

# Accelink Denmark A/S

Blokken 84, 3460 Birkerød

CVR no. 28 28 50 35

## Annual report 2024

Approved at the Company's annual general meeting on 28 May 2025

Chair of the meeting:

*Weidong. ma*

Weidong Ma

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Accelink Denmark A/S for the financial year 1 January - 31 December 2024.

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

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

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

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

Birkerød, 28 May 2025  
Executive Board:



.....  
Benny Jensen  
Adm. dir.

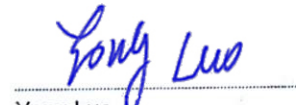
Board of Directors:



.....  
Qinlan Bu  
Chairman



.....  
Weidong Ma  
Vice-chairman



.....  
Yong Luo



.....  
Christian Ingemann  
Mikkelsen



.....  
Susanne Annalise Nielsen

## Independent auditor's report

To the shareholders of Accelink Denmark A/S

### Opinion

We have audited the financial statements of Accelink Denmark A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements 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 the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

### Independent auditor's report

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

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

### Statement on the Management's review

Management is responsible for the Management's review.


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

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

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

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

Copenhagen, 28 May 2025  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

  
Martin Alsbaek  
State Authorised Public Accountant  
mne28627

## Management's review

### Company details

Name Accelink Denmark A/S  
Address, Postal code, City Blokken 84, 3460 Birkerød

CVR no. 28 28 50 35  
Established 29 November 2004  
Financial year 1 January - 31 December

Board of Directors Qinlian Bu, Chairman  
Weidong Ma, Vice-chairman  
Yong Luo  
Christian Ingemann Mikkelsen  
Susanne Annalise Nielsen

Executive Board Benny Jensen, Adm. dir.

Auditors EY Godkendt Revisionspartnerselskab  
Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg,  
Denmark

Bankers Nykredit  
Kalvebod Brygge 1-3 5, 1780 Copenhagen V

## Management's review

### Financial highlights

DKK'000	2024	2023	2022	2021	2020
<b>Key figures</b>					
Revenue	72,983	64,942	71,778	73,530	77,072
Gross profit	16,198	5,163	12,273	22,497	23,221
Profit before interest and tax (EBIT)	2,287	-5,120	2,682	8,027	7,953
Net financials	1,024	1,032	757	393	-398
Profit/loss for the year	3,118	-3,995	3,458	7,099	6,540
<b>Balance sheet</b>					
Total assets	118,614	121,026	107,230	110,890	110,748
Investments in property, plant and equipment	-2,223	-17,032	-8,120	-7,874	-18,670
Equity	94,074	90,957	94,952	91,494	84,395
<b>Financial ratios</b>					
Operating margin	3.1%	-7.9%	3.7%	10.9%	10.3%
Gross margin	22.2%	8.0%	17.1%	30.6%	30.1%
Equity ratio	79.3%	75.2%	88.5%	82.5%	76.2%

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit/loss (EBIT)} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$

## Management's review

### Management commentary

#### Principal activities

Accelink Denmark A/S is wholly-owned by its parent company, Accelink Technologies Co., Ltd. The objective of Accelink Denmark A/S is to supply the parent company with PLC technology and products to help the parent company maintain its position as the leading global supplier of PLC-based optical components for the growing market for fiber optical technology, which is demanding significant bandwidth upgrading.

Thanks to its competitive PLC wafer production facilities, efficient production processes, patents and customer relations, Accelink Denmark A/S is a key player in the PLC components area.

#### Environmental situation

The Company strives to take environment and climate into consideration through its operations.

The Company has replaced the two Air Handling Unit for the clean room. The new units are equipped with heat exchange function, and optimised cooling functions, for save power.

The Company has also launched a new full automatic waste water handling system, which efficiently removing fluoride, and neutralising the waste water.

#### Development in activities and financial matters

The income statement for 2024 shows a profit of DKK 3,117,623 against a loss of DKK 3,995,451 last year, and the balance sheet at 31 December 2024 shows equity of DKK 94,074,322.

Management considers the Company's financial performance in the year satisfactory.

#### *Profit/loss for the year compared to previously announced expectations*

In the annual report for 2023, Management expected a profit in the range of DKK 700,000 – 1,000,000 before tax.

As result of a strict cost control and a slightly higher than expected sales resulted in a profit before tax of DKK 3,310,823 for 2024.

#### Knowledge resources

The Company's business foundation contains supply of reliable AWG and VOA chip to our mother company. This area places particularly high demands on the knowledge resources relating to employees and business processes. In addition, there are also special requirements to the knowledge resources for development and production of the Group's main products for telecom market.

In order to be able to provide these solutions continuously, it is decisive that the Company can recruit and retain employees, both with a high educational level and employees with technical experience. The number of employees with a high educational level represents 33%.

Focus will in the coming year be Research and development activities.

#### Research and development activities

The Company continues to invest in product portfolio development and productivity measures in order to align with the market demand.

Due to the stagnation of the telecom market, the demand for AWG products have been low, and expect also to be the case, in the near future. We have decided to utilize the spare capacity for developing new product platform, targeting new type of products and applications. We have also of this reason, signed development contract with Accelink Technologies Co. Ltd.

## Management's review

### Events after the balance sheet date

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

### Outlook

The Company's revenue for 2025 is expected to increase by approx. 25-35% following significant product development and demand forecast for the data center market, and the production costs to follow the same development.

On this basis, a profit in the range of DKK 2 - 6 million is expected for 2025, however, given the latest development in the geopolitical situation, the forecast holds significant uncertainty, and thus, the profit may end up being close to DKK 0.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2024	2023
	Revenue	72,982,582	64,941,873
14	Production costs	-56,784,451	-59,779,368
	Gross profit	16,198,131	5,162,505
14	Administrative expenses	-14,943,244	-12,694,942
	Operating profit/loss	1,254,887	-7,532,437
	Other operating income	1,031,882	2,412,530
	Profit/loss before net financials	2,286,769	-5,119,907
2	Financial income	1,873,272	1,581,492
3	Financial expenses	-849,218	-549,406
	Profit/loss before tax	3,310,823	-4,087,821
4	Tax for the year	-193,200	92,370
	Profit/loss for the year	3,117,623	-3,995,451

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2024</u>	<u>2023</u>
	ASSETS		
	Fixed assets		
6	Intangible assets		
	Acquired intangible assets	17,094	28,142
	Development projects in progress and prepayments for intangible assets	<u>142,232</u>	<u>142,232</u>
		<u>159,326</u>	<u>170,374</u>
7	Property, plant and equipment		
	Plant and machinery	31,093,581	39,547,944
	Fixtures and fittings, other plant and equipment	<u>35,149</u>	<u>63,042</u>
		<u>31,128,730</u>	<u>39,610,986</u>
8	Investments		
	Receivables from group entities	55,278	1,026,887
	Deposits, investments	<u>3,021,969</u>	<u>2,781,055</u>
		<u>3,077,247</u>	<u>3,807,942</u>
	Total fixed assets	<u>34,365,303</u>	<u>43,589,302</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	7,744,904	7,134,044
	Work in progress	13,225,907	16,978,357
	Finished goods and goods for resale	<u>7,772,613</u>	<u>3,730,505</u>
		<u>28,743,424</u>	<u>27,842,906</u>
	Receivables		
	Trade receivables	236,849	1,426,742
	Receivables from group entities	44,581,099	38,780,052
12	Deferred tax assets	0	193,200
	Other receivables	1,413,204	1,018,938
9	Prepayments	<u>903,103</u>	<u>693,598</u>
		<u>47,134,255</u>	<u>42,112,530</u>
10	Cash	<u>8,371,055</u>	<u>7,481,842</u>
	Total non-fixed assets	<u>84,248,734</u>	<u>77,437,278</u>
	TOTAL ASSETS	<u>118,614,037</u>	<u>121,026,580</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2024	2023
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	500,300	500,300
	Reserve for development costs	110,941	110,941
	Retained earnings	93,463,081	90,345,458
	Total equity	<u>94,074,322</u>	<u>90,956,699</u>
	Liabilities other than provisions		
13	Non-current liabilities other than provisions		
	Lease liabilities	0	1,890,466
	Payables to group entities	0	14,276,421
	Other payables	2,227,633	2,523,794
		<u>2,227,633</u>	<u>18,690,681</u>
	Current liabilities other than provisions		
	Lease liabilities	1,839,662	1,683,055
	Prepayments on work in progress	180,564	180,564
	Trade payables	3,084,517	6,642,859
	Payables to group entities	15,916,247	931,250
	Other payables	1,291,092	1,941,472
		<u>22,312,082</u>	<u>11,379,200</u>
	Total liabilities other than provisions	<u>24,539,715</u>	<u>30,069,881</u>
	TOTAL EQUITY AND LIABILITIES	<u>118,614,037</u>	<u>121,026,580</u>

- 1 Accounting policies
- 5 Appropriation of profit/loss
- 15 Contractual obligations and contingencies, etc.
- 16 Security and collateral
- 17 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK	Share capital	Reserve for development costs	Retained earnings	Total
		500,300	110,941	90,345,458	90,956,699
5	Transfer, see "Appropriation of profit/loss"	0	0	3,117,623	3,117,623
	Equity at 31 December 2024	500,300	110,941	93,463,081	94,074,322

## Financial statements 1 January - 31 December

### Cash flow statement

Note	DKK	2024	2023
	Profit/loss for the year	3,117,623	-3,995,451
	Cash generated from operations (operating activities)	3,117,623	-3,995,451
18	Changes in working capital	-10,620,424	-11,951,572
	Cash generated from operations (operating activities)	-7,502,801	-15,947,023
	Depreciation and amortisation, reversed	10,716,891	11,963,278
	Reversed realization gains	0	-775,531
	Tax on profit/loss, reversed	193,200	-92,370
	Corporation tax paid	0	62,000
	Cash flows from operating activities	3,407,290	-4,789,646
	Purchase of intangible assets	0	-142,232
	Sale of property, plant and equipment	0	775,531
19	Purchase of property, plant and equipment	-2,223,489	-16,910,496
	Purchase of financial assets	-240,914	-121,161
	Sale of financial assets	971,609	4,022,957
	Cash flows to investing activities	-1,492,794	-12,375,401
	Proceeds of debt, group enterprises	708,576	13,798,708
	Repayments, finance leases	-1,733,859	-1,680,108
	Cash flows from financing activities	-1,025,283	12,118,600
	Net cash flow	889,213	-5,046,447
	Cash and cash equivalents at 1 January	7,481,842	12,528,289
20	Cash and cash equivalents at 31 December	8,371,055	7,481,842

Cash is including DKK 1,890,168 on a deposit account as security for any outstanding accounts with Accelink Denmark A/S.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Accelink Denmark A/S for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

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

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

#### Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Also, provision for losses on construction contracts is recognised.

#### Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

#### Other operating income

Other operating income comprise items secondary to the principal activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Plant and machinery	3-5 years
Fixtures and fittings, other plant and equipment	3-5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

##### Balance sheet

###### Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

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

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

###### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

##### Deposits, investments

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

##### Other securities and investments

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

##### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the cost.

#### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

#### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

#### Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Cash flow statement

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

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

DKK	2024	2023
2 Financial income		
Other interest income	1,813,599	1,508,585
Exchange adjustments	59,673	72,907
	<u>1,873,272</u>	<u>1,581,492</u>
3 Financial expenses		
Interest expenses, group entities	708,576	253,590
Other interest expenses	97,769	240,583
Exchange adjustments	42,873	55,233
	<u>849,218</u>	<u>549,406</u>
4 Tax for the year		
Deferred tax adjustments in the year	193,200	-92,370
	<u>193,200</u>	<u>-92,370</u>
5 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	3,117,623	-3,995,451
	<u>3,117,623</u>	<u>-3,995,451</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 6 Intangible assets

DKK	Acquired intangible assets	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2024	35,431,555	142,232	35,573,787
Cost at 31 December 2024	35,431,555	142,232	35,573,787
Impairment losses and amortisation at 1 January 2024	35,403,413	0	35,403,413
Amortisation for the year	11,048	0	11,048
Impairment losses and amortisation at 31 December 2024	35,414,461	0	35,414,461
Carrying amount at 31 December 2024	17,094	142,232	159,326

The company's development projects relate to one type of product, based on the same process technology. The projects are progressing as planned and are expected to be completed in 3-5 years. Market research shows a demand for the new type of products.

#### 7 Property, plant and equipment

DKK	Plant and machinery	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2024	100,161,395	362,503	100,523,898
Additions	2,223,489	0	2,223,489
Disposals	-401,724	0	-401,724
Cost at 31 December 2024	101,983,160	362,503	102,345,663
Impairment losses and depreciation at 1 January 2024	60,613,451	299,461	60,912,912
Depreciation	10,677,901	27,893	10,705,794
Depreciation and impairment of disposals	-401,773	0	-401,773
Impairment losses and depreciation at 31 December 2024	70,889,579	327,354	71,216,933
Carrying amount at 31 December 2024	31,093,581	35,149	31,128,730
Property, plant and equipment include finance leases with a carrying amount totalling	2,443,402	0	2,443,402

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 8 Investments

DKK	Receivables from group entities	Deposits, investments	Total
Cost at 1 January 2024	1,026,887	2,781,055	3,807,942
Additions	0	240,914	240,914
Disposals	-971,609	0	-971,609
Cost at 31 December 2024	55,278	3,021,969	3,077,247
Carrying amount at 31 December 2024	55,278	3,021,969	3,077,247

#### 9 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance and other licenses.

#### 10 Cash

Cash is including DKK 1,890,168 on a deposit account as security for any outstanding accounts with Accelink Denmark A/S.

#### 11 Share capital

Analysis of the share capital:

500 shares of DKK 1,000.00 nominal value each	500,000	500,000
3 shares of DKK 100.00 nominal value each	300	300
	500,300	500,300

The Company's share capital has remained DKK 500,300 in the past year.

#### 12 Deferred tax

Deferred tax at 1 January	-193,200	-100,830
Deferred tax of the year, income statement	193,200	-92,370
Deferred tax at 31 December	0	-193,200

The company has as of 31 December 2024 tax losses carry forward T.DKK 89,974 and additional tax-deductible depreciation of T.DKK 42,667, equaling a total tax asset of T.DKK 29,181.

The tax asset has not been recognized as it is uncertain when these tax losses will be utilized within the foreseeable future.

Financial statements 1 January - 31 December

Notes to the financial statements

13 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2024	Short-term portion	Long-term portion	Outstanding debt after 5 years
Other payables	2,227,633	0	2,227,633	2,227,633
	2,227,633	0	2,227,633	2,227,633

Other payables concern holiday accrual only released for payment at the time of the employee retiring to go on pension.

DKK	2024	2023
14 Staff costs		
Wages/salaries	29,068,266	29,452,809
Pensions	3,753,955	3,711,937
Other social security costs	621,512	571,135
Other staff costs	1,002,879	1,040,772
	34,446,612	34,776,653

Staff costs are recognised as follows in the financial statements:

Production costs	24,657,082	26,086,545
Administrative expenses	9,789,530	8,690,108
	34,446,612	34,776,653

Average number of full-time employees	50	52
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Total remuneration to Management for 2024: DKK 1.319 thousand.

For 2023 since there was no change in Management by reference to section 98b(3), (ii), of the Danish Financial Statement Act, remuneration to Management is not disclosed.

15 Contractual obligations and contingencies, etc.

Contingent liabilities DKK	2024	2023
Within 1 year	3,103,630	2,994,595
Between 1 and 5 years	37,991	0
	3,141,621	2,994,595

16 Security and collateral

Cash is including DKK 1,890,168 on a deposit account as security for any outstanding accounts with Accelink Denmark A/S.

No other assets have been pledged as collateral or otherwise charged at 31 December 2024.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 17 Related parties

Accelink Denmark A/S' related parties comprise the following:

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Accelink Technologies Co. Ltd,	1 Tanhu Rd, Conglongdao Development Zone, Jiangxia Dist.Whuan, 430205, China	Principal shareholder

##### Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

DKK	<u>2024</u>	<u>2023</u>
18 Changes in working capital		
Change in inventories	-900,518	-4,590,756
Change in receivables	-5,215,023	-12,853,478
Change in trade and other payables	-4,504,883	5,492,662
	<u>-10,620,424</u>	<u>-11,951,572</u>
19 Transactions without liquidity effect		
Additions of property, plant and equipment, see note 7	2,223,489	17,031,658
Of which financial leasing assets	0	-121,161
Paid in respect of the additions of property, plant and equipment	<u>2,223,489</u>	<u>16,910,497</u>
20 Cash and cash equivalents at year-end		
Cash according to the balance sheet	<u>8,371,055</u>	<u>7,481,842</u>
	<u>8,371,055</u>	<u>7,481,842</u>