunz & Jensen 's supplier and customer "Code of Conduct" addresses impact on the climate and environment. See under Human rights for more information about the supplier and customer "Code of Conduct".

Glunz & Jensen actively seeks to reduce its energy consumption by, for example, installing LED lighting in its facilities. Glunz & Jensen also plan to install (Photovoltic) solar roof panels by mid-2024 at its production facilities in Slovakia.

In 2023, Glunz & Jensen has started a project to outline how Glunz & Jensen as a company can become CO2 neutral.

Actions

Glunz & Jensen will reduce consumption of kWh year by year in its production.

Key performance indicators
Consumed kWh in the production facility in Slovakia.

Result for 2023 compared to goal for 2023
Glunz & Jensen realized 3,6% lower consumption of kWh in 2023 compared to the goal of 210.000 kWh. The switch to LED lighting in 2023 in Slovakia has lowered the consumption in Slovakia. The planned installation of (Photovoltic) solar roof panels in Slovakia by mid-2024 will supply Glunz & Jensen with sustainable kWh. We continue to create awareness and as well as general focus on optimization of consumption in the production.

Results & goals (kWh)

Goal for 2024	Result for 2023	Goal for 2023
200.000	202.382	210.000

Anticorruption

Policy
Glunz & Jensen seeks to avoid corruption and bribery by creating a framework that secures that the employees at Glunz & Jensen can abide to laws and regulations, and that there will never exist any doubt with regards to the impartiality of the Glunz & Jensen employees.

Actions

2. Glunz & Jensen enforces a gift policy.
3. Glunz & Jensen has introduced a whistle blower scheme to give employees the opportunity to report on corruption, bribery and other matters while being anonymous.
4. Glunz & Jensen communicates its "Code of Conduct" at visible locations that describes the way Glunz & Jensen expects all its employees to act in accordance with laws and regulations. The "Code of Conduct" also describes usage of the whistle blower scheme.
5. Maintain whistle blower scheme to also be available for external parties.

Key performance indicators

6. No reported violations of anti-corruption laws and regulations, and Glunz & Jensen's Employee Code of Conduct.
3. Employees to attend to the review of the Glunz & Jensen's Employee "Code of Conduct".

Results for 2023 compared to goals for 2023

1. Glunz & Jensen established its gift policy in 2023.
2. Glunz & Jensen has received no reported violations of anti-corruption laws and regulations, and Glunz & Jensen's Employee Code of Conduct in 2023.
3. 84% of Glunz & Jensen employees have attended to the Glunz & Jensen Employee Code of Conduct.
4. In 2023, Glunz & Jensen has maintained the whistle blower scheme to also be available to external parties. Furthermore, the whistle blower scheme is part of the Glunz & Jensen Employee Code of Conduct.

Results & goals (Anti-corruption and Employee Code of Conduct)

	Goal for 2024	Result for 2023	Goal for 2023
2.	0	0	0
3.	95%	84%	80%

For 2024 we plan to continue with our work regarding anticorruption.

Human rights

Policy
To Glunz & Jensen, respect of human rights is about the company's own employees' conditions and securing those suppliers and sub-suppliers deliver services to the Group in a way that considers their employees' rights including safety and health.

Actions
Glunz & Jensen has formulated a supplier and customer "Code of Conduct" that specifies principles Glunz & Jensen expects our suppliers and customers to follow. This ensures that suppliers and customers produce and deliver their services to the Group in a way that considers the environment and the employees' rights.

Key performance indicators
The part of our main suppliers and customers that have acknowledged the receival of our supplier and customer "Code of Conduct".

Result for 2023 compared to goal for 2023

1. We distributed the Code of conduct to top-50 suppliers and request them to confirm – in writing – that they have received and read the code of conduct. 52% did confirm that.
2. We distributed the Code of conduct to our top-15 customers and request them to confirm – in writing – that they have received and read the code of conduct. 67% did confirm that.

Results & goals (Customer & supplier: Code of Conduct)

	Goal for 2024	Result for 2023	Goal for 2023
1.	70%	52%	50%
2.	70%	67%	50%

The Company will continue to communicate to the suppliers and subcontractors to raise awareness on the Company's zero tolerance for corruption.

We have at no time experienced human rights violations in connection with our business and we have assessed that the risk is very limited. We adhere to Danish, Slovakian, and European regulations, and we only work with trusted partners, who are equally dedicated to human rights and the rule of law.

Glunz & Jensen's own employees also work under conditions that are equal to those provided by a collective agreement, as a minimum.

For 2024 we plan to continue with our work regarding human rights.

Working environment

Policy

Our employees are our most valuable resources and key to providing high-quality products and services to our customers. It is vital to Glunz & Jensen's future success that Glunz & Jensen is a safe, motivating and developing place to work.

Actions

1. The sick rate among employees is monitored and we follow up on employees with high absence.
2. Number of on-the-job accidents is measured.
3. All employees must have at least one yearly performance appraisal interview.

Key performance indicators

1. The average sick rate among employees.
2. Number of on-the-job accidents.
3. Percentage of performance appraisal interviews each year.

Results for 2023 compared to goals for 2023

1. Glunz & Jensen did not reach the target in 2023 due to an increase in number of long-term sicknesses in addition to many tasks being varied out in 2023. Sick rate is calculated based on total numbers of employees not working due to sickness compared to total number of employees.
2. In 2023, Glunz & Jensen had 0 on-the-job accidents leading to sickness and had 3 minor incidents that did not lead to sickness. Management will keep working on precautions to eliminate on-the-job accidents risks.
3. In 2023, we did not meet our target for appraisal interviews. The low ratio is a due to many interviews being planned for Q4, 2024. As appraisal interviews are a vital part of the employee well-being, we will increase awareness on the yearly appraisal interviews and plan them within the fiscal year.

Results & goals (Employee welfare)

	Goal for 2024	Result for 2023	Goal for 2023
1.	4,0%	5,8%	4,0%
2.	0	0	0
3.	90%	35%	80%

For 2024 we plan to continue with our work on improvement of working environment.

Equality and Diversity

The gender diversity and equality policies for the fiscal year 2023 has been prepared in accordance with sections 99b and 107d of the Danish Financial Statements Act.

Policy on Equality

At Glunz & Jensen we believe that a diverse and tolerant organization makes the company stronger, increases the competitiveness and creates a good and innovative working environment. We want to develop and benefit from the total potential of all employees and that all employees can develop their full potential in balance between working life and private life.

At present, Glunz & Jensen has one female board member who entered the Board of Directors in 2020 whereby Glunz & Jensen reached its goal of having at least one female board member by 2021.

Board of Directors consist of 4 members elected by the annual general meeting. One of which is woman equal to 25% of the Board of Directors which is considered an equal distribution of gender.

Ultimately, Glunz & Jensen's shareholders elect the Board of Directors at the company's general assembly and consequently also determine the gender composition of the Board of Directors. To the extent that the Board of Directors proposes new candidates for the Board of Directors, the Board of Directors will regard gender as one separate parameter to reach the determined goal. When candidates are proposed for Glunz & Jensen's Board of Directors, it is essential that the members represent professional competences relevant to Glunz & Jensen.

In Glunz & Jensen we acknowledge the presence and acceptance of the diversity within our company, our community and with the people we do business with. Glunz & Jensen's works very intentionally on awareness on equality, multiplicity, and diversity in its marketing to signal that the company wants to reflect the society in its employee composition.

It is the plan of Glunz & Jensen to further increase the number of female employees in category 2 in the years to come.

Actions
1. Glunz & Jensen seeks to have an improved gender distribution in the Board of Directors (category 1).
2. Glunz & Jensen seeks to have an improved gender distribution in Group and senior management (category 2).
3. Glunz & Jensen actively seeks to recruit new employees of all ethnicities and genders (category 3).

Key performance indicators
1. Share of the underrepresented gender in the Board of Directors elected at the general meeting.
2. Share of the underrepresented gender in Group and senior management.
3. Share of the underrepresented gender among all employees.

Results for 2023 compared to goals for 2023
1. In 2023, Glunz & Jensen achieved the goal as the Board of Directors remained unchanged, with one female board member. Short term changes in the Board of Directors are currently not expected.
2. In 2023, Glunz & Jensen achieved the goal, and the equality will continue to be an evaluation criterion for future recruitments to Group and senior management.
3. In 2023, Glunz & Jensen achieved the goal, and the equality will continue to be an evaluation criterion for future recruitments to the entire organization.

Results & goals (Gender equality)

	Goal for 2026	Result for 2023	Goal for 2023
1.	25%	25%	25%
2.	30%	23%	20%
3.	22%	20%	20%

Total population: category 1 consists consist of 4 board of directors elected at the general meeting of which 1 is underrepresented, category 2 consists of 13 employees (Group management consist of 3 of which 0 are underrepresented and senior management consist of 10 of which 3 are underrepresented) and category 3 consist of 114 employees of which 22 is underrepresented.

Glunz & Jensen has a goal to reach 30% underrepresented gender in category 2 by 2026 equal to 1 more person in the underrepresented gender.

Risks
We will not reach our targets because Glunz & Jensen's industry is historically a male-dominated industry with limited access to female candidates.

Policy on Diversity
At Glunz & Jensen we believe that a diverse and tolerant organization makes the company stronger, increases the competitiveness and creates a good and innovative working environment. We want to develop and benefit from the total potential of all employees and that all employees can develop their full potential in balance between working life and private life. Therefore, no discrimination based on gender, religion, ethnicity, sexual orientation, etc. is tolerated in Glunz & Jensen. When recruiting members to the Glunz & Jensen management team, we are convinced that diversity will add value to the company.

To make sure all employees and management in Glunz & Jensen comply with Glunz & Jensen’s policies of tolerance and inclusion, we have established an Employee "Code of Conduct" that describes the way Glunz & Jensen expects all its employees to act in accordance with our policies.

Actions
1. Glunz & Jensen has developed an Employee "Code of Conduct" that describes the way Glunz & Jensen expects all its employees to act in accordance with our policies. The employee "Code of Conduct" also describes usage of the whistle blower scheme. Every year all Glunz & Jensen employees must carry through the Employee "Code of Conduct" review. The review provides the management with insight on how to secure diversity in the organization and on management level.
2. Enhance the awareness in the Glunz & Jensen management team on the benefits of diversity. This could be in a workshop with this specific purpose

Key performance indicators
1. All employees to be included in the Glunz & Jensen's Employee "Code of Conduct" review.

Results for 2023 compared to goals for 2023
1. 85% of Glunz & Jensen employees have participated in the Glunz & Jensen Employee Code of Conduct review.

Results & goals (Code of conduct review)

	Goal for 2024	Result for 2023	Goal for 2023
1.	95%	85%	80%

Risks
Employee "Code of Conduct" is not fully prioritized.

5 year summary	2023	2024	2025	2026	2027
Board of Directors (category 1)					
Number of members	4				
Percentage of the underrepresented gender	25				
Group and senior management (category 2)					
Number of members	13				
Percentage of the underrepresented gender	23				
Goal in percentage	30				
End year for goal	2026				

The policies of Glunz & Jensen are available in full at Glunz-Jensen.com under the investor relations folder.

SHAREHOLDER INFORMATION

Share information

Glunz & Jensen Holding's shares are listed on NASDAQ Copenhagen A/S and are traded under ISIN code DK0010249309.

By December 31st, 2023, the share price was DKK 71,50 against DKK 74,50 by December 31st, 2022. Total market capitalization came at DKK 130,2 million on December 31st, 2023.

In 2023 a total of 57.706 (April – December 2022: 73.551) shares were traded at a total market value of DKK 4,0 million (April – December 2022: DKK 5,8 million).

Share capital and voting rights

The share capital in Glunz & Jensen amounted to nominally DKK 36,4 million on December 31st, 2023. Divided into 1.821.309 shares at a nominal value of DKK 20,00. The shares, which are negotiable instruments without restrictions on marketability, are issued to the holder and entitle the holder to cast one vote per share at general meetings.

Glunz & Jensen did not have any treasury shares at the end of the fiscal year 2023 or 2022.

Ownership

At the end of the fiscal year, Glunz & Jensen had 481 (2022: 524) registered shareholders holding 99,15% (2022: 99,16%) of the share capital. Glunz & Jensen wishes to provide the best possible way of providing its shareholders with information about the Group so that all shareholders are encouraged to list their shares in the Company's register of shareholders.

Change of control

The Glunz & Jensen Group has not entered into agreements with finance companies, customers, suppliers, employees, or others which will be affected or changed, or which will expire if the control in the Parent Company changes.

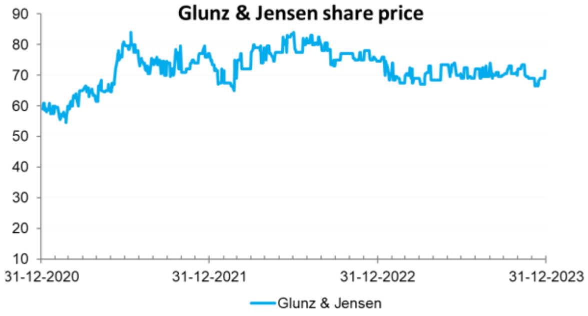
Decisions by the Board of Directors and proposals for the general meeting

Dividends

Glunz & Jensen wants to create the greatest possible value for the shareholders. Based on the Company's financial standing and investment and liquidity requirements, the Board of Directors therefore assesses whether the excess liquidity, after any investments in organic or acquisitive growth measures that can increase the long-term return on the invested capital, must be used to distribute dividends or repurchase of treasury shares.

The Board of Directors proposes to the Annual General Meeting that no dividend should be distributed for the fiscal year 2023, and the Company's profit for the year will be transferred to next year.

Share price development since December 31st, 2020



Investor relations

Glunz & Jensen emphasizes to continually providing timely, accurate and relevant information about the Group, including its strategy, results of operations and expectations. Through ongoing reporting, the Group seeks to provide all stakeholders with easy access to information, and emphasis is placed on maintaining an active dialogue with its stakeholders.

Communication with investors, analysts, the press, and other stakeholders takes place through ongoing public announcements, including interim reports and individual meetings. Notices are available on the Company's website.

Shareholders, analysts, investors, and other interested parties who have questions regarding Glunz & Jensen should contact:

Glunz & Jensen Holding A/S
Address: Selandia Park 1
DK-4100 Ringsted
Phone: +45 5768 8181
Fax: +45 5768 8340
E-mail: gj@glunz-jensen.com

Henrik Blegvad Funk, CEO
Phone: +45 2139 0532
E-mail: hbf@glunz-jensen.com

Flemming Nyenstad Enevoldsen, Chairman of the Board of Directors
Phone: +45 4043 1303
E-mail: f.n.enevoldsen@gmail.com

Annual general meeting

The Company's Annual General Meeting will be held on Wednesday, April 10th, 2024, at 13:00 PM at the following address: Selandia Park 2, 4100 Ringsted.

Shareholders on March 19th, 2024

	Ownership interest (%)
Heliograph Holding GmbH, Konrad-Zuse-Bogen 18, 82152 Krailling, Germany	50,10
Strategic Investments A/S	19,94
Klaus Zwisler	9,22
Notified according to the section 38 of the Danish Securities Trading Act	79,26
All other shareholders	20,74
Total	100,00

Share-related key figures and financial ratios

	2019/20	2020/21	2021/22	2022	2023
Average number of shares outstanding (in thousands)	1.821	1.821	1.821	1.821	1.821
Earnings per share (EPS), %	(10,1)	0,5	6,7	6,6	1,6
Diluted earnings per share (EPS-D), %	(10,1)	0,5	6,7	6,6	1,6
Cash flow per share (CFPS), %	(1,1)	8,6	12,7	(5,1)	7,7
Book value per share (BVPS), %	40,4	40,6	47,4	54,1	55,6
Share price per share	55	65	78	75	72
Share price /book value	1,4	1,6	1,6	1,4	1,3
Market value of average number of shares (DKK million)	100	118	141	136	130
Dividend per share	-	-	-	-	-
Pay-out ratio, %	-	-	-	-	-

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Board of Directors

Flemming N. Enevoldsen (1961)

CEO & Non-Executive Director.
Chairman of the Board of Directors of Glunz & Jensen Holding A/S.
Member of the Board of Directors of Glunz & Jensen Holding A/S since 2017. Re-elected in 2023 and is up for re-election in 2024.
Chairman of the remuneration committee and a member of the audit committee.

Regarded as independent.

Chairman of the Board of Directors in: Insepa A/S, Espersen A/S, Business Esbjerg, ST Plast A/S, Suztain A/S, ABL Food A/S, Glunz & Jensen A/S and Selandia Park A/S.
Vice-chairman in Head Enery AS (Norway). Member of the Board of Directors in Head Energy Denmark A/S, GreenGenius A/S, Skov Industri A/S, and Jysk Display A/S.

Competences: Many years of international experience as CEO within production and energy with expertise in generating profit and leadership skills. 10 years of experience in sales management roles of equipment for the graphic arts industry – including Glunz & Jensen products.

Randi Toftlund Pedersen (1963)

Group Senior Vice President Corporate Finance, Salling Group A/S.
Vice-Chairman of the Board of Directors of Glunz & Jensen Holding A/S.
Member of the Board of Directors of Glunz & Jensen Holding A/S since 2020. Re-elected in 2023 and is up for re-election in 2024.
Chairman of the audit committee and a member of the remuneration committee.

Regarded as independent.

Board Member and Chairman of the Audit Committee in Roblon Aktieselskab and Gabriel Holding A/S.
Chairman of the Board of Directors in Salling Group Captiveforsikringsselskab A/S.
Board member in Ejendomsselskabet Olav de Linde A/S, ODK1 Ejendomme ApS, Gabriel A/S, Salling Group Ejendomme A/S, Gabriel Ejendomme A/S og Gabriel Innovation A/S.

Competences: Many years of experience as CFO within production and supply chain companies. Experience from listed companies and within the consumer market. Expertise in Corporate Finance, generating profit and leadership skills.

Maximilian Rid (1961)

CEO & Non-Executive Director.
Member of the Board of Directors of Glunz & Jensen Holding A/S since 2020. Re-elected in 2023 and is up for re-election in 2024.
Member of the product committee.

Not regarded as independent.

CEO and shareholder in MRB Holding GmbH.
Board member in several subsidiaries of Heliograph Holding GmbH: Daetwyler Graphics AG, Lüscher Technologies AG.
CEO and shareholder in MRGrund GmbH.
Member of the Board and treasurer in European Rotogravure Association (E.R.A.) e.V.

Competences: Many years of CEO experience with strategy and management with particular emphasis on international BTB sales and marketing.

Rolf Pfiffner (1969)

CEO at Daetwyler Graphics AG.
Member of the Board of Directors of Glunz & Jensen Holding A/S since 2017. Re-elected in 2023 and is up for re-election in 2024.
Chairman of the product committee.

Not regarded as independent.

Board of Management in Heliograph Holding GmbH.

Competences: Many years of experience as CEO within process and prepress technology with formation of new companies, restructuring and acquisitions.

Thomas Haase (1971)*

Global Offset Key Account Manager
Member of the Board of Directors of Glunz & Jensen Holding A/S since June 2021. The election period ends in 2025.
Member of the product committee.

Søren Andersen (1971)*

Product Manager Offset
Member of the Board of Directors of Glunz & Jensen Holding A/S since January 2022. The election period ends in 2025.

**Elected by the employees*

Executive Management

Henrik Blegvad Funk (1964)

CEO of Glunz & Jensen Holding A/S since January 1st, 2023.
CFO of Glunz & Jensen Holding A/S during April 1st, 2016 - December 31st, 2022.

Robert Popik (1977)
Executive manager of Glunz & Jensen Holding A/S since February 1st, 2023.
Group COO and general manager of the subsidiary Glunz & Jensen s.r.o. since April 1st, 2020.

All board members participated in all board meetings during 2023, except Thomas Haase and Søren Andersen who did not participate in the board meeting on August 30th, 2023.

Board of Directors and Executive Management; Ownership interest in Glunz & Jensen Holding A/S

No. of shares	2023	2022
Maximilian Rid	912.500	912.500
Rolf Pfiffner	2.500	1.650
Flemming N. Enevoldsen	11.500	10.584
Randi Toftlund Pedersen	0	0
Thomas Haase	300	300
Søren Andersen	33	33
Henrik Blegvad Funk	0	0
Robert Popik	0	0

GROUP COMPANIES

Glunz & Jensen Holding A/S

Selandia Park 1
4100 Ringsted
Denmark
Tel. +45 5768 8181
gj@glunz-jensen.com
www.glunz-jensen.com

Glunz & Jensen A/S

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Glunz & Jensen s.r.o.

Kosicka 50, P.O. Box 116
080 01 Presov
Slovakia
Tel. +421 51 756 3811
skpr@glunz-jensen.com

Glunz & Jensen, Inc.

2185 Highway 292
Inman, SC 29349
USA
Tel. +1 864 568 4638
gj-americas@glunz-jensen.com

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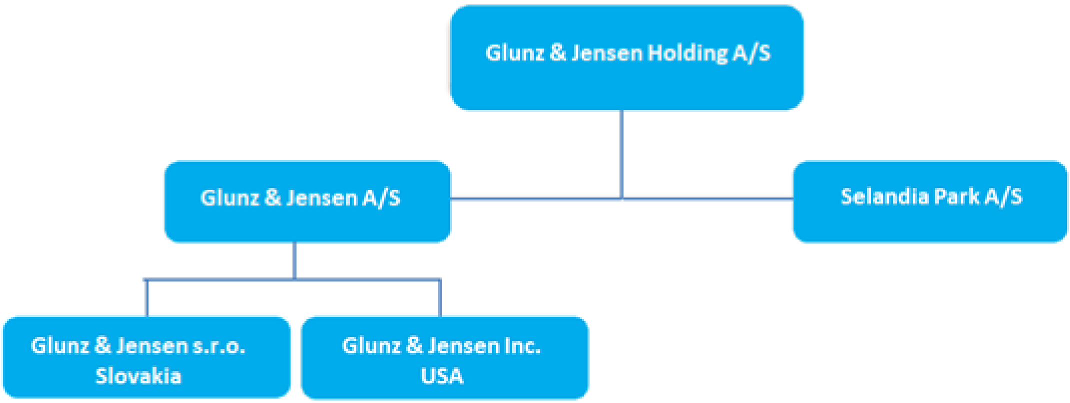
Legal structure – all legal units are fully owned:



STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

The Board of Directors and the Executive Management have today's date considered and approved the annual report for 2023 for Glunz & Jensen A/S.

The annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements in the Danish Financial Statement Act.

In our opinion, the consolidated financial statements and the financial statements give a true and fair view of the Group's and the Company's financial position on December 31st, 2023, and of the results of the Group's and the Company's activities and cash flows for the fiscal year January 1st, 2023 - December 31st, 2023.

In our opinion, the Management's review gives a true and fair account of the development of the Group's and the Company's activities and financial conditions, the year's results of operations, cash flows and financial position as well as a description of the major risks and uncertainties faced by the Group and the Company.

We recommend that the annual report be approved by the shareholders at the general meeting.

Ringsted, March 19th, 2024

Executive Management

Henrik Blegvad Funk
CEO

Robert Popik
COO

Board of Directors

Flemming Nyenstad Enevoldsen
Chairman

Randi Toftlund Pedersen
Vice Chairman

Rolf Pfiffner

Maximilian Rid

Søren Andersen*

Thomas Haase*

**Elected by the employees*

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Glunz & Jensen Holding A/S

Report on the audit of the Consolidated Financial Statements and Parent Company Financial Statements

Opinion

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at December 31st, 2023 and of the results of the Group's and Parent Company's operations and cash flows for the financial year January 1st, 2023 – December 31st, 2023 in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Board or Directors and the Audit Committee.

Audited financial statements

Glunz & Jensen Holding A/S' consolidated financial statements and parent company financial statements for the financial year January 1st – December 31st, 2023, comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including summary of significant accounting policies, for the Group as well as for the Parent Company (the financial statements). The financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 declare, to the best of our knowledge and belief, that we have not provided any prohibited non-audit services, as referred to in Article 5(1) of the Regulation (EU) 537/2014 and that we remained independent in conducting the audit.

We were appointed auditors of Glunz & Jensen Holding A/S for the first time on June 30th, 2021, for the financial year 2021/22.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the 2023 financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in the forming of our opinion thereon. We do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Valuation of investment property	
	For the purpose of our audit, the procedures we carried out included the following: • The audit procedures we performed consist, among other things, of an assessment of the applied valuation method used in the determination of fair value performed by Management. We have assessed whether the method used by Management has been applied consistently. We have tested the key assumptions used in the determination of fair value performed by Management by comparing the capitalization rate used to available industry data for similar investment properties. In addition, we have assessed the data used by Management in determination of future cash flows and agreed expected rental income and operating expenditure to underlying tenant contracts, budgets and historical property expenditure. • We also assessed the appropriateness of the disclosures and sensitivities made relating to investment properties compared to applicable financial reporting standards.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required by relevant law and regulations.

Based on the work we have performed; we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with relevant law and regulations. We did not identify any material misstatement of the Management's review.

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 IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act and for such internal control that 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 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 as to 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 may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on compliance with the ESEF Regulation

As part of our audit of the Consolidated Financial Statements and Parent Company Financial Statements of Glunz & Jensen Holding A/S we performed procedures to express an opinion on whether the annual report of Glunz & Jensen Holding A/S for the financial year January 1st, 2023 – December 31st, 2023with the file name 549300S5UFTTWALAFE19-2023-12-31-en is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Glunz & Jensen Holding A/S for the financial year January 1st – December 31st, 2023, with the file name 549300S5UFTTWALAFE19-2023-12-31-en is prepared, in all material respects, in compliance with the ESEF Regulation.

Ringsted, March 19th, 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25578198

Nikolaj Møller Hansen State Authorized Public Accountant mne33220	Michael E. K. Rasmussen State Authorized Public Accountant mne41364

INCOME STATEMENT

Note	January 1st / April 1st – December 31st (DKK '000)	Group 2023 12 months	Group 2022 9 months	Parent Company 2023 12 months	Parent Company 2022 9 months
2	**Revenue**	143.319	103.422	6.215	6.300
3,4,6	Production costs	(111.462)	(75.904)	-	-
	Gross profit	31.857	27.518	6.215	6.300
7	Other operating income	24	9	-	-
4,6	Sales and distribution costs	(11.917)	(8.442)	-	-
4,6,8	Development costs	(1.244)	(986)	-	-
4,6	Administrative expenses	(10.146)	(7.075)	(6.148)	(6.296)
14	Fair value adjustments on investment properties	-	6.000	-	-
	Operating profit/(loss)	8.574	17.024	67	4
15	Profit/(loss) after tax in subsidiaries	-	-	1.125	11.244
16	Profit/(loss) after tax in associates	(173)	51	-	-
9	Financial income	600	732	2.215	1.035
9	Financial expenses	(5.479)	(2.543)	(12)	(17)
	Profit before tax	3.522	15.264	3.395	12.266
10	Income taxes	(610)	(3.241)	(483)	(243)
	Profit for the year	2.912	12.023	2.912	12.023
	Attributable to:				
	Equity holders of Glunz & Jensen Holding A/S	2.912	12.023		
	Total	2.912	12.023		
	Earnings per share				
11	Basic earnings per share (DKK)	1,6	6,6		
11	Diluted earnings per share (DKK)	1,6	6,6		

STATEMENT OF COMPREHENSIVE INCOME

Note	January 1st / April 1st – December 31st (DKK '000)	Group 2023 12 months	Group 2022 9 months	Parent Company 2023 12 months	Parent Company 2022 9 months
	Profit for the year	2.912	12.023	2.912	12.023
	Other comprehensive income:				
	Items that may be reclassified to the income statement:				
	Other comprehensive income after tax in associates	-	(12)	-	-
	Exchange rate adjustments of investments in subsidiaries	(131)	174	(131)	162
	Total other comprehensive income	(131)	162	(131)	162
	Total comprehensive income	2.781	12.185	2.781	12.185
	Attributable to:				
	Equity holders of Glunz & Jensen Holding A/S	2.781	12.185		
	Total comprehensive income	2.781	12.185		

BALANCE SHEET

Note	December 31st (DKK '000)	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
	ASSETS				
	Non-current assets				
	Property, plant, and equipment				
12	Property, plant, and equipment	6.210	6.371	-	-
13	Leased assets	771	1.264	-	147
14	Investment properties	146.500	146.500	-	-
		153.481	154.135	-	147
	Other non-current assets				
15	Investments in subsidiaries	-	-	86.421	65.427
16	Investments in associates	-	258	-	-
17	Deferred tax	410	728	-	-
18	Other receivables	168	2.580	-	-
		578	3.566	86.421	65.427
	Total non-current assets	154.059	157.701	86.421	65.574
	Current assets				
19	Inventories	42.986	56.841	-	-
20	Trade receivables	16.440	19.412	-	-
27	Receivables from subsidiaries	-	-	16.776	35.607
18	Other receivables	1.896	4.052	-	-
	Income tax	144	498	-	-
	Prepayments	1.419	1.042	525	567
	Cash	1.311	995	3	6
	Total current assets	64.196	82.840	17.304	36.180
	TOTAL ASSETS	218.255	240.541	103.725	101.754

Note	December 31st (DKK '000)	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
	LIABILITIES				
21	**Equity**				
	Share capital	36.426	36.426	36.426	36.426
	Translation reserve	4.793	4.924	4.793	4.924
	Revaluation reserve	4.844	4.844	4.844	4.844
	Retained earnings	55.161	52.249	55.161	52.249
	Total equity	101.224	98.443	101.224	98.443
	Non-current liabilities				
17	Deferred tax	8.195	8.287	116	125
22	Provisions	533	216	-	-
23	Credit institutions	56.460	47.663	-	-
24	Other payables	2.471	2.429	-	-
	Prepayments from customers	4.168	3.258	-	-
13	Lease liabilities	245	4.046	-	145
	Total non-current liabilities	72.072	65.899	116	270
	Current liabilities				
23	Credit institutions	18.251	37.243	-	-
	Trade payables	7.900	16.255	43	76
27	Payables to subsidiaries	-	-	36	-
13	Lease liabilities	2.013	2.358	-	75
	Income tax	34	21	492	302
22	Provisions	2.296	647	-	-
	Prepayments from customers	7.860	11.140	-	-
24	Other payables	6.605	8.535	1.814	2.588
	Total current liabilities	44.959	76.199	2.385	3.041
	Total liabilities	117.031	142.098	2.501	3.311
	TOTAL EQUITY AND LIABILITIES	218.255	240.541	103.725	101.754

STATEMENT OF CHANGES IN EQUITY

Group (DKK '000)	Share capital	Retained earnings	Revaluation reserve	Translation reserve	Total
Equity March 31st, 2022	36.426	40.226	4.844	4.762	86.258
Changes in equity 2022					
Profit/(loss) for the year	-	12.023	-	-	12.023
Other comprehensive income					
Other comprehensive income after tax in associates	-	-	-	(12)	(12)
Exchange rate adjustments of investments in subsidiaries	-	-	-	174	174
Total other comprehensive income	-	-	-	162	162
Total comprehensive income for the year	-	12.023	-	162	12.185
Equity December 31st, 2022	36.426	52.249	4.844	4.924	98.443
Changes in equity 2023					
Profit/(loss) for the year	-	2.912	-	-	2.912
Other comprehensive income					
Exchange rate adjustments of investments in subsidiaries	-	-	-	(131)	(131)
Total other comprehensive income	-	-	-	(131)	(131)
Total comprehensive income for the year	-	2.912	-	(131)	2.781
Equity December 31st, 2023	36.426	55.161	4.844	4.793	101.224

Parent Company (DKK '000)	Share capital	Retained earnings	Revaluation reserve	Translation reserve	Total
Equity March 31st, 2022	36.426	40.226	4.844	4.762	86.258
Changes in equity 2022					
Profit/(loss) for the year	-	12.023	-	-	12.023
Other comprehensive income:					
Exchange rate adjustments of investments in subsidiaries	-	-	-	162	162
Total other comprehensive income	-	-	-	162	162
Total comprehensive income for the year	-	12.023	-	162	12.185
Equity December 31st, 2022	36.426	52.249	4.844	4.924	98.443
Changes in equity 2023					
Profit/(loss) for the year	-	2.912	-	-	2.912
Other comprehensive income:					
Exchange rate adjustments of investments in subsidiaries	-	-	-	(131)	(131)
Total other comprehensive income	-	-	-	(131)	(131)
Total comprehensive income for the year	-	2.912	-	(131)	2.781
Equity December 31st, 2023	36.426	55.161	4.844	4.793	101.224

STATEMENT OF CASH FLOWS

Note	January 1st / April 1st – December 31st (DKK '000)	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
	Operating activities				
	Profit/(loss) for the year	2.912	12.023	2.912	12.023
	Adjustment for non-cash items etc.:				
	Amortization, depreciation, and impairment losses	2.246	1.146	14	134
	Gain and loss on sale of non-current assets	(4)	(5)	-	-
	Fair value gain on investment properties	-	(6.000)	-	-
	Profit/(loss) after tax in subsidiaries	-	-	(1.125)	(11.244)
	Profit/(loss) after tax in associates	173	(51)	-	-
	Other non-cash items, net	(23)	161	-	-
	Provisions	1.966	(582)	-	-
	Financial income	(600)	(732)	(2.215)	(1.035)
	Financial expenses	5.479	2.543	12	17
	Tax on operating profit	610	3.241	483	243
	Cash flows from operating activities before changes in working capital	12.759	11.744	81	138
	Changes in working capital:				
	Changes in inventories	13.874	(15.776)	-	-
	Changes in payable and receivables from subsidiaries	-	-	18.867	2.144
	Changes in receivables	4.644	2.157	42	268
	Changes in trade and other payables	(12.702)	(4.381)	(806)	(3.235)
	Changes in working capital	5.816	(18.000)	18.103	(823)
	Interest etc. received	600	732	2.215	1.035
	Interest etc. paid	(5.172)	(2.103)	(8)	(6)
	Net income tax paid	(19)	(1.708)	(302)	(299)
	Net cash flows from operating activities	13.984	(9.335)	20.089	45
2, 12	Acquisition of items of property, plant, and equipment	(757)	(1.378)	-	-
15	Capital increase in subsidiary	-	-	(20.000)	-
12	Sale of items of property, plant, and equipment	4	14	-	-
	Sale of associates	84	-	-	-
	Net cash flows from investing activities	(669)	(1.364)	(20.000)	-
	Free cash flow	13.315	(10.699)	89	45
13	Repayment lease liabilities	(2.776)	(2.110)	(92)	(69)
23	Change in net interest-bearing debt	(10.205)	12.712	-	-
	Dividends from associates	-	26	-	-
	Net cash flows from financing activities	(12.981)	10.628	(92)	(69)
	Net cash flows generated during the year	334	(71)	(3)	(24)
	Cash and cash equivalents at the beginning of the year	995	1.054	6	30
	Exchange gains/(losses) rate on cash and cash equivalents	(18)	12	-	-
	Cash and cash equivalents at the end of the year	1.311	995	3	6

NOTES

1. Significant accounting estimates and judgements

Estimates and judgements:
In applying the Group's and the Parent Company's accounting policies, Management is required to make judgments, estimates and assumptions concerning the carrying amount of assets and liabilities that cannot be immediately inferred from other sources. The judgments, estimates and assumptions made are based on historical experience and other relevant factors which Management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable. Estimates and underlying assumptions are assessed on an ongoing basis. Changes to accounting estimates are recognized in the reference period in which the change occurs and in future reference periods if the change affects both the period in which the change occurs and subsequent reference periods.

Capital structure and financing:
The Group's primary loan agreement with Nordea is subject to certain conditions and three covenants, which Glunz & Jensen must observe in order to maintain the loan, including financial covenants concerning the financial ratio "solvency" and the agreed level of EBITDA and loan to value covenants. During 2023 Glunz & Jensen did breach the EBITDA covenant, however Nordea accepted the breach. The budget for 2024 was presented to and viewed satisfactory by Nordea and a letter of cooperation for 2024 was received by Glunz & Jensen in January 2024. On this basis, Management considers the Group's funding for 2024 sufficient to be able to continue meeting its payment obligations and its obligations under the financing covenants during 2024.

Investment properties:
For investment properties, a valuation methodology based on a discounted cash flow (DCF) model is used every year. In 2023 the discount rate used was 7,75%, the yearly rent adjustment of 2,5% was used for all years, the maintenance per m^2 in DKK was 42 and the occupancy rate was 92% (2022: discount rate was 7,5%, rent adjustment used was 4,0% in 2024 and an average rent adjustment of 2,5% was used for the following years, the maintenance per m^2 in DKK was 42 and the occupancy rate was 89%).

The most significant factor in the fair value calculation is the discount rate. Sensitivity analysis of the fair value calculation indicates that a change in the discount rate +/- 0,5% will lead to a fair value adjustment of approximately DKK 11,6 million.

The discount rate is based on available information from commercial real estate agents and the Executive Management's assessments. The fair values of the properties are however not based on valuations performed by an independent external valuer. Please see note 14 concerning investment properties.

Leased property assets:
End of 2023 the property lease agreement in Nyborg and the related subleasing agreement were terminated. The early termination resulted in an impairment loss of DKK 546 thousand in 2023.

Please see note 13 concerning leased assets and note 18 concerning other receivables.

Estimated level of expected losses on trade receivables:
Write-downs for expected losses on receivables from sales are recognized immediately in the income statement at the same time as the receivable based on a simplified expected credit loss model. When estimating the level of receivables that in the future is expected not to be collected Management take the following information into account: historical losses on receivables, ageing of the receivables, access to payment securities and possibilities to off-set assets against claims. When doing the assessment, we also evaluate the global financial situation and political environments that could impact the recoverability.

Inventories:
In connection with the preparation of the annual report and during the year, Management regularly assesses the need for writing down the inventory value regarding phase-out of materials, consumables, and/or finished machines. The need for write-downs is estimated based on analysis in which last year's revenue is compared to the present composition of the inventories. The percentage of the write-down increase depends on the number of years of revenue the inventory is estimated to cover. If Management estimates that future revenue differs significantly compared to historical sales, e.g., due to planned phase-outs, this is taken into consideration in the impairment test. Normally, inventory write-downs are made when Management estimates that the product portfolio covers more than two years' future expected revenue. Most of the uncertainties in the impairment test relate to estimating the future revenue, the effect of phase-outs and the precision of the write-down percentages used.

1. Significant accounting estimates and judgements (continued)

Deferred tax assets:
When measuring deferred tax assets, Management considers if future earnings, based on budget and operating plans, will make it possible to utilize the temporary differences between the carrying amount and the tax base of assets and liabilities or tax loss-carry forwards. See note 17, which states that tax loss-carry forward are expected to be utilized by 2026 at the latest.

Non-current assets:
The carrying amounts of non-current assets are reviewed annually to determine whether there is any evidence of impairment. If any such evidence exists, the recoverable amount of the asset is estimated. The recoverable amount of an asset is the higher of its fair value less expected disposal costs and its value in use. The value in use is determined as the present value of expected future cash flows from the asset or the cash-generating unit to which the assets belong.

Accounting policies:
In applying the Group's and the Parent Company's accounting policies, Management is required to make other judgments not relating to estimates which might significantly affect amounts recognized in the annual report.

Management has made such judgments concerning:

Segments:
The Glunz & Jensen Group's main activities lie within the Prepress market. Product area Flexo and Product area Offset, are both part of the Prepress market. All products and services are connected to setters and printing equipment. In addition to equipment, Glunz & Jensen sells installation of the equipment, service, and spare parts. At the production facility in Slovakia, Glunz & Jensen manufactures both Flexo and Offset equipment. Glunz & Jensen markets Flexo and Offset through a comprehensive and worldwide network of private label partners, distributors, and dealers. Flexo and Offset equipment are sold on a standalone basis or in conjunction with other product types. Glunz & Jensen's service organization provides service for both Flexo and Offset equipment. Glunz & Jensen sees an overlap between customers within Flexo and Offset. Consequently, Glunz & Jensen has concluded that Offset and Flexo belong to the same segment. The management of Glunz & Jensen and the internal financial reporting is organized accordingly.

Thus Glunz & Jensen Group account can be divided into two segments: prepress market and investment property, Selandia Park.

Glunz & Jensen presents entity-wide information regarding geographical distribution of revenue and assets. However, Glunz & Jensen's financial reporting does not include information regarding geographical markets beyond those reflected in note 2 and geographical markets are not considered operating segments.

2. Segment information

The Glunz & Jensen Group consists of two reportable segments: the Prepress market and rental of the Selandia Park properties.

Sales and purchases between the segments are made on terms equivalent to those that prevail in arm's length transactions.

April 1st, 2022 – December 31st, 2022 (DKK '000)	Prepress market	Selandia Park	Total segments	Elimi-nations	Consoli-dated
External revenue	93.720	9.702	103.422	-	103.422
Inter-segment	-	104	104	(104)	-
Total revenue	93.720	9.806	103.526	(104)	103.422
Fair value gains on investment properties	-	6.000	6.000	-	6.000
Depreciation of property, plant, and equipment	612	-	612	-	612
Depreciation of leased assets	459	-	459	-	459
Impairment of leased assets	75	-	75	-	75
Operating profit/(loss)	2.977	14.047	17.024	-	17.024
Profit/(loss) after tax in associates	51	-	51	-	51
Financial income	1.144	-	1.144	(412)	732
Financial expenses	(1.913)	(1.042)	(2.955)	412	(2.543)
Segment profit/(loss) before tax	2.259	13.005	15.264	-	15.264
Segment assets	93.973	146.568	240.541	-	240.541
Capital expenditure	1.378	-	1.378	-	1.378
Segment liabilities	51.192	90.906	142.098	-	142.098

January 1st, 2023 – December 31st, 2023 (DKK '000)	Prepress market	Selandia Park	Total segments	Elimi-nations	Consoli-dated
External revenue	132.088	11.231	143.319	-	143.319
Inter-segment	-	147	147	(147)	-
Total revenue	132.088	11.378	143.466	(147)	143.319
Depreciation of property, plant, and equipment	931	-	931	-	931
Depreciation of leased assets	769	-	769	-	769
Impairment of leased assets	546	-	546	-	546
Operating profit/(loss)	(1.142)	9.716	8.574	-	8.574
Profit/(loss) after tax in associates	(173)	-	(173)	-	(173)
Financial income	985	3	988	(388)	600
Financial expenses	(2.104)	(3.763)	(5.867)	388	(5.479)
Segment profit/(loss) before tax	(2.434)	5.956	3.522	-	3.522
Segment assets	71.754	146.501	218.255	-	218.255
Capital expenditure	757	-	757	-	757
Segment liabilities	30.838	86.193	117.031	-	117.031

2. Segment information (continued)

Glunz & Jensen operates mainly in the European and North American markets.

External revenue is allocated to geographical areas based on the customer's geographical location, whereas non-current assets are allocated to geographical areas based on the geographical location of the reporting units.

Geographical distribution (DKK '000)	Revenue 2023 12 months	Revenue 2022 9 months	Non-current assets 2023 Dec. 31st	Non-current assets 2022 Dec. 31st
Group				
EMEA (Europe, Middle East, Africa) *	90.588	67.713	153.479	154.128
Americas	32.681	24.359	2	7
Asia and the Pacific	20.050	11.350	-	-
Total	143.319	103.422	153.481	154.135

* Selandia Park is included in EMEA.

8% of the Group's revenue relates to Denmark (2022: 10%).

Major customers:
Customers generating revenue of more than 10% of total revenue accounted for DKK 44,8 million in 2023 (2022: DKK 40,5 million).

Revenue: January 1st / April 1st – December 31st (DKK '000)	Group 2023 12 months	Group 2022 9 months
Type of revenue		
Sale of goods	129.933	88.443
Sale of services	2.155	5.277
Rental income from investment properties	11.231	9.702
	143.319	103.422
Timing of revenue recognition		
Revenue recognized at a point in time	129.933	88.443
Revenue recognized over time	13.386	14.979
	143.319	103.422

3. Production costs

January 1st / April 1st – December 31st (DKK '000)	Group 2023 12 months	Group 2022 9 months
Cost of goods sold	77.965	55.381
Inventory write-downs	4.172	332
Reversed inventory write-downs	(1.206)	(982)

Inventory write-downs are made based on an assessment that includes expectations as to future demand and use of the item concerned. As such expectations can change from year to year, significant fluctuations in the need for write-downs may occur. As a result, written-down inventories are sometimes reversed.

4. Staff costs

January 1st / April 1st – December 31st (DKK '000)	Group 2023 12 months	Group 2022 9 months	Parent Company 2023 12 months	Parent Company 2022 9 months
Wages and salaries	27.015	18.946	3.206	3.880
Defined contribution plans	865	645	167	230
Other social security costs	4.571	2.947	4	9
	32.451	22.538	3.377	4.119
Staff costs are recognized as follows:				
Production costs	13.958	8.038	-	-
Labor transferred to inventory	5.119	3.722	-	-
Sales and distribution costs	5.564	3.624	-	-
Product development costs	581	388	-	-
Administrative expenses	7.229	6.766	3.377	4.119
	32.451	22.538	3.377	4.119
Average number of full-time employees	113	108	1	2
Remuneration of the Executive Management:				
Salaries	2.352	2.938	2.352	2.938
Bonus	-	412	-	412
Remuneration of the Executive Management total	2.352	3.350	2.352	3.350
Remuneration of the Board of Directors:				
Board member fees	850	638	850	638
Committee fees	175	131	175	131
Total remuneration of the Board of Directors	1.025	769	1.025	769

Executive Management:
Henrik Blegvad Funk CEO of Glunz & Jensen Holding A/S since January 1st, 2023, and CFO since April 1st, 2016.
Robert Popik Group COO and general manager of the subsidiary Glunz & Jensen s.r.o. since April 1st, 2020, was assigned as executive manager of Glunz & Jensen Holding A/S effective by February 1st, 2023. Remuneration of Robert Popik comprises the share attributable to the performance of duties in the Executive Board.
Martin Overgaard Hansen CEO of Glunz & Jensen Holding A/S since September 1st, 2019, until January 31st, 2023.

There are no defined benefit plans within the Group.

5. Auditor's fee

January 1st / April 1st – December 31st (DKK '000)	Group 2023 12 months	Group 2022 9 months	Parent Company 2023 12 months	Parent Company 2022 9 months
Total fees to the auditors:				
KPMG	562	496	129	39
	562	496	129	39
Statutory audit	484	465	89	77
Tax and VAT assistance	71	67	16	(7)
Other services	7	(36)	24	(31)
	562	496	129	39

Group:
Non-audit services provided by KPMG amounts to DKK 78 thousand in 2023 relating to sundry tax advisory services and other advisory services (2022: DKK 31).

Parent Company:
Non-audit services provided by KPMG amounts to DKK 40 thousand in 2023 relating to sundry tax advisory services and other advisory services (2022: DKK (38) thousand).

6. Depreciation, amortization, and impairment losses

January 1st / April 1st – December 31st (DKK '000)	Group 2023 12 months	Group 2022 9 months	Parent Company 2023 12 months	Parent Company 2022 9 months
Depreciation, property, plant, and equipment	931	612	-	-
Depreciation, leased assets	769	459	14	59
Impairment losses, leased assets	546	75	-	75
	2.246	1.146	14	134
Amortization, depreciation, and impairment losses are included in the following items:				
Production costs	2.008	804	-	-
Sales and distribution costs	91	99	-	-
Development costs	23	62	-	-
Administrative expenses	124	181	14	134
	2.246	1.146	14	134

Amortization relating to intangible assets are recognized in development costs. See notes 12 and 13 concerning impairment of intangible assets, property, plant, and equipment and leased assets.

7. Other operating income and expenses

January 1st / April 1st – December 31st (DKK '000)	Group 2023 12 months	Group 2022 9 months
Other operating income		
Gain on sale of non-current assets	4	5
Other income	20	4
	24	9

8. Development costs

Group

Development costs of DKK 1.244 thousand (2022: DKK 986 thousand) were incurred in 2023. Hereof, DKK 0 (2022: DKK 0) are recognized in the balance sheet and DKK 1.244 thousand (2022: DKK 986 thousand) are recognized in the income statement as development costs.

9. Financial income and expenses

January 1st / April 1st – December 31st (DKK '000)	Group 2023 12 months	Group 2022 9 months	Parent Company 2023 12 months	Parent Company 2022 9 months
Financial income				
Interest income, cash, and cash equivalents etc.	8	-	2	-
Interest income, subleasing receivables	467	383	-	-
Interest income from subsidiaries	-	-	2.213	1.035
Foreign exchange gains	125	349	-	-
	600	732	2.215	1.035
Interest on financial assets measured at amortized cost represents	8	-	2.215	1.035
Financial expenses				
Interest expenses, credit institutions	4.212	1.436	-	-
Interest expenses, lease liabilities	308	441	4	11
Foreign exchange losses	295	384	2	1
Other financial expenses	664	282	6	5
	5.479	2.543	12	17
Interest on financial liabilities measured at amortized cost represents	4.520	1.877	4	11

10. Tax on profit for the year

January 1st / April 1st – December 31st (DKK '000)	Group 2023 12 months	Group 2022 9 months	Parent Company 2023 12 months	Parent Company 2022 9 months
Tax on profit/(loss) for the year:				
Current tax	382	254	492	302
Adjustment of tax regarding previous years	5	15	-	-
Adjustment of deferred tax	223	2.972	(9)	(59)
Total tax on profit/(loss) for the year	610	3.241	483	243
Analysis of tax on profit/(loss) for the year:				
Tax charged at 22%	773	3.359	747	2.699
Tax effect of:				
Non-deductible profit/(loss) after tax in subsidiaries	-	-	(247)	(2.474)
Non-taxable income and non-deductible expenses	191	(110)	(17)	18
Non-recognized deferred tax asset in foreign subsidiaries	(405)	(62)	-	-
Adjustment of tax calculated for foreign subsidiaries against 22%	46	39	-	-
Tax relating to previous years	5	15	-	-
	610	3.241	483	243
Effective tax rate	17,3%	21,2%	14,2%	2,0%

Group:
The effective tax rate for 2023 decreased to 17,3% from 21,2% in 2022 due to adjustments of non-taxable income and non-deductible expenses and adjustments of non-recognized deferred tax assets in foreign subsidiaries.

Parent Company:
The effective tax rate for 2023 increased to 14,2% from 2,0% in 2022 due to the development in non-deductible profit/(loss) after tax in subsidiaries.

11. Earnings per share

January 1st / April 1st – December 31st (DKK '000)	Group 2023 12 months	Group 2022 9 months
Profit for the year	2.912	12.023
Average number of shares	1.821	1.821
Average number of outstanding shares	1.821	1.821
Average number of outstanding shares, diluted	1.821	1.821
Earnings per share (EPS) (DKK)	1,6	6,6
Diluted earnings per share (EPS-D) (DKK)	1,6	6,6

12. Property, plant, and equipment

(DKK '000)	Land and buildings	Other fixtures and fittings, tools, and equipment	Leasehold improve-ments	Total
Group				
Total cost on April 1st, 2022	33.625	18.457	-	52.082
Foreign exchange adjustments	(8)	20	-	12
Additions	410	780	188	1.378
Disposals	-	(595)	-	(595)
Total cost on December 31st, 2022	34.027	18.662	188	52.877
Depreciation and impairment losses on April 1st, 2022	28.710	17.756	-	46.466
Foreign exchange adjustments	(7)	21	-	14
Depreciation for the year	331	236	45	612
Depreciation of disposals	-	(586)	-	(586)
Depreciation and impairment losses on December 31st, 2022	29.034	17.427	45	46.506
Carrying amount on December 31st, 2022	4.993	1.235	143	6.371
Total cost on January 1st, 2023	34.027	18.662	188	52.877
Foreign exchange adjustments	84	(5)	-	79
Additions	13	744	-	757
Disposals	-	(546)	-	(546)
Total cost on December 31st, 2023	34.124	18.855	188	53.167
Depreciation and impairment losses on January 1st, 2023	29.034	17.427	45	46.506
Foreign exchange adjustments	74	(8)	-	66
Depreciation for the year	389	443	99	931
Depreciation of disposals	-	(546)	-	(546)
Depreciation and impairment losses on December 31st, 2023	29.497	17.316	144	46.957
Carrying amount on December 31st, 2023	4.627	1.539	44	6.210

Group:
The carrying amount of land and buildings amounting to DKK 4.627 thousand (December 31st, 2022: DKK 4.933 thousand) had a registered mortgage on December 31st, 2023. The value of the relating collateral was DKK 6.174 thousand on December 31st, 2023 (December 31st, 2022: DKK 4.619 thousand).

On December 31st, 2023, Management tested the carrying amount of property, plant, and equipment. As in 2022, the impairment test showed no need to recognize an impairment loss.

13. Leased assets

(DKK '000)	Property	Other fixtures and fittings, tools, and equipment	Total
Group			
Balance on April 1st, 2022	982	950	1.932
Additions	31	-	31
Disposals	-	(165)	(165)
Depreciation for the year	(216)	(243)	(459)
Impairment for the year	-	(75)	(75)
Carrying amount on December 31st, 2022	797	467	1.264
Balance on January 1st, 2023	797	467	1.264
Additions	264	303	567
Reclassified from other receivables - subleasing	2.502	-	2.502
Disposals	(2.113)	(134)	(2.247)
Depreciation for the year	(613)	(156)	(769)
Impairment for the year	(546)	-	(546)
Carrying amount on December 31st, 2023	291	480	771
Parent Company			
Balance on April 1st, 2022	-	281	281
Depreciation for the year	-	(59)	(59)
Impairment for the year	-	(75)	(75)
Carrying amount on December 31st, 2022	-	147	147
Balance on January 1st, 2023	-	147	147
Depreciation for the year	-	(14)	(14)
Disposals	-	(133)	(133)
Carrying amount on December 31st, 2023	-	-	-

December 31st (DKK '000)	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Expected maturity:				
Due within 1 year or less	2.074	2.697	-	96
Due within 1-5 years	259	4.244	-	163
Due after 5 years	-	-	-	-
Total non-discounted lease liabilities December 31st	2.333	6.941	-	259
Lease liabilities recognized in the balance sheet:				
Long-term liabilities	245	4.046	-	145
Short-term liabilities	2.013	2.358	-	75
Total liabilities	2.258	6.404	-	220
Lease liabilities recognized in income statement:				
Interest	308	441	4	11
Cost relating to leasing agreements with a term of less than 12 months or low value	85	-	-	-

Group:
In the fiscal year 2023, payments related to leases amounted to DKK 2.776 thousand (2022: DKK 2.110 thousand) of which interest payments relating to recognized lease liabilities accounted for DKK 308 thousand (2022: DKK 441 thousand) and repayment of recognized lease liabilities for DKK 2.468 thousand (2022: DKK 1.669 thousand).

In the fiscal year 2023, the lease liability was re-measured due to changes in index and interest rates. The weighted average discount rate applied is 7% (2022: 7%).

On December 31st, 2023, Management tested the carrying amount of leased assets. In fiscal 2023, impairment testing showed a need to recognize an impairment loss of DKK 546 thousand due to early termination of building lease agreement. (2022: DKK 75 thousand).

13. Leased assets (continued)

Financial lease:
During 2021/22, the Group sub-leased a building that had been presented as part of a right-of-use asset – property, plant, and equipment for a two-year period.

During 2023, the Group recognized a gain of DKK 0 (2022: DKK 0) on derecognition of the right-of-use asset pertaining to the building. During 2023, the Group recognized interest income on lease receivables of DKK 467 thousand (2022: DKK 383).

During December 2023 the Group agreed with the tenant to terminate the subleased building early. As a result, DKK 2.502 thousand other receivables was reclassified to right-of-use asset – property, plant, and equipment end of 2023.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

December 31st (DKK '000)	Group 2023	Group 2022
Due within 1 year or less	-	2.077
Due within 1-2 years	-	360
Due after 3 years	-	-
Total non-discounted lease receivable	-	2.437
Unearned finance income	-	(321)
Net investment in the lease	-	2.116

Parent Company:
In the fiscal year 2023, payments related to leases amounted to DKK 92 thousand (2022: DKK 69 thousand), of which interest payments relating to recognized lease liabilities accounted for DKK 4 thousand (2022: DKK 11 thousand) and repayment of recognized lease liabilities account for DKK 88 thousand (2022: DKK 58 thousand).

The weighted average discount rate applied was 5%.

In the fiscal year 2022, impairment testing showed a need to recognize an impairment loss of DKK 75 thousand due to expected early termination of lease agreements.

14. Investment properties

(DKK '000)	Group 2023	Group 2022
Opening balance on January 1st / April 1st	146.500	140.500
Fair value adjustment	-	6.000
Closing balance on December 31st	146.500	146.500
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in administrative expenses)	1.662	1.760

The investment properties are located in Ringsted. Selandia Park A/S was established in 2016. Selandia Park A/S' business objective is to invest in and operate a property portfolio.

92% of the investment properties were leased to tenants on December 31st, 2023 (2022: 89%). Own use of the properties represented 2% on December 31st, 2023 (2022: 2%).

All rental contract – except for one minor contract – have expiration dates from 2026 at the earliest and to 2033 respectively.

The carrying amount of investment properties amounting to DKK 146.500 thousand had a registered mortgage on December 31st, 2023 (2022: DKK 146.500 thousand). The value of the relating collateral was DKK 58.982 thousand at December 31st, 2023 (2022: DKK 52.353 thousand).

Please see note 1 Significant accounting estimates and judgements "Investment properties" and note 2 Segments "Rental of the Selandia Park properties" and note 26 Financial risks and financial instruments "Fair values".

15. Investment in subsidiaries

Parent Company (DKK '000)	Profit/(loss) for the year after tax 2023 12 months	Equity 2023 Dec. 31st	Profit/(loss) for the year after tax 2022 9 months	Equity 2022 Dec. 31st
Glunz & Jensen A/S, Ringsted, Denmark	(3.522)	26.113	1.100	9.766
Selandia Park A/S, Ringsted, Denmark	4.647	60.308	10.144	55.661
	1.125	86.421	11.244	65.427

Ownership interest is 100% for both 2023 and 2022.

	Parent company 2023	Parent company 2022
Total cost on January / April 1st	130.000	130.000
Tax-free contribution	20.000	-
Total cost on December 31st	150.000	130.000
Adjustments on January / April 1st	(64.573)	(75.979)
Profit/(loss) for the year	1.125	11.244
Foreign exchange adjustments	(131)	162
Adjustments on December 31st	(63.579)	(64.573)
Carrying value on December 31st	86.421	65.427

As of December 31st, 2023, the difference on initial recognition of the subsidiaries totaled DKK 0 thousand.

No tax liability will be incurred on realization of the Parent Company's investments in subsidiaries at carrying amount (2022: DKK 0 thousand).

In December 2023, Glunz & Jensen A/S was granted a tax-free group contribution of DKK 20.000 thousand.

16. Investments in associates

The Group's investments in associates are measured using the equity method.

December 31st (DKK '000)	Group 2023	Group 2022
GKS International Ltd, UK	-	258
	-	258

During 2023 the 40% ownership in GKS International Ltd were sold at a sales price of 10.000 GBP.

As the associate's revenue is less than 1% of consolidated revenue, the Management evaluates that the associates are not significant for which reason no further information are disclosed regarding this entity.

17. Deferred tax

(DKK '000)	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Deferred tax on January / April 1st	(7.559)	(4.592)	(125)	(184)
Foreign exchange adjustments	(3)	5	-	-
Tax income/(expense) during the period recognized in profit or loss	(223)	(2.972)	9	59
Deferred tax on December 31st	(7.785)	(7.559)	(116)	(125)
Breakdown of deferred tax and recognition in the balance sheet:				
Deferred tax asset	410	728	-	-
Deferred tax liability	(8.195)	(8.287)	(116)	(125)
Total on December 31st	(7.785)	(7.559)	(116)	(125)

The value of tax loss carryforwards has been recognized as a deferred tax asset in the companies where, based on the budget, it is considered very likely that they can be set off against future earnings and where a history of profit before tax in the last three years has been verified. The value of tax loss carry-forward, DKK 5.023 thousand on December 31st, 2023 (2022: DKK 5.193 thousand), has not been recognized as a deferred tax asset, as it is not considered likely that they will be utilized.

(DKK '000)	Property, plant, and equipment	Current assets	Liabilities	Tax loss carry-forward etc.	Total
Group					
Deferred tax on April 1st, 2022	(7.119)	124	245	2.158	(4.592)
Foreign exchange adjustments	-	5	-	-	5
Recognized in profit/(loss) for the year, net	(5.282)	3.120	(91)	(719)	(2.972)
Deferred tax on December 31st, 2022	(12.401)	3.249	154	1.439	(7.559)
Deferred tax on January 1st, 2023	(12.401)	3.249	154	1.439	(7.559)
Foreign exchange adjustments	1	(1)	-	(3)	(3)
Recognized in profit/(loss) for the year, net	(1.065)	259	(375)	958	(223)
Deferred tax on December 31st, 2023	(13.465)	3.507	(221)	2.394	(7.785)
Parent Company					
Deferred tax on April 1st, 2022	-	-	(184)	-	(184)
Recognized in profit/(loss) for the year, net	-	-	59	-	59
Deferred tax on December 31st, 2022	-	-	(125)	-	(125)
Deferred tax on January 1st, 2023	-	-	(125)	-	(125)
Recognized in profit/(loss) for the year, net	-	-	9	-	9
Deferred tax on December 31st, 2023	-	-	(116)	-	(116)

18. Other receivables

December 31st (DKK '000)	Group 2023	Group 2022
Non-current other receivables:		
Sub-leasing receivable	-	2.424
Deposit regarding leased property	168	156
	168	2.580
Current other receivables:		
Sub-leasing receivable	-	1.531
VAT and other receivables (authorities)	1.870	2.461
Other receivables	26	60
	1.896	4.052

In March 2022 the property in Nyborg, Denmark was fully subleased for a two-year period leading to reclassification of leased property asset to other receivables. In December 2023, the sublease agreement was terminated early. As a result, other receivables in the amount of DKK 2.502 thousand were returned to the leased property asset.

Please see note 13 Leased assets.

19. Inventories

December 31st (DKK '000)	Group 2023	Group 2022
Raw materials and consumables	31.239	45.975
Finished goods and semi-manufacture goods	11.747	10.866
Total	42.986	56.841
Inventories recognized at net realizable value	88	97

20. Trade receivables

(DKK '000)	Group 2023	Group 2022
Trade receivables, gross	17.200	20.121
Changes in credit loss allowance:		
Allowance on January / April 1st	(709)	(632)
Additions in the year	(107)	(90)
Reversal in the year	56	13
Allowance on December 31st	(760)	(709)
Trade receivables, net	16.440	19.412

The credit risk of the various trade receivables is mainly associated with the customer's geographical location.
Breakdown of trade receivables, net, based on the customer's geographical location:

December 31st (DKK '000)	Group 2023	Group 2022
Western Europe	11.127	11.395
Eastern Europe	499	598
North America	2.758	4.122
Asia and Pacific	1.327	1.396
Rest of the world	729	1.901
Trade receivables, net	16.440	19.412

Write down is based on historically observed default rates adjusted for estimated uncertainties in project related activities and market conditions.

As of December 31st, 2023, 13,3% of the trade receivables are due (2022, 14,4%).

(DKK '000)	Expected default rate	Trade receivables gross	Expected loss	Trade receivables net
Maturity of trade receivables on December 31st, 2022:				
Not due	2,0%	16.845	339	16.506
Due 0-30 days	8,3%	3.024	250	2.774
Due 30-60 days	46,1%	152	70	82
Due more than 60 days	50,0%	100	50	50
		20.121	709	19.412
Maturity of trade receivables on December 31st, 2023:				
Not due	2,0%	14.436	282	14.154
Due 0-30 days	9,7%	2.272	220	2.052
Due 30-60 days	51,5%	476	245	231
Due more than 60 days	81,3%	16	13	3
		17.200	760	16.440

No loss is expected on receivables from subsidiaries in the Parent Company.

See note 26, section debtor risks.

21. Share capital and treasury shares

The share capital in Glunz & Jensen Holding A/S consists of 1.821.309 shares as of December 31st, 2023, and likewise on December 31st, 2022, representing a nominal value of DKK 20 each. The total nominal value is DKK 36.426 thousand. No shares carry any special rights. All shares are fully paid.

As of December 31st, 2023, and on December 31st, 2022, Glunz & Jensen Holding A/S held no treasury shares.

During the last five years there have been no movements in the share capital.

Please see to note 26 under the "Capital management" section.

22. Provisions

(DKK '000)	Group 2023	Group 2022
Warranty commitments on January / April 1st	863	1.445
Additions	902	347
Disposals	(672)	(929)
Warranty commitments on December 31st	1.093	863
Restructuring on January / April 1st	-	-
Additions	1.736	-
Restructuring on December 31st	1.736	-
Provisions on December 31st	2.829	863
Breakdown of provisions by non-current and current liabilities:		
Non-current liabilities	533	216
Current liabilities	2.296	647
Provisions on December 31st	2.829	863

Warranties
A provision has been made for warranty commitments to cover contract-related warranty for goods already delivered. Warranty commitments are recognized as the goods are sold and are calculated based on historical warranty costs. The warranty commitments cover a period from 6 months to 2 years after delivery of the goods.

Warranty commitments comprise commitments under ordinary product guarantees of up to 1-2 years. The commitments are calculated based on historical warranty costs and are assessed for specific matters. The expenses are expected to be incurred over the next two years.

Restructuring
Following the decline in gross profit margins over previous year, management developed a short-term plan during 2023. This plan to improve profitability have resulted in the provisions for restructuring costs in the amount of DKK 1.736 thousand. The majority of the amount relates to severance cost. The expenses are expected to be incurred over the next two years.

23. Credit institutions

(DKK '000)	Due within 1-5 years	Due after 5 years	Due after 1 year, total	Due within 1 year	Total
Group					
Credit institutions on December 31st, 2022:					
Credit institutions (DKK), floating rate 2%	20.240	27.423	47.663	32.176	79.839
Credit institutions (USD), floating rate 4%	-	-	-	73	73
Credit institutions (GBP), floating rate 4%	-	-	-	327	327
Credit institutions (EUR), floating rate 2%	-	-	-	4.667	4.667
	20.240	27.423	47.663	37.243	84.906
Credit institutions on December 31st, 2023:					
Credit institutions (DKK), fixed rate 6%	7.387	40.758	48.145	1.652	-
Credit institutions (DKK), floating rate 5%	3.835	4.480	8.315	9.055	67.167
Credit institutions (USD), floating rate 7%	-	-	-	556	556
Credit institutions (GBP), floating rate 7%	-	-	-	350	350
Credit institutions (EUR), floating rate 6%	-	-	-	6.638	6.638
	11.222	45.238	56.460	18.251	74.711

(DKK '000)	April 31st, 2022	Cash flows	Non-cash items	Dec. 31st, 2022
Group				
Non-current credit institutions	50.885	(3.222)	-	47.663
Current credit institutions	21.311	15.934	(2)	37.243
	72.196	12.712	(2)	84.906

	Jan. 31st, 2023	Cash flows	Non-cash items	Dec. 31st, 2023
Group				
Non-current credit institutions	47.663	8.797	-	56.460
Current credit institutions	37.243	(19.002)	10	18.251
	84.906	(10.205)	10	74.711

The Parent Company has no credit facilities.

24. Other payables

December 31st (DKK '000)	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Non-current other payables:				
Holiday pay	2.272	2.272	-	-
Other payables	199	157	-	-
	2.471	2.429	-	-
Current other payables:				
Wages, salaries, holiday pay etc.	3.897	4.632	1.316	1.645
Accrued employee taxes	425	78	79	-
VAT and other payables toward authorities	909	1.957	257	745
Other payables	1.374	1.868	162	198
	6.605	8.535	1.814	2.588

25. Contingent liabilities and collateral

Group:
The shares in Glunz & Jensen A/S and Selandia Park A/S are pledged as security towards the main bank, Nordea. The Group has provided a company charge of DKK 35.000 thousand secured upon the Company's inventories, goodwill, domain names and rights, fixtures, and operating equipment as well as unsecured claims relating to the sale of goods and services at a carrying amount of DKK 56.441 thousand.

Please refer to note 12, Property, plant, and equipment and 14 Investment properties regarding collateral mortgage.

Parent Company:
The shares in Glunz & Jensen A/S and Selandia Park A/S are pledged as security towards the main bank, Nordea. The Group has provided a company charge of DKK 35.000 thousand secured upon the Company's inventories, goodwill, domain names and rights, fixtures, and operating equipment as well as unsecured claims relating to the sale of goods and services at a carrying amount of DKK 56.441 thousand.

The Parent Company acts as management company for the jointly taxed Danish companies. Pursuant to the provisions of the Danish Corporation Tax Act, the Parent Company is thus liable to withhold tax at source on interest, royalties, and dividend for the jointly taxed companies for contingent liabilities and to withhold income taxes. The Parent Company recognized jointly tax receivables in the balance sheet amounting to DKK 0 on December 31st, 2023 (December 31st, 2022: DKK 0). The Parent Company's liability regarding joint tax may be impacted by future corrections of the taxable income. The companies in the joint taxation arrangement are not subject to withholding tax on dividends, interest, or royalties.

26. Financial risks and financial instruments

Risk management policy:
As a result of its operating, investing, and financing activities, the Group is exposed to various financial risks, including market risks, credit risks and liquidity risks. It is the Group's policy not to speculate actively in financial risks. The Group's financial risk management is thus aimed exclusively at managing the financial risks that are a direct consequence of the Group's operating, investing, and financing activities.

Currency risk:
The Group's currency risk consists of transaction risks and currency translation risks.

The main part of the Group's sales are invoiced in EUR and USD. In 2023, approx. 79% of sales were invoiced in EUR and approx. 13% in USD (2022: 79% in EUR and 9% in USD).

The main part of the Group's expenses are paid in EUR 64%, DKK 24% and USD 10%. In 2023, expenses paid in DKK, USD and EUR amounted to 98% of total expenses (2022: 97%). As Management considers the EUR/DKK exchange rate to be fixed, the Group's exposure to currency risks is limited.

As part of the Group's currency policy, Glunz & Jensen seeks only to reduce the impact of exchange rate fluctuations (EUR exempted) on its profits and financial position via financial instruments when the risk is assessed as unacceptable. As in 2022, future currency transactions are currently not hedged. Due to the foreign subsidiaries, Glunz & Jensen is exposed to currency translation risks insofar as part of the Group's earnings and net assets derive from these foreign subsidiaries and, therefore, are translated and included in the consolidated financial statements, which are presented in DKK.

26. Financial risks and financial instruments (continued)

An increase in the USD rate of 10% is estimated, all else being equal, to affect the Group's operating profit by approx. DKK 27 thousand (2022: DKK 50 thousand). The estimate is based on the level of USD Profit/(loss) transactions in 2023.

Based on the Group's USD exposure at the balance sheet date, the impact of a hypothetical fluctuation of 10% of the USD/DKK exchange rate on the profit/(loss) for the year and consolidated equity amounts to DKK 49 thousand regarding cash and receivables (2022: DKK 5 thousand) and DKK 90 thousand regarding financial liabilities (2022: DKK 82 thousand), respectively.

Interest rate risk:
As a result of its investing and financing activities, the Group is exposed to interest rate fluctuations. Net interest-bearing debt on December 31st, 2023, amounted to DKK 73.400 thousand (2022: DKK 83.911 thousand).

During 2023 Selandia entered a DKK 10.034 thousand floating-rate 10-year DKK-based bond loan. Further Selandia converted the existing DKK-based bond loan of DKK 50.810 thousand to a new loan in the same value however repayment period was prolonged to 20 years and the interest rate fixed at 4,4%. All other interest-bearing debt earns interest at floating rates.

A 1 percentage point change in the general interest rate level relative to the balance sheet date is estimated to affect the Group's profit/(loss) for the year by DKK 194 thousand and consolidated equity by DKK 194 thousand based on financial commitments at December 31st, 2023 (2022: an effect on the profit/(loss) for the year of DKK 662 thousand and consolidated equity of DKK 662 thousand). The estimate does not include adjustments concerning repayment and borrowing.

Credit risk:
The Group may realize losses if trade and other receivables are not settled. The majority of the Group's goods and services are sold to large companies with which Glunz & Jensen has long-term relationship. The four largest customers account for approx. 50,4% of total revenue. The Group normally requires prepayment from new customers.

Based on the Group's internal credit procedures, the credit risk associated with the various trade receivables mainly relates to the customer's geographical location. Trade receivables deemed to have a high credit quality (low risk) are estimated to relate to Western Europe and North America. Conversely, trade receivables relating to Asia, Eastern Europe and the rest of the world are deemed to have a lower credit quality (medium and high risk). As part of the Group's risk management, past-due receivables are monitored monthly. Historically, the Group has realized only minor credit losses related to trade receivables. Please refer to note 20 regarding the credit quality of trade receivables.

Liquidity risk:
Liquidity risk is the risk that Glunz & Jensen will be unable to meet its obligations as they fall due because of its inability to liquidate assets or obtain adequate funding.

The Group's primary loan agreement with Nordea is subject to certain conditions and three covenants, which Glunz & Jensen must observe to maintain the loan, including financial covenants concerning the financial ratio "solvency" and the agreed level of EBITDA and loan to value covenants. During 2023 Glunz & Jensen did breach the EBITDA covenant, however Nordea accepted the breach. The budget for 2024 was presented to and viewed satisfactory by Nordea and a letter of cooperation for 2024 was received by Glunz & Jensen in January 2024. On this basis, Management considers the Group's funding for 2024 sufficient to be able to continue meeting its payment obligations and its obligations under the financing covenants during 2024.

The Group's interest-bearing liabilities amounted to DKK 74.711 thousand on December 31st, 2023 (2022: DKK 84.906 thousand).

On December 31st, 2023, the Group's credit facilities amounted to DKK 86.434 thousand (2022: DKK 94.793 thousand) of which DKK 74.711 thousand has been drawn (2022: DKK 84.905 thousand). The liquidity reserve amounted to DKK 11.723 thousand on December 31st, 2023 (2022: DKK 9.888 thousand).

The liabilities fall due as follows:

Group

(DKK '000)	Carrying amount	Payment obligation	In 1 year or less	1-5 years	Over 5 years
On December 31st, 2022					
Non-derivative financial instruments:					
Credit institutions and banks	84.906	98.293	40.965	26.155	31.173
Lease liabilities	6.404	6.941	2.697	4.244	-
Trade payables	16.255	16.255	16.255	-	-
Total	107.565	121.489	59.917	30.399	31.173
On December 31st, 2023					
Non-derivative financial instruments:					
Credit institutions and banks	74.711	110.551	22.576	22.981	64.994
Lease liabilities	2.258	2.333	1.820	513	-
Trade payables	7.900	7.900	7.900	-	-
Total	84.869	120.784	32.296	23.494	64.994

26. Financial risks and financial instruments (continued)

Parent Company

(DKK '000)	Carrying amount	Payment obligation	In 1 year or less	1-5 years	Over 5 years
On December 31st, 2022					
Non-derivative financial instruments:					
Lease liabilities	221	259	96	163	
Trade payables	75	75	75	-	-
Total	296	334	171	163	-
On December 31st, 2023					
Non-derivative financial instruments:					
Trade payables	43	43	43	-	-
Total	43	43	43	-	-

The maturity analysis is based on undiscounted cash flows, including estimated interest payments. Interest payments are based on current market conditions.

Management believes that the Group has sufficient cash resources to cover planned operations and ongoing investments.

Capital management:
It is the Group's policy that capital is distributed to the shareholders via dividends or that Glunz & Jensen purchases treasury shares if and when earnings justify it. This means that during periods of low and unstable income, the solvency ratio must be high, while it may be reduced if earnings stabilize at a higher level than achieved in recent years.

On December 31st, 2023, the solvency ratio was 46,4% (2022: 40,9%). Based on the performance during 2023 and the outlook for 2024, the Board of Directors proposes to the Annual General Meeting that no dividend be distributed for fiscal 2023.

Fair values:
There was no difference between the fair values and the carrying amounts of financial assets and liabilities on December 31st, 2023, or on December 31st, 2022. Short-term, floating-rate bank loans are measured at a price of 100. The methods used are unchanged compared with last year.

Group

(DKK '000) **Fair value measurement hierarchy for assets and liabilities using:**	Un-observable inputs (Level 3)	Total
On December 31st, 2022		
Non-current assets:		
Investment properties	146.500	146.500
Total non-current assets	146.500	146.500
On December 31st, 2023		
Non-current assets:		
Investment properties	146.500	146.500
Total non-current assets	146.500	146.500

No assets and liabilities are measured at fair value in the Parent Company.

27. Related parties

Companies with a controlling interest in the Group consist of Heliograph Holding GmbH, owned by MRB Holding GmbH, which is the immediate majority owner, and MRB Holding GmbH, which Is the ultimate majority owner.

Both Heliograph Holding GmbH and MRB Holding GmbH are located at Konrad-Zuse-Bogen 18, 82152 Krailling, Germany.

Glunz & Jensen Holding A/S is included in the consolidated financial statement of Heliograph Holding GmbH. Consolidated financial statements can be requested by contacting Heliograph Holding GmbH and MRB Holding GmbH at the abovementioned address.

All companies in which Glunz & Jensen Holding A/S has a controlling interest are presented on page 29. Transactions with subsidiaries have been eliminated in the consolidated financial statements in accordance with the group's accounting policies. Receivables from subsidiaries is presented in the balance sheet and interest income from subsidiaries is presented in note 9.

The Group's related parties also comprise the members of the board of directors and the executive board as well as these persons' family members. Remuneration paid to members of the executive board and the board of directors is disclosed in note 4.

Transactions with related parties: December 31st (DKK '000)	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Sale of finished goods to MRB Group companies	1.003	442	-	-
Sale of parts and services to MRB Group companies	326	162	-	-
Purchase of finished goods from MRB Group companies	-	372	-	-
Purchase of parts from MRB Group companies	-	54	-	-
Purchase of services from MRB Group companies	1.454	946	40	43
Sale of parts and services to associate companies	-	6	-	-
Sale of services to subsidiaries	-	-	6.215	6.300
Purchase of services from subsidiaries	-	-	142	-
Tax free contribution to subsidiaries	-	-	20.000	-

28. Events after the balance sheet date

The Group's available credit lines for 2024 were extended by Nordea on January 15th, 2024, to continue to March 2025 and the cooperation letter was signed by the Company on January 16th, 2024. The cooperation letter is subject to three covenants, which the Prepress division of Glunz & Jensen must observe in order to maintain the loan. The financial covenants are related to the financial ratio "solvency", the agreed level of EBITDA, and loan to value.

No other events have occurred since December 31st, 2023, which is deemed to have a significant impact on the Group's or the Parent Company's financial position.

29. New accounting standards

The IASB has issued several new standards and amendments not yet in effect or endorsed by the EU and therefore not relevant for the preparation of the 2023 consolidated financial statements. Glunz & Jensen Holding A/S expects to implement these standards when they take effect. None of the new standards issued are currently expected to have any significant impact on the consolidated financial statements when implemented.

30. Accounting policies

Glunz & Jensen Holding A/S is a limited company domiciled in Denmark. The annual report for the period January 1st - December 31st, 2023, includes both consolidated financial statements of Glunz & Jensen Holding A/S and its subsidiaries (the Group) and the separate financial statements of the Parent Company.

The annual report of Glunz & Jensen Holding A/S for 2023 has been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish disclosure requirements for listed companies.

The Board of Directors discussed and approved the annual report of Glunz & Jensen Holding A/S for 2023 on March 19th, 2024. The annual report will be submitted to the shareholders of Glunz & Jensen Holding A/S for adoption at the Annual General Meeting on April 10th, 2024.

Basis of preparation

The annual report is presented in DKK, rounded to the nearest amount in DKK thousands. The annual report is prepared using the historical cost principle. However, recognized derivatives are measured at fair value. Non-current assets are measured at the lower of their carrying amount before the reclassification and fair value less selling costs.

On the Annual General Meeting in June 2022 the Shareholder, Heliograph Holding GmbH proposed to change Glunz & Jensen's financial year. The submitted proposal was adopted unanimously and with all votes present. Consequently Glunz & Jensen Holding A/S has changed the accounting period from April 1st - March 31st to January 1st - December 31st. As a result, the annual report for 2022 consists of 9 months whereas the annual report for 2023 consists of 12 months.

The comparative figures for 2022 have not been restated.

Except for the change mentioned above, the accounting policies have been applied consistently in the financial year and to comparative figures.

Adoption of new and revised IFRSs

Glunz & Jensen Holding A/S has implemented all the relevant new or amended IFRS Accounting Standards and interpretations as adopted by the EU that are effective as of January 1st, 2023.

No new standards or interpretations have had effect on the financial statements of the Group.

The accounting policies have been applied consistently in the financial year and to comparative figures.

Description of accounting policies

Consolidated financial statements

The consolidated financial statements include the Parent Company Glunz & Jensen Holding A/S and subsidiaries. Subsidiaries are entities controlled by the group. The group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements are prepared by aggregating the Parent Company's and the individual subsidiaries' financial statements, applying the Group's accounting policies. Intra-group income and expenses, shareholdings, balances, and dividends as well as realized and unrealized gains arising from intra-group transactions are eliminated on consolidation.

Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates.

Business combinations

Newly acquired or established companies are recognized in the consolidated financial statements from the date of acquisition. Enterprises sold or otherwise disposed of are recognized in the consolidated financial statements until the date of sale/disposal. Comparative figures are not restated to reflect newly acquired companies. Discontinued operations are presented separately, see below.

In the acquisition of new entities over which the Group obtains control, the acquisition method is used, meaning that the acquired entities' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Intangible assets identified are recognized if they can be separated or if they originate from contractual terms. The tax effect of the revaluations performed is considered.

Positive balances (goodwill) between the purchase consideration for the acquired enterprise and the fair value of the acquired assets, liabilities and contingent liabilities are recognized as asset in intangible assets and tested for impairment at least once a year. The first impairment test is performed before the end of the acquisition year. Upon acquisition, goodwill is allocated to the cash-generating unit which subsequently forms the basis for impairment testing. Goodwill and fair value adjustments arising from the acquisition of foreign entities with a functional currency other than DKK are accounted for as assets and liabilities of the foreign entity. This means that goodwill and fair value adjustments are initially translated at the foreign entity's functional currency at the transaction date. Negative goodwill arising on acquisition is recognized directly in the income statement at the date of acquisition.

The consideration for an entity consists of the fair value of the consideration paid for the acquiree. If the final determination of the consideration is contingent on one or more future events, such events are recognized at fair value at the date of acquisition. Expenses relating to the acquisition are recognized in profit or loss when incurred.

If, at the date of acquisition, there is uncertainty as to the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration, initial recognition is made based on initially calculated values. These values may be adjusted, or additional assets or liabilities may be recognized, until 12 months after the acquisition if new information is obtained about circumstances that existed at the date of acquisition and which would have affected the calculation of the values at the date of acquisition had such information been known. Subsequently, goodwill is not adjusted. Changes in estimates of conditional purchase considerations are generally recognized directly in the income statement.

Gains or losses on disposal of subsidiaries are calculated as the difference between the selling price or the settlement price and the carrying amount of net assets, including goodwill at the date of the disposal and the expenses relating to the disposal.

Foreign currency translation

A functional currency is designated for each of the reporting entities in the Group. The functional currency is the currency used in the primary economic environment in which the reporting entity operates. Transactions denominated in currencies other than the functional currency are transactions in foreign currencies.

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the transaction date. Gains and losses arising between the rate at the transaction date and the rate at the date of payment are recognized in the statement of comprehensive income under financial income and expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the balance sheet date. Differences between the rate at the balance sheet date and the rate at the transaction date or the exchange rate stated in the latest annual report are recognized in the statement of comprehensive income under financial income and expenses.

On recognition of foreign subsidiaries and associates with a functional currency other than DKK, items in the statement of comprehensive income are translated at average rate rates that do not differ significantly from the rates ruling at the transaction date. Balance sheet items in subsidiaries and the equity share of associates are translated at closing rates.

Exchange rate differences arising on the translation of the opening equity of subsidiaries and associates at closing rates and on the translation of items in the statement of comprehensive income from average rates to closing rates are recognized in the consolidated financial statements under other comprehensive income in equity as a separate translation reserve.

Derivative financial instruments

Derivative financial instruments are recognized at fair value. The fair value of derivative financial instruments is recognized in other receivables (positive value) and in other payables (negative values). Offsetting of positive and negative values only occurs when the Company is entitled to and intends to settle several derivative financial instruments net.

Fair values of derivative financial instruments are determined based on current market data.

Any gains or losses arising from fair value adjustments of derivative financial instruments are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss.

For derivative financial instruments that do not qualify for recognition as hedging instrument, fair value adjustments are recognized under financial income and expenses in the statement of comprehensive income.

Statement of comprehensive income

Revenue

The Glunz & Jensen Group's main activities lie within Flexo and Offset, which are both part of the prepress market. All products and services are connected to setters and printing equipment. In addition to equipment, Glunz & Jensen sells installation of the equipment, service, and spare parts.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The recognized revenue is measured at the fair value of the agreed consideration exclusive of VAT and fees collected on behalf of third parties. All forms of discounts will be recognized in revenue.

Any part of the total consideration that is variable, e.g. in the form of discounts, bonuses, penalties, etc., will be recognized in revenue only when reasonably certain that no repayments will be made in subsequent periods, i.e. as the result of failure to meet goals, etc.

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Customers are not entitled to return purchased goods.

The sale of services includes service packages and extended guarantees concerning products sold. The services typically include one performance obligation which is recognized on a straight-line basis over the period during which the services are provided.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

Costs

The Group distributes the cost, including depreciation and amortization and wages and salaries, by the functions production costs, sales and distribution costs, development costs and administrative expenses. Costs not directly attributable to a function are allocated to the functions based on the number of employees in each function.

Administrative expenses comprise operating expenses relating to the Group's investment property.

Development costs comprise research costs and any development costs not qualifying for capitalization and depreciation and amortization of capitalized development projects.

Administrative expenses comprise operational expenses relating to the Group's rental property.

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature, including gains and losses from disposal of intangible assets and property, plant and equipment, which are measured as the selling price less selling costs and the carrying value at the time of sale.

Other operating income also includes government Covid-19 compensation related to payroll. The compensation is recognized when compensation is expected to materialize. The compensation is allocated to functions under staff costs.

Financial income and expenses

Financial income and expenses comprise interest, including interest on lease liabilities, fair value gains and losses on securities, realized and unrealized foreign exchange adjustments, amortization and surcharges and allowances under the tax prepayment scheme. Also included are realized and unrealized gains and losses relating to derivative financial instruments not qualifying as effective hedges.

Income tax expense

Glunz & Jensen Holding A/S is jointly taxed with its Danish subsidiaries. The current Danish income tax charge is allocated among the jointly taxed entities in proportion to their taxable income.

Tax for the year, comprising current income tax for the year and changes in deferred tax, including such changes as follow from changes in the tax rate, is recognized in profit or loss, other comprehensive income or in equity, depending on where the relevant item is recognized.

Balance sheet

Development projects, patents, and trademarks

Development costs comprise costs and salaries and depreciation and amortization relating to the Group's development activities.

Development costs on an individual project are recognized as an intangible asset, when the Group can demonstrate the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to complete and its ability and intention to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to reliably measure the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit, which is 3-10 years. During the period of development, the asset is tested for impairment annually.

Other development costs are expensed as incurred.

Patents and trademarks are measured at cost less any accumulated depreciation and accumulated impairment losses. Patents are amortized on a straight-line basis over the term of the patent. Trademarks are amortized using the straight-line method over their expected useful live. The amortization period is 3-5 years.

The amortization periods mentioned above also apply to acquired assets.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the asset is available for use.

Subsequent costs, e.g., for the replacement of components of an item of property, plant, or equipment, are recognized in the carrying amount of the asset when it is likely that the expenditure of the replacement involves a future financial benefit for the Group. The carrying amount of the replaced components ceases to be recognized in the balance sheet and is transferred to profit or loss. All other costs related to general repair and maintenance are recognized in profit or loss as and when incurred.

The cost value of a total asset is divided into separate components that are depreciated separately if the useful lives of the individual components differ. Items of property, plant and equipment are depreciated on a straight-line basis over their expected useful lives:

Buildings and components	10-30 years
Technical installations	10-15 years
Other fixtures and fittings	3-5 years

Land is not depreciated.

The depreciation basis is determined considering the residual value of the asset and any impairment losses. The residual value is determined at the date of acquisition and is reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation will cease. If the depreciation period or the residual value is changed, the effect on depreciation going forward is recognized as a change in accounting estimates.

Leased assets

A lease asset and a lease liability are recognized in the balance sheet when a right-of-use lease asset is transferred to the group or the parent company for the term of the lease pursuant to a concluded lease agreement and the group obtains the right to substantially all the economic benefits from the use of the identifiable asset and the right to control the use of the identifiable asset. Service components are excluded from the lease liability.

On initial recognition, lease liabilities are measured at the present value of the future lease payments, discounted using an alternative interest rate.

The lease liability is measured at amortized cost using the effective interest rate method. The lease liability is re-measured when there is a change in the underlying contractual cash flows due to changes in an index or an interest rate, if there is a change to the estimate of a residual value guarantee, or if there is a change to the assessment as to whether it is reasonably certain that a purchase option, an extension option, or a termination option will be exercised.

On initial recognition, the right-of-use asset is measured at cost, corresponding to the value of the lease liability adjusted for prepaid lease payments plus any initial direct costs and estimated costs for dismantling, removing, and restoring or similar and less any discounts or other types of incentive payments granted by the lessor.

On subsequent recognition, the asset is measured at cost less any accumulated depreciation and impairment. The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the asset. Depreciation charges are recognized in the income statement on a straight-line basis.

The right-of-use asset is adjusted for any changes in the lease liability due to changes in the lease terms or changes in the contractual cash flows because of changes in an index or an interest rate.

Lease assets are depreciated on a straight-line basis over the estimated lease term.

The lease asset and the lease liability are presented separately by the group and the parent company in the balance sheet.

The group and the parent company have elected not to recognize right-of-use assets of low value and short-term leases in the balance sheet and instead to recognize lease payments concerning these leases in the income statement on a straight-line basis.

When the group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Investment property

Investment properties are measured initially at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment" up to the date of change in use. At the same date the property is evaluated to fair value and the adjustment between the cost value and fair value is recognized as other comprehensive income.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured using the equity method.

Investments in subsidiaries and associates are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies minus or plus unrealized intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method of accounting.

Investments in subsidiaries and associates with negative net asset values are measured at DKK 0, and any amounts owed by such entities are written down insofar as the amount receivable is considered irrecoverable. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognized under "Provisions".

Net revaluation of investments in subsidiaries and associates is recognized in the net revaluation reserve according to the equity method under equity where the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be declared before the annual report of Glunz & Jensen Holding A/S is adopted are not taken to the net revaluation reserve.

Impairment of non-current assets

Development projects are tested annually for evidence of impairment.

Deferred tax assets are tested for impairment annually and are written down if it is deemed likely that the deferred tax asset cannot be utilized against tax on future income or set off against deferred tax liabilities in the same legal tax entity and jurisdiction. This assessment considers the type and nature of the recognized deferred tax asset, the estimated period for set-off of the deferred tax asset etc.

Other long-term assets are tested for impairment once a year. When there is evidence that an asset may be impaired, the recoverable amount of that asset is determined. The recoverable amount is the higher of the net selling price of the asset and the net present value of the expected future net cash flows.

An impairment loss is recognized when the carrying amount of an asset or its cash-generating unit exceeds the recoverable amount of the asset or its cash-generating unit. Impairment losses are recognized in the statement of incomprehensive income under production costs, development costs, sales and distribution costs and administrative expenses. However, impairment losses in respect of goodwill are recognized in a separate line in the statement of incomprehensive income.

Impairment losses on other long-term assets are reversed to the extent that changes have occurred in the assumptions and estimates based on which the impairment loss was recognized. Impairment losses are reversed only to the extent that the new carrying amount of the asset does not exceed the carrying amount it would have had net of amortization and net of depreciation if the impairment loss had not been recognized.

Inventories

Inventories are measured at cost using the FIFO method.

Goods for resale, raw materials and consumables are measured at cost, comprising the purchase price plus delivery costs. Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct labor costs and production overheads. Production overheads comprise indirect materials and labor costs as well as maintenance and depreciation of production machinery, factory buildings and equipment and factory administration and management costs.

Where the net realizable value is lower than cost, inventories are written down to such lower value. The net realizable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined considering marketability, obsolescence, and developments in the expected selling price.

Receivables

Receivables are measured at amortized cost. A credit loss allowance is made upon initial recognition based on historical observed default rates adjusted for forward looking estimates (simplified 'expected credit loss' model). The cost of the credit loss allowance is included in sales and distribution costs. A loss is considered realized when it is certain that we will not recover the receivable, e.g., in case of bankruptcy or similar.

Deposits are measured at fair value cost and consist of rent deposits. The leases are non-cancellable for a period of 0–9 years.

Prepayments

Prepayments include expenses paid in respect of subsequent fiscal years.

Equity

Dividend:
Dividend proposed for the year is recognized as a liability at the time it is adopted at the Annual General Meeting. The amount proposed as dividend for the year is stated as a separate item in equity.

Translation reserve:
The translation reserve in the consolidated financial statements includes accumulated foreign exchange differences arising on the translation of the financial statements of foreign subsidiaries from their functional currency to the presentation currency of the Group.

Revaluation reserve:
The revaluation reserve contains adjustment occurred during transfers to (or from) investment property when there is a change in use.

Income tax and deferred tax

Current tax payable and receivable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method, providing for all temporary differences between the carrying amount and the tax base of assets and liabilities. However, the following items are not recognized: goodwill not deductible for tax purposes and other items – apart from business combinations – where temporary differences have arisen at the date of acquisition that neither affect profit/(loss) nor taxable income.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognized as other non-current assets at the value at which they are expected to be utilized, either by elimination against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

The deferred tax charge is adjusted in respect of elimination of unrealized intra-group profits and losses.

Deferred tax is measured based on the tax rules and at the tax rates that will apply under the legislation enacted at the balance sheet date in the relevant countries when the deferred tax is expected to crystallize in the form of current tax. Changes in deferred tax as a result of changes in tax rates are recognized in the statement of comprehensive income.

Under the joint taxation rules, Glunz & Jensen Holding A/S, as the management company, becomes liable vis-à-vis the tax authorities for the subsidiaries' income taxes as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable and receivable are recognized in the balance sheet under receivables from/payables to subsidiaries.

Provisions

Provisions comprise estimated commitments regarding warranty obligations and restructuring etc.

Provisions are recognized when, as a result of events occurring before or at the balance sheet date, the Group has a legal or constructive obligation, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at Management's best estimate of the amount required to settle the obligation at the balance sheet date.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data.

Restructuring costs are recognized as liabilities when a detailed, formal restructuring plan has been announced not later than the balance sheet date to the parties affected by the plan.

Pension obligations

Payments relating to defined contribution plans under which the Group regularly pays fixed contributions into an independent pension fund are recognized in profit or loss in the period in which they are earned, and outstanding payments are recognized in the balance sheet under other payables.

There are no defined benefit plans within the Group.

Financial liabilities

Payables to credit institutions are recognized at the date of borrowing at fair value (corresponding to the net proceeds received) less transaction costs paid. In subsequent periods, payables to credit institutions are measured at amortized cost, corresponding to the capitalized value using the effective interest rate method. Accordingly, the difference between the proceeds and the nominal value (capital loss) is recognized in profit or loss over the term of the loan.

Other liabilities are measured at net realizable value.

Prepayments from customers

Prepayments from customers include payments received which relate to subsequent financial years.

Cash flow statement

The cash flow statement shows cash flows for the year, broken down by operating, investing, and financing activities, and the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately under cash flows from investing activities. Cash flows from acquisitions of entities are recognized in the cash flow statement from the date of acquisition, and cash flows from disposals of entities are recognized up to the date of disposal.

Cash flows from operating activities are determined as profit/(loss) for the year adjusted for non-cash operating items, changes in working capital, interest received and paid, including interest on lease liabilities, and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities; acquisitions and disposals of intangible assets, property, plant and equipment, investment properties and other non-current assets; and acquisitions and disposals of securities that are not recognized as cash and cash equivalents.

Cash flow from financing activities comprise changes in the size or composition of the share capital and associated expenses as well as raisings of loans, repayment of interest-bearing debt, including repayment of lease liabilities, purchase and sale of treasury shares, and payment of dividends as well as dividend received from subsidiaries.

Cash and cash equivalents comprise deposits with credit institutions and cash.

Segment information

Segment information is prepared in accordance with the Group's accounting policies and internal financial reporting.

The Group presents two reportable segments: the prepress market and the property rental Selandia Park.

Segment revenue, segment expenses, segment assets and liabilities are those items that are directly attributable to the individual segment or can be allocated to the segment on a reliable basis.

Segment assets are those assets that are employed directly by the segment in its operating activities, including non-current assets, inventories, trade receivables, other receivables, prepayments and cash and cash equivalents.

Segment liabilities are those liabilities that result from the segments' operating activities, including trade liabilities, borrowings, lease liabilities and other liabilities.

Additional segment information is stated regarding consolidated revenue broken down by geographic market.

DEFINITIONS OF RATIOS

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33.

The ratios in the annual report are calculated as follows:

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit (EBITA) x 100}}{\text{Revenue}}$
EBITDA margin	$\frac{\text{Profit before interest, tax, amortization, depreciation and impairment x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Operating profit x 100}}{\text{Average operating assets}}$
Return on equity (ROE)	$\frac{\text{Profit or loss for the year x 100}}{\text{Average Equity}}$
Equity ratio	$\frac{\text{Equity at year-end x 100}}{\text{Liabilities at year-end}}$
Interest coverage	$\frac{\text{Operating profit (EBITA) + interest income}}{\text{Interest expenses}}$
Earnings per share (EPS)	$\frac{\text{Profit(loss) for the year}}{\text{Average number of shares outstanding}}$
Diluted earnings per share (EPS-D)	$\frac{\text{Diluted earnings}}{\text{Diluted average number of shares outstanding}}$
Cash flow per share (CFPS)	$\frac{\text{Cash flows from operating activities}}{\text{Diluted average number of shares outstanding}}$
Book value per share (BVPS)	$\frac{\text{Equity at year-end}}{\text{Numbers of shares at year end}}$
Pay-out ratio	$\frac{\text{Total dividend paid}}{\text{Profit or loss for the year}}$
Share price/book value (KI)	$\frac{\text{Share price}}{\text{BVPS}}$

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