

Q4

January–December 2022

Financial statements review



DETECTION TECHNOLOGY PLC FINANCIAL STATEMENTS REVIEW JANUARY-DECEMBER 2022

Detection Technology Q4 2022: Record net sales, improving profitability**October-December 2022 highlights**

- Net sales increased by 14.1% to EUR 28.2 million (24.7)
- Net sales of Industrial Solutions Business Unit (IBU) increased by 34.5% to EUR 4.6 million (3.4)
- Net sales of Medical Business Unit (MBU) decreased by -6.6% to EUR 12.7 million (13.6)
- Net sales of Security Business Unit (SBU) increased by 41.0% to EUR 10.9 million (7.8)
- Operating profit (EBIT) was EUR 2.8 million (3.0)
- Operating margin (EBIT-%) was 9.9% of net sales (12.0%)
- Earnings per share were EUR 0.16 (0.19)
- Earnings per share (diluted) were EUR 0.16 (0.19)

January-December 2022 highlights

- Net sales increased by 9.8% to EUR 98.6 million (89.8)
- Net sales of IBU increased by 25.8% to EUR 16.1 (12.8)
- Net sales of MBU decreased by -2.0% to EUR 48.1 million (49.1)
- Net sales of SBU increased by 23.1% to EUR 34.4 million (27.9)
- Operating profit (EBIT) excluding NRI was 6.1 EUR million (10.6)
- Operating margin (EBIT-%) excluding NRI was 6.2% of net sales (11.8%)
- Operating profit (EBIT) was EUR 5.8 million (10.6)
- Operating margin (EBIT-%) was 5.9% of net sales (11.8%)
- Earnings per share were EUR 0.35 (0.64)
- Earnings per share (diluted) were EUR 0.35 (0.63)
- Dividend EUR 0.20 per share* (0.35)

(Figures in parentheses refer to the corresponding period of the previous year.) (*The Board of Directors' proposal to the AGM.)

President and CEO, Hannu Martola:

"Sales in security and industrial applications increased significantly in Q4 2022. Net sales were record high, although medical sales lagged behind our expectations. Thanks to our strong cross-functional collaboration and teamwork, we were able to complete all deliveries despite COVID-19 lockdowns in China. Our profitability improved quarter-on-quarter, and the positive trend will gain traction as barriers to growth ease off and enablers for operations clear up globally.

Business showed quarter-on-quarter growth throughout the year. Despite this, our annual net sales remained slightly below the EUR 100 million milestone. Component shortages eased toward the end of the year, whilst China has revoked its COVID-19 restrictions. Therefore, 2023 appears to be a more favorable for growth, despite the unsecure market situation.

Thanks to product modifications, our ability to deliver improved and IBU quarterly sales were record high. In addition, the new customers we won during the year had a positive impact on the good development in sales. Demand continued at a good level in all industrial imaging applications.

The longer-term prospects for demand in medical applications are positive, but the markets softened as COVID-19-related challenges continued to destabilize demand dynamics. MBU sales lagged behind expectations due to the softening markets, supply chain effects of lower growth and component shortages. In addition, delays in customer payments at the end of the year postponed some of the MBU deliveries.

Recovery in the security market continued but is still behind pre-pandemic levels; furthermore, we managed to increase our market share in computed tomography (CT) and higher-end line scanner applications. In addition, new customers boosted sales at the end of the year.

In 2022, we strived for improving customer experience and maintaining our existing customer base despite component shortages. We succeeded in winning almost twenty new customers. We had around 390 active customers at the end of the review period.

One-off spot purchases, logistics costs, and the product modification projects required to support the business eroded our profitability in Q4 2022. In addition, due to component shortages, a significant number of deliveries were postponed to December, which increased the need for overtime. Our profitability nevertheless improved compared to Q3 2022, and we are confident that the positive development toward our profitability target will continue.

We aim to achieve a 15% operating margin in the medium term. In 2023, we believe that growth will continue to be good, but expect our profitability to be somewhat below the target level. The growth contributions done during the Corona years, product redesigns and wage inflation are still straining profitability until, thanks to sufficient sales and productivity growth, we reach the target level.

We are actively seeking and creating growth enablers. In Q4 2022 we decided to expand production in Oulu, Finland, in order to be able to offer a wider range of EU Origin products. The expansion work will start in Q2 2023 and will be completed in Q4 2023. In addition, we strengthened our selection of standard solutions in medical CT applications.

Barriers to growth are easing off and we have started 2023 from an even stronger position than before. We expect double-digit growth in all our businesses both in Q1 and H1 2023."

Key figures

(EUR 1,000)	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Net sales	28,226	24,747	98,580	89,813
Change in net sales, %	14.1%	24.3%	9.8%	10.1%
Operating profit excluding NRI	2,804	2,962	6,135	10,580
Operating margin excluding NRI, %	9.9%	12.0%	6.2%	11.8%
Non-recurring items (NRI)	0	0	335	0
Operating profit	2,804	2,962	5,801	10,580
Operating margin, %	9.9%	12.0%	5.9%	11.8%
R&D costs	3,069	3,038	12,549	10,951
R&D costs, % of net sales	10.9%	12.3%	12.7%	12.2%
Cash flow from operating activities	3,730	3,288	-294	7,121
Net interest-bearing debt at end of period	-20,584	-27,633	-20,584	-27,633
Investments	654	664	1,628	1,359
Return on investment (ROI), %	7.5%	15.1%	7.5%	15.1%
Gearing, %	-28.4%	-37.6%	-28.4%	-37.6%
Earnings per share, EUR	0.16	0.19	0.35	0.64
Earnings per share (diluted), EUR	0.16	0.19	0.35	0.63
Number of shares at the end of the period	14,655,930	14,655,930	14,655,930	14,655,930
Weighted average number of shares outstanding	14,655,930	14,605,097	14,655,930	14,500,514
Weighted average number of shares outstanding, diluted	14,655,930	14,850,713	14,717,042	14,766,934

Net sales

Demand continued at a good level in industrial and security applications but weakened in medical X-ray imaging in Q4 2022. The company's total net sales grew by 14.1% (24.3%) year-on-year totaling EUR 28.2 million (24.7). The company's ability to deliver improved, thanks to the product modifications containing substitutive components, but some sales were postponed due to COVID-19 restrictions in China and delayed customer payments. Despite these barriers to growth, the company had record-high total net sales.

Demand continued at a good level in all industrial applications, and there were no significant changes in the distribution of sales by applications in Q4 2022. The net sales of the Industrial Solutions Business Unit (IBU) grew by 34.5% (21.7%), totalling EUR 4.6 million (3.4). The record-high quarterly sales were attributed to the improved ability to deliver after the completion of product modifications, sales postponed from previous quarters due to the component shortage, and the increase in the number of active customers. IBU generated a total of 16.4% (13.9%) of the company's net sales.

Demand in medical solutions decreased. Restrictions due to COVID-19 in China destabilized demand dynamics, which resulted in softened markets. The net sales of the Medical Business Unit (MBU) decreased by -6.6% (23.8%) year-on-year, totaling EUR 12.7 million (13.6). The decrease was attributed to the decline in the markets and component shortage. Delays in customer payments at the end of the year also postponed some of the MBU deliveries. MBU generated a total of 44.9% (54.8%) of the company's net sales.

The recovery of the security market continued in Q4 2022 in all applications, but the volume of the market has not yet reached pre-pandemic levels. The net sales of the Security Business Unit (SBU) increased by 41.0% (26.5%) year-on-year, totalling EUR 10.9 million (7.8). In addition to the improved demand, the company's

increased market share in computed tomography (CT) and in higher-end line scanner applications as well as new customers had an impact on sales. SBU generated a total of 38.7% (31.3%) of the company's net sales.

The Asia-Pacific countries (APAC) accounted for the company's largest geographical market in Q4 with its 66.5% (78.5%) share. Europe, Middle East, Africa's (EMEA) share was 21.9% (14.2%) and Americas' 11.6% (7.3%). In Q4, Detection Technology's top five customers accounted for 51.4% (63.3%) of the company's total net sales.

The company's total net sales for January-December 2022 increased by 9.8% to EUR 98.6 million (89.8). Net sales of IBU increased by 25.8% (10.1%) to EUR 16.1 million (12.8). Net sales of MBU decreased by -2.0% (25.1%) to EUR 48.1 million (49.1). Net sales of SBU increased by 23.1% (-9.1%) to EUR 34.4 million (27.9). IBU's share of total net sales was 16.3% (14.2%), MBU's 48.8% (54.7%) and SBU's 34.9% (31.1%).

In January-December 2022, APAC'S share of total net sales was 71.9% (74.2%), EMEA's 19.4% (17.8%) and Americas' 8.6% (8.0%). The share of the five largest customers accounted for 50.6% (55.7%) of total net sales.

NET SALES BY BUSINESS UNITS

(EUR 1,000)	10-12/2022	10-12/2021	Change, %	1-12/2022	1-12/2021	Change, %
IBU	4,633	3,444	34.5%	16,067	12,770	25.8%
MBU	12,662	13,551	-6.6%	48,137	49,123	-2.0%
SBU	10,931	7,751	41.0%	34,376	27,921	23.1%
TOTAL	28,226	24,747	14.1%	98,580	89,813	9.8%

NET SALES BY GEOGRAPHY

(EUR 1,000)	10-12/2022	10-12/2021	Change, %	1-12/2022	1-12/2021	Change, %
APAC	18,777	19,420	-3.3%	70,919	66,631	6.4%
Americas	3,274	1,807	81.2%	8,498	7,227	17.6%
EMEA	6,175	3,521	75.4%	19,163	15,955	20.1%
TOTAL	28,226	24,747	14.1%	98,580	89,813	9.8%

Operating result and profitability

The company's operating profit (EBIT) in Q4 amounted to EUR 2.8 million (3.0), 9.9% (12.0%) of net sales. Component spot purchases and increasing logistics and product development costs eroded profitability. In addition, component shortages resulted in deliveries accumulating in December which, in turn, increased personnel expenses due to extraordinary overtime.

Q4 fixed costs were EUR 10.5 million (9.8), out of which personnel expenses totaled EUR 6.4 (5.4), depreciation EUR 0.8 (0.8) and other operating expenses EUR 3.3 (3.6) million. Financial items amounted to EUR -0.8 million (0.3), and income taxes were EUR 0.4 million (-0.5).

The impact of tax reliefs attributed to the High and New Technology (HNTE) classification granted to the company's Chinese subsidiary on the Group's net result was approximately EUR 0.2 million (0.4) in Q4.

The Q4 result totaled EUR 2.4 million (2.8). Earnings per share were EUR 0.16 (0.19). Earnings per share (diluted) were EUR 0.16 (0.19).

In the review period January-December 2022 EBIT was EUR 5.8 million (10.6), 5.9% (11.8%) of net sales. Non-recurring items (NRI) in the review period were EUR 0.3 million (0). EBIT excluding NRI was EUR 6.1 million (10.6), 6.2% (11.8%) of net sales.

In January-December 2022, fixed costs totaled EUR 39.8 (33.5) million, out of which personnel expenses totaled EUR 23.0 (19.2), depreciation EUR 3.2 (3.3) and other operating expenses EUR 13.5 (11.1) million. Financial items totaled EUR -0.2 million (0.8), and income taxes were EUR -0.5 million (-2.0).

In January-December 2022, the impact of tax reliefs attributed to the HNTE classification on the Group's net result was approximately EUR 0.5 million (1.3).

The result for the year 2022 was EUR 5.1 million (9.3). Earnings per share were EUR 0.35 (0.64). Earnings per share (diluted) were EUR 0.35 (0.63).

Cash flow and financing

Cash flow from financing activities in Q4 2022 was EUR -0.9 million (1.1). Cash flow from financing activities in January-December 2022 was EUR -4.1 million (-2.4).

Cash flow from operations in Q4 was EUR 3.7 million (3.3). Cash flow from operations in January-December 2022 amounted to EUR -0.3 million (7.1).

The subscription period of Detection Technology's stock options 2018A1 and 2018A2 ended on 31 May 2022. No subscriptions of stocks were made in either of the programs in 2022. The subscription period of the stock options 2018B1 and 2018B2 started on 2 May 2022 and it continues until 31 May 2023. No subscriptions of stocks were made in these programs during the review period.

Use of bank limit amounted to EUR -0.9 million (-0.5). Net interest-bearing debt totaled EUR -20.6 million at the end of the year (-27.6). Gearing was -28.4% (-37.6%).

Cash and cash equivalents amounted to EUR 23.7 million (29.8) at the end of the year 2022.

The company has secured its liquidity by agreeing with banks on lines of credit totaling EUR 16.6 million (16.9). At the end of the review period, the unused line of credit was EUR 13.4 million (14.7).

The company's working capital increased by EUR 8,7 million during the financial period. Stocks increased by EUR 3.0 million due to the timing of production and deliveries and provisions made for the shortage of components. Current receivables increased by EUR 5,0 million. This was mainly due to the timing of deliveries and their accumulation at the end of Q4. Short-term payables decreased EUR 0.6 million. Company has started improvement measures to manage its net working capital.

Investments

Investments in Q4 2022 totaled to EUR 0.7 million (0.7). Investments were mainly made in production and measuring equipment, and modifications of premises. Investments in January-December 2022 totaled EUR 1.6

million (1.4).

Research and development

Q4 research and development (R&D) costs totaled EUR 3.1 million (3.0), 10.9% of net sales (12.3%). During the review period January-December 2022, R&D expenses were EUR 12.5 million (11.0), corresponding to 12.7% of net sales (12.2%). All R&D costs are recognized as expenses.

Personnel

At the end of December 2022 Detection Technology employed 469 people (451). A total of 343 people worked in China, 103 in Finland, in 18 France and 5 in the US. Personnel expenses in Q4 2022 amounted to EUR 6.4 million (5.4). In the review period January-December 2022, personnel expenses totaled EUR 23.0 million (19.2).

PERSONNEL BY GEOGRAPHY

	31.12.2022	31.12.2021	Change, %
APAC	343	336	2.1%
Americas	5	5	0.0%
EMEA	121	110	10.0%
TOTAL	469	451	4.0%

Strategy implementation

Detection Technology continued to develop its business and competitiveness in line with its DT-2025 strategy. In December, the company published its plans to expand its manufacturing in Oulu, Finland, in order to be able to offer a wider range of EU Origin products. The expansion of manufacturing in Oulu enables faster service and delivery for customers outside Asia, as well as cost savings in US tariffs. According to the company, this measure is also important for risk mitigation and competence development.

The expansion work is scheduled to start during Q2 of 2023, and it will be completed by the end of the year. Production will commence in early 2024.

Production in Oulu will be modular and easily scalable on the basis of demand. The company's goal is to generate about 10 percent of its annual net sales in Oulu after the completion of the expansion. The expansion will not have any direct impacts on the production capabilities or capacity of the company's other sites.

Detection Technology strengthened its standard product portfolio in medical CT imaging and launched X-ACE 16 HD, a high-definition detector solution, in November. The plug-and-play-type X-ACE HD is available as separate detector cards or a complete detector subsystem, similar to the earlier members of the product family, X-ACE 16 and X-ACE 32. Sales and deliveries of the product family have started.

X-ACE is aimed at value and mainstream CT imaging, whereas X-Tile is aimed at more demanding CT imaging. The company is the first and the only detector supplier with a product portfolio that includes standard solutions for all medical CT imaging modalities from the value to the premium segment. The company's standard solutions save total costs and speed up the launching of new CT devices to the market.

The company's measures to solve challenges in the availability of special materials and electronic components progressed as planned. The company has almost completed product modifications, which have improved its ability and reliability of delivery in all its businesses as of Q4 2022. Due to component shortages, Detection Technology launched a major product modification project in the beginning of the year 2022. The project covered the company's entire product portfolio including industrial, medical and security solutions.

Sustainability

Detection Technology continued to develop and measure the environmental sustainability of its business in H2 2022. The company has not received information on any environmental infringements in H2 2022.

Detection Technology continued to develop its Design for Environment (DfE) processes and tools to further improve their ability to support the consideration of environmental aspects in design. The company started training on the improvements to key personnel, and they will be developed further. DfE has been part of the company's R&D and other processes for several years.

Thanks to its contingency plan and real-time management, Detection Technology succeeded in keeping its production up and running when the COVID-19 pandemic escalated in Beijing in November 2022. The company was one of the companies permitted to continue production in closed-loop operation in the Beijing Economic-Technological Development Area (BDA). Therefore, the company was able to secure deliveries to its customers.

Safety drills covering fire, evacuation of employees, and chemical spills were organized in Detection Technology's Wuxi and Beijing units in H2 2022. Due to COVID-19 restrictions, a safety drill in the Beijing unit was simulated instead of an ordinary drill. The company has not received information on any lost-time injuries in the review period July–December 2022.

The company measured the experience of its personnel on values-based behaviors using its DT Heartbeat pulse survey as an important part of its feedback culture. The response rate was 93%. The company launched the new bi-annual feedback survey model in May 2022. The company carried out two pulse surveys during the financial year. The baseline for continuous development has been defined on the basis of these surveys. The annual average score was 3.3 on a scale of 1–4. The feedback has been analyzed and development measures agreed together with the company's personnel.

Detection Technology continued to roll out its values-based behaviors in Q4 2022. The company awarded its first Values Champion. The company launched the award in the beginning of 2022, and the personnel elect the winner every six months. The aim of the award program is to highlight the importance of values and to celebrate values-based behaviors that maintain and develop the company culture. In addition, the company reformed its meeting practices to better support values-based behaviors. Global practices were defined together with the company's personnel.

The company celebrated Quality Month in November. The goal of Quality Month was to improve quality awareness, the recognition of development opportunities, commit personnel to continuous development, and celebrate achievements. Nearly twenty different events were organized for personnel, customers, and other stakeholders, both online and at local sites during Quality Month.

As a member of the Ahlström Collective Impact (ACI) network, Detection Technology celebrated Children's Rights Week in November. The campaign's goal was to improve awareness among the company's personnel and its interest groups of the rights of the child and how they are achieved. The one-week program was organized locally at various company sites, and it included a wide range of activities. The ACI network collaborates with UNICEF Finland. Detection Technology became a member in February 2022.

The company has not received notifications on any infringements of EU or national laws or the company's Code of Conduct through its Whistleblowing channel or other reporting channels in H2 2022. The company launched the Whistleblowing channel in June 2022. The Whistleblowing channel complements the company's other reporting channels, and it is targeted at both internal and external interest groups. The system can be used to anonymously report any practices or events that are against the law or that are inconsistent with the company's Code of Conduct.

The company's Code of Conduct consists of the company's quality, environmental, business ethics, people, and occupational health and safety policies. The company's internal and external interest groups are regularly informed of the company's Code of Conduct, and it is available on the company's website.

Detection Technology's corporate social responsibility complies with the certified ISO 9001:2015, ISO 14001:2015 and ISO 13485:2016 standards. The company acknowledges and complies with the Code of Conduct of the Responsible Business Alliance (RBA). The company successfully completed the external audits of its ISO 9001:2015 and ISO 14001:2015 compliant quality and other management systems in all of its certified units in H2 2022.

The company has set metrics to measure continuous improvement in every area of its Code of Conduct, and it monitors development in quarterly reviews. Measures related to sustainability and the materialization of corporate social responsibility will be described in more detail in the company's 2022 annual review. In addition, the company will publish information on how it met its sustainability goals for 2022 and the goals set for 2023 in the annual review.

Shares and shareholders

The share subscription period for Detection Technology's stock options 2018B1 and 2018B2 started on 2 May 2022. No subscription of stocks took place in the program during the review period. The terms of the stock option programs are available on the company's website.

Detection Technology's Board of Directors decided, on 2 August 2022, to establish a new long-term share-based incentive system for the company's management group and other key personnel. Under the performance share plan (PSP), the company's Board of Directors can annually decide on the initiation of separate stock award plans.

The performance period of the first performance share plan, PSP 2022–2024, started to run from the beginning of August 2022 to the end of 2024. The potential awards under the performance share plan will be paid in H1 of 2025 as listed shares of Detection Technology. The performance criterion is the development of the total shareholder return (TSR) of Detection Technology's share.

If the performance goals set for PSP 2022–2024 are met in full, the total value of the stock awards is a maximum of about 270,000 shares. PSP 2022–2024 is targeted at about 60 key people in the company.

The average share price of Detection Technology was EUR 16.89 in Q4 and EUR 20.32 in January–December 2022. The highest share price for Q4 was EUR 19.90 and the lowest EUR 13.85. The highest price for 2022 was EUR 29.30 and the lowest EUR 13.85.

The closing price at the end of December was EUR 16.90, and the company had a market capitalization of approximately EUR 248 million. A total of 1.37 million shares, which is 9.4% of the total number of shares, were traded between 3 January and 30 December. The number of shares outstanding in Detection Technology was 14,655,930 at the end of the review period.

The number of shareholders at the end of the review period was 3,478. Approximately 73.5% of the shares were held by the ten largest shareholders. The nominee-registered foreign holding of shares in the company was 14.6%.

The company has one share series, and all shares bear equal voting rights. The company's shares are listed on the Nasdaq First North Growth Market Finland marketplace under the ticker symbol DETEC.

Risks and uncertainties

The most significant direct and indirect short-term risks and uncertainties of the company are the war between Russia and Ukraine and its implications for security in Europe and the rest of the world, as well as for the availability and cost of energy and raw materials, inflation, and, as a result, an increase in political instability in Europe.

In addition, changes in geopolitical situation and the changes in the relationships between the USA and China and the EU and China, in particular, may have a negative impact on the company's business. Challenges in the availability of special materials and electronic components may compromise the company's ability to deliver and generate additional costs. COVID-19 in China may have an impact on the availability of personnel, logistics and materials. Possible increase in the inventories of some of the company's customers and weakening global economic growth may have an adverse impact on the company's sales.

Other risks are related to the company operating in developing markets, changes in the competitive landscape, price competition, a significant share of net sales being generated by the five largest customers, APAC countries' large share of sales, customer liquidity, product quality, the start-up of the production of new products, exchange rate fluctuations, overall cost development particularly in China, the permanence and competence of personnel, and organizational efficiency.

The company takes continuous measures to mitigate the aforementioned risks. Other risks related to the company and its business operations will be described in more detail in the company's financial statements for 2022.

Board of Directors' profit distribution proposal

The distributable funds of the parent company Detection Technology Plc are EUR 34,783,791, of which EUR -2,268,101 represents loss for the financial year. The company's funds eligible for dividend distribution total EUR 6,378,706. After the end of the financial year, there have not been significant changes in the company's financial situation, nor does the solvency test referred to in Chapter 13, Section 2 of the Companies Act affect the amount of distributable funds.

The Board of Directors proposes to the Annual General Meeting to be held on 30 March 2023 that, based on the balance sheet adopted for 2022, a dividend of EUR 0.20 per share be paid (0.35). The number of shares entitling to dividend is 14,655,930, which means that the total amount of the dividend would be EUR 2,931,186.

Business outlook

According to Detection Technology's view, demand will continue to be strong in security and industrial X-ray imaging solutions and good in medical. The company expects double-digit growth in total net sales in Q1 and H1 of 2023.

The indirect impacts of the war in Ukraine, inflation, energy crisis, U.S.–China relations and the overall geopolitical situation create uncertainty. In addition, some of the company's customers have higher inventories. Direct and indirect risks related to the availability of materials have reduced. The impacts of material and component shortage have been acknowledged as a limiting factor in the outlook, however a further degradation in supply chain might affect business outlook.

Detection Technology aims to increase sales by at least 10% per annum and to achieve a 15% operating margin in the medium term.

Financial reporting schedule in 2023

Detection Technology Plc will disclose the following financial releases in 2023:

- Business review January–March 2023: 27 April 2023
- Half-yearly report January–June 2023: 3 August 2023
- Business review January–September 2023: 27 October 2023

The financial statements and annual review for 2022 will be published at the latest on 9 March 2023 on the company's website. The Annual General Meeting is scheduled for 30 March 2023 at 15:00 (EEST). The Board of Directors of the company will convene the meeting. Detection Technology Plc's financial calendar can be found on the company's website.

SUMMARY OF FINANCIAL STATEMENTS AND APPENDICES

ACCOUNTING PRINCIPLES

This unaudited financial statements review for the period 1.1.-31.12.2022 has been prepared according to the Finnish Accounting Standards (FAS).

CONSOLIDATED INCOME STATEMENT (FAS)

(EUR 1,000)	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Net sales	28,226	24,747	98,580	89,813
Other operating income	86	130	337	376
Materials and services	-15,036	-12,114	-53,335	-46,069
Personnel expenses	-6,356	-5,393	-23,049	-19,205
Depreciations	-786	-798	-3,224	-3,279
Other operating expenses	-3,330	-3,609	-13,509	-11,055
Operating profit	2,804	2,962	5,801	10,580
Financial income and expenses	-772	335	-229	770
Profit before taxes	2,032	3,297	5,571	11,350
Income taxes	364	-471	-456	-2,041
Profit for the reporting period	2,396	2,826	5,116	9,309

CONSOLIDATED BALANCE SHEET (FAS)

(EUR 1,000)	31.12.2022	31.12.2021
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	2,165	3,246
Tangible assets	5,010	5,578
Investments	11	11
TOTAL NON-CURRENT ASSETS	7,185	8,835
CURRENT ASSETS		
Inventories	24,849	22,225
Non-current receivables	582	488
Current receivables	35,062	30,799
Cash and cash equivalents	23,710	29,810
TOTAL CURRENT ASSETS	84,203	83,322
TOTAL ASSETS	91,388	92,158
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80	80
Share premium account	5,130	5,130
Invested non-restricted equity fund	28,405	28,405
Retained earnings	34,027	30,623
Profit for the financial period	5,116	9,309
TOTAL EQUITY	72,758	73,547
LIABILITIES		
Current liabilities	18,630	18,611
TOTAL LIABILITIES	18,630	18,611
TOTAL EQUITY AND LIABILITIES	91,388	92,158

CONSOLIDATED CASH FLOW STATEMENT (FAS)

(EUR 1,000)	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Cash flow from operations				
Operating profit	2,804	2,962	5,801	10,580
Depreciations	786	798	3,224	3,279
Other non-cash business activities	1,292	566	1,293	590
Change in working capital	368	-1,339	-8,734	-6,281
Financial income and expenses	-515	93	27	20
Income taxes paid	-1,006	209	-1,905	-1,067
Cash flow from operations	3,730	3,288	-294	7,121
Cash flow from investments				
Investments in intangible and tangible assets	-654	-664	-1,628	-1,359
Cash flow from investments	-654	-664	-1,628	-1,359
Free cash flow	3,075	2,624	-1,922	5,761
Cash flow from financing				
Change in current loans	-858	-528	998	-4,314
Share issue	0	1,645	0	5,952
Dividend paid	0	0	-5,130	-4,025
Cash flow from financing	-858	1,117	-4,131	-2,387
Change in cash and cash equivalents				
Cash and cash equivalents at the beginning of the reporting period	22,110	25,649	29,810	25,187
Foreign exchange rate effect	-617	421	-47	1,249
Cash and cash equivalents at the end of the reporting period	23,710	29,810	23,710	29,810
Change in cash and cash equivalents	2,217	3,741	-6,053	3,374
Change in working capital				
Change in current receivables	283	-825	-5,045	-4,539
Change in inventories	713	-3,965	-3,028	-4,964
Change in current liabilities	-628	3,450	-662	3,222
Change in working capital	368	-1,339	-8,734	-6,281

STATEMENT OF EQUITY CHANGES

(EUR 1,000)	Share capital	Share premium	Invested unrestricted equity fund	Retained earnings	Profit for the period	Total
Equity 1.1.2022	80	5,130	28,405	39,932	0	73,547
Share issue	0	0	0	0	0	0
Dividend paid	0	0	0	-5,130	0	-5,130
Conversion differences	0	0	0	-775	0	-775
Profit for the period	0	0	0	0	5,116	5,116
Equity 31.12.2022	80	5,130	28,405	34,027	5,116	72,758
Equity 1.1.2021	80	5,130	22,453	30,797	0	58,460
Share issue	0	0	5,952	0	0	5,952
Dividend paid	0	0	0	-4,025	0	-4,025
Conversion differences	0	0	0	3,851	0	3,851
Profit for the period	0	0	0	0	9,309	9,309
Equity 31.12.2021	80	5,130	28,405	30,623	9,309	73,547

Espoo, Finland 1 February 2023

Board of Directors
Detection Technology Plc

CALCULATION OF KEY FINANCIAL RATIOS

Change in net sales, %	= (Net sales - Previous financial year's net sales) / Previous financial year's net sales x 100
Operating margin, %	= Operating profit / Net sales x 100
Net interest-bearing debt	= Interest-bearing liabilities - Cash and cash equivalents
Return on investment (ROI), %	= (Net result + Financial expenses + Taxes (12 months)) / (Equity + Interest-bearing liabilities (average 12 months)) x 100
Gearing, %	= (Interest-bearing liabilities - Cash and cash equivalents) / Equity x 100
Earnings per share, EUR	= Profit for the reporting period / Weighted average number of shares outstanding
Earnings per share (diluted), EUR	= Profit for the reporting period / Weighted average number of shares outstanding, diluted



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