

The Annual General Meeting  
adopted the Annual Report on:  
March 23, 2023

Chairman of the general meeting:  
Ole Sommerlund

FOM Technologies A/S  
Artillerivej 86, 1.  
2300 Copenhagen S.  
CVR No. 34715726

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## **COMPANY DETAILS**

### **Company**

FOM Technologies A/S  
Artillerivej 86, 1.  
2300 Copenhagen

Central Business Registration no. 34 71 57 26

Registered in: Copenhagen

### **Board of Executives**

Michael Henrik Stadi  
Martin Kiener

### **Board of Directors**

Peter Andreas Nielsen, Chairman  
Birgitte Jespersen Skade  
Karina Rothoff Brix

### **Company auditors**

BDO Statsautoriseret revisionsaktieselskab  
Havneholmen 29  
DK-1561 København V  
Central Business Registration no. 20 22 26 70

### **General Meeting**

The Annual General Meeting is held on March 23, 2023

## MANGEMENT'S STATEMENT

Today the Board of Directors and the Executive Board have discussed and approved the Annual Report of 2022 for the year 1 January – 31 December 2022.

The Annual Report is presented in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the Group's and the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Group's and the Company's operations and cash flows for the financial year 1 January – 31 December 2022.

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

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

Copenhagen, March 8, 2023

Executive Board:

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Michael Henrik Stadi  
CEO

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Martin Kiener  
CIO - Head of Innovation & Founder

Board of Directors:

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Peter Andreas Nielsen  
Chairman

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Birgitte Jespersen Skade  
Board member

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Karina Rothoff Brix  
Board member

## **INDEPENDENT AUDITOR'S REPORT**

*To the Shareholders of FOM Technologies A/S*

### **Opinion**

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of FOM Technologies A/S for the financial year 1 January - 31 December 2022, which comprise income statement, total income statement, balance sheet, statement of changes in equity, cash flow statement, notes and a summary of significant accounting policies, for both the Group and the Parent Company. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group and Parent Company operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the International Financial Reporting 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 Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Statement on Management Commentary**

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

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

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

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

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

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the 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 Consolidated Financial Statements and the Parent Company Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the 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 Consolidated Financial Statements and the Parent Company Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

## **INDEPENDENT AUDITOR'S REPORT** *continued*

- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- 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.

Copenhagen, 8 March 2023

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Mads Juul Hansen  
State Authorised Public Accountant  
MNE no. mne44386



## FINANCIAL HIGHLIGHTS OF THE GROUP

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Revenue	53.862	24.220	6.789	8.273	8.716
Other operating income	628	250	326	5.062	2.708
Total income	<u>54.490</u>	<u>24.470</u>	<u>7.115</u>	<u>13.335</u>	<u>11.424</u>
Cost of goods sold	-27.199	-10.483	-3.705	-7.239	-5.501
Cost of goods sold %	50%	43%	55%	88%	63%
Gross profit/loss	18.401	11.051	66	3.023	5.922
Operating profit/loss	3.073	601	-5.970	-463	726
Net financials	-289	61	-211	-66	-48
Profit/loss for the year	2.651	660	-5.861	-461	108
Balance sheet total	53.266	18.315	15.276	6.675	6.669
Investments in property, plant, and equipment	74	58	88	68	36
Equity	30.680	14.087	11.850	4.511	1.972
Equity ratio (%)	57,6%	76,9%	77,6%	67,6%	29,6%

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%)

Equity x 100 / Balance sheet total

Cost of goods sold (%)

Cost of goods sold\* 100 / Revenue

The comparative figures have been adjusted for the change of accounting policy for the years 2021-2022. See further description, in note 1, which describes the change of accounting policy for the affected years.



## **MANAGEMENT COMMENTARY**

### **Primary activities**

As in previous years FOM Technologies A/S's primary activities were sale of machinery for material research.

### **Development in the company's activities and financial conditions:**

For the financial year 2022, FOM Technologies delivers a record result that is the best since the company's establishment. This year's turnover has more than doubled from last year, combined with a solid positive bottom line. The result must also be seen in the light that throughout 2022 the company has invested heavily in the company's future platform.

The year 2022 was another exceptionally difficult and completely extraordinary year. Massively increasing inflation, the war in Ukraine and COVID-19, which slowly left the Western world, but which in 2022 has meant that China's population has been isolated for long periods, businesses closed and much trade between China and the Western world put on hold. The combination of this has continued to pose massive challenges in the global supply chain. Especially within machine memory (computer chips and servo-drives) – as well as critical special machine components, which means that manufacturing companies have been severely challenged. FOM Technologies' products are world-class in several areas in relation to precision and accuracy. It requires expensive and rare components within automation as well as products with extremely low tolerances. It is thus remarkable that the company with such physical and high-tech products (e.g. FOM can coat with a precision of 1/100 of a human hair) has succeeded in being able to deliver solutions to all our global customers, as has been the case in 2022.

The company has continued its aggressive investment in innovation, developing new products, establishing strategic partnerships, building a global distribution network and scaling the number of employees. All of the company's organizational departments: HR, Finance, Sales, Production, Science & Learning as well as PR/Marketing, have added new personnel resources during 2022. The company expects to continue this development in 2023.

2022 has offered many positive elements for the company. From awarding contracts from some of the world's most prestigious universities and research institutions to landing our 10th Fortune 500 company as a client. One of the accolades that the company is most proud of from 2022 was when FBV (Foreningen af Børsnoterede Vækstvirksomheder) voted FOM Technologies as the best Danish listed growth company. The award is proof of our results, performance as well as the culture and rationale according to which the company is run. We hope that we have been an inspiration for actors in the entire ecosystem around growth companies in Denmark now and in the future, and we are deeply aware that honour obliges.

On the research side, 2022 has also been quite extraordinary. FOM Technologies is increasingly being offered participation in European research consortia with participation from leading academic institutions from the continent. This applies within research into future solar cell/battery technology. In 4 cases, European consortia with the participation of FOM Technologies have managed to get through the eye of the needle, where the EU has allocated funding to the project. The duration of these projects runs on average over a 3-year period.

When FOM Technologies entered the Stock Exchange in the summer of 2020, the company raised the smallest amount that any company has ever raised in an IPO. Our rationale was to ask equity investors to invest a small amount in the company, to then create results and slowly build investors' trust in the company and management, before asking again for additional growth capital. Due to the prospect of sharply increasing activity at the beginning of 2022, the management decided that the time was ripe to raise additional growth capital. In Q2 2022, the company completed a further capital raising in an otherwise difficult market for raising capital. The implementation put a line under investors' confidence in the company's future growth potential.

## **MANAGEMENT COMMENTARY** *continued*

In Q1 2023, FOM Technologies will publish the company's first thoughts and ambitions within the ESG area. We do this by publishing a publication we have chosen to name "ESG Initiatives". With this publication, we want to draw the first basic outlines within the ESG area, and the publication will form the framework for a future "ESG Report", which the company will issue annually together with the presentation of the annual accounts. The first publication of an "ESG Report" will thus take place at the presentation of the 2023 annual accounts in Q1 2024.

Since 2019, the company has had its domicile in beautiful premises at Islands Brygge (Copenhagen S). At the end of 2022, the company is outgrowing the physical framework of the current lease – with no possibility of expansion. 2023 will thus offer the relocation of the headquarters to a new lease with a larger and new physical framework for the future journey of FOM Technologies. A location has been found, and occupancy is expected to take place in Q2 2023.

In light of the challenging and changing world in which we find ourselves, the management considers the year's results and the company's development to be very satisfactory.

### **The expected future development**

2023 promises to be another year of great global uncertainty. Despite this, the company expects continued top and bottom-line growth for the financial year 2023. The company estimates that the year will begin with a strong pipeline of orders and potential customers. The guidance for the 2023 Revenue and EBITDA has been estimated to the best of our abilities taking into consideration all the risks and uncertainties from our risk management assessment discussed in the following chapter.

As previously announced, FOM Technologies expects to apply for admission to trading on the Nasdaq Main Market – Small Cap during 2023. This is still the company's ambition and time horizon, and the initial discussions with relevant players have begun. As a part of the process towards the Nasdaq Main Market FOM Technologies have for the first time prepared the financial statements in accordance with International Financial Reporting Standards (IFRS). We refer to note 1 for more elaboration on the first-time adoption of the International Financial Reporting Standards.

### **The company's guidance for 2023 is stated as follows:**

Revenue:           In the range of DKK 55 million to DKK 60 million  
EBITDA:            In the range of DKK 2 million to DKK 5 million

## **RISK MANAGEMENT**

Monitoring of risks and risk management play a central role in FOM Technologies, where the board of directors, the executive board and the group management strive to ensure that the company's risks are properly identified, continuously monitored and satisfactorily mitigated. There are defined policies and procedures which must ensure effective management of identified risks.

FOM Technologies' business entails commercial and financial risks, which are also affected by changes in the outside world including the war in Ukraine, inflation, interest rates etc. and may have a negative effect on the company's future activities and results. FOM Technologies continuously works to identify and quantify these risks, and where possible, FOM Technologies seeks to address and limit risks. The company's board, management and group management continuously review the business risks and draw up contingency plans that can mitigate identified risks. The board has overall responsibility for the group's risk management and internal controls, including compliance with relevant legislation and other regulations. The board monitors the overall strategic risk exposure and the individual risk factors associated with FOM Technologies' activities. The board adopts guidelines for the central risk areas, follows developments and ensures the presence of plans for the management of the individual risk factors, including commercial and financial risks. FOM Technologies' finance, compliance, and accounting function, which reports to the company's CFO, is responsible for promoting and following up on risk-mitigating activities for the most significant risks in accordance with the decisions of the board and the executive board. The most significant identified risks are described below. There is no priority order.

### *Commercial risks*

#### **Market conditions**

The general development in the outside world, including the war in Ukraine and derivative effects thereof, have an influence on the development of FOM Technologies' revenue and profit, just as a downturn in the economy can affect the demand for the company's products and solutions in a negative direction. Among other things, FOM Technologies seeks to counter the general cyclical risks by continuously developing the company's products and solutions, so that the market position is improved. This contributes to solving the customers' research challenges and thereby adding real value to the customer, which makes FOM Technologies less vulnerable to economic changes.

FOM Technologies' market share remains modest in relation to the global coating market, which is why we believe there are good opportunities to create profitable growth even under the current market conditions. As part of reducing the company's exposure, the company invests in digitization and in digital communication globally so that FOM Technologies is better equipped to deal with customer behavior. FOM Technologies' digitization supports our customers' needs – from lead generation to sales and customer loyalty.

#### **Customer relations**

FOM Technologies is a "born global" company and thus serves customers globally on all 6 continents. No customer accounted for more than 10% of the year's revenue in 2022. The company's customers are respectively universities, research institutions and corporate customers, but apart from this FOM Technologies does not have a high exposure within specific industries.

#### **Suppliers**

FOM Technologies seeks to choose good and stable suppliers with the right skills, as the company depends on the deliveries being of the required quality and on time. The company seeks to ensure flexibility and safety by maintaining an adequate stock of essential products and by ensuring the possibility that other suppliers can step in – in connection with a possible delivery stop or postponement of deliveries.

## **RISK MANAGEMENT** *continued*

### **Insurance conditions**

It is FOM Technologies' insurance policy to cover significant risks where possible, as well as continuously evaluate new risks and potential hedging opportunities. Insurance conditions and the insurance risks are assessed annually in collaboration with a Scandinavian insurance adviser. The board reviews the insurance policy once a year, and it is adjusted as needed. The most significant risks that can be insured relate to the risk of fire, theft, loss or other material damage to FOM Technologies' machines and equipment during production or during transportation to the customer. In addition, the company is insured against damage during installation at the customers' premises. The company's insurance policies also cover liability in a broad sense, including business and product liability globally.

### **IT systems**

Implementation of IT systems involves risks, among other things as a result of any negative impact on ongoing operations and unplanned extra costs. FOM Technologies seeks to reduce these risks continuously through planning. FOM Technologies has throughout 2022 implemented new IT systems. FOM Technologies will continue to exploit the IT systems potential as well as investigate the market for other IT systems that can contribute to improving procedures and processes. The company continuously works to improve data security, the IT infrastructure and backup solutions, which includes both customer data and the company's own data. IT security is a central element in the service of FOM Technologies customers, which is why we work together with the leading providers of hosting and backup solutions. Over a number of years, the company has improved its IT security systems, which means that the external IT audit has not found significant areas that need improvement.

### **Environmental conditions**

FOM Technologies seeks to assess and limit the environmental impacts and aims both directly and indirectly to contribute to a sustainable environment. The direct environmental impact from FOM Technologies is limited, as the company's activities only include the design, development and sale of our products. The company is not involved in environmental matters or legal disputes. FOM Technologies is not subject to requirements for necessary environmental approvals and is not covered by the Act on the presentation of "green accounts". For 2022, the company will submit an ESG Initiatives publication, which will be the predecessor to a definitive ESG Report that the company expects to submit for financial year 2023.

### **Employees**

Difficulties in attracting and retaining qualified employees at all levels in the company can be a barrier to growth and efficient operations. FOM Technologies actively seeks to counter such problems by offering challenging job content, a market-competitive base salary and incentive schemes to reward special efforts.

### **Financial risks**

Financial risks consist of currency risk, interest rate risk, fluctuation on raw materials, liquidity risk, credit risk and use of financial instruments. For a more detailed review of the company's financial risks, please refer to note 20.

### **Currency risks**

The group is less exposed to currency fluctuations as a result of the company's customers being invoiced in EUR, which is the same currency in which the vast majority of the company's variable costs are settled. Based in Denmark, all fixed costs are settled in DKK, which is why DKK is therefore the company's primary functional currency. The company's total currency risk is therefore minimal.

### **The interest rate level**

The company has neither short-term nor long-term interest-bearing debt, which is why the direct impact is limited.

### **Raw material level**

The company is affected by changes in raw material prices which to a certain extent are transferred to the customers.

## **RISK MANAGEMENT** *continued*

### **Liquidity risks**

It is the group's policy to ensure strong financial flexibility and thus to develop and maintain a strong and healthy capital structure which supports long-term profitable growth and controlled development in key figures. The group's capital resources include liquid funds and unused drawing rights. Since 2019, FOM Technologies has had a credit facility that has not been used since establishment. The credit facility is on market terms.

### **Credit risks**

The group's policy for assuming credit risks means that all major customers are credit assessed and credit insured before entering into a contract and thereafter on an ongoing basis. The management of the credit risk is based on cooperation with one of the world's largest credit insurance companies. The group does not have significant risks regarding individual customers or business partners, and the company has no written-off receivables from customers. The company has not had losses on debtors since 2016.

### **Financial instruments**

FOM Technologies does not use financial instruments that can be attributed to hedging the financial risks. In general, the least complicated risk hedging method is chosen. The group does not make speculative dispositions.

### **Control and risk management activities in connection with financial reporting**

The risk management in relation to the financial reporting is designed to limit the risk of material errors and omissions, and can only create reasonable, but not absolute, assurance that material errors and improper use of assets, losses and/or material errors and omissions in connection with the financial reporting. The group's companies report monthly financial data as well as comments regarding the economic and business development to the central accounting function. From here, a consolidation of the group's accounts and reporting to the group management and the executive board is carried out. In the same connection, controlling of reported accounting information is also carried out for all companies in the group. The governance structure for the financial routines, including clarification of areas of responsibility for the individual management layers as well as the financial organization, is regulated using business procedures that ensure uniform and structured management reporting. The policies and procedures are continuously strengthened, just as the board carries out ongoing monitoring and control. The board and the company's management regularly review policies and procedures.

The business and financial development as well as risks are discussed at group management meetings weekly. Decisions with a view to reducing and/or eliminating risks are based on an assessment of materiality and cost/benefit analyses. There are internal requirements for proper safeguarding of assets, ongoing financial reconciliations and accounting review of monthly accounts. Each quarter, the accounts are sent to the board, and a review of the quarterly accounts is carried out at board meetings. The board of directors and the executive board assess significant and internal risks on an ongoing basis controls in connection with the group's activities and their possible influence on the financial reporting process. The board conducts at least one annual assessment of the group's organizational structure and staffing in significant areas, including areas in connection with the financial reporting process, including IT and tax. The auditor appointed by the general meeting reports any significant weaknesses in the group's internal control systems in connection with the financial reporting process in the audit report to the board of directors. Minor matters and proposals for improvements are reported to the executive board. The auditor participates at least once a year in the company's board meetings and receives both quarterly reporting and board material. The board monitors that the management responds effectively to any identified weaknesses and/or deficiencies, and that agreed measures in relation to strengthening risk management and internal controls are implemented as planned. It is the task of the executive board to follow up on the implementation of identified weaknesses in subsidiaries and on conditions mentioned in management letters etc.

## INVESTOR RELATIONS

FOM Technologies wants an open and continuous dialogue with the company's shareholders, potential investors, and the general public, and wants to keep them continuously informed about the company's development. FOM Technologies therefore places importance on providing timely and adequate information about goals and strategy, business activities, developments in the company's markets and financial results.

### FOM Technologies stock

At the end of 2022, FOM Technologies' share capital was nominally DKK 777.891,40 divided into 7.778.914 shares at DKK 0,10 or multiples thereof.

FOM Technologies' share ended the financial year at a price of 42,00, which is an increase of 7.55% compared to the closing price on 30/12 2021 of 39,05. In comparison, the Nasdaq First North Nasdaq – Copenhagen fell by 11,62 % in the same period. The market value of FOM Technologies was DKK 326,7 million per 31 December 2022.

### Data

Place of listing:	Nasdaq First North – Copenhagen
Index:	First North Denmark DKK GI (SE0007551411)
Sector:	Industrial Goods and Services
ISIN-code:	DK0010212224
Ticker name:	FOM.CO
Share capital nom.:	777.891,40 DKK
Stock size:	0,10 DKK
Number of shares:	7.778.914
Tradable:	Yes
Voting restriction:	No

### Ownership

At the end of December 2022, FOM Technologies had 3.273 registered shareholders who owned a total of 93,26 % of the share capital in the company. The five largest shareholders together own 71,28% of the share capital.

### Shareholders with an ownership share of > 5 %

<u>Name</u>	<u>%</u>
FOMT Holding ApS	28,92
Coridats Capital ApS	16,23
Graham Bryce	14,46
Ulstrup Invest ApS	7,46
<b>Total</b>	<b>67,07</b>

Members of the executive board and the board of directors owned 45,27 % of the share capital pr. 31<sup>st</sup> of December 2022. As of December 31<sup>st</sup> 2022 FOM Technologies did not own shares in the company.

### Share-based payments program

A share-based payment program has been issued in 2022, where 125,000 shares have been allocated to selected key employees in the company. For information on previous incentive remuneration programs, please see note 8.

## **INVESTOR RELATIONS** *continued*

### **Annual General Meeting**

The company's ordinary general meeting will be held on:  
Thursday 23 March 2023 at 17.00 at Artillerivej 86, 1 floor, 2300 Copenhagen S.

### **Dividend and allocation of profits**

The board recommends to the general meeting that no dividend be paid for the financial year 2022. The board proposes to the general meeting that the year's group profit be carried over to next year.

### **Investor relations**

It is FOM Technologies' ambition to ensure a high and trustworthy level of information. The company thus places emphasis on passing on open and relevant information to the company's shareholders and other stakeholders and at the same time wants to enter an active dialogue with them. Communication with investors, analysts, the press, and other stakeholders takes place via ongoing publication of announcements, investor presentations and individual meetings. Information about FOM Technologies' results and development is available on the company's website. Shareholders, analysts, investors, stockbroking companies and other interested parties who have questions regarding FOM Technologies can contact:

Michael Stadi  
CEO  
Phone: +45 20 66 60 44  
E-mail: [ms@fomtechnologies.com](mailto:ms@fomtechnologies.com)

### **Share register**

The company's shares are registered at:  
Computershare A/S  
Lottenborgvej 26D,  
DK-2800 Kongens Lyngby  
Denmark



## **CORPORATE GOVERNANCE**

FOM Technologies emphasizes running a business and setting up its management systems in accordance with good corporate governance, as we are convinced that this is a prerequisite for long-term value creation and the establishment of credibility in relation to customers, employees, shareholders, and other stakeholders.

The recommendations regarding good corporate governance, applicable laws and regulations in the area, best practice and internal rules set the framework for FOM Technologies' corporate governance. With certain exceptions, FOM Technologies follows the recommendations of the Committee for Good Corporate Governance.

### **Interaction with shareholders and other stakeholders**

FOM Technologies' management seeks to ensure good communication and 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 takes place by sending out annual reports and interim reports as well as other announcements from the company and at meetings with investors, analysts and the press.

The general meeting is FOM Technologies' highest decision-making authority, and the board emphasizes that the shareholders receive thorough information about the matters decided on at the general meeting. Notice of the general meeting is published and sent to the registered shareholders at least 14 days before the meeting. According to the articles of association, all shareholders have the right to participate in and vote at the general meeting. Shareholders also have the option of giving power of attorney to the board or others for each item on the agenda. The general meeting gives the shareholders the opportunity to ask questions to the board and management, just as the shareholders can make proposals that they wish to be dealt with at the general meeting.

### **The board of Directors work**

The board is responsible for FOM Technologies' overall management and deals with all matters relating to FOM Technologies' overall development, including goals and strategies, organisation, budgets, risk conditions, proposals for mergers, the purchase and sale of companies as well as major development and investment projects. The general guidelines for the board's work are laid down in rules of procedure, which are reviewed at least once a year and adapted as necessary. The rules of procedure contain, among other things, procedures for the executive board's reporting, the board's working method and a description of the chairman's tasks and areas of responsibility.

Due to the size of the company, the board of directors of FOM Technologies has decided to collectively undertake the tasks of the audit committee and has also chosen not to set up independent nomination and remuneration committees. In the financial 2022, the board has held seven board meetings, including telephone board meetings. In addition, the board has regularly held meetings with the company's management. The management participates in all board meetings to ensure a direct dialogue, so that the board is as well informed as possible about the company's operations.

A self-evaluation is carried out on an ongoing basis with a view to improving the work of the board and the executive board and thereby strengthening the basis for the company's further development. The evaluation includes, among other things, an assessment of the board's and the executive board's efforts, cooperation and competences, as well as the quality of the reporting from the executive board to the board. The latest formal evaluation took place in 2022. The evaluation process is overseen by the chairman of the board.

## **CORPORATE GOVERNANCE** *continued*

### **The composition of the board**

When composing the board, emphasis is placed on the members possessing the competences necessary for the continued development of the company. The board annually assesses its composition, including that the board's competencies and diversity overall match the company's activities and planned initiatives. Candidates for the board are nominated for election at the general meeting with the board's written justification and a description of the recruitment criteria. FOM Technologies' board currently consists of three members, all of whom are elected by the general meeting. All board members, except for the chairman of the board of directors, are considered independent, cf. the recommendations on good corporate governance from the Committee for Good Corporate Governance. The chairman of the board of directors is partner in Bech-Bruun Advokatpartnerselskab. Bech-Bruun Advokatpartnerselskab regularly assists the company in legal matters. For a detailed competence overview of the individual board members please visit the company website.

### **Executive Board**

The management is appointed by the board. The management is responsible for the day-to-day running of the company, including the company's activity and operational development and results, as well as for implementing the company's business strategy. The executive board consists of the managing director and CIO. The board's delegation of responsibility to the executive board is laid down in the board's rules of procedure. For a detailed competence overview of the directors of the executive board please visit the company website.

### **Remuneration for the board and management**

The total fee for the board amounted to DKK 188.000 in 2022. Of this, the chairman of the board received a fee of DKK 94.000, while the deputy chairman and the other member of the board received DKK 47.000 each. The board is not covered by bonus or option schemes. The remuneration of the executive board is determined by the board. In 2022, the remuneration to the executive board amounted to DKK 3.6 million. The management's terms of resignation are considered to be in accordance with the usual standard for positions of this nature and do not entail special obligations for the company.

### **Diversity**

It is the board's aim to promote diversity in the company, including achieving reasonable representation of both genders in both the board and the senior management based on a desire to strengthen the company's versatility, overall competences and create better decision-making processes. It is the board's aim that its members complement each other as best as possible in terms of age, background, nationality, gender, etc. with a view to ensuring a competent and versatile contribution to the board's work in FOM Technologies. However, the selection of candidates will always be based on an assessment of the individual candidates' competencies, their match with the needs of FOM Technologies and contribution to the board's overall effectiveness.

The three general meeting-elected board members in FOM Technologies consist of one man and two women. Now and in the future, the board will strive to achieve a sensible distribution of men and women on the board. The management at FOM Technologies, consisting of the executive board and group management, is currently composed of four men and one woman. When recruiting new managers, emphasis is placed on identifying candidates of both sexes. When employed at FOM Technologies, diversity is sought throughout the organization in terms of age, background, skills, ethnicity, nationality and gender. In 2020, a goal was stated over the next five years to increase the proportion of women in the company to min. 25%. This goal has almost been achieved at 22% at present.

*“A diverse group management with reasonable representation of both sexes, strengthens the company's versatility, overall competences and creates stronger synergy and better decision-making processes”.*

Andreas Nielsen,  
Chairman  
FOM Technologies A/S

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note		2022 DKK	2021 DKK
4	Revenue	53.861.909	24.220.464
6	Other operating income	628.379	249.900
	<b>Total income</b>	<b>54.490.288</b>	<b>24.470.364</b>
	Costs of goods sold	-27.198.851	-10.482.686
	Other external expenses	-8.890.324	-2.936.185
	<b>Gross Profit</b>	<b>18.401.113</b>	<b>11.051.493</b>
7-8	Staff costs	-14.945.371	-10.260.884
	<b>Profit before depreciation, interest, and tax</b>	<b>3.455.742</b>	<b>790.609</b>
9	Amortisation, depreciation, and impairment	-382.564	-189.221
	<b>Operating Profit</b>	<b>3.073.178</b>	<b>601.388</b>
10	Financial income	870.578	256.305
11	Financial expenses	-1.159.120	-194.856
	<b>Profit before tax</b>	<b>2.784.636</b>	<b>662.837</b>
12	Tax on profit/loss for the year	-133.545	-3.140
	<b>Profit for the year</b>	<b>2.651.091</b>	<b>659.697</b>

	2022 DKK	2021 DKK
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translation of Foreign operations	1.520	217
<b>Total comprehensive income for the period, net of tax</b>	<b>2.652.611</b>	<b>659.914</b>

<b>Total comprehensive income for the period is attributable to:</b>	2022 DKK	2021 DKK
Owners of FOM Technologies A/S	2.696.828	686.212
Non-controlling interests	-44.217	-26.298
	<b>2.652.611</b>	<b>659.914</b>

### Earnings per share for profit attributable to the ordinary equity holders of FOM

	2022 DKK	2021 DKK
Basic earnings per share	0,34	0,09
Diluted earnings per share	0,33	0,09

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Note	31.12.2022 DKK	31.12.2021 DKK	01.01.2021 DKK
	201.105	-	-
	144.732	176.607	53.437
	260.087	237.753	128.370
	633.356	428.288	-
	560.734	156.938	-
13	<b>1.800.014</b>	<b>999.586</b>	<b>181.807</b>
	74.332	57.744	87.976
14	<b>74.332</b>	<b>57.744</b>	<b>87.976</b>
	1.125.500	62.500	62.500
15	<b>1.125.500</b>	<b>62.500</b>	<b>62.500</b>
	<b>2.999.846</b>	<b>1.119.830</b>	<b>332.283</b>
	472.250	-	-
	6.807.666	1.203.636	2.113.750
	5.528.506	-	-
	<b>12.808.422</b>	<b>1.203.636</b>	<b>2.113.750</b>
15	14.775.532	9.229.256	2.387.685
5	576.930	408.980	-
	1.286.915	1.401.543	1.300.666
	-	4.084	276.714
	899.510	98.452	94.516
	19.919.258	4.848.843	8.770.050
	<b>50.266.567</b>	<b>17.194.794</b>	<b>14.943.381</b>
	<b>53.266.413</b>	<b>18.314.624</b>	<b>15.275.664</b>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *continued*

Note	31.12.2022 DKK	31.12.2021 DKK	01.01.2021 DKK
16	Share capital	777.891	741.941
	Retained earnings	25.400.587	10.822.299
	Reserve for development costs	1.194.090	585.227
	Other capital reserve	3.347.288	1.933.801
	Non-controlling interests	-40.116	4.101
	<b>EQUITY</b>	<b>30.679.740</b>	<b>14.087.369</b>
12	Deferred Tax Liability	126.816	-
20	Other payables	283.739	276.916
17,20	Other provisions	250.000	-
20	Deferred income	2.422.831	249.900
	<b>NON-CURRENT LIABILITIES</b>	<b><u>3.083.386</u></b>	<b><u>276.916</u></b>
18	Other credit institutions	313.403	254.668
	Trade payables	5.543.504	1.637.439
	Tax payables	6.624	3.274
	Other payables	2.367.375	813.466
	Deferred income	1.621.782	248.198
	Contract work in progress	2.285.732	993.294
	Prepayments	7.364.867	-
	<b>CURRENT LIABILITIES</b>	<b><u>19.503.287</u></b>	<b><u>3.950.339</u></b>
	<b>LIABILITIES</b>	<b><u>22.586.673</u></b>	<b><u>4.227.255</u></b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>53.266.413</u></b>	<b><u>18.314.624</u></b>
		<b>15.275.664</b>	

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital	Share Premium	Retained earnings	Other Capital reserve	Total	Non- controlling interests	Total Equity DKK
<b>Equity at 1/1 2021</b>	<b>741.941</b>		<b>10.714.753</b>	<b>362.716</b>	<b>11.819.410</b>	<b>30.399</b>	<b>11.849.809</b>
Profit for the year			685.995		685.995	-26.298	659.697
Other comprehensive income			217		217		217
<b>Total comprehensive income for the period</b>			<b>686.212</b>		<b>686.212</b>	<b>-26.298</b>	<b>659.914</b>
<b>Transactions with owners in their capacity as owners:</b>							
Adjustment of foreign subsidiary			6.561		6.561		6.561
Development costs			-585.227	585.227	-		-
Share-based payments				1.571.085	1.571.085		1.571.085
<b>Equity at 31/12 2021</b>	<b>741.941</b>		<b>10.822.299</b>	<b>2.519.028</b>	<b>14.083.268</b>	<b>4.101</b>	<b>14.087.369</b>
<b>Equity at 1/1 2022</b>	<b>741.941</b>		<b>10.822.299</b>	<b>2.519.028</b>	<b>14.083.268</b>	<b>4.101</b>	<b>14.087.369</b>
Profit for the year			2.695.308		2.695.308	-44.217	2.651.091
Other comprehensive income			1.520		1.520		1.520
<b>Total comprehensive income for the period</b>	<b>-</b>		<b>2.696.828</b>	<b>-</b>	<b>2.696.828</b>	<b>-44.217</b>	<b>2.652.611</b>
<b>Transactions with owners in their capacity as owners:</b>							
Capital increase	35.950	13.265.624			<b>13.301.574</b>		13.301.574
Transfers		-13.265.624	13.265.624		-		
Costs related to equity transactions			-775.301		<b>-775.301</b>		-775.301
Development costs			-608.863	608.863			-
Share-based payments				1.413.487	<b>1.413.487</b>		1.413.487
<b>Equity at 31/12 2022</b>	<b>777.891</b>		<b>25.400.587</b>	<b>4.541.378</b>	<b>30.719.856</b>	<b>-40.116</b>	<b>30.679.740</b>

## CONSOLIDATED CASH FLOW STATEMENT

	2022 DKK	2021 DKK
Profit/loss before financial items and tax (EBIT)	3.073.178	601.388
Depreciation and amortization	382.564	189.221
Share-based payments	1.413.487	1.571.085
Change in inventories	-11.604.786	910.114
Change in receivables	-6.400.572	-7.355.448
Change in trade payables	18.173.867	592.957
<b>CASH FLOWS FROM PRIMARY ACTIVITIES</b>	<b>5.037.738</b>	<b>-3.490.683</b>
Financial income received	870.578	256.305
Financial costs paid	-1.159.120	-194.856
Income taxes paid/received	4.000	272.714
<b>CASH FLOW FROM OPERATION ACTIVITIES</b>	<b>4.753.196</b>	<b>-3.156.520</b>
Acquisition of intangible assets	-1.155.622	-976.769
Acquisition of property, plant and equipment	-43.959	-
Acquisition of fixed asset investments	-1.063.000	-
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-2.262.581</b>	<b>-976.769</b>
Proceeds from capital increase	13.301.574	-
Costs incurred during changes of contributed capital	-775.301	-
Other credit institutions	58.735	208.443
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>12.585.008</b>	<b>208.443</b>
Currency adjustments	-5.208	3.639
<b>NET CASH FLOW FOR THE PERIOD</b>	<b>15.070.415</b>	<b>-3.921.207</b>
	<b>2022 DKK</b>	<b>2021 DKK</b>
Cash and cash equivalents - beginning of the year	4.848.843	8.770.050
Net cash flow for the period	15.070.415	-3.921.207
<b>CASH AND CASH EQUIVALENTS BY END OF PERIOD</b>	<b>19.919.258</b>	<b>4.848.843</b>
Cash and cash equivalents	19.919.258	4.848.843
<b>TOTAL CASH AND CASH EQUIVALENTS BY END OF PERIOD</b>	<b>19.919.258</b>	<b>4.848.843</b>



## NOTES

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## **1. Accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of FOM Technologies A/S and its subsidiaries.

### **1.1 Basis of preparation**

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the financial statements of reporting class B enterprises in accordance with the Danish Financial Statements Act.

For all periods up to and including the year ended 31 December 2021, the Group prepared its financial statements in accordance with the Danish Financial Statements Act. These financial statements for the year ended 31 December 2022 are the first the Group has prepared in accordance with IFRS. Refer to Note 1.5 for information on how the Group adopted IFRS.

The financial statements are presented in Danish kroner (DKK), which is FOM Technologies A/S' (the Parent company) functional currency. The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention, except where IFRS explicitly requires use of other values.

### **1.2 Basis of consolidation**

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

### **1.3 New standards and interpretations not yet adopted**

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

### **1.4 Summary of significant accounting policies**

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements.

## 1. Accounting policies *continued*

### Foreign currency translation

The functional currency is DKK and transactions denominated in currencies other than the functional currency are considered transactions in foreign currency. On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange rate adjustments arising between the transaction date and at the date of payment are recognized in the income statement under financial income or financial expenses. Monetary assets and liabilities denominated in foreign currencies are translated to the year-end exchange rates on the reporting date. The difference between the exchange rates at the reporting date and at the date of transaction or the exchange rate in the latest financial statements is recognized in the income statement under financial income or financial expenses.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income

### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

Executive Management assesses the financial performance and position of the group and makes strategic decisions. Executive Management has been identified as being the CODM.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

### Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investment, and financing activities for the year as well as cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are calculated based on operating profit/loss, adjusted for the cash flow effect of non-cash operating items, working capital changes, financial expenses paid and income tax paid.

Cash flows from investment activities comprise payments in connection with the acquisition and sale of non-current intangible assets, property, plant, and equipment as well as financial assets. Cash flows from financing activities comprise payments arising from changes in the size or composition of the share capital.

### Income statement: Revenue

Refer to note 4 on the accounting policies related to the recognition of revenue from contracts with customers.

## 1. Accounting policies *continued*

### **Income statement: Other operating income**

Other operating income includes items of a secondary nature in relation to the primary activity of the company, including profit on sale of fixed assets and public grants and other grants for research and development projects. Grants income is recognized as per the guidelines from the grant organization and only when expenses in regards to the grant have incurred in accordance with the grant budget.

### **Income statement: Cost of goods sold**

Cost of goods sold comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory write downs and costs incurred to achieve the years revenue.

### **Income statement: External expenses**

External expenses comprise selling costs, facility costs, administrative expenses and research and development costs.

### **Income statement: Staff costs**

Staff costs include wages and salaries including holiday pay and pensions and other social security costs etc. to the Company's employees. Staff costs are reduced with payments received from public authorities.

As a result of IFRS implementation in 2022 the staff costs for the years ending 2022 and 2021 include share-based payments. Executive management and key employees have been granted warrants. The warrants are measured at fair value at the grant date and are recognised as an expense in staff costs over the vesting period. Expenses are set off against equity. The fair value of the warrants is measured using the Black Scholes valuation method. The calculation considers the terms and conditions under which the warrants are granted. Fair value is not subsequently remeasured. If subsequent modifications to a warrant program increase the value of the warrants granted, measured before and after modification, the increase is recognised as an expense. If modification occurs before the vesting period, the increase in value is recognised as an expense over the period for services to be received. If modification occurs after the vesting date, the increased value is recognised as an expense immediately. Consideration received for warrants sold are recognised directly in equity.

### **Income statement: Financial income and expenses**

Financial income and expenses is recognised with amounts concerning the financial year. Financial items comprise interest, realised and unrealised exchange gains and losses as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

### **Income statement: Tax on profit or loss for the year income taxes**

Tax on profit or loss for the year represents 22% of the booked profit or loss adjusted for non-taxable and non-deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax. Changes in deferred taxes, due to adjustments of tax rates are recognised in the income statement. Corporation tax relating to the financial year which has not been settled at the balance sheet date is to be classified as corporation tax in receivables or liabilities other than provisions.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

## 1. Accounting policies *continued*

### **Balance sheet assets: Intangible assets**

Intangible assets are measured at cost less accumulate amortisation. Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation. Assets are amortised on a straight-line basis over their estimated useful lives:

Acquired licenses:	5 years
Acquired trademarks:	5 years
Acquired software:	3-5 years
Development projects completed:	3-5 years

Development projects that are not completed are measured at cost with zero amortisation. Development projects in progress consist of the development of new machines. The development projects in progress essentially consists of costs in the form of external costs directly attributable to the development project.

Completed development projects consist of both new developed machines and upgraded versions of existing machine lines. The development projects completed essentially consists of costs in the form of external costs directly attributable to the development project.

In the case of sale, the profit/loss is included in the income statement under other operating income and other operating expenses.

### **Balance sheet assets: Property, plant, and equipment**

Property, plant, and equipment are measured at cost less accumulate amortisation and depreciation. The basis of amortisation and depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation. The cost price for an asset is divided into separate components, that are depreciated separately, if the useful life of the individual components is significantly different.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives with following residual values:

Other fixtures, etc.: 3-5 years

Minor purchases with useful lives below one year have been recognised as an expense in the income statement in external expenses.

Estimated useful lives and residual values are reassessed annually.

In the case of sale, the profit/loss is included in the income statement under other operating income and other operating expenses.

### **Balance sheet assets: Impairment of intangible asset and property, plant and equipment**

The carrying amount of intangible assets and property, plant and equipment is reviewed annually for indication of impairment for loss, apart from what is expressed by usual amortisation and depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount.

As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the anticipated cash flows from the use of the asset or the group of assets.

## 1. Accounting policies *continued*

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for intangible assets and property, plant, and equipment.

Development projects in progress are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

### **Balance sheet assets: Other receivables (fixed assets)**

Other receivables recognised under fixed assets comprise loans and rental deposits measured at amortised cost, which usually corresponds to nominal amount. In events when the carrying amount exceeds the recoverable amount, impairment for loss is made to such lower value. Impairment for loss for the year is recognised in the income statement as impairment for loss of financial assets.

### **Balance sheet assets: Inventories**

Inventories are measured at cost according to the FIFO method. In the event of cost exceeding net realisable value, write-down is made to this lower value.

Cost of goods for resale as well as raw materials and consumables comprises purchase price plus landing costs.

The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence, and development in expected sales sum.

### **Balance sheet assets: Receivables**

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost less loss allowance. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss.

### **Balance sheet assets: Cash and cash equivalents**

Cash comprises bank deposits.

### **Balance sheet: Contract work in progress**

Contract work in progress has been recognised according to a cost-to-cost method (percentage-of-completion Method), solely for customer contracts that are of a custom nature and according to which work in progress is measured at the market value of the work performed. The market value is measured based on the degree of completion at the balance sheet date and the total anticipated income from each work in progress. Completion is calculated as the proportion of the costs incurred in relation to the expected total costs of the individual work in progress.

When the market value of the individual work in progress cannot be measured reliably, the market value is recognized at cost or net realizable value, if this value is lower.

Each work in progress is recognised in the balance sheet in receivables or liabilities other than provisions depending on the net value of the selling price less on account invoicing and prepayments.

Costs in connection with sales work and contracting are recognised in the income statement as incurred. Any finance costs of financing of work in progress are included in financial expenses.

### **Balance sheet: Prepayments**

Prepayments comprise costs incurred relating to subsequent financial years.

## 1. Accounting policies *continued*

### **Balance sheet: Equity**

Management's proposed dividends for the financial year is disclosed as a separate item in equity. Warrants are as the result of IFRS adoption recognized in the financial statements under staff costs and settled directly in equity as other capital reserve.

Other capital reserve comprises solely the share-based payments (warrants programme).

### **Balance sheet Liabilities: Provision for deferred tax**

Deferred tax is measured according to the liability method. Provision has been made for deferred tax by 22 % on all temporary differences between carrying amount and tax-based value of assets and liabilities. Deferred tax is also measured with respect of the planned use of the asset and the settlement of the liability.

The tax-based values of tax losses carried forward are included in the statement of deferred tax if it is probable that the losses can be utilised.

### **Balance sheet: Financial liabilities**

Financial liabilities are recognized when raising the loan at the proceeds received after deduction of borrowing costs, directly addressed by the loan. In subsequent periods, financial liabilities are measured at amortized cost equal to the capitalized value using the effective interest rate, so the difference between the proceeds and the nominal value are recognized in the income statement over the loan period.

Other liabilities other than provisions have been measured at amortised cost which corresponds to nominal value.

### **Balance sheet: Other provisions**

Other provision comprises the estimated accrued cost of the warranty on the products shipped upon recognition of the sale of the product. The accrued costs are estimated as 0,5% of the total revenue. Though a very minimal of actual historical warranty expenses have incurred, with growing revenue the senior management has sought it reasonable to accrue 0,5% of the total revenue for future expenses related to current sales. The general terms of warranty on standard products is 6 months.

### **Balance sheet Liabilities: Deferred income**

Deferred income comprises income received relating to subsequent years. It is recognized if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related deliverables. Deferred income are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related performance obligation to the customer).

### **Related party transactions**

Intercompany transactions between the group affiliated companies are on terms equivalent to those that prevails in arm's length transactions. The nature of transactions between the parent and its subsidiaries includes purchase of sales of goods and transfers under finance arrangements.



## 1. Accounting policies *continued*

### 1.5 First-time adoption of IFRS

These financial statements, for the year ended 31 December 2022, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2021, the Group prepared its financial statements in accordance with the Danish Financial Statements Act.

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as of 31 December 2022, together with the comparative period data for the year ended 31 December 2021, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as of 1 January 2021, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its local GAAP financial statements, including the statement of financial position as of 1 January 2021 and the financial statements as of, and for, the year ended 31 December 2021.

#### Changes in accounting policies

As a result of first-time adoption of IFRS, the accounting policies for recognition of share-based payments, and development costs have been adjusted. The adjusted changes in accounting policies have been accounted for in the opening balance of equity on 1 January 2021. There was no impact on transitioning to IFRS at the transition date (1 January 2021) except for the recognition of warrants of DKK 362.716 directly in the equity. Consequently, a reconciliation for the impact on transition to IFRS for 1 January 2021 has not been prepared. The statement of changes in equity shows the reservation of the warrants 1/1/2021. There has not been any impact at the transition date (1 January 2021) on intangible assets under IFRS and IAS38. The development projects completed and in progress that have been capitalized under the adoption of IFRS have solely impacted the year 2021, because the company did not have registrations systems prior to 2021 that could ensure an accurate and reliable recognition in accordance with IAS38.

#### *A) Share-based payments*

FOM Technologies has established share-based incentive programmes comprising equity-settled programs (warrants) for Key Management Personnel and other key employees. The purpose of these programs is to ensure common goals for Management, key employees, and shareholders. According to the Danish Financial Statements Act (DFSA) there is no requirement for recognition and measurement on equity-settled programs. Following the adoption of IFRS, IFRS 2 requires that the warrant programs should be recognised at fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market based vesting conditions. Details regarding the determination of the fair value of equity settled share-based transactions are presented in note 8 Share-based payments. An additional expense of DKK 1.571.805 for the warrants programme 2020 and 2021 has been recognised in profit or loss for the year ended 31 December 2021.

#### *B) Development projects*

Under the Danish Financial Statements Act, the Group was not required to capitalize any costs related to development projects. However, under IFRS, the Group is required to capitalize development projects in accordance with IAS 38 Intangible assets, provided the criteria for capitalization are met.

Consequently, a recalculation and review of development projects has resulted in additional capitalized development costs of the net sum of DKK 636.912. Research costs not fulfilling the IAS38 criteria have amounted to 372t.DKK and have been directly expensed in the income statement for 2021.

The adoption of IFRS has solely had an impact on the parent company of which the impacts are illustrated in the following statements:

## 1. Accounting policies *continued*

### Impact on parent income statement 2021

	2021	IFRS applied	2021
	<i>as reported under DFSA</i>	<i>Impact from adoption</i>	<i>after IFRS adoption</i>
	DKK	DKK	DKK
<b>Revenue</b>	<b>24.207.863</b>	-	<b>24.207.863</b>
Other operating income	249.900	-	249.900
Costs of sales	-10.482.687	-	-10.482.687
Other external expenses	-3.636.055	724.155 B)	-2.911.900
<b>Gross Profit</b>	<b>10.339.021</b>	<b>724.155</b>	<b>11.063.176</b>
Staff costs	-8.689.799	-1.571.085 A)	-10.260.884
<b>Profit before depreciation, interest and tax</b>	<b>1.649.222</b>	<b>-846.930</b>	<b>802.292</b>
Amortisation, depreciation, and impairment	-72.931	-87.243 B)	-160.174
<b>Operating Profit</b>	<b>1.576.291</b>	<b>-934.173</b>	<b>642.118</b>
Net financials	66.163	-	66.163
<b>Profit before tax</b>	<b>1.642.454</b>	<b>-934.173</b>	<b>708.281</b>
Tax on profit/loss for the year	-	-	-
<b>Profit for the year</b>	<b>1.642.454</b>	<b>-934.173</b>	<b>708.281</b>

### Impact on parent statement of financial position at 31.12.2021

#### ASSETS

	1/1 2021	2021	IFRS applied	2021
	<i>as reported under DFSA</i>	<i>as reported under DFSA</i>	<i>Impact from adoption</i>	<i>after IFRS adoption</i>
	DKK	DKK	DKK	DKK
Acquired licenses	53.437	124.921	51.686 B)	176.607
Acquired trademarks	66.523	68.848	-	68.848
Development projects completed	-	-	428.288 B)	428.288
Development projects in progress	-	-	156.938 B)	156.938
<b>INTANGIBLE ASSETS</b>	<b>119.960</b>	<b>193.769</b>	<b>636.912</b>	<b>830.681</b>
Other fixtures and fittings, tools, and equipment	87.976	57.744	-	57.744
<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>87.976</b>	<b>57.744</b>	-	<b>57.744</b>
Investments in group enterprises	40.800	40.800	-	40.800
Other receivables	62.500	62.500	-	62.500
<b>FIXED ASSET INVESTMENTS</b>	<b>103.300</b>	<b>103.300</b>	-	<b>103.300</b>
<b>FIXED ASSETS TOTAL</b>	<b>311.236</b>	<b>354.813</b>	<b>636.912</b>	<b>991.725</b>
Inventories	2.113.750	1.203.636	-	1.203.636
<b>INVENTORIES</b>	<b>2.113.750</b>	<b>1.203.636</b>	-	<b>1.203.636</b>
Trade receivables	2.387.685	7.907.408	-	7.907.408
Contract work in progress	-	408.980	-	408.980
Receivables from group enterprises	-	1.270.180	-	1.270.180
Other receivables	1.298.166	1.394.005	-	1.394.005
Company taxes receivables	276.714	4.084	-	4.084
Prepayments	94.516	98.452	-	98.452
<b>RECEIVABLES</b>	<b>4.057.081</b>	<b>11.083.109</b>	-	<b>11.083.109</b>
<b>CASH</b>	<b>8.759.858</b>	<b>4.844.342</b>	-	<b>4.844.342</b>
<b>CURRENT ASSETS</b>	<b>14.930.689</b>	<b>17.131.087</b>	-	<b>17.131.087</b>
<b>TOTAL ASSETS</b>	<b>15.241.925</b>	<b>17.485.900</b>	<b>636.912</b>	<b>18.122.812</b>

## 1. Accounting policies *continued*

### Impact on parent statement of financial position at 31.12.2021

#### EQUITY AND LIABILITIES

	1/1 2021 <i>as reported under DFSA</i> DKK	2021 <i>as reported under DFSA</i> DKK	IFRS applied <i>Impact from adoption</i> DKK	2021 <i>after IFRS adoption</i> DKK
Share capital	741.941	741.941	-	741.941
Retained earnings	10.723.913	12.729.083	-934.173 A) B)	11.432.195
Other capital reserve	362.716		1.571.085 A)	1.933.801
<b>EQUITY</b>	<b>11.828.570</b>	<b>13.471.024</b>	<b>636.912</b>	<b>14.107.936</b>
Other payables	271.486	276.916	-	276.916
Deferred income	249.900	-	-	-
<b>LONG-TERM LIABILITIES OTHER THAN PROVISIONS</b>	<b>521.386</b>	<b>276.916</b>	-	<b>276.916</b>
Other credit institutions	46.225	99.094	-	99.094
Trade payables	1.482.296	1.583.908	-	1.583.908
Prepayments received from customers	-	993.294	-	993.294
Other payables	1.113.548	813.466	-	813.466
Deferred income	249.900	248.198	-	248.198
<b>SHORT-TERM LIABILITIES OTHER THAN PROVISIONS</b>	<b>2.891.969</b>	<b>3.737.960</b>	-	<b>3.737.960</b>
<b>LIABILITIES OTHER THAN PROVISIONS</b>	<b>3.413.355</b>	<b>4.014.876</b>	-	<b>4.014.876</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15.241.925</b>	<b>17.485.900</b>	<b>636.912</b>	<b>18.122.812</b>

#### Note 2 Significant judgments

As part of the preparation of the financial statements, Management makes a number of accounting estimates and assumptions as a basis for recognizing and measuring the Groups assets, liabilities, income, and expenses as well as judgements made in applying the Group's accounting policies. The estimates, judgements and assumptions made are based on experience gained and other factors that are considered sensible by Management in the circumstances, but which are inherently subject to uncertainty and volatility.

The assumptions are always made with a conservative approach to ensure that the level of uncertainty is at a minimum. Unforeseen events or circumstances may occur, for which reason the actual results may differ from the estimates and judgements made.

Management considers the following accounting estimates and judgements to be significant in the preparation of the financial statements.

##### *Development costs*

The Group capitalizes costs for development projects. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, Management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits.

## **Note 2 continued**

### *Impairment of non-financial assets*

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The assumptions are always made with a conservative approach to ensure that the level of uncertainty is at a minimum. Unforeseen events or circumstances may occur, for which reason the actual results may differ from the estimates and judgements made.

### *Recognition of revenue related to customized machinery and equipment*

The Group sells highly specialized machinery and equipment that is customized to the specific customer's request for which revenue is recognized over time. In determining that revenue should be recognized over time, Management has assessed that the customized machinery has no alternative use (i.e., the customized machines cannot be readily redirected to another customer).

### *Share-based payments*

Estimating fair value for share-based payment programmes requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant.

The chosen valuation model requires determination of appropriate inputs to the valuation model including duration of the share option, volatility, exercise price and risk-free interest rate.

The selection of models and use of appropriate inputs determine the calculation of the fair value for share-based payment transactions which are disclosed in note 8

## **Note 3 Operating segments**

The Group serves one segment, comprising the entire company FOM Technologies A/S, which is inherent to how the Executive Management considers and operates the Group. The main nature of the business is development and production of machinery equipment for material research entities worldwide.

The results of the single reporting segment are shown in the statements of comprehensive income of the Parent company.

Executive Management is the Chief Operating Decision Maker (CODM). Executive Management, which is made up of the senior leadership across the respective divisions, are responsible for the strategic decision making and for the monitoring of the operating results of the single operating segment for the purpose of performance assessment.

The segment performance is evaluated by the CODM monthly based on profit or loss for the single segment and is measured consistently with profit or loss in the financial statements of the Group.

The CODM furthermore monitors revenue based on product lines. Refer to note 4 for a disaggregation of revenue on this basis. The Group has not reported revenue attributed to foreign countries as the costs to develop this information would be excessive.

Non-current operating assets are all geographically located in Denmark.

#### Note 4 Revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following revenue categories:

		2022 DKK	2021 DKK
<i>Revenue recognized at a point in time:</i>	Machines	28.401.850	18.917.990
	Additional products	6.434.445	2.331.992
	<b>Total</b>	<b>34.836.295</b>	<b>21.249.982</b>
<i>Revenue recognized over time:</i>	Machines	18.663.540	2.655.322
	Services & Other	362.074	315.160
	<b>Total</b>	<b>19.025.614</b>	<b>2.970.482</b>
	<b>Total Revenue</b>	<b>53.861.909</b>	<b>24.220.464</b>

The revenue category *Machines* comprise the sales of machinery and equipment which is the main part of the Group's business. The category *Additional products* comprise the sales of additional products and components as well as optional solutions for the machinery and equipment sold. The category *Services & other* comprise installation services, support and service-type warranties.

The Group's customer contracts may comprise multiple deliverables such as machinery, equipment, support, training, installation services and service-type warranties. These deliverables represent separate performance obligations and are accounted as such. The transaction price is always fixed and comprise no variable consideration.

Revenue related to services is recognized over time. This is because the customer simultaneously receives and consumes the benefits provided by the Group as the Group performs. In recognizing revenue, Management applies an input method such as cost incurred, or labour hours expended. Management has determined that these methods of measuring progress most appropriately reflect the Group's transfer of control of the promised services to the customer. Revenue related to service-type warranties are recognized over the warranty period on a straight-line basis.

For the purposes of recognizing revenue related to machinery and equipment, the Group separates its customer contracts into two categories:

- Sale of standardized machinery and equipment; and
- Sale of customized machinery and equipment.

##### *Sale of standardized machinery and equipment*

Revenue related to the sale of standardized machinery and equipment is recognized at a point in time. This is usually when the customer has received the machinery. However, if a contract includes a customer acceptance clause, revenue is not recognized before the customer acceptance is received. Payments follow a payment schedule, for which a portion is paid upfront.

##### *Sale of customized machinery and equipment*

Revenue related to the sale of customized machinery is recognized over time using a cost-to-cost measure. Revenue is recognized over time because the machinery being transferred is highly specialized to the customer's specifications (that is, the machinery has no alternative use).

For contracts for customized machinery, the Group always has an enforceable right to payment for performance completed to date. The consideration is paid in accordance with a contract specific payment schedule, for which a portion is paid upfront.

During 2022, the amount of revenue recognized that was included in the contract work in progress liability balance at the beginning of the period was DKK 3.239.636 (2021: DKK 0).

All of the Group's customer contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

<b>Note 5</b>	<b>Contract work in progress</b>	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>01.01.2021</b>
		<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
	Contract work in progress	10.656.271	2.655.322	-
	On account invoicing	-12.365.073	-3.239.636	-
	<b>Total</b>	<b>-1.708.802</b>	<b>-584.314</b>	<b>-</b>

**Contract work in progress classification in the annual report**

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>DKK</b>	<b>DKK</b>
Contract work in progress (current asset)	576.930	408.980
Contract work in progress (current liability)	-2.285.732	-993.294
<b>Total</b>	<b>-1.708.802</b>	<b>-584.314</b>

The increase is mainly due to advanced payments received from customers during the year. The increase in contract work in progress is mainly due to an increase in the number of sales for which the consideration due is conditional on the Group's performance.

<b>Note 6</b>	<b>Other operating income</b>	<b>2022</b>	<b>2021</b>
		<b>DKK</b>	<b>DKK</b>
	Income from external R&D projects	628.379	249.900
	<b>Total Other operating income</b>	<b>628.379</b>	<b>249.900</b>

<b>Note 7</b>	<b>Staff costs</b>	<b>2022</b>	<b>2021</b>
		<b>DKK</b>	<b>DKK</b>
	Wages and salaries	-11.806.368	-7.757.048
	Share-based payments	-1.413.487	-1.571.085
	Pensions	-1.197.876	-717.884
	Social security costs	-134.893	-97.891
	Other staff costs	-392.747	-116.976
	<b>Total staff costs</b>	<b>-14.945.371</b>	<b>-10.260.884</b>
	Average number of employees	<b>17</b>	<b>11</b>

	<b>Key management remuneration*</b>	<b>2022</b>	<b>2021</b>
		<b>DKK</b>	<b>DKK</b>
	Wages and salaries	-4.263.808	-3.014.167
	Share-based payments	-1.080.518	-832.300
	Pensions	-295.280	-223.200
	Social security costs	-9.089	-6.817
	<b>Total staff costs</b>	<b>-5.648.695</b>	<b>-4.076.484</b>
	Average number of employees	<b>8</b>	<b>8</b>

*\*Key management comprises of the Board of Directors, Executive Management and Senior Management.*

Note 8

Share-based payments

	2022 DKK	2021 DKK
Cost of share-based payments related to 2020-grant	-	-433.364
Cost of share-based payments related to 2021-grant	-96.379	-1.137.721
Cost of share-based payments related to 2022-grant	-1.317.108	
	<b>-1.413.487</b>	<b>-1.571.085</b>

Costs of share-based payments are recognised in profit or loss as staff costs with a corresponding entry in equity. In the year ended 31.12.2021 the period cost of share-based payments for the warrants programme 2020 and 2021 has been recognized as the result of first time IFRS adoption.

**Warrant programme**

FOM Technologies A/S has an incentive programme under which warrants are awarded to key employees of FOM Technologies A/S. After the completion of the public listing in June 2020, employees were offered to participate in the company's first Employee Share Scheme (i.e., the warrant programme).

FOM Technologies A/S has granted warrants to key employees during the years 2022, 2021 and 2020. Warrants are granted once annually.

A number of shares were granted as a warrants programme with the intention to be a combined incentive and retention tool. If the employee leaves the company prior to exercising the warrants, the warrants are lost, and the shares cancelled from the warrant programme. The warrants can only be exercised after a 12-month period and only during exercise windows (expected to be approx. 18 months after the grant date).

For the warrants programme 2020 and 2021 the exercise window is a 3-week period after the publication of the annual reports in respectively 2023 and 2024. For the 2022 warrants programme, the annual frequency for exercising warrants, was increased from one time per year to twice a year and the length of the exercise window was decreased from three-weeks to a 5-days period after the publishing of annual or half-annual reports in 2025.

There is no cash alternative and the arrangement is classified as equity-settled.

**Specification of outstanding warrants**

	Weighted average exercise price DKK	Key management personnel	Employees	Total DKK
<b>Number of warrants:</b>				
Outstanding 1. January 2021	33,75	78.000	30.000	108.000
Granted 2021	20,00	60.000	65.000	125.000
Exercised 2021	N/A	0	0	0
*Cancellation of warrants	N/A	0	-27.500	-27.500
<b>Outstanding at 31. December 2021</b>	<b>26,22</b>	<b>138.000</b>	<b>67.500</b>	<b>205.500</b>
Granted 2022	31,00	100.000	50.000	150.000
Excercised 2022	N/A	0	0	0
*Cancellation of warrants	N/A	0	-14.000	-14.000
<b>Outstanding at 31. December 2022</b>	<b>28,13</b>	<b>238.000</b>	<b>103.500</b>	<b>341.500</b>

*\*Cancelled warrants are the result of employees leaving their position before exercising their warrants regarding all warrant programmes for the year ended.*

**Note 8 continued**

<b>Vesting and exercise periods of the 3 warrants programmes</b>				
<b>Warrants programs:</b>	<b>Vesting period MM.YY-MM.YY</b>	<b>Exercise period I MM.YY-MM.YY</b>	<b>Exercise period II MM.YY-MM.YY</b>	<b>2022</b>
2020 Warrants programme	11.20-10.21	*03.22-03.22	*03.23-03.23	93.000
2021 Warrants programme	06.21-05-22	*03.23-03.23	*03.24-03.24	107.500
		<i>*3-week period after publishing of Annual Report</i>		
2022 Warrants programme	01.22-12-22	*03.24-03.24 *08.24-08-24	*03.25-03-25 *08.25-08.25	141.000
		<i>*5-day period after publishing of Annual Report &amp; HalfYear Report</i>		
<b>Outstanding at 31. December 2022</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>341.500</b>

**Theoretical market value**

The fair value of the warrants issued, are measured as a calculated market price at the grant date, based on the Black-Scholes option pricing model. The calculation is based on the following assumptions at the grant date:

<b>Black-Scholes parameters:</b>	<b>Warrant programme:</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
Granting date	01.11.2020	01.06.2021	14.01.2022
Initial issued warrants	113.000	125.000	150.000
Market share price (DKK)	39,00	30,60	39,05
Exercise price (DKK)	33,75	20,00	31,00
Theoretical market value (DKK)	8,56	11,48	9,84
Vesting period (No. of months)	12	12	12
Approx. duration (Years [Y]and Months [M])	2Y 4M	2Y 10M	2Y 3M
Volatility rate (% p.a.)	25,00%	25,00%	25,00%
Risk free interest rate (% p.a.)	0,10%	0,10%	0,10%

*\*Volatility rate applied is based on the annualised volatility on peer groups derived from the standard deviation of daily observations over 12 months ending when the programme is granted.*



<b>Note</b>	<b>9</b>	<b>Amortization, depreciation, and impairment</b>	<b>2022</b>	<b>2021</b>
			<b>DKK</b>	<b>DKK</b>
		Depreciation on Intangible assets	-355.194	-158.989
		Depreciation on Other fixtures	-27.370	-30.232
		<b>Total depreciation</b>	<b>-382.564</b>	<b>-189.221</b>

**Note 10** This note provides a breakdown of the items included in financial income.

<b>Financial income</b>	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Interest income	970	-
Exchange rate adjustments	869.608	256.305
<b>Total Financial income</b>	<b>870.578</b>	<b>256.305</b>

**Note 11** This note provides a breakdown of the items included in financial expenses.

<b>Financial expenses</b>	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Interest expenses	-79.996	-48.205
Other financial expenses	-239.840	-42.205
Net Exchange rate adjustments	-839.284	-104.446
<b>Total Financial income</b>	<b>-1.159.120</b>	<b>-194.856</b>

**Note 12**

This note provides an analysis of the group's income tax expense and shows what amounts are recognized directly in equity and how the tax expense is affected by non-assessable and nondeductible items. It also explains significant estimates made in relation to the group's tax position.

<b>Tax for the year</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Tax on profit for the year	-6.729	- 3.140
Adjustment of deferred tax	-126.816	-
	<b>-133.545</b>	<b>-3.140</b>

<b>Calculation of effective tax rate</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Profit before tax	2.784.642	662.837
Tax using the Danish tax rate 22 %	-612.621	-145.824
Effect of tax rates in foreign jurisdictions	-17.788	-1.331
Non-tax-deductible expenses	-725	-10.935
Tax-exempt income and tax incentives	86.233	68.475
Utilization of tax losses, not recognized	411.356	86.475
<b>Total income tax recognized in income statement</b>	<b>-133.545</b>	<b>-3.140</b>
<b>Effective tax rate</b>	<b>5%</b>	<b>0%</b>

<b>Deferred tax</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Operation equipment	7.657	6.862
Software	-53.544	-19.138
Acquired trademarks	850	-293
Leasehold improvements	4.296	8.593
Development projects	-262.699	-128.750
Prepaid expenses	-	-21.659
Tax losses, carried forward	176.623	154.384
<b>Total deferred tax</b>	<b>-126.816</b>	<b>-</b>

**Intangible Assets**

*Development projects*

A fundamental and critical component of the Group’s business model is to continuously develop new, and improving existing, product designs that are utilized by the Group in its offerings to customers. Eligible costs related to these development projects are capitalized. Any costs related to research activities are expensed as incurred. Research costs of 456t.DKK are included the external expenses for 2022. For 2021 the amount is 372t.DKK.

Development costs that are directly attributable to the design and testing of identifiable products controlled by the Group are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the project so that it will be available for use
- Management intends to complete the project and use or sell it
- there is an ability to use or sell the outcome of the project
- it can be demonstrated how the project will generate probable future economic benefits
- adequate technical, financial, and other resources to complete the development and to use or sell the project are available, and
- the expenditure attributable to the project during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the project comprise directly attributable costs that can be measured reliably. Capitalized development costs are recorded as intangible assets and are amortized from the point at which the asset is ready for use. Development projects in progress are not amortised. Rather, they are tested annually for impairment.

The intangible assets held by the Group increased primarily because of an increase in development projects in progress.

	Acquired licenses	Acquired Trademarks	Software	Completed development projects	Development projects in progress	Total DKK
Cost at 1/1 2021	56.250	141.557				197.807
Additions for the year	156.950	154.176	-	508.704	156.938	976.768
Disposals for the year	-	-	-	-	-	-
<b>Cost at 31 December 2021</b>	<b>213.200</b>	<b>295.733</b>		<b>508.704</b>	<b>156.938</b>	<b>1.174.575</b>
Amortisation and impairment as at 1 January	2.813	13.187	-	-	-	16.000
Amortisation for the year	33.780	44.793	-	80.416	-	158.989
Impairment, disposals for the year	-	-	-	-	-	-
Amortisation and impairment at 31 December 2021	<b>36.593</b>	<b>57.980</b>	-	<b>80.416</b>	-	<b>174.989</b>
<b>Carrying amount at 31 December 2021</b>	<b>176.607</b>	<b>237.753</b>	-	<b>428.288</b>	<b>156.938</b>	<b>999.586</b>

<b>Note 13 continued</b>	<b>Acquired licenses</b>	<b>Acquired Trademarks</b>	<b>Software</b>	<b>Completed development projects</b>	<b>Development projects in progress</b>	<b>Total DKK</b>
Cost at 1/1 2022	213.200	295.733	-	508.704	156.938	1.174.575
Additions for the year	-	88.720	258.461	404.645	403.796	1.155.622
Disposals for the year	-	-	-	-	-	-
<b>Cost at 31 December 2022</b>	<b>213.200</b>	<b>384.453</b>	<b>258.461</b>	<b>913.349</b>	<b>560.734</b>	<b>2.330.197</b>
Amortisation and impairment as at 1 January	36.593	57.980	-	80.416	-	174.989
Amortisation for the year	31.875	66.386	57.356	199.577	-	355.194
Impairment, disposals for the year	-	-	-	-	-	-
Amortisation and impairment at 31 December 2022	<b>68.468</b>	<b>124.366</b>	<b>57.356</b>	<b>279.993</b>	-	<b>530.183</b>
<b>Carrying amount at 31 December 2022</b>	<b>144.732</b>	<b>260.087</b>	<b>201.105</b>	<b>633.356</b>	<b>560.734</b>	<b>1.800.014</b>

<b>Note 14</b>	<b>Property, Plant and Equipment</b>	<b>Other fixtures</b>	<b>Total DKK</b>
Cost at 1/1 2021		123.803	123.803
Additions for the year		-	-
Disposals for the year		-	-
<b>Cost at 31 December 2021</b>		<b>123.803</b>	<b>123.803</b>
Depreciations and impairment as at 1 January		35.827	35.827
Depreciations for the year		30.232	30.232
Reversal regarding disposals		-	-
Depreciation and impairment at 31 December 2021		<b>66.059</b>	<b>66.059</b>
<b>Carrying amount at 31 December 2021</b>		<b>57.744</b>	<b>57.744</b>
Cost at 1/1 2022		123.803	123.803
Additions for the year		43.959	43.959
Disposals for the year		-	-
<b>Cost at 31 December 2022</b>		<b>167.762</b>	<b>167.762</b>
Depreciations and impairment as at 1 January		66.059	66.059
Depreciations for the year		27.370	27.370
Reversal regarding disposals		-	-
Depreciations and impairment at 31 December 2022		<b>93.429</b>	<b>93.429</b>
<b>Carrying amount at 31 December 2022</b>		<b>74.332</b>	<b>74.332</b>

Note	15	Financial assets and financial liabilities	31.12.2022	31.12.2021	01.01.2021
			DKK	DKK	DKK
<i>Financial assets at amortized cost:</i>					
		Trade receivables*	14.775.532	9.229.256	2.387.685
		Other receivables	1.286.915	1.401.543	1.300.666
		Deposits	1.125.500	62.500	62.500
		Cash and cash equivalents	19.919.258	4.848.843	8.770.050
		<b>Total</b>	<b>37.107.205</b>	<b>15.542.142</b>	<b>12.520.901</b>
<i>Financial liabilities at amortized cost:</i>					
		Trade payables	5.543.504	1.673.439	1.494.796
		Debt to credit institutions	313.403	254.668	46.225
		Other payables	2.367.375	813.466	1.113.548
		<b>Total</b>	<b>8.224.282</b>	<b>2.741.573</b>	<b>2.654.569</b>

The carrying amounts are assessed as equivalent to the fair value of the assets and liabilities.

The Group's exposure to various risks associated with the financial instruments is discussed in note 20.

*Trade Receivables	31.12.2022	31.12.2021	01.01.2021
	DKK	DKK	DKK
Trade receivables	14.775.532	9.229.256	2.387.685
Write-downs	-	-	-
<b>Total</b>	<b>14.775.532</b>	<b>9.229.256</b>	<b>2.387.685</b>

The carrying amounts are equivalent to the fair value of the assets.

Trade Receivables Aged list	2022	Settled in January 2023
	DKK	DKK
Not passed due	14.272.857	97%
Due	498.957	3%
Overdue by 0-30 days	3.718	0%
<b>Total</b>	<b>14.775.532</b>	<b>100%</b>
<b>Expected credit loss</b>	-	0%

Note	16	Share capital & Earnings per share	31.12.2022	31.12.2021
		<b>The share capital comprises:</b>		
			<b>Number of shares</b>	<b>Nominal value</b>
		Ordinary shares (fully paid)	7.778.914	777.891
			<b>Number of shares</b>	<b>Nominal value</b>
		Ordinary shares (fully paid)	7.419.412	741.941
		<b>Changes in share capital:</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
			<i>In number of shares</i>	
		Opening balance	741.941	555.556
		Capital increase	35.950	186.385
		Capital decrease	-	-
		<b>Total</b>	<b>777.891</b>	<b>741.941</b>

All shares are fully paid and no shares carry any special rights.

	31.12.2022	31.12.2021
	<i>DKK per share</i>	
Total dividend paid out for the year	-	-
Total dividend proposed for the year	-	-

Basic earnings per share	31.12.2022	31.12.2021
Total basic earnings per share attributable to the ordinary equity holders	0,34	0,09
Diluted earnings per share		
Total diluted earnings per share attributable to the ordinary equity holders	0,33	0,09
Reconciliation of earnings used in calculating earnings per share		
Profit for the year as presented in the income statement	2.651.091	659.697
Weighted average number of ordinary shares used as the denominator	7.778.914	7.419.412

Note	17	Other provisions	31.12.2022	31.12.2021	01.01.2021
			DKK	DKK	DKK
		Warranty obligation	250.000	-	-
		<b>Total</b>	<b>250.000</b>	-	-

The warranty obligation represents an accrued cost of the warranty on the products shipped upon recognition of the sale of the product. Though actual historical warranty expenses incurred have been insignificant, the senior management has sought it reasonable considering the growing revenue to accrue 0,5% of the total revenue for future expenses related to current sales. The general terms of warranty on standard products is 6 months.

Note	18	Other credit institutions	31.12.2022	31.12.2021	01.01.2021
			DKK	DKK	DKK
		Debt to credit institutions	313.403	254.668	46.225
		<b>Total</b>	<b>313.403</b>	<b>254.668</b>	<b>46.225</b>

The carrying amount is equivalent to the fair value of the liabilities.

#### Note 19 Capital Management

The Group manages its capital with the aim to ensure that it will be able to continue as a going concern and continue to fund its growth and development, while maximizing the return to shareholders through responsible optimization of the capital structure. With a capital increase in 2022 cashflow was increased with 12,5m.DKK. In addition to the capital increase the overall cashflow has net increased with 2,5m.DKK in spite of heavily investing in the growth of the Group.

Management reviews the capital structure continually to consider if the current capital structure is in accordance with the Group's and shareholders' interests. The Group does not enter into any speculative transactions.

#### Note 20 Financial risk management

As a result of its operations, financing and investments, the group is exposed to financial risks, including currency-/ interest-/ raw material-/ liquidity-/ credit risks as well as the risk of financial instruments, which can affect the group's results, assets, liabilities, and equity. The following describes these risks, how they arise, the group's policy for managing the risks and the potential consequences for the company. The group's risks are managed centrally in the group's finance function. The financial management thus focuses solely on managing the financial risks that are a direct consequence of the group's operations and financing.

##### Market risk

###### *Foreign exchange risk*

The Group's turnover and earnings are dependent on the prices of raw materials, components and other production materials and cost. The group is less exposed to currency fluctuations as a result, of the company's customers being invoiced in EUR, which is the same currency in which the vast majority of the company's variable costs are settled. Based in Denmark, all fixed costs are settled in DKK, which is why DKK has been chosen as the company's primary functional currency. The Group's total currency risk is therefore minimal. The group does not make speculative currency trading dispositions.

## Note 20 continued

The Group is also exposed to the risk of changes in foreign exchange rates through its customer contracts as the Group enters into contracts with customers where the consideration is denominated in a foreign currency (i.e., revenue is denominated in a foreign currency). The Group is primarily exposed to fluctuations in EUR. Due to the fixed DKK/EUR exchange rate policy, the exposure to foreign currency is considered immaterial.

### Interest rates

The Group has neither short-term nor long-term debt, and therefore has no interest-bearing debt. Thus, it is only the derived effect on society and the desire to invest globally where changed interest levels have a macroeconomic impact on the Group's sales. As the Group does not incur debt, there is no hedging of interest rate risk apart from normal liquidity netting of operating flow.

### Credit risk

As a result of the group's operations, where the majority of sales are made by receiving advance payment from the customer, the group is exposed to credit risks in connection with payment in arrears. The group's policy for assuming credit risks means that all major customers are credit assessed and credit insured before entering into a contract and thereafter on an ongoing basis. The management of the credit risk is based on cooperation with one of the world's largest credit insurance companies. The group does not have significant risks regarding individual customers or business partners, and the company has no written-off receivables from customers. The company has had no losses on debtors since 2016.

In addition, the credit risk on bank deposits is limited because the counterparties, holding significant deposits, are banks with high credit-ratings (minimum A3/A-) assigned by international credit-rating agencies. The Group's policy is only to invest its cash deposits with highly rated financial institutions.

### Liquidity risk

It is the group's policy to ensure strong financial flexibility and thus to develop and maintain a strong and healthy capital structure which supports long-term profitable growth and controlled development in key figures. The group's capital resources include liquid funds and unused drawing rights. Since 2019, FOM Technologies has had a credit facility that has not been used since establishment. The credit facility is on market terms.

### Contractual maturities of financial liabilities

	< 1 year	1 - 5 years	> 5 years	Total contractual cash flows	Carrying out amount
At 31 December 2021	2.699.103	-	276.916	-	2.976.019
	-	-	-	-	-
Other payables*	1.553.909	-	6.823	-	1.560.732
Deferred income	1.373.584	2.422.831	-	-	3.796.415
Trade Payables	3.906.065	-	-	-	3.906.065
Other provisions	-	250.000	-	-	250.000
<b>Total</b>	<b>9.532.661</b>	<b>2.672.831</b>	<b>283.739*</b>	<b>-</b>	<b>12.489.231</b>

\*The amount 283.739 consists of frozen holiday pay including interest.



**Note 21 Related parties**

The following table sets out the group's principal subsidiaries at year end. Unless otherwise stated, they have share capital solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		2022	2021	2022	2021	
FOM Technologies Inc.	USA	100%	100%	0%	0%	Same as parent
MLMC Therapeutics ApS	Denmark	51%	51%	49%	49%	Biotechnology R/D

The group is controlled by the following entities with ownership of more than 5%:

Name of entity	Type	Place of business	Ownership interest held by non-controlling interests	
			2022	2021
FOM Holding ApS	Ultimate parent company	Denmark	28,92%	30,37%
Coridats Capital ApS	Principal shareholder	Denmark	16,23%	17,04%
Graham Bryce	Principal shareholder	Great Britain	14,46%	15,19%
Ulstrup Invest ApS	Principal shareholder	Denmark	7,46%	7,89%

**Note 22 Events after the reporting date**

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

**Note 23 Assets charged and security**

Company pledge, no. T.DKK 1.000 in the company inventory, debtors, intangible assets has been deposited as security for account with credit institution.

**Note 24 Contractual obligations**

The contractual rental agreement that the Group had entered into regarding the current premises has been terminated in 2023. As mentioned in the management commentary a new location in Copenhagen has been found, and occupancy is expected to take place in Q2 2023

**Note 25 Short-term lease agreements**

The group has a short-term lease obligation for the premises which has been terminated in 2023 due to a relocation to take place in Q2 2023 as mentioned in note 24. In 2022 a total of 528t.DKK has been expensed on the short-term lease obligation concerning rent for the current premises. Similarly, 329t.DKK was expensed in 2021 for short-term lease obligation concerning rent obligation for current premises.

## PARENT INCOME STATEMENT

Note		2022 DKK	2021 DKK
4	<b>Revenue</b>	<b>53.663.022</b>	<b>24.207.863</b>
5	Other operating income	628.379	249.900
	<b>Total income</b>	<b>54.291.401</b>	<b>24.457.763</b>
	Costs of goods sold	-27.198.851	-10.482.687
	Other external expenses	-8.710.590	-2.911.900
	<b>Gross Profit</b>	<b>18.381.960</b>	<b>11.063.176</b>
6-7	Staff costs	-14.945.371	-10.260.884
	<b>Profit before depreciation, interest, and tax</b>	<b>3.436.589</b>	<b>802.292</b>
8	Amortisation, depreciation, and impairment	-334.360	-160.174
	<b>Operating Profit</b>	<b>3.102.229</b>	<b>642.118</b>
9	Financial income	724.253	256.305
10	Financial expenses	-901.332	-190.142
	<b>Profit before tax</b>	<b>2.925.150</b>	<b>708.281</b>
11	Deferred Tax	-126.816	-
	<b>Profit for the year</b>	<b>2.798.334</b>	<b>708.281</b>
		<b>2022 DKK</b>	<b>2021 DKK</b>
	<b>Distribution of profit/loss</b>		
	Retained earnings	2.798.334	1.642.454
	Retained earnings IFRS impact	-	-934.173
	<b>Profit for the year</b>	<b>2.798.334</b>	<b>708.281</b>

**PARENT STATEMENT OF FINANCIAL POSITION  
ASSETS**

Note	31.12.202	31.12.2021	01.01.2021	
	2 DKK	DKK	DKK	
	Software	201.105	-	-
	Acquired licenses	144.732	176.607	53.437
	Acquired trademarks	50.666	68.848	66.523
	Development projects completed	633.356	428.288	-
	Development projects in progress	560.734	156.938	-
12	<b>INTANGIBLE ASSETS</b>	<b>1.590.593</b>	<b>830.681</b>	<b>119.960</b>
	Other fixtures and fittings, tools, and equipment	74.332	57.744	87.976
13	<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>74.332</b>	<b>57.744</b>	<b>87.976</b>
	Investments in group enterprises	40.800	40.800	40.800
	Other receivables	1.125.500	62.500	62.500
14	<b>FINANCIAL ASSETS</b>	<b>1.166.300</b>	<b>103.300</b>	<b>103.300</b>
	<b>TOTAL NON-CURRENT ASSETS</b>	<b><u>2.831.225</u></b>	<b><u>991.725</u></b>	<b><u>311.236</u></b>
	Raw materials	472.250	-	-
	Work-in-progress	6.807.666	1.203.636	2.113.750
	Finished Goods	5.528.506	-	-
	<b>INVENTORIES</b>	<b>12.808.422</b>	<b>1.203.636</b>	<b>2.113.750</b>
15	Trade receivables	14.667.485	7.907.408	2.387.685
	Trade Receivables from group enterprises	118.326	1.270.180	-
	Other receivables from group enterprises	136.763	-	-
16	Contract work in progress	576.930	408.980	-
	Other receivables	1.278.019	1.394.005	1.298.166
	Company taxes receivables	-	4.084	276.714
	Prepayments	897.709	98.452	94.516
	Cash	19.877.814	4.844.342	8.759.858
	<b>TOTAL CURRENT ASSETS</b>	<b><u>50.361.468</u></b>	<b><u>17.131.087</u></b>	<b><u>14.930.689</u></b>
	<b>TOTAL ASSETS</b>	<b>53.192.693</b>	<b>18.122.812</b>	<b>15.241.925</b>

**PARENT STATEMENT OF FINANCIAL POSITION** *continued*  
**EQUITY & LIABILITIES**

<b>Note</b>		<b>31.12.2022</b>	<b>31.12.2021</b>	<b>01.01.2021</b>
		<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
15	Share capital	777.891	741.941	741.941
	Retained earnings	25.526.765	10.846.967	10.723.913
	Reserve for development projects	1.194.090	585.227	-
	Other capital reserve	3.347.288	1.933.801	362.716
	<b>EQUITY</b>	<b>30.846.034</b>	<b>14.107.936</b>	<b>11.828.570</b>
11	Deferred Tax Liability	126.816	-	-
17	Other payables	283.739	276.916	271.486
18	Other provisions	250.000	-	-
19	Deferred income	2.422.831	-	249.900
	<b>NON-CURRENT LIABILITIES</b>	<b>3.083.386</b>	<b>276.916</b>	<b>521.386</b>
20	Other credit institutions	148.375	99.094	46.225
	Trade payables	5.524.880	1.583.908	1.482.296
	Tax payables	-	-	-
	Other payables	2.317.637	813.466	1.113.548
	Other provisions	-	-	-
	Deferred income	1.621.782	248.198	249.900
	Contract work in progress	2.285.732	993.294	-
	Prepayments	7.364.867	-	-
	<b>CURRENT LIABILITIES</b>	<b>19.263.273</b>	<b>3.737.960</b>	<b>2.891.969</b>
	<b>LIABILITIES</b>	<b>22.346.659</b>	<b>4.014.876</b>	<b>3.413.355</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>53.192.693</b>	<b>18.122.812</b>	<b>15.241.925</b>

PARENT STATEMENT OF CHANGES IN EQUITY

Equity	Share Capital	Share Premium	Retained earnings	Reserve for development costs	Other Capital reserve	Total Equity DKK
	555.556		3.955.647			4.511.203
<b>Equity at 1/1 2020</b>						
Capital increase	186.385		15.814.816			16.001.201
Costs related to equity transactions	-		-2.840.446			-2.840.446
Transferred from distribution of profit/loss	-		-5.843.388			-5.843.388
Effect of applying IFRS			-362.716		362.716	-
<b>Equity at 1/1 2021</b>	<b>741.941</b>		<b>10.723.913</b>		<b>362.716</b>	<b>11.828.570</b>
Transferred from distribution of profit/loss	-		1.642.454			1.642.454
<b>Equity at 31/12 2021 before applying IFRS</b>	<b>741.941</b>		<b>12.366.367</b>		<b>362.716</b>	<b>13.471.024</b>
Effect of applying IFRS			-934.173			-934.173
Development costs			-585.227	585.227		-
Share-based payments					1.571.085	1.571.085
<b>Adjusted Equity at 31/12 2021</b>	<b>741.941</b>	<b>-</b>	<b>10.846.967</b>	<b>585.227</b>	<b>1.933.801</b>	<b>14.107.936</b>

	Share Capital		Retained earnings	Reserve for development costs	Other Capital reserve	Total Equity DKK
<b>Equity at 1/1 2022</b>	<b>741.941</b>		<b>10.846.967</b>	<b>585.227</b>	<b>1.933.801</b>	<b>14.107.936</b>
Capital increase	35.950	13.265.624				<b>13.301.574</b>
Transfers		-13.265.624	13.265.624			-
Costs related to equity transactions			-775.301			<b>-775.301</b>
Share-based payments					1.413.487	<b>1.413.487</b>
Development costs			-608.863	608.863		-
Transferred from distribution of profit/loss			2.798.334			<b>2.798.334</b>
Correction adjustment			4			<b>4</b>
<b>Equity at 31/12 2022</b>	<b>777.891</b>	<b>-</b>	<b>25.526.765</b>	<b>1.194.090</b>	<b>3.347.288</b>	<b>30.846.034</b>

## PARENT CASHFLOW STATEMENT

	2022 DKK	2021 DKK
Profit/loss before financial items and tax (EBIT)	3.102.229	642.118
Depreciation and amortization	334.360	160.174
Share-based payments	1.413.487	1.571.085
Change in inventories	-11.604.786	910.114
Change in receivables	-6.596.123	-7.298.658
Change in trade payables	18.155.686	548.652
<b>CASH FLOWS FROM PRIMARY ACTIVITIES</b>	<b>4.804.853</b>	<b>-3.466.515</b>
Financial income received	724.253	256.305
Financial costs paid	-901.332	-190.142
Income taxes paid/received	4.000	272.630
<b>CASH FLOW FROM OPERATION ACTIVITIES</b>	<b>4.631.774</b>	<b>-3.127.722</b>
Acquisition of intangible assets	-1.066.902	-840.664
Acquisition of property, plant and equipment	-43.959	-
Acquisition of fixed asset investments	-1.063.000	-
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-2.173.861</b>	<b>-840.664</b>
Proceeds from capital increase	13.301.579	-
Costs incurred during changes of contributed capital	-775.301	-
Other credit institutions	49.281	52.869
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>12.575.559</b>	<b>99.094</b>
<b>NET CASH FLOW FOR THE PERIOD</b>	<b>15.033.472</b>	<b>-3.915.516</b>
	<b>2022 DKK</b>	<b>2021 DKK</b>
Cash and cash equivalents - beginning of the year	4.844.342	8.759.858
Net cash flow for the period	15.033.472	-3.915.516
<b>CASH AND CASH EQUIVALENTS BY END OF PERIOD</b>	<b>19.877.814</b>	<b>4.844.342</b>
	<b>2022 DKK</b>	<b>2021 DKK</b>
Cash and cash equivalents	19.877.814	4.844.342
<b>TOTAL CASH AND CASH EQUIVALENTS BY END OF PERIOD</b>	<b>19.877.814</b>	<b>4.844.342</b>

## **PARENT NOTES**

1. Accounting policies
2. Investments in subsidiaries
3. Contingent liabilities and other contractual obligations
4. Revenue
5. Other operating income (Please refer to Group Note 6)
6. Staff costs & Key management remuneration (Please refer to Group note 7)
7. Share-based payments (Please refer to Group note 8)
8. Amortisation, depreciation, and impairment
9. Financial income
10. Financial expenses
11. Tax of the year
12. Intangible assets
13. Property, Plant & Equipment
14. Financial Assets
15. Trade Receivables
16. Contract work in progress (Please refer to Group Note 5)
17. Other Payables (Please refer to Group Note 20)
18. Other provisions (Please refer to Group Note 20)
19. Deferred income (Please refer to Group Note 20)
20. Other credit institutions (Please refer to Group Note 18)
21. Security



## 1. Accounting policies in the parent's separate financial statements

The accounting policies for the Parent are the same as for the Group in the consolidated financial statements with the following exception:

- Investments in subsidiaries
- Dividends on investments in subsidiaries

Investments in subsidiaries are measured at cost. Cost is the value of the costs incurred in acquiring or creating the asset, comprising the consideration paid to acquire or create the asset plus transaction costs.

Investments accounted for at cost are not subsequently remeasured. Such investments are measured in the separate financial statements at the original cost of the investment until the investment is de-recognised or impaired. Indications of impairment of investments in subsidiaries are assessed annually by Management.

Dividends on investments in subsidiaries are recognised in the income statement of the Parent in the financial year in which the dividend is declared.

### Equity

#### *Reserve for development costs*

The reserve for development costs comprises recognised development costs less related deferred tax liabilities. The reserve cannot be used as dividend or for covering losses. The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity

## 2. Investments in subsidiaries

<b>Cost</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
At 1 January	40.800	40.800
Additions	-	-
Disposals	-	-
<b>At 31 December</b>	<b>40.800</b>	<b>40.800</b>

It is Management's assessment that no indications of impairment existed at 31 December 2022. Impairment tests have therefore not been carried out for subsidiaries.

## 3. Contingent liabilities and other contractual obligations

FOM Technologies A/S is the administration company and subject to the Danish rules on mandatory joint taxation of the Group. FOM Technologies A/S accordingly pays all income taxes to the tax authorities under the joint taxation scheme. Danish subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation. The jointly taxed Danish companies are taxed under the on-account tax scheme.

On payment of joint taxation contributions, the current Danish income tax is allocated between the Danish jointly taxed companies in proportion to their taxable income.

In addition, tax on profit/loss and deferred tax are calculated and recognised as described in note 12 in the consolidated financial statements.

<b>Note 4</b>	<b>Revenue</b>	<b>2022</b>	<b>2021</b>
		<b>DKK</b>	<b>DKK</b>
	Machines	47.049.854	21.560.710
	Additional products	6.260.861	2.331.992
	Services & Other	352.307	315.161
	<b>Total Revenue</b>	<b>53.663.022</b>	<b>24.207.863</b>

**Note 5 Other operating income**

Please refer to Group Note 6

**Note 6 Staff Costs**

Please refer to Group Note 7

**Note 7 Share-based payments**

Please refer to Group Note 8

<b>Note 8</b>	<b>Amortisation, depreciation, and impairment</b>	<b>2022</b>	<b>2021</b>
		<b>DKK</b>	<b>DKK</b>
	Depreciation on Intangible assets	-306.990	-129.942
	Depreciation on Other fixtures	-27.370	-30.232
	<b>Total depreciation</b>	<b>-334.360</b>	<b>-160.174</b>

<b>Note 9</b>	<b>Financial income</b>	<b>2022</b>	<b>2021</b>
		<b>DKK</b>	<b>DKK</b>
	Interest income	5.643	-
	Exchange rate adjustments	718.610	256.305
	<b>Total Financial income</b>	<b>724.253</b>	<b>256.305</b>

<b>Note 10</b>	<b>Financial expenses</b>	<b>2022</b>	<b>2021</b>
		<b>DKK</b>	<b>DKK</b>
	Interest expenses	-75.789	-43.491
	Other financial expenses	-239.068	-42.205
	Net Exchange rate adjustments	-586.475	-104.446
	<b>Total Financial income</b>	<b>-901.332</b>	<b>-190.142</b>

**Note 11**

<b>Tax for the year</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Adjustment of deferred tax	-126.816	-
	<b>-126.816</b>	

<b>Calculation of effective tax rate</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Profit before tax	2.925.150	708.281
Tax using the Danish tax rate 22 %	-643.533	-155.822
Non tax-deductible expenses	-725	-10.935
Tax-exempt income and tax incentives	86.233	68.475
Utilization of tax losses, not recognized	431.209	98.282
<b>Total income tax recognized in income statement</b>	<b>-126.816</b>	<b>-</b>
<b>Effective tax rate</b>	<b>4%</b>	<b>0%</b>

<b>Deferred tax</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Operation equipment	7.657	6.862
Software	-53.544	-19.138
Acquired trademarks	850	-293
Leasehold improvements	4.296	8.593
Development projects	-262.699	-128.750
Prepaid expenses	-	-21.659
Tax losses, carried forward	176.623	154.384
<b>Total deferred tax</b>	<b>-126.816</b>	<b>-</b>

**Note 12 Intangible Assets**

	Acquired licenses	Acquired Trademarks	Software	Completed development projects	Development projects in progress	Total DKK
Cost at 1/1 2021	56.250	72.838	-	-	-	129.088
Additions for the year	156.950	18.071	-	508.704	156.938	840.663
Disposals for the year	-	-	-	-	-	-
<b>Cost at 31 December 2021</b>	<b>213.200</b>	<b>90.909</b>	-	<b>508.704</b>	<b>156.938</b>	<b>969.751</b>
Amortisation and impairment as at 1 January	2.813	6.315	-	-	-	9.128
Amortisation for the year	33.780	15.746	-	80.416	-	129.942
Amortisations, impairment, disposals for the year	-	-	-	-	-	-
<b>Amortisation and impairment at 31 December 2021</b>	<b>36.593</b>	<b>22.061</b>	-	<b>80.416</b>	-	<b>139.070</b>
<b>Carrying amount at 31 December 2021</b>	<b>176.607</b>	<b>68.848</b>	-	<b>428.288</b>	<b>156.938</b>	<b>830.681</b>
Cost at 1/1 2022	213.200	90.909	-	508.704	156.938	969.751
Additions for the year	-	-	258.461	404.645	403.796	1.066.902
Disposals for the year	-	-	-	-	-	-
<b>Cost at 31 December 2022</b>	<b>213.200</b>	<b>90.909</b>	<b>258.461</b>	<b>913.349</b>	<b>560.734</b>	<b>2.036.653</b>
Amortisation and impairment as at 1 January	36.593	22.061	-	80.416	-	139.070
Amortisation for the year	31.875	18.182	57.356	199.577	-	306.990
Amortisations, impairment, disposals for the year	-	-	-	-	-	-
<b>Amortisation and impairment at 31 December 2022</b>	<b>68.468</b>	<b>40.243</b>	<b>57.356</b>	<b>279.993</b>	-	<b>446.060</b>
<b>Carrying amount at 31 December 2022</b>	<b>144.732</b>	<b>50.666</b>	<b>201.105</b>	<b>633.356</b>	<b>560.734</b>	<b>1.590.593</b>

Note	13	Property, Plant and Equipment	Other fixtures	Total DKK
		Cost at 1/1 2021	123.803	123.803
		Additions for the year	-	-
		Disposals for the year	-	-
		<b>Cost at 31 December 2021</b>	<b>123.803</b>	<b>123.803</b>
		Amortisation and impairment as at 1 January	35.827	35.827
		Amortisation for the year	30.232	30.232
		Amortisations, impairment, disposals for the year	-	-
		Amortisation and impairment at 31 December 2021	<b>66.059</b>	<b>66.059</b>
		<b>Carrying amount at 31 December 2021</b>	<b>57.744</b>	<b>57.744</b>
		Cost at 1/1 2022	123.803	123.803
		Additions for the year	43.959	43.959
		Disposals for the year	-	-
		<b>Cost at 31 December 2022</b>	<b>167.762</b>	<b>167.762</b>
		Amortisation and impairment as at 1 January	66.059	66.059
		Amortisation for the year	27.370	27.370
		Amortisations, impairment, disposals for the year	-	-
		Amortisation and impairment at 31 December 2022	<b>93.429</b>	<b>93.429</b>
		<b>Carrying amount at 31 December 2022</b>	<b>74.332</b>	<b>74.332</b>

Note	14	Financial Assets	Other receivables	Investments in group companies	Total DKK
		Cost at 1/1 2021	62.500	40.800	103.300
		Additions for the year	-	-	-
		Disposals for the year	-	-	-
		<b>Cost at 31 December 2021</b>	<b>62.500</b>	<b>40.800</b>	<b>103.300</b>
		Amortisation and impairment as at 1 January	-	-	-
		Amortisation for the year	-	-	-
		Amortisations, impairment, disposals for the year	-	-	-
		Amortisation and impairment at 31 December 2021	-	-	-
		<b>Carrying amount at 31 December 2021</b>	<b>62.500</b>	<b>40.800</b>	<b>103.300</b>
		Cost at 1/1 2022	62.500	40.800	103.300
		Additions for the year	1.063.000	-	1.063.000
		Disposals for the year	-	-	-
		<b>Cost at 31 December 2022</b>	<b>1.125.500</b>	<b>40.800</b>	<b>1.166.300</b>
		Amortisation and impairment as at 1 January	-	-	-
		Amortisation for the year	-	-	-
		Amortisations, impairment, disposals for the year	-	-	-
		Amortisation and impairment at 31 December 2022	-	-	-
		<b>Carrying amount at 31 December 2022</b>	<b>1.125.500</b>	<b>40.800</b>	<b>1.166.300</b>

Note	15	Trade Receivables	31.12.2022	31.12.2021	01.01.2021
			DKK	DKK	DKK
		Trade receivables*	14.667.485	7.907.408	2.387.685
		Write-downs	-	-	-
		<b>Total</b>	<b>14.667.485</b>	<b>7.907.408</b>	<b>2.387.685</b>

*\*The carrying amounts are equivalent to the fair value of the assets.*

Trade Receivables Aged list	2022	Settled in January 2023
	DKK	DKK
Not passed due	14.272.857	97%
Due	390.910	3%
Overdue by 0-30 days	3.718	0%
<b>Total</b>	<b>14.667.485</b>	<b>100%</b>
<b>Expected credit loss</b>	-	0%

The carrying amounts do not include any items that are overdue with more than 30 days. The total carrying amount has been settled by 97% in January 2023. No loss is expected on the due amount.

**Note 16 Contract work in progress**

Please refer to Group Note 5

**Note 17 Other payables**

Please refer to Group Note 20

**Note 18 Other provisions**

Please refer to Group Note 17,20

**Note 19 Deferred income**

Please refer to Group Note 20

**Note 20 Other credit institutions**

Please refer to Group Note 18

**Note 21 Security**

The parent company has pledged a guarantee for the credit account of the subsidiary MLMC for the amount of 200t.DKK.