



The Annual General Meeting adopted
the Annual Report on:
2. April, 2024

Chairman of the general meeting:
Christian Eichen

FOM Technologies A/S
Bryggergården 2-12
2770 Kastrup
CVR No. 34715726

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COMPANY DETAILS

Company

FOM Technologies A/S
Bryggergården 2-12
2770 Kastrup

Central Business Registration no. 34 71 57 26

Registered in: Copenhagen

Board of Executives

Michael Henrik Stadi, CEO

Martin Kiener, CIO Head of Innovation & Founder

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 April 2, 2024

MANGEMENT'S STATEMENT

Today the Board of Directors and the Executive Board have discussed and approved the Annual Report of 2023 for the year 1 January – 31 December 2023.

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 2023 and of the results of the Group's and the Company's operations and cash flows for the financial year 1 January – 31 December 2023.

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 18, 2024

Executive Board:

Michael Henrik Stadi
CEO

Martin Kiener
CIO - Head of Innovation & Founder

Board of Directors:

Peter Andreas Nielsen
Chairman

Birgitte Jespersen Skade
Board member

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 2023, which comprise income statement, total income statement, balance sheet, statement of changes in equity, cash flow statement and notes including material accounting policy information for both the Group and the Parent Company. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

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 2023, and of the results of the Group and Parent Company operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the 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 IFRS Accounting 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.

INDEPENDENT AUDITOR'S REPORT *continued*

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.
- 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, 18 March 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mads Juul Hansen
State Authorised Public Accountant
MNE no. mne44386

FINANCIAL HIGHLIGHTS OF THE GROUP

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	78.189	53.862	24.220	6.789	8.273
Other operating income	2.323	628	250	326	5.062
Total income	<u>80.512</u>	<u>54.490</u>	<u>24.470</u>	<u>7.115</u>	<u>13.335</u>
Cost of goods sold	-36.867	-27.199	-10.483	-3.705	-7.239
Cost of goods sold %	47%	50%	43%	55%	88%
Gross profit/loss	25.515	18.401	11.051	66	3.023
Operating profit/loss	1.326	3.073	601	-5.970	-463
Net financials	-446	-289	61	-211	-66
Profit/loss for the year	370	2.651	660	-5.861	-461
Balance sheet total	99.915	53.266	18.315	15.276	6.675
Investments in property, plant, and equipment	1.561	74	58	88	68
Equity	73.147	30.680	14.087	11.850	4.511
Equity ratio (%)	73,21	57,6%	76,9%	77,6%	67,6%

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

MANAGEMENT COMMENTARY

Primary activities, products, and markets

The primary activities of FOM Technologies A/S are design, development and sale of advanced machinery and equipment for material production and research. The company is a leading global supplier of lab- and pilot-scale slot-die coating tools for advanced material R&D and up-scaling to commercial production. The company provides precise, flexible, user-friendly equipment to some of the biggest companies and most prestigious universities and research institutions within energy harvesting (solar) and energy storage (batteries and fuel cells) and other smart surface technologies. Our mission is to work closely with our customers to deliver high quality, cutting-edge solutions to coat a bright and sustainable future together.

While the company designs and develops its own products, the company does not currently manufacture its own products. The company's technical and mechanical solutions are manufactured and bought through sub-suppliers at the average distance of 1-2 hours of transport time from Copenhagen (location in Scandinavia and in the Northern part of Europe.)

The company's main markets are: North America (US + Canada), EU and Asia.

FOM Technologies has since 2020 been a publicly traded company. The company was listed on the Nasdaq First North Growth Market in June 2020 (ticker code: FOM).

Development in the company's activities and financial conditions

For the financial year 2023, FOM Technologies delivers a record result that is the best since the company's establishment. The total income has increased more than 46% from last year, combined with a positive EBITDA and bottom line. The strong growth in performance and the EBITDA level should be seen in the light of a high investment level as the company throughout 2023 has doubled the number of FTEs (Full Time Employees), moved to a new head quarter, and established a sales and business development platform in the US subsidiary - FOM Technologies Inc. The revenue is significantly above the initial first guidance for year 2023 made in Dec. 2022.

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. During 2023 the company has focused on expanding the supply chain, procurement processes and the growing network of Scandinavian and European suppliers to be able to deliver solutions to all our global customers with very short lead times throughout the year.

The company has continued its aggressive investment in innovation, development of new products, establishment of strategic partnerships, building a global distribution network and scaling the number of employees. All of the company's organizational departments Finance, HR, Adm. Sales, Production, S&L (Science & Learning), SLM (Service Lifecycle Management) as well as PR/Marketing, have added new personnel resources during 2023. Furthermore, our first employee in our US subsidiary, FOM Technologies Inc., was hired. The company expects to continue the development of the organisation in 2024, but at a somewhat slower pace.

2023 has offered many positive elements for the company ranging from awarded contracts from some of the world's most prestigious universities and research institutions to landing significant orders from leading corporate customers within the fuel-cell and battery segment. The company sees a firm and steady trend towards an increased ratio of corporate customers compared to academic (universities and research institution) customers.

On the research side, 2023 has also been extraordinary. FOM Technologies is increasingly being offered participation in European research consortia with participation from leading academic institutions from the continent, both within research into future solar cell and battery technology. At present FOM Technologies is participating in 5 R/D projects, where the EU or Danish funding organizations has allocated funding to R/D projects. The duration of these projects runs on average over a 3-year period.

MANAGEMENT COMMENTARY *continued*

When FOM Technologies entered the Nasdaq First North Growth Market 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 investors to invest a small amount in the company, 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 board of directors and executive management decided that the time was right to raise additional growth capital. In Q2 2022, the company completed a further capital raise to ensure a solid base for further growth leading to record results in 2022. The 2020 IPO as well as the 2022 capital injection were exclusively based on private investors and individuals to increase the numbers of shareholders and the accumulating distribution of shares. Looking into our 3-year strategy plan for 2024, 2025 and 2026 the company decided in H2 2023 to raise additional growth capital. This time we managed to attract funding from some of the largest institutional investors in Scandinavia as ATP and Bank Invest among others invested more than 43 mio. DKK in the company. At FOM Technologies, we remain proud of the achievement and that recognized and experienced institutional investors have chosen to join our growth journey. The funds raised will be used in three main areas. The overall organization, including the sales office in the USA, can now be further strengthened and there will be an opportunity to build a larger inventory, so that the large demand from both commercial customers and research institutions can be delivered more quickly. At the same time, FOM Technologies will be able to develop new technology and solutions that can meet future customer needs and secure and expand the company's position in the market. At the request of the new investors, and with the full support of the board of directors and executive management, the company has decided to postpone our previously announced listing on the Main Market.

Environmental conditions and ESG reporting

Environmental conditions play a crucial role in the success and sustainability of a scaling company. Firstly, these conditions encompass factors like climate, geography, and natural resources, which can directly impact operational efficiency and costs. Secondly, environmental conditions also include the socio-political landscape, such as government policies, regulations, and societal attitudes towards sustainability. Compliance with environmental regulations not only ensures legal standing but also fosters positive public perception and long-term viability. Moreover, a scaling company must assess environmental risks and opportunities to anticipate market shifts and innovate accordingly.

Embracing eco-friendly practices not only reduces negative impacts but also opens doors to new markets and investors increasingly prioritizing sustainability. Furthermore, maintaining a strong commitment to environmental stewardship can attract top talent, foster employee morale, and enhance brand reputation. Customers today are more conscious of environmental issues, preferring to support companies aligned with their values. Navigating and adapting to environmental conditions is integral for a scaling company to mitigate risks, seize opportunities, and build a resilient business model that thrives amidst changing ecological and societal landscapes.

Together with the Annual Report 2023, FOM Technologies will publish the company's first "ESG report". The ESG Report is an expansion and continuation of the publication issued in Q1 2023 named "ESG Initiatives". With this publication in 2022, we wanted to draw the first basic outlines within the ESG area and create the platform and framework for all future ESG reports published along with the annual financial report. We are therefore proud to publish our first ESG Report this year. The ESG report for 2023 contains the statement of social responsibility according to ÅRL 99 a. The report can be read and downloaded using this link: <https://www.fomtechnologies.com/investor/legal-documents>

Knowledge, expertise, and resources

In a scale-up company, having the best knowledge, expertise, and resources is paramount for success on multiple fronts. Firstly, possessing top-notch knowledge allows the company to make informed decisions, anticipate market trends, and stay ahead of competitors. Expertise in relevant domains ensures efficient execution of strategies and the ability to innovate effectively, driving growth and adaptation in dynamic markets. Moreover, access to academic resources, with technological insights provides the necessary competences to interact with our customers, scale operations and expand market reach that support long-term sustainability and competitiveness.

MANAGEMENT COMMENTARY *continued*

Attracting and retaining top talent is often contingent on the company's reputation for expertise and access to innovative resources. A skilled workforce is essential for driving innovation, fostering creativity, and delivering high-quality products or services that meet customer demands and exceed expectations. Furthermore, having the best knowledge, expertise, and resources installs confidence among stakeholders, including investors, partners, and customers. This confidence translates into increased support, investment, and loyalty, further fuelling the company's growth trajectory and market position. FOM Technologies has built a science team consisting of no less than 6 Ph.Ds to serve as the cornerstone of success, enabling agility, innovation, resilience, and competitive advantage in a rapidly evolving business landscape.

Research- and Development activities

Our Research and Development (R&D) activities are the driving force behind our innovation and growth strategy. With our dedicated team of experts, we continually explore new technologies, methodologies, and market trends to stay at the forefront of our industry. Our R&D efforts focus not only on improving existing products and services but also identifying new opportunities for expansion and differentiation. Through rigorous experimentation, prototyping, and testing, we refine our ideas and concepts, ensuring that only the most promising innovations move forward to implementation. Collaboration with external partners, academic institutions, and industry leaders enriches our R&D ecosystem, providing diverse perspectives and access to specialized knowledge. We prioritize sustainability and ethical considerations in our R&D endeavors, seeking solutions that not only drive business success but also contribute positively to society and the environment. Continuous learning and adaptation are central to our R&D culture, allowing us to quickly respond to market shifts and emerging challenges. Overall, our R&D activities serve as a catalyst for driving long-term value creation, fostering a culture of innovation, and maintaining our competitive edge in an ever-evolving landscape. For 2023 FOM Technologies spent 1% of our revenue on Research & Development activities.

New headquarter

Since 2019, the company has had its domicile in leased premises at Islands Brygge (Copenhagen). By the end of 2022, the company had outgrown the physical premises of that lease. With no options to expand, the company leased a new headquarters at Kastrup (Copenhagen) for the company with a larger and newly renovated physical space, workshop, and showroom supporting the future journey of FOM Technologies in the best way possible. The company moved into the new head quarter in Q2 2023.

Subsidiaries

FOM Technologies owns shares in the following companies:

<u>Company name:</u>	<u>Ownership:</u>	<u>Home place:</u>
FOM Technologies Inc.	100,00%	Palo Alto, California, USA
MLMC Therapeutics ApS	51,00%	Kastrup, Denmark

Audit Fee

The audit fee for 2023 is 296t.DKK.

Changes after the balance sheet date

No significant changes have occurred after the balance sheet date.

Recognition and measurement

There is no significant uncertainty regarding the recognition and measurement of amounts in the annual report except for what has been highlighted and addressed in Note 2 for the Group.

No unusual conditions have affected the recognition and measurement of amounts in the annual report.

MANAGEMENT COMMENTARY *continued*

Conclusion

The year 2023 started with a strong pipeline as mentioned in the 2022 Annual Report. The revenue of DKK 78,2 million is significantly above the initial guidance published of 55-60 million. If the actual result is compared to the lowest range of the initial guidance, the revenue is +23 million higher than the 55 million revenue guidance and the actual EBITDA result of 3,5 million is +1,5 million better than the 2 million EBITDA guidance.

	Guidance for 2023 (in 2022 Annual Report)	Actual result for 2023	
Revenue	55-60 million	78 million	+ 23 million
EBITDA	2-5 million	3,5million	+1,5 million

In addition to that, the company succeeded in raising capital during the last end of the year from some of the largest institutional investors in Scandinavia, which has further strengthened the capital base. Based on this the management considers the year's growth, results, and the company's development in general to be very satisfactory.

EXPECTATIONS TO 2024

Postponement of a Nasdaq Main Market – Small Cap listing

As previously announced, FOM Technologies has postponed the ambition to seek admission to be listed on the Nasdaq Main Market – Small Cap. The ambition is to continue the growth of the company to a higher revenue level before applying for admission to a Nasdaq Main Market listing. All other formal requirements for seeking admission to the Nasdaq Main Market – Small Cap, like free float ratio, numbers of shareholders and financial statements in accordance with IFRS Accounting Standard are in place.

The expected future development – Commercial Dimension

2024 will be an extraordinary investment year for the company. With a strong capital injection from external investors in late Q4 2023, the direction is set for organizational ramping up in our US subsidiary FOM Technologies Inc., plus strong R/D and innovation investment in new and more advanced products targeting the corporate production segment. The company is very positive about this segment based on previous and ongoing dialogues with current and future potential customers. The guidance for the 2024 Revenue and EBITDA has been estimated to the best of our abilities taking into consideration the planned investment level, including risks and uncertainties from our risk management assessment discussed in the following chapter.

The expected future development – Liquidity Dimension

The cash reserve as of year-end was significantly strong, due to the Q4 2023 share capital expansion, hence the company's equity capital is historically strong. Furthermore, the company has no material debt. Thus, the liquidity development looks strong and stable.

The company's guidance for 2024 is:

Total income: In the range of DKK 65 million to DKK 80 million
EBITDA: In the range of DKK - 8 million to DKK 2 million

The guidance is a result of the significant investments expected as well as the general uncertainties in the global economy.

RISK MANAGEMENT

Ongoing monitoring of risks and risk management play a central role in FOM Technologies, where the board of directors, the executive management 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 in place which ensure effective management of identified risks.

MANAGEMENT COMMENTARY *continued*

RISK MANAGEMENT *continued*

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 on an ongoing basis. 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 and instructions of the board and the executive management. 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 refining and developing the company's products and solutions, so that the market position is improved. This contributes to solving the customers' research and production challenges and thereby adds 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. Accordingly, we believe there are good opportunities to create profitable growth even under the current market conditions. As part of continued focus to reduce the company's exposure, the company invests in digitalization and in digital communication globally so that FOM Technologies is better equipped to deal with customer behavior and demands. FOM Technologies' digitalization 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. For the financial year 2023, the corporate client Novo Energy accounted for more than 10% of the revenue. The company's customers are leading universities, research institutions and corporate customers, but 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, technological level, price 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.

MANAGEMENT COMMENTARY *continued*

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 policies once a year, and these are 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

Investing in professional IT systems involves risks but is a necessity to avoid any negative impact on ongoing operations, unplanned extra costs and reputational damages. FOM Technologies seeks to reduce these risks continuously through planning and investment. FOM Technologies has throughout 2023 implemented new IT systems and digitalization of processes. 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, 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 leading providers of hosting and backup solutions. Over several years, the company has improved its IT security systems, which means that the external IT audit has not found significant areas that need improvement.

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 package, other benefits 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 because of the company's customers mainly being invoiced in EUR, which is the same currency in which many of the company's variable costs are settled. Based in Denmark, all fixed costs are settled in DKK, which is why DKK is 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.

MANAGEMENT COMMENTARY *continued*

RISK MANAGEMENT *continued*

Liquidity risks

It is the group's policy to ensure strong financial flexibility and thus 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 never 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, distributors, and significant suppliers are credit assessed and credit insured before entering 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, business partners, distributors and significant suppliers and the company has not 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

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 will occur. The company reports monthly financial data as well as comments regarding the economic and business development to the senior management, board of executives and board of directors. The control and risk management activities consist of the policies and procedures that have been outlined to make sure the Group strategy and KPI's can be met. These control activities take place in the entire organization in all functions and include various activities and controls such as segregation of duties, two-level approval workflow for all costs held, reconciliations and compliance model for approval of all sales transactions. Monthly controlling of the reported accounting information is also carried out for all companies in the group and shared with the board of executives and senior management. 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 of directors 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 in connection with the group's activities and the 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.

MANAGEMENT COMMENTARY *continued*

RISK MANAGEMENT *continued*

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

It is the ongoing ambition of FOM Technologies to maintain an open and continuous dialogue with the company's shareholders, potential investors, and the public, and 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 2023, FOM Technologies' share capital was nominally DKK 935,469.60 divided into 9,354,696 shares of DKK 0.10 or multiples thereof.

FOM Technologies' share ended the financial year at a price of 27.90, which is a decrease of 33.57% compared to the closing price on 31/12 2022 of 42.00. In comparison, the Nasdaq First North Nasdaq – Copenhagen fell by 10.46 % in the same period. The market value of FOM Technologies was DKK 261 million per 31 December 2023.

Full name and home place:

FOM Technologies A/S
Bryggergaarden 2-12
2770 Kastrup
Denmark
CVR nr: 34 71 57 26

Data:

Place of listing:	Nasdaq First North – Copenhagen - Denmark
Index:	First North Denmark DKK GI (SE0007551411)
Sector:	Industrial Goods and Services
ISIN-code:	DK 0061278199
Ticker name:	FOM.CO
Share capital nom.:	935.469,60 DKK
Stock size:	0,10 DKK
Number of shares:	9.354.696
Tradable:	Yes
Voting restriction:	No

Own capital shares

Neither the company nor any of the company's subsidiaries own shares in FOM Technologies A/S.

Ownership

At the end of December 2023, FOM Technologies had 3.234 registered shareholders who owned a total of 91,03 % of the share capital in the company. The five largest shareholders together own 64,29% of the share capital.

MANAGEMENT COMMENTARY *continued*

INVESTOR RELATIONS *continued*

Shareholders with an ownership share of > 5 %

Name	%
FOMT Holding ApS	21,57
ATP	13,96
Graham Bryce	12,02
Coridats Capital ApS	11,01
Ulstrup Invest ApS	5,73
Total	64,29

For further details regarding the shareholders with an ownership of >5% please refer to note 22 for the Group.

Members of the executive board and the board of directors owned 32,68 % of the share capital pr. 31st of December 2023.

Share-based payments program

A share-based payment program has been issued in 2023, where 125.000 options exchangeable into shares have been allocated to selected key employees in the company. For information on previous incentive remuneration programs, please see note 7.

Annual General Meeting

The company's ordinary general meeting will be held on:

Tuesday the 2nd of April 2024 at 17.00 at FOM Technologies head office: Bryggergården 2, 2770 Kastrup.

Share register:

The company's shares are registered at:

Computershare A/S

Lottenborgvej 26D,

DK-2800 Kongens Lyngby

Denmark

Dividend and allocation of profits

The board recommends to the general meeting that no dividend be paid for the financial year 2023. 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

MANAGEMENT COMMENTARY *continued*

CORPORATE GOVERNANCE

Committee for Good 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.

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 a 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 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 2023, 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 2023. The evaluation process is overseen by the chairman of the board.

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.

MANAGEMENT COMMENTARY *continued*

CORPORATE GOVERNANCE *continued*

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 operations 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 chief executive officer (CEO) and the chief innovation officer (CIO) who is also the founder of the company. The board's delegation of responsibility to the executive board is defined in the board's rules of procedure. For a detailed competence overview of the executive board, please visit the company website.

Remuneration for the board and management.

The total fee for the board amounted to DKK 240.000 in 2023. Of this, the chairman of the board received a fee of DKK 120.000, while the other members of the board received DKK 60.000 each. The board is not covered by bonus or option schemes. The remuneration of the executive board is determined by the board. In 2023, the remuneration to the executive board amounted to approximately DKK 3.8 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 and among the staff 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 board members in FOM Technologies elected by the general meeting 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 been achieved at 30% by year end.

For further elaboration on the Groups policy on diversity, please refer to the ESG report. The ESG report for 2023 can be read and downloaded using this link: <https://www.fomtechnologies.com/investor/legal-documents>

“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 of the Board
FOM Technologies A/S

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note		2023 DKK	2022 DKK
4	Revenue	78.189.398	53.861.909
5	Other operating income	2.322.641	628.379
	Total income	80.512.039	54.490.288
	Costs of goods sold	-36.867.221	-27.198.851
	Other external expenses	-18.129.508	-8.890.324
	Gross Profit	25.515.310	18.401.113
6-7	Staff costs	-21.976.303	-14.945.371
	Profit before depreciation, interest, and tax	3.539.007	3.455.742
8	Amortisation, depreciation, and impairment	-2.213.422	-382.564
	Operating Profit	1.325.585	3.073.178
9	Financial income	524.693	870.578
10	Financial expenses	-970.806	-1.159.120
	Profit before tax	879.472	2.784.636
11	Tax on profit/loss for the year	-509.228	-133.545
	Profit for the year	370.244	2.651.091

	2023 DKK	2022 DKK
Other comprehensive income		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	125	1.520
Total comprehensive income for the period, net of tax	370.369	2.652.611

Total comprehensive income for the period is attributable to:	2023 DKK	2022 DKK
Owners of FOM Technologies A/S	430.481	2.696.828
Non-controlling interests	-60.112	-44.217
	370.369	2.652.611

Earnings per share for profit attributable to the ordinary equity holders of FOM Technologies A/S

	2023 DKK	2022 DKK
Basic earnings per share	0,04	0,09
Diluted earnings per share	0,04	0,09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.12.2023	31.12.2022
	DKK	DKK
	190.826	201.105
	90.389	144.732
	355.393	260.087
	742.871	633.356
	284.184	560.734
12	1.663.663	1.800.014
	203.153	-
	1.357.843	74.332
13	1.560.996	74.332
	8.256.206	-
14	8.256.206	-
	984.000	1.125.500
15	984.000	1.125.500
	12.464.865	2.999.846
	5.807.103	472.250
	558.466	6.807.666
	9.753.756	5.528.506
	16.119.325	12.808.422
15	5.122.888	14.775.532
4	14.724.026	576.930
	2.252.479	1.286.915
	1.193.988	899.510
	48.037.785	19.919.258
	87.450.491	50.266.567
	99.915.356	53.266.413

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *continued*

Note	31.12.2023 DKK	31.12.2022 DKK
16	935.470	777.891
	Retained earnings	25.400.587
	Other capital reserve	4.541.378
	Non-controlling interests	-40.116
	EQUITY	30.679.740
11	635.703	126.816
14	6.977.039	-
15	290.116	283.739
17,20	583.000	250.000
20	92.975	2.422.831
	NON-CURRENT LIABILITIES	3.083.386
18	301.917	313.403
14	1.521.207	-
	Trade payables	5.543.504
	Tax payables	6.624
	Other payables	2.367.375
20	4.628.267	1.621.782
4	1.303.593	2.285.732
	Prepayments	7.364.867
	CURRENT LIABILITIES	19.503.287
	LIABILITIES	22.586.673
	TOTAL EQUITY AND LIABILITIES	53.266.413
	99.915.356	99.915.356

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Retained earnings	Other Capital reserve	Total	Non- controlling interests	Total Equity DKK
Equity at 1/1 2022	741.941		10.822.299	2.519.028	14.083.268	4.101	14.087.369
Profit for the year			2.695.308		2.695.308	-44.217	2.651.091
Other comprehensive income			1.520		1.520		1.520
Total comprehensive income for the period	-		2.696.828	-	2.696.828	-44.217	2.652.611
Transactions with owners in their capacity as owners:							
Capital increase	35.950	13.265.624			13.301.574		13.301.574
Transfers		-13.265.624	13.265.624		-		
Costs related to equity transactions			-775.301		-775.301		-775.301
Development costs			-608.863	608.863			-
Share-based payments				1.413.487	1.413.487		1.413.487
Equity at 31/12 2022	777.891		25.400.587	4.541.378	30.719.856	-40.116	30.679.740

	Share Capital	Share Premium	Retained earnings	Other Capital reserve	Total	Non- controlling interests	Total Equity DKK
Equity at 1/1 2023	777.891		25.400.587	4.541.378	30.719.856	-40.116	30.679.740
Profit for the year			430.356		430.356	-60.112	370.244
Other comprehensive income			125		125		125
Total comprehensive income for the period	-		430.481	-	430.481	-60.112	370.369
Transactions with owners in their capacity as owners:							
Capital increase	117.579	43.444.317			43.561.896		43.561.896
Transfers		-43.444.317	43.444.317		-		-
Costs related to equity transactions			-2.971.995		-2.971.995		-2.971.995
Share-based payments				1.106.585	1.106.585		1.106.585
Share-based payments (warrants exercised)	40.000	360.000	360.000		400.000		400.000
Transfers		-360.000	360.000		-		-
Share-based payments (warrants expired)			796.080	-796.080	-		-
Development costs			1.194.090	-1.194.090	-		-
Equity at 31/12 2023	935.470	-	68.653.560	3.657.793	73.246.823	-100.229	73.146.594

CONSOLIDATED CASH FLOW STATEMENT

Note	2023 DKK	2022 DKK
Profit/loss before financial items and tax (EBIT)	1.325.585	3.073.178
Depreciation and amortization	2.213.422	382.564
Share-based payments	1.106.585	1.413.487
Change in inventories	-3.310.903	-11.604.786
Change in receivables	-6.879.303	-6.400.572
Change in trade payables	-3.688.749	18.173.867
CASH FLOWS FROM PRIMARY ACTIVITIES	-9.233.363	5.037.738
Financial income received	524.693	870.578
Financial costs paid	-970.806	-1.159.120
Income taxes paid/received	-	4.000
CASH FLOW FROM OPERATION ACTIVITIES	-9.679.476	4.753.196
12 Acquisition of intangible assets	-463.548	-1.155.622
13 Acquisition of property, plant and equipment	-1.796.573	-43.959
Deposit	141.500	-1.063.000
CASH FLOW FROM INVESTING ACTIVITIES	-2.118.621	-2.262.581
Proceeds from capital increase	43.961.896	13.301.574
Costs incurred during changes of contributed capital	-2.971.995	-775.301
21 Other credit institutions	-11.486	58.735
21 Installment on leases	-1.061.574	-
CASH FLOW FROM FINANCING ACTIVITIES	39.916.841	12.585.008
Currency adjustments	-216	-5.208
NET CASH FLOW FOR THE PERIOD	28.118.527	15.070.415
	2023 DKK	2022 DKK
Cash and cash equivalents - beginning of the year	19.919.258	4.848.843
Net cash flow for the period	28.118.527	15.070.415
CASH AND CASH EQUIVALENTS BY END OF PERIOD	48.037.785	19.919.258
Cash and cash equivalents	48.037.785	19.919.258
TOTAL CASH AND CASH EQUIVALENTS BY END OF PERIOD	48.037.785	19.919.258

NOTES

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Note 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 IFRS Accounting Standards 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. The Group has furthermore, voluntarily opted for an additional selection according to accounting class C.

The financial statements are presented in Danish kroner (DKK), which is FOM Technologies A/S' (the Parent company) functional currency. Unless otherwise stated, the amounts presented in the financial statements are not rounded. 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.

Intercompany 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 2023 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 material accounting policy information

The following are the material 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.

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

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.

1. Accounting policies *continued*

If the goods and services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the goods and services rendered, a contract liability is recognised

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

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. Income from grants is recognised at fair value when there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. It is recognised on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

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. Staff costs include sharebased 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. During the period of development, development projects that are not completed are tested for impairment annually.

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
-----------------------	-----------

The residual value is zero unless otherwise stated. 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: Right-of use assets

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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, finished goods, work-in-progress 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.

1. Accounting policies *continued*

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.

Balance sheet: Equity

Management's proposed dividends for the financial year is disclosed as a separate item in equity. Warrants are 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 amortised 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.

1. Accounting policies *continued*

Balance sheet: Provisions

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 0,75% of the total revenue. With continued growing revenue the senior management has sought it reasonable to increase the accrued percentage from 0,5% previously to 0,75% of the total revenue for future expenses related to current sales. The general terms of warranty on standard products is 12 months. The change in the accounting estimate is immaterial.

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 is 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.

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.

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).

Note 2 Significant judgments *continued*

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 7.

Right of use assets

The determination of the lease term may differ from the contractual lease term and thus affects the amount recorded for the entity's lease obligation and related right-of-use asset. If the determined lease term is longer than the contractual lease term, the larger the lease liability and related right-of-use asset.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after the termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group has determined the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease.

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:

		2023	2022
		DKK	DKK
<u>Revenue recognized at a point in time:</u>			
	Machines	37.521.433	28.401.850
	Machine options	15.521.394	6.089.508
	Consumables	1.426.191	344.937
	Total	54.469.018	34.836.295
<u>Revenue recognized over time:</u>			
	Machines	21.341.457	18.663.540
	Services & Other	2.378.923	362.074
	Total	23.720.380	19.025.614
	Total Revenue	78.189.398	53.861.909

Clients who accounted for more than 10% of the revenue:
Novo Energy (Revenue recognized over time).

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. The transaction price is allocated between the performance obligations based on their standalone selling prices.

The amount of inventory recognized as an expense during the year 2023 amounted to DKK 34.479.294 (2022: DKK 25.612.738).

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.

Note 4 Revenue from contracts with customers *continued*

During 2023, the amount of revenue recognized that was included in the contract work in progress liability balance at the beginning of the period was DKK 2.285.732 (2022: DKK 3.239.636).

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.

	31.12.2023	31.12.2022
	DKK	DKK
Contract work in progress	19.959.112	10.656.271
On account invoicing	-6.538.679	-12.365.073
Total	13.420.433	-1.708.802

Contract work in progress classification in the annual report

	31.12.2023	31.12.2022
	DKK	DKK
Contract asset (work in progress)	14.724.026	576.930
Contract liability (current liability)	-1.303.593	-2.285.732
Total	13.420.433	-1.708.802

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.

Note 5

Other operating income	2023	2022
	DKK	DKK
Income from external R&D projects	2.322.641	628.379
Total Other operating income	2.322.641	628.379

Note 6

Staff costs	2023	2022
	DKK	DKK
Wages and salaries	-17.941.260	-11.806.368
Share-based payments	-1.106.585	-1.413.487
Pensions	-2.093.419	-1.197.876
Social security costs	-219.560	-134.893
Other staff costs	-615.478	-392.747
Total staff costs	-21.976.302	-14.945.371
Average number of employees	27	17

Note 6 Staff costs *continued*

Key management remuneration*	2023 DKK	2022 DKK
Wages and salaries	-6.177.357	-4.263.808
Share-based payments	-795.042	-1.080.518
Pensions	-457.310	-295.280
Social security costs	-11.929	-9.089
Total staff costs	-7.441.638	-5.648.695
Average number of employees	8	8

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

Board of Directors and Board of Executives remuneration	2023 DKK	2022 DKK
Wages and salaries	-3.140.082	-2.609.754
Share-based payments	-649.971	-946.361
Pensions	-222.080	-180.480
Social security costs	-4.544	-4.544
Total staff costs	-4.016.677	-3.741.139
Average number of employees	5	5

Note 7 Share-based payments

	2023 DKK	2022 DKK
Cost of share-based payments related to 2021-grant	-	-96.379
Cost of share-based payments related to 2022-grant	-70.332	-1.317.108
Cost of share-based payments related to 2023-grant	-1.036.253	-
Total	-1.106.585	-1.413.487

Costs of share-based payments are recognised in profit or loss as staff costs with a corresponding entry in equity.

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 2023, 2022, 2021 and 2020. Warrants are granted once annually. The main terms of the warrant programs are laid out in the company's Articles of Association, which can be found on the company's website at www.fomtechnologies.com.

The warrants programmes are granted 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).

Note 7 Share-based payments *continued*

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	Key management personnel	Employees	Total
Number of warrants:				
Outstanding 1. January 2021	33,75	78.000	30.000	108.000
Granted 2021	20,00	60.000	65.000	125.000
*Cancellation of warrants	N/A	-	-27.500	-27.500
Outstanding at 31. December 2021	26,19	138.000	67.500	205.500
Granted 2022	31,00	100.000	50.000	150.000
*Cancellation of warrants	N/A	-	-14.000	-14.000
Outstanding at 31. December 2022	28,21	238.000	103.500	341.500
Granted 2023	37,00**	65.000	60.000	125.000
Expired warrants	N/A	-93.000		-93.000
Exercised 2023	20,00***	-	-20.000	-20.000
*Cancellation of warrants	N/A	-	-18.000	-18.000
Outstanding at 31. December 2023	29,86	210.000	125.500	335.500

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

**Exercise price of warrants granted in 2023 is based on the official FOM Technologies Nasdaq FN closing price on the 30th of dec. 2022 (DKK 42,00) minus 10% and rounded down to full number (DKK 37,00). Theoretical market value of warrants granted: DKK 9,49 calculated using the Black Scholes model.

***Exercised warrants were exercised at price DKK 20,00 during the 3 trading days: 28/3 2023 -30/3 2023. The average official closing price those 3 trading days was: DKK 40,70.

Vesting and exercise periods of the 3 warrants programmes

Warrants programs:	Vesting period MM.YY-MM.YY	Exercise period I MM.YY-MM.YY	Exercise period II MM.YY-MM.YY	2022
2020 Warrants programme	11.20-10.21	*03.22-03.22	*03.23-03.23	Expired (93.000)
2021 Warrants programme	06.21-05-22	*03.23-03.23	*03.24-03.24	87.500
		<i>*3-week period after publishing of Annual Report</i>		
2022 Warrants programme	01.22-12-22	*03.24-03.24	*03.25-03-25	138.000
		*08.24-08-24	*08.25-08.25	
		<i>*5-day period after publishing of Annual Report & HalfYear Report</i>		
2023 Warrants programme	02.23-01-24	*03.25-03.25	*03.26-03-26	110.000
		*08.25-08-25	*08.26-08.26	
		<i>*5-day period after publishing of Annual Report & HalfYear Report</i>		
Outstanding at 31. December 2023	N/A	N/A	N/A	335.500

Note 7 Share-based payments *continued***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:

Black-Scholes parameters:	Warrant programme:		
	2021	2022	2023
Granting date	01.06.2021	14.01.2022	01.02.2023
Initial issued warrants	125.000	150.000	125.000
Market share price (DKK)	30,60	39,05	42,00
Exercise price (DKK)	20,00	31,00	37,00
Theoretical market value (DKK)	11,48	9,84	9,49
Vesting period (No. of months)	12	12	12
Approx. duration (Years [Y]and Months [M])	2Y 10M	2Y 3M	2Y 2M
Volatility rate (% p.a.)	25,00%	25,00%	25,00%
Risk free interest rate (% p.a.)	0,10%	0,10%	2,55%

**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.*

Note 8 Amortization, depreciation, and impairment

	2023 DKK	2022 DKK
Depreciation on Right-of-use assets	-1.303.614	-
Depreciation on Intangible rights	-599.898	-355.194
Depreciation on Fixtures & Fittings	-309.910	-27.370
Total depreciation	-2.213.422	-382.564

Note 9 Financial income

	2023 DKK	2022 DKK
Interest income	189.833	970
Exchange rate adjustments	334.860	869.608
Total Financial income	524.693	870.578

This note provides a breakdown of the items included in financial income

Note 10 Financial expenses

	2023 DKK	2022 DKK
Interest expenses	-438.382	-79.996
Other financial expenses	-111.072	-239.840
Exchange rate adjustments	-421.352	-839.284
Total Financial income	-970.806	-1.159.120

This note provides a breakdown of the items included in financial expenses

Note 11**Tax for the year**

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 non-deductible items. It also explains significant estimates made in relation to the group's tax position.

Tax for the year	2023 DKK	2022 DKK
Tax on profit for the year	-	-6.729
Adjustment of tax in previous years	-2.424	-
Adjustment of deferred tax	-506.804	-126.816
	-509.228	-133.545

Calculation of effective tax rate	2023 DKK	2022 DKK
Profit before tax	879.472	2.784.642
Tax using the Danish tax rate 22 %	-193.484	-612.621
Effect of tax rates in foreign jurisdictions	-	-17.788
Non-tax-deductible expenses	-245.266	-725
Tax-exempt income and tax incentives	11.899	86.233
Adjustment of tax in previous years	-2.424	-
Non-recognized tax losses	-79.953	-
Utilization of tax losses, not recognized	-	411.356
Total income tax recognized in income statement	-509.228	-133.545
Effective tax rate	58%	5%

Deferred tax	2023 DKK	2022 DKK
Operation equipment	-1.846.904	7.657
Software	-24.303	-53.544
Acquired trademarks	-17.891	850
Leasehold improvements	-	4.296
Development projects	-225.952	-262.699
Current assets	-2.991.364	-
Liabilities	1.869.614	-
Tax losses, carried forward	2.601.097	176.623
Total deferred tax	-635.703	-126.816

Note 12 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 2023. For 2022 the amount was also 456t.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 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	-	-	-	-	-	-
Cost at 31 December 2022	213.200	384.453	258.461	913.349	560.734	2.330.197
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	68.468	124.366	57.356	279.993	-	530.183
Carrying amount at 31 December 2022	144.732	260.087	201.105	633.356	560.734	1.800.014

Note 12 **Intangible Assets *continued***

	Acquired licenses	Acquired Trademarks	Software	Completed development projects	Development projects in progress	Total DKK
Cost at 1/1 2023	213.200	384.453	258.461	913.349	560.734	2.330.197
Additions for the year	-	199.106	74.080	110.972	79.390	463.548
Transfers				355.940	-355.940	-
Disposals for the year	-	-	-	-	-	-
Cost at 31/12 2023	213.200	583.559	332.541	1.380.261	284.184	2.793.745
Amortisation and impairment at 1/1 2023	68.468	124.366	57.356	279.993	-	530.183
Amortisation for the year	54.343	103.800	84.359	357.397	-	599.899
Amortisations, impairment, disposals for the year	-	-	-	-	-	-
Amortisation and impairment at 31/12 2023	122.811	228.166	141.715	637.390	-	1.130.082
Carrying amount at 31 December 2023	90.389	355.393	190.826	742.871	284.184	1.663.663

Note 13 **Property, Plant and Equipment**

	Leasehold improve- ments	Other fixtures	Total DKK
Cost at 1/1 2022	-	123.803	123.803
Additions for the year	-	43.959	43.959
Cost at 31 December 2022	-	167.762	167.762
Depreciation and impairment as at 1 January	-	66.059	66.059
Depreciation for the year	-	27.370	27.370
Depreciation, impairment, disposals for the year	-	-	-
Depreciation and impairment at 31 December 2022	-	93.429	93.429
Carrying amount at 31 December 2022	-	74.332	74.332
Cost at 1/1 2023	-	167.762	167.762
Additions for the year	220.784	1.575.789	1.796.573
Cost at 31 December 2023	220.784	1.743.550	1.964.335
Depreciation and impairment as at 1 January	-	93.429	93.429
Depreciation for the year	17.631	292.279	309.910
Depreciation, impairment, disposals for the year	-	-	-
Depreciation and impairment at 31 December 2023	17.631	385.708	403.339
Carrying amount at 31 December 2023	203.153	1.357.843	1.560.996

Note 14

Right of use assets

	31.12.2023 DKK	31.12.2022 DKK
<i>Amounts recognised in statement of financial position:</i>		
Land and buildings	9.559.820	-
Additions to right-of-use assets	9.559.820	-
Land and buildings	8.256.206	-
Right- of use assets at 31 December	8.256.206	-
Current lease liabilities	1.521.207	-
Non-current lease liabilities	6.977.039	-
Lease liabilities at 31 December	8.498.246	-
<i>Amounts recognised in statement of profit or loss:</i>		
Depreciation Land and buildings	-1.303.614	-
Total depreciation charge of right-of-use assets	-1.303.614	-
Interest expense (included in financial expenses)	-414.426	-
Expenses related to short term leases	-170.990	-
The group did not incur any significant expenses related to leases of low-value assets or variable lease payments		
Total cash outflow related to leases	1.646.990	-

The Group's leasing activities and how they are accounted for:

During the first half year 2023, the Group entered into a number of lease agreements, involving leasing of office premises and parking spots. The average lease maturity is 5.5 years but may have extensions options, which includes the most significant lease agreement (the office premises) which has a maturity of 5.5 years.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group uses that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The group short-term lease obligation for the previous premises was terminated in 2023 due to the relocation as per May 1, 2024. The group has a short-term lease agreement for parking spots that are adjacent to the leasehold property and external storage.

Note 15

Financial Assets and Liabilities

	31.12.2023	31.12.2022
	DKK	DKK
<i>Financial assets at amortized cost:</i>		
Trade receivables*	5.122.888	14.775.532
Other receivables	2.252.479	1.286.915
Deposits	984.000	1.125.500
Cash and cash equivalents	48.037.785	19.919.258
Total	56.397.152	37.107.205
<i>Financial liabilities at amortized cost:</i>		
Trade payables	4.724.997	5.543.504
Debt to credit institutions	301.917	313.403
Lease liabilities	8.498.246	-
Other payables	3.232.065	2.367.375
Total	16.757.225	8.224.282

**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 21.

Trade Receivables	31.12.2023	31.12.2022
	DKK	DKK
Trade receivables*	5.122.888	14.775.532
Write-downs	-	-
Total	5.122.888	14.775.532

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

Trade Receivables Aged list	31.12.2023	Settled in January 2024	
	DKK	DKK	
Not passed due	4.524.326	1.179.650	26%
Due	408.700	408.700	100%
Overdue by 0-30 days	189.862	-	0%
Total	5.122.888	1.588.350	31%
Expected credit loss	0%	0%	

The carrying amounts includes one item that is overdue with more than 30 days. The total carrying amount has been settled by 31% in January 2023.

Note 16 Share capital & Earnings per share

	31.12.2023		31.12.2022	
The share capital comprises:	Number of shares	Nominal value	Number of shares	Nominal value
Ordinary shares (fully paid)	9.354.696	935.470	7.778.914	777.891
Changes in share capital:				
	31.12.2023		31.12.2022	
Opening balance		777.891		741.941
Capital increase		157.579		35.950
Total		935.470		777.891

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

	31.12.2023		31.12.2022	
Total dividend paid out for the year		-		-
Total dividend proposed for the year		-		-
	31.12.2023		31.12.2022	
Basic earnings per share:				
Total basic earnings per share attributable to the ordinary equity holders		0,04		0,34
Diluted earnings per share:				
Total diluted earnings per share attributable to the ordinary equity holders		0,04		0,33
Reconciliation of earnings used in calculating earnings per share:				
Profit for the year as presented in the income statement		370.244		2.651.091
Weighted average number of ordinary shares used as the denominator:		9.354.696		7.778.914

Note 17 Provisions

	31.12.2023	31.12.2022
	DKK	DKK
Warranty obligation	583.000	250.000
Total	583.000	250.000

The warranty obligation represents an accrued cost of the warranty on the products shipped upon recognition of the sale of the product. The senior management has sought it reasonable considering the continued growing revenue to increase the accrued amount of the total revenue for future expenses related to current sales from 0,5% to 0,75%.

The general term of warranty is 12 months.

Note 18 Credit institutions

	31.12.2023	31.12.2022
	DKK	DKK
Debt to credit institutions	301.917	313.403
Total	301.917	313.403

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 2023 cashflow was increased with 44m.DKK. In addition to the capital increase the overall cashflow has net increased with 3,2m.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 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**Financial risk management *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 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.

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

At 31 December 2022	< 1 year	1-5 years	>5 year	Total contractual cashflows	Carrying out amount
Other payables	2.367.375	-	283.739	2.651.114	2.651.114
Deferred income	1.621.782	2.422.831	-	4.044.613	4.044.613
Trade Payables	5.543.504	-	-	5.543.504	5.543.504
Provisions	-	250.000	-	250.000	250.000
Credit institutions	313.403	-	-	313.403	313.403
Total DKK	9.846.064	2.672.831	283.739*	12.802.634-	12.802.634

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

Note 20 Financial risk management *continued*

At 31 December 2023	< 1 year	1-5 years	>5 year	Total contractual cashflows	Carrying out amount
Other payables	3.232.065	-	290.116	3.522.181	3.522.181
Deferred income	4.628.267	92.975	-	4.721.242	4.721.242
Trade Payables	4.724.997	-	-	4.724.997	4.724.997
Provisions	-	583.000	-	583.000	583.000
Lease liabilities	1.997.520	7.854.447	-	9.851.967	8.498.246
Credit institutions	301.917	-	-	301.917	301.917
Total DKK	14.884.766	8.530.422	290.116*	23.705.304	22.351.583

*The amount 290.116 DKK consists of frozen holiday pay including interest.

Note 21 Changes in liabilities from financing activities

	31.12.2022		
	Credit institutions	Lease liabilities	Total DKK
Debt as at 1 January 2022	313.403	-	313.403
Cash flows	313.403	-	313.403

	31.12.2023		
	Credit institutions	Lease liabilities	Total DKK
Debt as at 1 January 2023	313.403	-	313.403
Proceeds	-	-	-
Repayment	-11.486	-1.061.574	-1.073.060
Cash flows	-11.486	-1.061.574	-1.073.060
New leases	-	9.559.820	9.559.820
Non-cash flows	-	9.559.820	9.559.820
Debt as at 31 December 2023	301.917	8.498.246	8.486.760

Note 22 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 interest		Principal activities
		2023	2022	2023	2022	
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	2023	2022
			Ownership interest held by non-controlling interests	Ownership interest held by non-controlling interests
OMT Holding ApS	Ultimate Parent company	Denmark	21,57%	28,92%
Arbejdsmarkedets Tillægspension	Principal shareholder	Denmark	13,96%	-
Coridats Capital ApS	Principal shareholder	Denmark	11,01%	16,23%
Graham Bryce	Principal shareholder	Great Britain	12,02%	14,46%
Ulstrup Invest ApS	Principal shareholder	Denmark	5,73%	7,46%

Note 23 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 24 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.

PARENT INCOME STATEMENT

Note		2023 DKK	2022 DKK
4	Revenue	77.730.327	53.663.022
5	Other operating income	2.322.641	628.379
	Total income	80.052.968	54.291.401
	Costs of goods sold	-36.867.221	-27.198.851
	Other external expenses	-17.849.022	-8.710.590
	Gross Profit	25.336.725	18.381.960
6-7	Staff costs	-21.553.525	-14.945.371
	Profit before depreciation, interest, and tax	3.783.200	3.436.589
8	Amortisation, depreciation, and impairment	-2.145.894	-334.360
	Operating Profit	1.637.306	3.102.229
9	Financial income	483.022	724.253
10	Financial expenses	-877.432	-901.332
	Profit before tax	1.242.896	2.925.150
11	Deferred Tax	-508.887	-126.816
	Profit for the year	734.009	2.798.334

	2023 DKK	2022 DKK
Distribution of profit/loss		
Proposed dividends for the financial year	-	-
Retained earnings	734.009	2.798.334
Profit/Loss for the year	734.009	2.798.334

PARENT STATEMENT OF FINANCIAL POSITION

ASSETS

	31.12.2023	31.12.2022
Note	DKK	DKK
	190.826	201.105
	90.389	144.732
	140.956	50.666
	742.871	633.356
	284.184	560.734
12	1.449.226	1.590.593
	203.153	-
	1.357.843	74.332
13	1.560.996	74.332
14	8.256.206	-
	40.800	40.800
	984.000	1.125.500
15	1.024.800	1.166.300
	12.291.228	2.831.225
	5.807.103	472.250
	558.466	6.807.666
	9.753.756	5.528.506
	16.119.325	12.808.422
16	5.122.888	14.667.485
	1.015.896	118.326
	357.606	136.763
17	14.724.026	576.930
	2.251.583	1.278.019
	-	-
	1.193.988	897.709
	47.155.368	19.877.814
	87.940.680	50.361.468
	100.231.908	53.192.693

PARENT STATEMENT OF FINANCIAL POSITION *continued*

EQUITY & LIABILITIES

Note	31.12.2023 DKK	31.12.2022 DKK
	935.470	777.891
	68.282.162	25.526.765
	801.103	1.194.090
	3.657.793	3.347.288
	73.696.528	30.846.034
11	635.703	126.816
14	6.977.039	-
	290.116	283.739
18	583.000	250.000
19	92.975	2.422.831
	8.578.833	3.083.386
20	213.679	148.375
	1.521.207	-
	4.721.356	5.524.880
	3.110.562	2.317.637
19	4.628.267	1.621.782
	1.303.593	2.285.732
	2.477.883	7.364.867
	17.976.547	19.263.273
	26.555.380	22.346.659
	100.231.908	53.192.693

PARENT STATEMENT OF CHANGES IN EQUITY

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

Equity	Share Capital	Share Premium	Retained earnings	Reserve for development costs	Other Capital reserve	Total Equity DKK
Equity at 1/1 2023	777.891		25.526.765	1.194.090	3.347.288	30.846.034
Capital increase	117.579	43.444.317				43.561.896
Transfers		-43.444.317	43.444.317			-
Costs related to equity transactions			-2.971.995			-2.971.995
Share-based payments					1.106.585	1.106.585
Share-based payments (warrants exercised)	40.000	360.000				400.000
Transfers		-360.000	360.000			-
Share-based payments (warrants expired)			796.080		-796.080	-
Development costs			392.987	-392.987		-
Transferred from distribution of profit/loss			734.009			734.009
Correction adjustment			-1			-1
Equity at 31/12 2023	935.470	-	68.282.162	801.103	3.657.793	73.676.528

PARENT CASHFLOW STATEMENT

Note	2023 DKK	2022 DKK
Profit/loss before financial items and tax (EBIT)	1.637.306	3.102.229
Depreciation and amortization	2.145.894	334.360
Share-based payments	1.106.585	1.413.487
Change in inventories	-3.310.903	-11.604.786
Change in receivables	-6.990.755	-6.596.123
Change in trade payables	-4.863.716	18.155.686
CASH FLOWS FROM PRIMARY ACTIVITIES	-10.275.589	4.804.853
Financial income received	483.022	724.253
Financial costs paid	-877.432	-901.332
Income taxes paid/received	-	4.000
CASH FLOW FROM OPERATION ACTIVITIES	-10.669.999	4.631.774
Parent note 12 Acquisition of intangible assets	-391.003	-1.066.902
Parent note 13 Acquisition of property, plant and equipment	-1.796.573	-43.959
Deposit	141.500	-1.063.000
CASH FLOW FROM INVESTING ACTIVITIES	-2.046.076	-2.173.861
Proceeds from capital increase	43.961.896	13.301.579
Costs incurred during changes of contributed capital	-2971.995	-775.301
Parent note 20 Credit institutions	65.304	49.281
Group note 21 Installment on leases	-1.061.574	-
CASH FLOW FROM FINANCING ACTIVITIES	39.993.631	12.575.559
Rounding adjustments	-2	-
NET CASH FLOW FOR THE PERIOD	27.277.554	15.033.472
	2023 DKK	2021 DKK
Cash and cash equivalents - beginning of the year	19.877.814	4.844.342
Net cash flow for the period	27.277.554	15.033.472
CASH AND CASH EQUIVALENTS BY END OF PERIOD	47.155.368	19.877.814
Cash and cash equivalents	47.155.368	19.877.814
TOTAL CASH AND CASH EQUIVALENTS BY END OF PERIOD	47.155.368	19.877.814

PARENT NOTES

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

Note 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

Note 2 Investments in subsidiaries

	2023	2022
	DKK	DKK
At 1 January	40.800	40.800
Additions	-	-
Disposals	-	-
At 31 December	40.800	40.800

It is Management's assessment that no indications of impairment existed at 31 December 2023. Impairment tests have therefore not been carried out for subsidiaries.

Note 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 11 in the consolidated financial statements.

Note 4 Revenue

	2023 DKK	2022 DKK
Machines	58.403.819	47.049.854
Additional products	16.947.585	6.260.861
Services & Other	2.378.923	352.307
Total Revenue	77.730.327	53.663.022

Note 5 Other operating income

Please refer to Group Note 5

Note 6 Staff Costs

	2023 DKK	2022 DKK
Wages and salaries	-17.518.482	-11.806.368
Share-based payments	-1.106.585	-1.413.487
Pensions	-2.093.419	-1.197.876
Social security costs	-219.560	-134.893
Other staff costs	-615.478	-392.747
Total staff costs	-21.553.524	-14.945.371
Average number of full-time employees	27	17

Key management remuneration*	2023 DKK	2022 DKK
Wages and salaries	-6.177.357	-4.263.808
Share-based payments	-795.042	-1.080.518
Pensions	-457.310	-295.280
Social security costs	-11.929	-9.089
Total staff costs	-7.441.638	-5.648.695
Average number of full-time employees	8	8

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

Board of Directors and Board of Executives remuneration	2023 DKK	2022 DKK
Wages and salaries	-3.140.082	-2.609.754
Share-based payments	-649.971	-946.361
Pensions	-222.080	-180.480
Social security costs	-4.544	-4.544
Total staff costs	-4.016.677	-3.741.139
Average number of full-time employees	5	5

Note 7 **Share-based payments**
Please refer to Group Note 7

Note 8	Amortisation, depreciation, and impairment	2023	2022
		DKK	DKK
	Depreciation on right of use assets	-1.303.614	-
	Amortisation on Intangible assets	-532.370	-306.990
	Depreciation on Other fixtures	-309.910	-27.370
	Total depreciation	-2.145.894	-334.360

Note 9	Financial income	2023	2022
		DKK	DKK
	Interest income	208.927	5.643
	Exchange rate adjustments	274.095	718.610
	Total Financial income	483.022	724.253

Note 10	Financial expenses	2023	2022
		DKK	DKK
	Interest expenses	-423.688	-75.789
	Other financial expenses	-111.072	-239.068
	Net Exchange rate adjustments	-342.672	-586.475
	Total Financial income	-877.432	-901.332

Note 11

Tax for the year	2023	2022
	DKK	DKK
Adjustment of tax in previous years	-2.083	-
Adjustment of deferred tax	-506.804	-126.816
Total	-508.887	-126.816

Calculation of effective tax rate	2023	2022
	DKK	DKK
Profit before tax	1.242.896	2.925.150
Tax using the Danish tax rate 22 %	-273.437	-643.533
Non tax-deductible expenses	-245.266	-725
Tax-exempt income and tax incentives	11.899	86.233
Adjustment of tax in previous years	-.2083	-
Utilization of tax losses, not recognized	-	431.209
Total income tax recognized in income statement	-508.887	-126.816
Effective tax rate	41%	4%

Deferred tax	2023	2022
	DKK	DKK
Operation equipment	-1.846.904	7.657
Software	-24.303	-53.544
Acquired trademarks	-17.891	850
Leasehold improvements	-	4.296
Development projects	-225.952	-262.699
Current assets	-2.991.364	-
Liabilities	1.869.614	-
Tax losses, carried forward	2.601.097	176.623
Total deferred tax	-635.703	-126.816

Note 12 Intangible assets

	Acquired licenses	Acquired Trademarks	Software	Completed development projects	Development projects in progress	Total DKK
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	-	-	-	-	-	-
Cost at 31 December 2022	213.200	90.909	258.461	913.349	560.734	2.036.653
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	-	-	-	-	-	-
Amortisation and impairment at 31 December 2022	68.468	40.243	57.356	279.993	-	446.060
Carrying amount at 31 December 2022	144.732	50.666	201.105	633.356	560.734	1.590.593
Cost at 1/1 2023	213.200	90.909	258.461	913.349	560.734	2.036.653
Additions for the year	-	126.561	74.080	110.972	79.390	391.003
Transfers	-	-	-	355.940	-355.940	-
Disposals for the year	-	-	-	-	-	-
Cost at 31 December 2023	213.200	217.470	332.541	1.380.261	284.184	2.427.656
Amortisation and impairment as at 1 January	68.468	40.243	57.356	279.993	-	446.060
Amortisation for the year	54.343	36.271	84.359	357.397	-	532.370
Amortisations, impairment, disposals for the year	-	-	-	-	-	-
Amortisation and impairment at 31 December 2023	122.811	76.514	141.715	637.390	-	978.430
Carrying amount at 31 December 2023	90.389	140.956	190.826	742.871	284.184	1.449.226

Note 13 Property, Plant and Equipment

	Leasehold improvements	Other fixtures	Total DKK
Cost at 1/1 2022	-	123.803	123.803
Additions for the year	-	43.959	43.959
Cost at 31 December 2022		167.762	167.762
Depreciation and impairment as at 1 January	-	66.059	66.059
Depreciation for the year	-	27.370	27.370
Depreciation, impairment, disposals for the year	-	-	-
Depreciation and impairment at 31 December 2022		93.429	93.429
Carrying amount at 31 December 2022	-	74.332	74.332

	Leasehold improvements	Other fixtures	Total DKK
<i>Cost at 1/1 2023</i>	-	167.762	167.762
<i>Additions for the year</i>	220.785	1.575.789	1.796.573
Cost at 31 December 2023	220.785	1.743.551	1.964.335
<i>Depreciation and impairment as at 1 January</i>	-	93.429	93.429
<i>Depreciation for the year</i>	17.631	292.279	309.910
<i>Depreciation, impairment, disposals for the year</i>	-	-	-
<i>Depreciation and impairment at 31 December 2023</i>	17.631	385.708	403.339
Carrying amount at 31 December 2023	203.153	1.357.843	1.560.996

Note 14 Right of use assets

Right of use assets	31.12.2023 DKK	31.12.2022 DKK
<i>Amounts recognised in statement of financial position:</i>		
Land and buildings	9.559.820	-
Additions to right-of-use assets	9.559.820	-
Land and buildings	8.256.206	-
Right- of use assets at 31 December	8.256.206	-
Current lease liabilities	1.521.207	-
Non-current lease liabilities	6.977.039	-
Lease liabilities at 31 December	8.498.246	-
<i>Amounts recognised in statement of profit or loss:</i>		
Depreciation Land and buildings	-1.303.614	-
Total depreciation charge of right-of-use assets	-1.303.614	-
Interest expense (included in financial expenses)	-414.426	-
Expenses related to short term leases	-170.990	-
Expenses related to leases of low value (not incl. in short term leases)	-	-
The group did not incur any significant expenses related to variable lease payments.		
Total cash outflow related to leases	1.646.990	-

The Group's leasing activities and how they are accounted for:

During the first half year 2023, the Group entered into a number of lease agreements, involving leasing of office premises and parking spots. The average lease maturity is 5.5 years but may have extensions options, which includes the most significant lease agreement (the office premises) which has a maturity of 5.5 years.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group uses that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Note 15 Financial assets

	Other receivables	Investments in group companies	Total DKK
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	-	-	-
Cost at 31 December 2022	1.125.500	40.800	1.166.300
Amortisation and impairment as at 1 January	-	-	-
Amortisation for the year	-	-	-
Amortisations, impairment, disposals for the Year	-	-	-
Amortisation and impairment at 31 December 2022	-	-	-
Carrying amount at 31 December 2022	1.125.500	40.800	1.166.300

	Other receivables	Investments in group companies	Total DKK
Cost at 1/1 2023	1.125.500	40.800	1.166.300
Additions for the year	-	-	-
Disposals for the year	-141.500	-	-141.500
Cost at 31 December 2023	984.000	40.800	1.024.800
Amortisation and impairment as at 1 January	-	-	-
Amortisation for the year	-	-	-
Amortisations, impairment, disposals for the year	-	-	-
Amortisation and impairment at 31 December 2023	-	-	-
Carrying amount at 31 December 2023	984.000	40.800	1.024.800

Note 16

Trade Receivables	31.12.2023	31.12.2022
	DKK	DKK
Trade receivables*	5.122.888	14.667.485
Write-downs	-	-
Total	5.122.888	14.667.485

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

Trade Receivables Aged list	31.12.2023	Settled in January 2024	
	DKK	DKK	
Not passed due	4.524.326	1.179.650	26%
Due	408.700	408.700	100%
Overdue by 0-30 days	189.862	-	0%
Total	5.122.888	1.588.350	31%
Expected credit loss	0%	0%	

The carrying amounts includes one item that is overdue with more than 30 days.

The total carrying amount has been settled by 31% in January 2023.

Note 17 Contract work in progress

Please refer to Group Note 4

Note 18 Provisions

Please refer to Group Note 17

Note 19 Deferred income

Please refer to Group Note 20

Note 20 Credit institutions

	31.12.2023	31.12.2022
	DKK	DKK
Debt to credit institutions	213.679	148.375
Total	213.679	148.375

The debt to credit institutions is 65.304 higher compared to 2022.

Note 21 Security

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