
Niebuhr Gears A/S

La Cours Vej 8, DK-7430 Ikast

Annual Report for 2024

CVR No. 71 15 07 12

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 1/4 2025

Per Boie Sørensen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Niebuhr Gears A/S for the financial year 1 January - 31 December 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Ikast, 1 April 2025

Executive Board

Rasmus Holt Niebuhr
CEO

Board of Directors

Per Thy Sørensen
Chairman

Kurt Bering Sørensen

Rasmus Holt Niebuhr

Michael Sørensen
Employee representative

Else Rasmussen
Employee representative

Independent Auditor's report

To the shareholder of Niebuhr Gears A/S

Opinion

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 2024 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Niebuhr Gears A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

Management's responsibilities for the 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 Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the 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 Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

Independent Auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Herning, 1 April 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Kim Vorret

State Authorised Public Accountant

mne33256

Hans Jørgen Andersen

State Authorised Public Accountant

mne30211

Company information

The Company	Niebuhr Gears A/S La Cours Vej 8 DK-7430 Ikast Telephone: + 45 96605050 Email: niebuhr@niebuhr.dk Website: www.niebuhr.dk CVR No: 71 15 07 12 Financial period: 1 January - 31 December Municipality of reg. office: Ikast-Brande
Board of Directors	Per Thy Sørensen, chairman Kurt Bering Sørensen Rasmus Holt Niebuhr Michael Sørensen, employee representative Else Rasmussen, employee representative
Executive Board	Rasmus Holt Niebuhr
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 DK-7400 Herning

Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
Niebuhr Gears A/S	Denmark	
Niebuhr Limited	Hong Kong	100 %
Niebuhr Gears (Tianjin) Co., Ltd.	China	100 %

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	35,855	34,025	40,959	36,775	37,728
Profit/loss of primary operations	13,240	9,980	16,338	13,446	15,260
Profit/loss of financial income and expenses	-5,300	-6,670	-2,693	-676	-2,449
Net profit/loss for the year	6,690	2,091	10,556	9,895	9,582
Balance sheet					
Balance sheet total	291,253	269,739	291,584	262,388	233,448
Investment in property, plant and equipment	26,654	14,291	45,117	18,809	10,197
Equity	112,554	105,259	115,567	119,622	111,677
Cash flows					
Cash flows from:					
- operating activities	23,996	26,870	17,450	38,256	46,132
- investing activities	-23,917	-14,112	-44,897	-18,892	-9,882
- financing activities	-1,770	-8,529	22,707	-18,041	-34,191
Change in cash and cash equivalents for the year	-1,691	4,229	-4,740	1,323	2,059
Number of employees	150	159	160	163	167
Ratios					
Return on assets	4.5%	3.7%	5.6%	5.1%	6.5%
Solvency ratio	38.6%	39.0%	39.6%	45.6%	47.8%
Return on equity	6.1%	1.9%	9.0%	8.6%	8.6%

In connection with changes to accounting policies, the comparative figures for 2020 - 2021 have not been restated.

Management's review

Key activities

The Group's most important activities

Niebuhr Gears A/S is Denmark's largest manufacturer of gears and transmission components, supplying industrial customers in Europe, China, India, and the USA. The company operates its own production facilities in both Denmark and China.

Development and production preparation take place primarily at the parent company in Denmark, where all types of gears and transmission components are produced. Large gears are also manufactured at the factory in China.

Niebuhr Gears has consistently made significant investments in modern machinery, robotic solutions, and automation to ensure ongoing development and competitiveness.

The company contributes actively to the green transition and the production of renewable energy by supplying key components to the wind turbine industry.

In addition, Niebuhr Gears supports efficiency improvements in construction equipment, agricultural machinery, heavy-duty trucks, and more, by delivering high-quality transmission products.

Niebuhr Gears is globally certified within occupational health and safety (ISO 45001), quality (ISO 9001), and environmental management (ISO 14001), enabling the company to meet the requirements of global customers, employees, suppliers, and partners, and support its continuous development.

The company maintains a strong focus on mapping its environmental footprint and implementing continuous improvements to reduce energy consumption. Electricity produced by solar panels on factory rooftops in Denmark and China is utilized, and from the beginning of 2024, approximately 42% of the electricity consumption at the Danish factory is supplied via wind turbine PPAs.

Niebuhr Gears' three primary business areas are:

Industrial Gears

Manufactures gears and transmission components in batch sizes ranging from one to several thousand units, with a high degree of robotization and automation.

Heavy Duty

Produces large gears in Denmark and China, up to 8 meters in diameter. The Heavy Duty division is the world's leading manufacturer of large yaw rings for the wind industry.

Process Gears

Offers mass production of gears on state-of-the-art, fully automated production lines.

The past year and follow-up on development expectations from last year

The Group's share of the net result for the financial year was DKK 6.7 million, compared to DKK 2.1 million in 2023. Management considers the result to be less than satisfactory.

Factors such as low activity and growth in key markets, relatively high logistics and energy prices, high interest rates, and underutilized production capacity contributed to the result falling short of expectations.

Management's review

Targets and expectations for the year ahead

The company expects increased deliveries to the wind industry. More moderate growth is expected in the other business areas for 2025, resulting in expectations for an EBT result in the range of DKK 15 to 20 million.

Investments:

Total investments in 2024 amounted to DKK 26 million, primarily related to increasing capacity and capabilities for the wind industry.

Investments in 2025 are expected to be approximately DKK 34 million. These investments will mainly focus on the "Heavy Duty" division to secure the ability and capacity to produce offshore wind turbine components in both Denmark and China, as the size and volume of these products are expected to grow in the coming years.

Special Risk

Capital resources

The company has the necessary credit facilities to finance operations and investments in the coming year.

Currency risks

The company continuously assesses its foreign currency exposure and hedges any significant risks. No speculative currency investments or hedging are undertaken.

Credit risks

The Group's maximum credit risk corresponds to the value of receivables stated in the balance sheet. Major customers undergo credit assessments, and credit is granted only within agreed limits.

Cost Risks

The company continuously monitors changes in cost drivers, including electricity, gas, and freight rates.

Price Risks

The company mitigates price risks by entering into long-term pricing agreements with customers, which are matched by similar agreements with key suppliers of raw materials and core services.

Subsequent events

No events have occurred after the balance sheet date that materially affect the assessment of the Annual Report.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Gross profit		35,855	34,025	33,364	31,764
Distribution expenses	1	-6,137	-6,897	-5,010	-5,353
Administrative expenses	1	-16,478	-17,148	-12,700	-13,506
Profit/loss before financial income and expenses		13,240	9,980	15,654	12,905
Income from investments in subsidiaries	2	0	0	-1,720	-3,403
Financial income	3	1,105	683	1,383	1,184
Financial expenses	4	-6,405	-7,353	-6,237	-7,020
Profit/loss before tax		7,940	3,310	9,080	3,666
Tax on profit/loss for the year	5	-1,250	-1,219	-2,390	-1,575
Net profit/loss for the year	6	6,690	2,091	6,690	2,091

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Acquired licenses		232	264	232	264
Prepayment		90	0	90	0
Intangible assets	7	322	264	322	264
Plant and machinery		105,045	112,471	77,057	87,113
Other fixtures and fittings, tools and equipment		2,176	2,853	2,176	2,853
Leasehold improvements		6,011	4,027	3,046	3,661
Property, plant and equipment in progress		14,751	3,962	14,751	3,962
Property, plant and equipment	8	127,983	123,313	97,030	97,589
Investments in subsidiaries	9	0	0	33,941	34,682
Receivables from group enterprises	10	752	752	752	752
Other investments	10	300	300	300	300
Deposits	10	634	634	634	634
Fixed asset investments		1,686	1,686	35,627	36,368
Fixed assets		129,991	125,263	132,979	134,221
Inventories	11	90,266	76,760	79,320	65,375
Trade receivables		26,682	27,434	22,166	23,651
Receivables from group enterprises		35,038	29,322	39,268	34,108
Other receivables		4,137	3,313	881	883
Corporation tax		151	152	0	0
Prepayments	12	2,205	3,021	1,622	1,991
Receivables		68,213	63,242	63,937	60,633

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Cash at bank and in hand		2,783	4,474	149	2,869
Current assets		161,262	144,476	143,406	128,877
Assets		291,253	269,739	276,385	263,098

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Share capital		1,000	1,000	1,000	1,000
Reserve for net revaluation under the equity method		0	0	8,765	9,506
Reserve for hedging transactions		-307	64	-307	64
Reserve for exchange rate conversion		1,720	744	0	0
Retained earnings		104,141	103,451	97,096	94,689
Proposed dividend for the year		6,000	0	6,000	0
Equity		112,554	105,259	112,554	105,259
Provision for deferred tax	13	4,756	4,459	6,345	5,044
Provisions		4,756	4,459	6,345	5,044
Lease obligations		54,849	60,548	54,849	60,548
Other payables		5,162	5,180	5,162	5,180
Deferred income		1,058	0	1,058	0
Long-term debt	14	61,069	65,728	61,069	65,728
Credit institutions		39,853	34,540	39,173	34,540
Lease obligations	14	21,199	21,757	21,199	21,757
Trade payables		31,758	13,936	15,465	10,406
Payables to group enterprises		9,385	11,251	11,012	11,251
Payables to group enterprises relating to corporation tax		904	91	904	91
Other payables	14	9,775	12,718	8,664	9,022
Short-term debt		112,874	94,293	96,417	87,067
Debt		173,943	160,021	157,486	152,795
Liabilities and equity		291,253	269,739	276,385	263,098
Contingent assets, liabilities and other financial obligations	18				
Related parties	19				
Accounting Policies	20				

Statement of changes in equity

Group

	Share capital	Reserve for hedging transactions	Reserve for exchange rate conversion	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,000	64	744	103,451	0	105,259
Exchange adjustments	0	0	976	0	0	976
Fair value adjustment of hedging instruments, end of year	0	-475	0	0	0	-475
Tax on adjustment of hedging instruments for the year	0	104	0	0	0	104
Net profit/loss for the year	0	0	0	690	6,000	6,690
Equity at 31 December	1,000	-307	1,720	104,141	6,000	112,554

Parent company

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,000	9,506	64	94,689	0	105,259
Exchange adjustments relating to foreign entities	0	976	0	0	0	976
Fair value adjustment of hedging instruments, end of year	0	0	-475	0	0	-475
Tax on adjustment of hedging instruments for the year	0	0	104	0	0	104
Net profit/loss for the year	0	-1,717	0	2,407	6,000	6,690
Equity at 31 December	1,000	8,765	-307	97,096	6,000	112,554

Cash flow statement 1 January - 31 December

	Note	Group	
		2024	2023
		TDKK	TDKK
Result of the year		6,690	2,091
Adjustments	16	26,715	28,404
Change in working capital	17	-4,074	5,327
Cash flow from operations before financial items		29,331	35,822
Financial income		1,105	683
Financial expenses		-6,405	-7,353
Cash flows from ordinary activities		24,031	29,152
Corporation tax paid		-35	-2,282
Cash flows from operating activities		23,996	26,870
Purchase of intangible assets		-192	-234
Purchase of property, plant and equipment		-26,736	-14,292
Fixed asset investments made etc		0	-634
Sale of property, plant and equipment		3,011	1,048
Cash flows from investing activities		-23,917	-14,112
Repayment of loans from credit institutions		5,313	-1,171
Reduction of lease obligations		-22,000	-21,344
Repayment of payables to group enterprises		-1,866	7,145
Repayment of other long-term debt		1,040	202
Lease obligations incurred		15,743	16,639
Dividend paid		0	-10,000
Cash flows from financing activities		-1,770	-8,529
Change in cash and cash equivalents		-1,691	4,229
Cash and cash equivalents at 1 January		4,474	245
Cash and cash equivalents at 31 December		2,783	4,474
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		2,783	4,474
Cash and cash equivalents at 31 December		2,783	4,474

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
1. Staff				
Wages and salaries	58,390	61,568	51,217	54,737
Pensions	5,113	4,922	5,113	4,922
Other social security expenses	3,655	3,662	1,370	1,453
	67,158	70,152	57,700	61,112
Including remuneration to the Executive Board and Board of Directors	2,131	2,113	2,131	2,113
Average number of employees	150	159	102	111

	Parent company	
	2024	2023
	TDKK	TDKK
2. Income from investments in subsidiaries		
Share of profits	1,788	-2,696
Change in intercompany profits	-3,508	-707
	-1,720	-3,403

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
3. Financial income				
Interest received from group enterprises	856	650	1,383	1,184
Other financial income	249	33	0	0
	1,105	683	1,383	1,184

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
4. Financial expenses				
Interest paid to group enterprises	249	185	249	185
Other financial expenses	5,960	6,304	5,798	5,979
Exchange adjustments, expenses	196	864	190	856
	6,405	7,353	6,237	7,020

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
5. Income tax expense				
Current tax for the year	834	1	984	158
Deferred tax for the year	312	1,236	1,302	1,435
	1,146	1,237	2,286	1,593

thus distributed:

Income tax expense	1,250	1,219	2,390	1,575
Tax on equity movements	-104	18	-104	18
	1,146	1,237	2,286	1,593

	Parent company	
	2024	2023
	TDKK	TDKK
6. Profit allocation		
Proposed dividend for the year	6,000	0
Reserve for net revaluation under the equity method	-1,717	-3,403
Retained earnings	2,407	5,494
	6,690	2,091

Notes to the Financial Statements

7. Intangible fixed assets

	Group		Parent company	
	Acquired licenses	Prepayment	Acquired licenses	Prepayment
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	4,634	0	4,634	0
Additions for the year	102	90	102	90
Cost at 31 December	4,736	90	4,736	90
Impairment losses and amortisation at 1 January	4,370	0	4,370	0
Amortisation for the year	134	0	134	0
Impairment losses and amortisation at 31 December	4,504	0	4,504	0
Carrying amount at 31 December	232	90	232	90
Amortised over	3 years		3 years	

Notes to the Financial Statements

8. Property, plant and equipment Group

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	415,213	10,082	20,950	3,962
Exchange adjustment	2,514	0	168	0
Additions for the year	6,250	2,286	3,366	14,751
Disposals for the year	-13,422	-1,305	0	0
Transfers for the year	3,904	58	0	-3,962
Cost at 31 December	414,459	11,121	24,484	14,751
Impairment losses and depreciation at 1 January	302,742	7,229	16,923	0
Exchange adjustment	1,731	0	155	0
Depreciation for the year	18,265	2,427	1,395	0
Reversal of impairment and depreciation of sold assets	-13,324	-711	0	0
Impairment losses and depreciation at 31 December	309,414	8,945	18,473	0
Carrying amount at 31 December	105,045	2,176	6,011	14,751
Amortised over	3-15 years	3-5 years	3-10 years	
Including assets under finance leases amounting to	66,027	1,480	11	14,729

Notes to the Financial Statements

Parent company

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve- ments	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	333,808	10,082	15,517	3,962
Additions for the year	380	2,286	216	14,751
Disposals for the year	-13,422	-1,305	0	0
Transfers for the year	3,904	58	0	-3,962
Cost at 31 December	324,670	11,121	15,733	14,751
Impairment losses and depreciation at 1 January	246,695	7,229	11,856	0
Depreciation for the year	14,242	2,427	831	0
Reversal of impairment and depreciation of sold assets	-13,324	-711	0	0
Impairment losses and depreciation at 31 December	247,613	8,945	12,687	0
Carrying amount at 31 December	77,057	2,176	3,046	14,751
Amortised over	3-15 years	3-5 years	3-10 years	
Including assets under finance leases amounting to	66,027	1,480	11	14,729

Notes to the Financial Statements

	Parent company	
	2024	2023
	TDKK	TDKK
9. Investments in subsidiaries		
Cost at 1 January	25,176	25,176
Cost at 31 December	25,176	25,176
Value adjustments at 1 January	9,506	15,372
Exchange adjustment	976	-2,463
Net profit/loss for the year	1,788	-2,696
Change in intercompany profit on inventories	-3,505	-707
Value adjustments at 31 December	8,765	9,506
Carrying amount at 31 December	33,941	34,682

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
Niebuhr Limited	Hong Kong	TUSD 4,612	100%
Niebuhr Gears (Tianjin) Co., Ltd.	China	TCNY 34,137	100%

Niebuhr Limited, Hong Kong, holds all the shares in the Chinese company, Niebuhr Gears (Tianjin) Co., Ltd.

10. Other fixed asset investments

	Group			Parent company		
	Receivables from group enterprises	Other investments	Deposits	Receivables from group enterprises	Other investments	Deposits
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	752	300	634	752	300	634
Cost at 31 December	752	300	634	752	300	634
Carrying amount at 31 December	752	300	634	752	300	634

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
11. Inventories				
Raw materials and consumables	23,098	24,875	18,166	20,533
Work in progress	29,627	26,378	22,098	20,496
Finished goods and goods for resale	17,831	18,630	19,346	17,469
Prepayments for goods	19,710	6,877	19,710	6,877
	90,266	76,760	79,320	65,375

12. Prepayments

Prepayments consist of prepaid expenses concerning raw materials, rent, insurance premiums, subscriptions and interest.

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
13. Provision for deferred tax				
Deferred tax liabilities at 1 January	4,459	3,192	5,044	3,608
Amounts recognised in the income statement for the year	401	1,249	1,405	1,418
Amounts recognised in equity for the year	-104	18	-104	18
Deferred tax liabilities at 31 December	4,756	4,459	6,345	5,044

Provisions regarding deferred tax comprise deferred tax relating to intangible assets, property, plant and equipment indirect production overheads regarding inventories, debtors and lease obligations.

Notes to the Financial Statements

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK

14. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Lease obligations

After 5 years	7,548	8,278	7,548	8,278
Between 1 and 5 years	47,301	52,270	47,301	52,270
Long-term part	54,849	60,548	54,849	60,548
Within 1 year	21,199	21,757	21,199	21,757
	76,048	82,305	76,048	82,305

Other payables

After 5 years	4,594	4,798	4,594	4,798
Between 1 and 5 years	568	382	568	382
Long-term part	5,162	5,180	5,162	5,180
Other short-term payables	9,775	12,718	8,664	9,022
	14,937	17,898	13,826	14,202

Deferred income

After 5 years	0	0	0	0
Between 1 and 5 years	1,058	0	1,058	0
Long-term part	1,058	0	1,058	0
Within 1 year	0	0	0	0
	1,058	0	1,058	0

15. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

Notes to the Financial Statements

	Group	
	2024	2023
	TDKK	TDKK
Financial income	-1,105	-683
Financial expenses	6,405	7,353
Depreciation, amortisation and impairment losses, including losses and gains on sales	19,189	15,935
Tax on profit/loss for the year	1,250	1,219
Exchange adjustments	976	4,580
	26,715	28,404

16. Cash flow statement - Adjustments

	Group	
	2024	2023
	TDKK	TDKK

17. Cash flow statement - Change in working capital

Change in inventories	-13,506	16,931
Change in receivables	-4,972	426
Change in trade payables, etc	14,879	-12,112
Fair value adjustments of hedging instruments	-475	82
	-4,074	5,327

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK

18. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

Lease assets are pledged as collateral for lease obligations

	82,246	85,667	82,246	85,667
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Notes to the Financial Statements

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK

18. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

The Company has entered into operating leases representing the following amounts remaining terms in 15-24 months with an average monthly payment of TDKK 345, totalling TDKK 8,220. Includes rent of property.

In addition the Company and the Group have entered into finance leases, which have been recognised in the balance sheet: see note 8.

The Group has entered into leases with a remaining term of 15-100 months with an average monthly lease payment of TDKK 409, totalling TDKK 14.608. Includes rent of property.

Other contingent liabilities

The Company has provided absolute guarantee for a Group entity.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Rasmus Investments ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

19. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Rasmus Holding ApS, Ikast	Parent company
Rasmus Investments ApS, Ikast	Ultimate parent company
Rasmus Niebuhr, Ikast	Main shareholder

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

There are no transactions to disclose.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

<u>Name</u>	<u>Place of registered office</u>
Rasmus Investments ApS	Denmark

Notes to the Financial Statements

20. Accounting policies

The Annual Report of Niebuhr Gears A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Niebuhr Gears A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Notes to the Financial Statements

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Production expenses

Production expenses comprise costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Notes to the Financial Statements

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, production expenses and other operating income.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to distribution activities.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Rasmus Investments ApS and other Danish group entities. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Acquired licenses are measured at the lower of cost less accumulated amortisation and recoverable amount. Acquired licenses are amortised over the remaining period.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Notes to the Financial Statements

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	3-15 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-10 years

The fixed assets' residual values are determined on an individual basis.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of receivables from group enterprises.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories 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 selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

Notes to the Financial Statements

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Notes to the Financial Statements

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Return on assets $\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$

Solvency ratio $\text{Equity at year end} \times 100 / \text{Total assets at year end}$

Return on equity $\text{Net profit for the year} \times 100 / \text{Average equity}$