

Logstrup



A/ S Løgstrup-Steel

www.logstrup.com

CVR-nr. 15 78 91 82

Egeskovvej 16-18-20-50, 3490 Kvistgård



Logstrup Prefabricated Electrical Module for Data Centers

Annual Report for 2024/ 2025

This annual report has been adopted
at the company's annual general meeting on 19 / 2 2026
Dirigent / Chairman of the meeting

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The company

A/S Løgstrup-Steell
Egeskovvej 16-18-20-50
3490 Kvistgård
Tel.: 49 12 75 00
E-mail: info@logstrup.dk
Registered office: Helsingør
CVR no.: 15 78 91 82
Financial year: 01.09 - 31.08

Executive Board

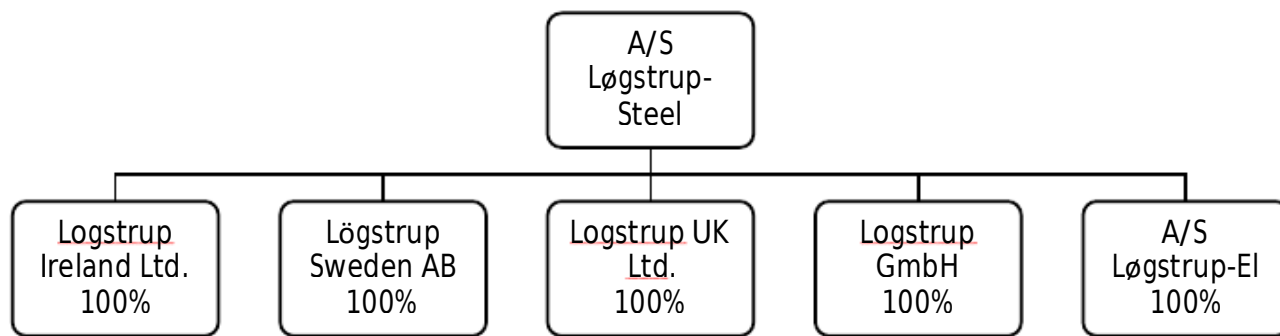
Per Løgstrup

Board of Directors

Leif Johan Henrik Ling-Vannerus
Mads Mathias Middelboe
Per Løgstrup
Lone Nielsen
Robert Heinemeier Jensen

Auditors

Beierholm
Godkendt Revisionspartnerselskab



Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.09.24 - 31.08.25 for A/S Løgstrup-Steel.

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

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.08.25 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.09.24 - 31.08.25.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Kvistgård , February 19, 2026

Executive Board

Per Løgstrup

Board of Directors

Leif Johan Henrik Ling-Vannerus
Chairman

Mads Mathias Middelboe

Per Løgstrup

Lone Nielsen

Robert Heinemeier Jensen

To the shareholder of A/S Løgstrup-Steel

Opinion

We have audited the consolidated financial statements and financial statements of A/S Løgstrup-Steel for the financial year 01.09.24 - 31.08.25, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including material accounting policy information for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31.08.25 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.09.24 - 31.08.25 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and financial statements" section of our report. We are independent of the group and the company 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 the management's review

Management is responsible for the management's review.

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

In connection with our audit of the consolidated financial statements and financial statements, it is our responsibility to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or 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's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management's review is in accordance with the consolidated financial statements and 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 the management's review.

Management's responsibilities for the consolidated financial statements and financial statements

Management is responsible for the preparation of consolidated financial statements and 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 consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 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 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 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 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 financial statements, including the disclosures, and whether the consolidated financial statements and 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 expressing an opinion on the consolidated financial statements and 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.

Soeborg, Copenhagen , February 19, 2026

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Morten Egholm Alsted

State Authorised Public Accountant
MNE-no. mne29438

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2024/25	2023/24	2022/23	2021/22	2020/21
Profit/loss					
Revenue	640,890	601,058	520,158	519,040	412,170
Index	155	146	126	126	100
Gross profit	245,765	197,289	144,139	129,054	115,188
Index	213	171	125	112	100
Earnings before interest, tax, depreciation and amortisation (EBITDA)	145,897	112,533	71,504	61,096	56,363
Index	259	200	127	108	100
Operating profit (EBIT)	131,592	99,527	59,781	50,068	45,943
Index	286	217	130	109	100
Total net financials	-3,846	-6,141	-4,069	-2,195	-1,483
Profit before tax (EBT)	127,746	93,386	55,712	47,873	44,460
Index	287	210	125	108	100
Profit for the year	102,334	76,420	48,604	39,821	37,146
Balance					
Total assets	791,152	610,466	542,458	489,758	422,369
Investments in property, plant and equipment	85,528	16,631	49,867	30,332	28,520
Equity	422,044	344,722	287,833	240,098	215,487
Cashflow					
Net cash flow:					
Operating activities	129,191	111,701	60,309	36,575	20,688
Investing activities	-85,673	-16,631	-49,674	-30,745	-28,535
Financing activities	-24,495	-14,965	-11,442	-7,433	-5,355
Cash flows for the year	19,023	80,105	-807	-1,603	-13,202

Ratios

	2024/25	2023/24	2022/23	2021/22	2020/21
Profitability					
Return on equity	27%	24%	18%	18%	18%
Profit margin	21%	17%	11%	10%	11%
Return on capital employed (ROCE)	16.6	16.3	11.0	10.2	10.9

Equity ratio

Equity interest	53%	56%	53%	49%	51%
Equity interest, parent	58%	62%	58%	54%	56%

Others

Number of employees (average)	390	365	332	313	292
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Ratios definitions

Return on equity:	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Profit margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Return on capital employed	$\frac{\text{Operation profit/loss} * 100}{\text{Total assets}}$
Equity interest	$\frac{\text{Equity, end of the year} * 100}{\text{Total assets}}$

Primary activities

The objective of the company is to operate in the commercial and manufacturing business.

The company's activities consist of production and sale of its own development modular system for design and construction of electrical panels for use in industry, IT-infrastructure, energy and other sectors.

The company delivers both the complete assemblies and the modular system in loose parts to 3rd party panel builders.

In addition, the company is the parent company of five subsidiaries engaged in related activities.

Uncertainty concerning recognition and measurement

The management is of the opinion that no uncertainty exists relating to inclusion and measurement.

Development in activities and financial affairs

The income statement for the period 01.09.24 - 31.08.25 shows a profit before tax of DKK 127.746.088 against DKK 93.385.562 for the period 01.09.23 - 31.08.24. The increase in profit before tax is 36,8% and the balance sheet shows equity of DKK 422.044.458.

The turnover expectations for the year 2024-2025 was a slightly decrease compared to the year 2023-2024 with DKK 601.057.703. However we realized a turnover of DKK 640.890.470 due to a strong order intake.

Every department and subsidiaries have achieved a positive development in the current financial year 2024/2025, the growth and result are considered very satisfactory and better than expected.

The large investments in production capacity have had a positive impact and to secure future expansion the company has acquired a plot of land 37.000 m² 01 July 2025 in direct connection to the existing facilities in Denmark.

Outlook

For the year 2025-2026 we started the year with a high order backlog. For the year 2025-2026 we expect the organic turnover to be in the range of mDKK 900-1.100. We still expect our core markets to continue the general growth.

We will continue investments in 2025-2026 in automation, optimization, new ERP system and further increase the production capacity in Denmark and subsidiaries to improve the company's delivery time and competitiveness. The expected range of turnover for 2025-2026 will influence the result accordingly and we therefore expect the profit before tax to be in the range of mDKK 160-200.

We do not see any specific uncertain factors which are decisive for our expectations for the year 2025-2026.

The uncertainty of the current geopolitical situation remains a significant factor influencing global markets and supply chains. The management continuously monitors these developments to assess potential impacts on operations, costs, and revenue streams.

This proactive approach ensures that the company is prepared to take necessary precautions to mitigate risks, such as diversifying suppliers, optimizing production schedules, and adjusting pricing strategies when needed.

Furthermore, the management remains vigilant in identifying opportunities that may arise from shifting geopolitical dynamics, such as new market openings or favorable trade agreements, to ensure long-term resilience and growth.

Knowledge resources

The company prioritizes being renowned in the industry for delivering quality products at competitive prices.

The group has an ongoing focus on employee development and knowledge resources in relation to technology and development of the products in order to maintain a high-quality level.

Financial risks

Currency risk.

The majority of exports are settled in DKK or EUR.

Fluctuations in the EUR exchange rate are deemed to be limited, reducing exchange rate risks concerning exports. Exchange rate risks are generally deemed to be at an acceptable level.

Research and development activities

The group conducts ongoing development projects in order to meet the customers' product requirements at any time.

The group has spent a total of DKK 8,878k on development activities, of which DKK 6,821k has been included as an expense in the profit and loss account and DKK 2,057k has been included as an asset in the balance sheet.

Subsequent events

No important events have occurred after the end of the financial year.

Corporate social responsibility

Business model

Logstrup was founded in 1958. The company has since then expanded through organic growth and is today a leading supplier of low voltage switchboards for the Danish market as well as being a significant global player on the fast-growing global market for distribution and control of electrical energy. The company operates in a market characterized by increasing regulatory requirements and customer expectations related to sustainability, documentation and transparency.

The foundation for the activity in the company and the core of products is a modular and flexible enclosure system, which can be configured into a wide range of solutions, primarily targeted at end customers having critical applications and with high demands for quality and a secure, reliable and continuous supply of electrical energy. Among these are Data Centers, the energy sector, process industry, marine and offshore, infrastructure, mining industry and health care industries.

The activities can be divided into two main categories:

- ~ Development, manufacturing and sales of the modular enclosure system
- ~ Sales, engineering and assembly production of finished switchboards according to project specifications

The first category is marketed globally, channeled through a network of licensed partners, serving their local markets, by designing and offering low voltage switch boards based on Logstrup Modular system as the mechanical platform. The modular system is delivered from Logstrup as loose parts in flatpacks, which are assembled locally by the partners.

In order to meet demands from the partners regarding flexibility and short lead times, the modular system is produced on Logstrup's own facilities in Europe which have gone through significant investments in updated production technologies and automation in recent years.

The second category, the finished switchboards are also produced and assembled in own facilities and are delivered for projects both in Denmark, Sweden and abroad.

Logstrup products lives up to all European norms and relevant international product standards, which is verified by extensive type testing by independent and acknowledged test laboratories. These tests are made in combination with build-in electrical devices and protection equipment from leading international manufacturers. Compliance with applicable European and international standards is ensured through systematic monitoring and verification.

The company emphasizes long-term cooperation and strives to create value for the customers, not only in products but also by optimizing their buying experience through extensive support and competent technical guidance throughout the sales and delivery process.

ISO-certifications:

- ~ Quality ISO9001:2015
- ~ Environment ISO14001:2015
- ~ Working environment ISO45001:2018

are part of the management system.

For further information about our certificates see: https://www.logstrup.com/resources/downloads#60_wpfd-certificates

Logstrup acknowledges its corporate responsibility and seeks to operate in a responsible and sustainable manner. The CSR policies are operationalized through internal procedures, Codes of Conduct and supplier requirements.

Our CSR-policies are based on UN Global Compact guidelines.

Risk Conditions Related to Policies

Logstrup implements a structured risk management process that identifies and evaluates corporate risks while analyzing mitigating actions and containment measures.

The risk management process includes the assessment of operational and supplier-related risks.

Risks are assessed on an ongoing basis, including in relation to evolving regulatory and sustainability requirements.

Currently, Logstrup is not exposed to risks that are particularly high or unusual compared to other companies within the industrial sector.

Environmental (E)

Introduction

Løgstrup has actively prioritized environmental efforts since the company's inception and has built a strong foundation for environmental management through our ISO 14001 certification.

We have implemented systematic methods to monitor and reduce our energy consumption, waste, and carbon footprint. These methods are documented and integrated into the ISO 14001 environmental management system.

Environmental policy

The environment includes consumption of resources (electricity and water), consumption of chemicals and metals, work processes and waste. Misuse of resources and pollution should be avoided.

Our focus is on use of resources and impact on the environment right from the initial contact with the customer until the product is finished.

The internal and external environment is part of the planning of the company, enabling us to fulfil our commitment towards our employees, as well as towards the customers and the society that surrounds us.

Thus, the company has actively incorporated the environmental mindset in its product design and has as the only modular panel system manufacturer replaced welding manufacturing with an automated corner forming process. This has substantially reduced the environmental impact, both by lowering energy consumption and eliminating the use of shielding gases. It has also improved the work environment, since all the hazards and risks associated with welding such as toxic fumes, dangerous UV light and sparks are removed.

Environmental awareness is part of the objectives of our company. We comply with regulatory requirements including requirements stated in our local environmental approval. The environmental activities must be prioritized so that they give the best possible return on the environmental investments. Continuous improvements are carried out in order to reduce the environmental impact. The impact will be recorded and reviewed regularly as they are part of our annual planning of activities.

The employees of the company are motivated and trained in carrying out their duties in an environmental correct manner. They are informed of our environmental policies as well as of the objectives.

Activities and results

Our environmental efforts are at the core of our business model and support the goal of sustainable development. We have reduced our environmental impact by automating production processes and investing in a 120 MW solar power plant.

The environmental impact is monitored through internal energy and environmental data. These initiatives have lowered our carbon footprint and improved energy efficiency in production.

In 2025, Logstrup completed a life cycle assessment of our modular system to gain a complete overview of its total climate impact. As a Logstrup Partner using the design tool you will automatically benefit from getting the CO2 footprint calculated for all Logstrup parts.

During the year, Logstrup completed an energy audit, including an environmental review. The energy and environmental review provided a systematic assessment of the company's energy consumption and environmental conditions and identified a few potential improvement projects related to energy efficiency and environmental performance. For more information on the Climate Audit, please see: <https://www.logstrup.com/wp-content/uploads/2025/11/2025-Logstrup-Climate-Audit-Action-Plan.pdf>

The document describes the underlying data, assumptions and applied methodology used for the assessment. For calculations, The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard Revised Edition¹ was used.

The identified projects have been evaluated and incorporated into an action plan, which forms part of the company's ongoing environmental planning and follow-up. In accordance with applicable requirements, the action plan has been made publicly available on the company's website, please see: <https://www.logstrup.com/wp-content/uploads/2025/11/2025-Logstrup-Climate-Audit-Action-Plan.pdf>

Social (S)

Policy for social issues and labour conditions

Introduction

Logstrup understands that quality and professional performance of our employees is linked to the social working conditions.

The company therefore work towards:

- ~ good collegial ways
- ~ openness between management and employees
- ~ when planning work, the individual is taken into consideration

All employees are urged to perform actively and always professionally. We want to establish a longterm professional partnership, where we in cooperation will develop and improve our working environment to the benefit of both our employees, our customers and Logstrup.

We strive to offer decent employment conditions and working conditions for our employees.

All employees are covered by the company health and dental insurance.

Occupational Health Policy

It is at the heart of our policy to incorporate working conditions and prevention in all our actions. From the initial planning and projecting - through execution - to subsequent operation and maintenance. A strong physical and psychological working environment is key to satisfied and motivated employees. The Occupational Health Policy is applicable to all employees in Logstrup.

Objectives

The policy focuses on the employee as being a crucial resource. We have working conditions without violence, threats, bullying or harassment and with respect for diversity. The cooperation between Logstrup's management and employees at all levels is characterized by dialogue, trust and mutual respect. The same applies to the cooperation with the external business partners.

The cooperation between management and employees is a matter that concerns both parties and everyone is expected to participate actively in creating a healthy and safe working environment with attention to prevent attrition and accidents.

Logstrup does not accept accidents. All accidents have root causes that need to be determined in order to prevent recurrence. Preventing recurrence is crucial through responsible management and planning.

Activities and result

Our employees are the most important resource for our company, and we are strongly committed to ensuring their well-being through a healthy and safe physical and mental work environment. During the year, Logstrup introduced a dental insurance scheme for employees as a new benefit, supporting employee well-being and long-term health. Training and competence development are planned, documented and followed up as part of the management system.

As part of our efforts toward integration and inclusion, we have launched a new initiative in the form of an "ambassador team." This team works to create a deeper understanding of our internal processes and workflows while also fostering a general appreciation for working in a Danish workplace. The initiative emphasizes the challenges and opportunities that arise when different cultures and languages meet and how we can leverage this diversity.

At present, social and personnel conditions are described qualitatively, as no consolidated quantitative data is available.

Governance (G)

Over the past year, we have intensified our dialogue with customers to support their compliance strategies. We have actively shared our positions and policies regarding workplace safety and sustainability to ensure that our customers' requirements and expectations align with our own values.

Policy for Respect of Human Rights

It is crucial that we respond critically when observing violations of human rights and reject every act against Human Rights, as described in our Code of Conduct, where both employees and sub-suppliers are made aware of our views. Logstrup Code of Conduct is based on the general principles of the UN Global Compact.

Logstrup employee

In the past year, we have further strengthened our focus on accountability and transparency by developing and implementing a new internal code of conduct for our employees.

This code is based on the principles of the UN Global Compact and establishes clear guidelines for ethics, workplace safety, and interactions between employees and management. The aim is to ensure a shared understanding and standard for responsible behavior throughout the organization. The Code of Conduct is implemented internally and forms part of the requirements towards suppliers and business partners.

We strive to have an open dialogue which is facilitated by our intranet, that on a daily basis broadcasts news and updates and where all employees are encouraged to join in with news and announcements.

Furthermore, we believe that continuous training of competencies is crucial of employment at Logstrup-Steel. Social responsibility, offering flexible jobs, workplace adjustments and internships is of great importance to us. All employees create value to our company and are therefore valued colleagues.

Logstrup does not cooperate with suppliers, that discriminate employees and we expect our suppliers to demonstrate responsible business conduct and comply with national and international legislations and conventions, including UN Global Compact.

Our efforts to strengthen internal and external compliance initiatives contribute directly to our overall ESG strategy. By integrating sustainability and ethics into all aspects of our value chain, we not only build stronger relationships with our stakeholders but also ensure long-term responsible growth.

Activities and results

Logstrup has focused its supplier Code of Conduct implementation on its key suppliers.

Suppliers representing approximately 80% of the company's total purchasing volume have been assessed, and the largest suppliers within this group have formally signed Logstrup's Code of Conduct.

Other major suppliers are internationally recognized companies that apply their own comprehensive codes of conduct and CSR policies. In these cases, suppliers do not sign third-party declarations but refer to their own publicly available policies, which Logstrup has assessed as aligned with the principles of the UN Global Compact.

Taken together, the company considers that suppliers representing the majority of its purchasing volume are covered either by signed declarations or by equivalent supplier policies.

There are no registered violations of the above in the financial year.

Policy for anticorruption and bribery

Logstrup does not accept corruption or bribery and we comply with all laws and regulations for anticorruption and business ethics.

Logstrup's internal Code of Conduct instructs how employees should react, in any attempt of bribery.

Logstrup does not cooperate with suppliers, who tolerates or participates in corruption or bribery, including payments or other benefits to officials, with the aim to influence the decision-making process. This is also part of Logstrup Code of Conduct.

Supplier adherence to anti-corruption principles is documented through signed declarations and contractual requirements.

There are no registered violations of the above in the financial year.

Data ethics

Data ethics is an area managed with a high degree of responsibility and transparency within the company. Our activities and business model do not involve extensive data processing, and therefore, management has assessed that it is not necessary to formulate a separate policy for data handling.

The company's data processing activities are limited and primarily related to standard operational and administrative processes.

While data processing is not a core business activity, responsible data management is recognized as an important governance area. Where relevant, data processing is carried out in accordance with applicable legislation, including GDPR.

For further information see: <https://www.logstrup.com/privacy-policy/>

Income statement

Note	Group		Parent		
	2024/25 DKK	2023/24 DKK	2024/25 DKK	2023/24 DKK	
1	Revenue	640,890,470	601,057,703	347,128,868	363,245,625
	Production costs	-395,125,088	-403,768,791	-237,688,564	-269,700,184
	Gross profit	245,765,382	197,288,912	109,440,304	93,545,441
	Distribution costs	-44,387,456	-40,860,078	-24,544,607	-23,418,758
	Administration costs	-70,792,299	-57,839,698	-29,651,278	-27,520,771
	Other operating income	1,006,469	937,795	0	0
	Operating profit	131,592,096	99,526,931	55,244,419	42,605,912
4	Income from equity investments in group enterprises	0	0	62,230,215	46,473,459
5	Financial income	897,206	946,217	1,220,000	2,973,000
6	Financial expenses	-4,743,214	-7,087,586	-4,697,984	-6,957,479
	Profit before tax	127,746,088	93,385,562	113,996,650	85,094,892
7	Tax on profit for the year	-25,412,050	-16,965,513	-11,662,612	-8,674,843
	Profit for the year	102,334,038	76,420,049	102,334,038	76,420,049
8	Proposed appropriation account				

Balance sheet

ASSETS		Group		Parent	
		31.08.25 DKK	31.08.24 DKK	31.08.25 DKK	31.08.24 DKK
Note					
	Completed development projects	1,629,979	1,567,463	1,629,979	1,567,463
	Development projects in progress	1,713,773	518,665	1,713,773	518,665
9	Total intangible assets	3,343,752	2,086,128	3,343,752	2,086,128
	Land and buildings	219,653,754	193,791,480	160,104,403	133,316,658
	Plant and machinery	85,368,295	75,487,242	73,217,092	62,295,163
	Other fixtures and fittings, tools and equipment	9,598,007	7,582,881	4,724,140	4,823,889
	Property, plant and equipment under construction	47,118,331	14,696,140	39,420,934	14,307,815
10	Total property, plant and equipment	361,738,387	291,557,743	277,466,569	214,743,525
11	Equity investments in group enterprises	0	0	148,737,253	123,832,358
	Total investments	0	0	148,737,253	123,832,358
	Total non-current assets	365,082,139	293,643,871	429,547,574	340,662,011
	Raw materials and consumables	42,215,702	36,969,399	23,104,392	19,795,754
	Work in progress	26,803,215	10,597,614	14,067,969	6,296,037
	Manufactured goods and goods for resale	33,154,535	32,004,836	28,689,180	24,597,593
	Total inventories	102,173,452	79,571,849	65,861,541	50,689,384
12	Work in progress for third parties	38,209,897	16,575,989	15,524,504	7,026,693
	Trade receivables	142,900,443	121,077,471	66,254,915	62,711,460
	Receivables from group enterprises	1,546,388	0	40,035,432	5,181,437
	Other receivables	31,894,527	13,532,274	22,645,448	11,825,440
13	Prepayments	8,899,953	4,642,568	3,737,612	1,395,349
	Total receivables	223,451,208	155,828,302	148,197,911	88,140,379
	Cash	100,444,941	81,422,387	82,322,561	73,072,912
	Total current assets	426,069,601	316,822,538	296,382,013	211,902,675
	Total assets	791,151,740	610,466,409	725,929,587	552,564,686

EQUITY AND LIABILITIES		Group		Parent	
		31.08.25 DKK	31.08.24 DKK	31.08.25 DKK	31.08.24 DKK
Note					
14	Share capital	2,800,000	2,800,000	2,800,000	2,800,000
	Revaluation reserve	75,761,533	75,736,670	40,707,142	40,707,142
	Reserve for net revaluation according to the equity method	0	0	133,805,652	108,908,104
	Reserve for development costs	1,094,762	1,038,413	1,094,762	1,038,413
	Retained earnings	307,388,163	240,147,004	208,636,902	166,268,428
	Proposed dividend for the financial year	35,000,000	25,000,000	35,000,000	25,000,000
	Total equity	422,044,458	344,722,087	422,044,458	344,722,087
15	Provisions for deferred tax	33,832,120	33,250,968	23,821,354	25,734,190
	Total provisions	33,832,120	33,250,968	23,821,354	25,734,190
16	Mortgage debt	65,098,227	60,376,954	65,098,227	60,376,954
16	Payables to other credit institutions	0	369,209	0	0
16	Lease commitments	30,380,292	35,647,132	30,380,292	35,647,132
	Total long-term payables	95,478,519	96,393,295	95,478,519	96,024,086
16	Short-term part of long-term payables	10,148,350	8,728,423	10,148,350	8,429,992
12	Prepayments received from work in progress for third parties	51,859,778	11,530,257	51,859,778	11,152,194
	Trade payables	110,012,029	62,322,462	77,577,581	38,361,495
	Payables to group enterprises	0	0	15,808,761	3,443,925
	Income taxes	18,755,243	5,222,713	13,575,448	4,634,057
	Other payables	48,904,801	47,580,657	15,615,338	20,062,660
	Deferred income	116,442	715,547	0	0
	Total short-term payables	239,796,643	136,100,059	184,585,256	86,084,323
	Total payables	335,275,162	232,493,354	280,063,775	182,108,409
	Total equity and liabilities	791,151,740	610,466,409	725,929,587	552,564,686
17	Contingent liabilities				
18	Other commitments				
19	Charges and security				
20	Related parties				

Statement of changes in equity

Figures in DKK	Share capital	Revaluation reserve	Reserve for net revaluation according to the equity method	Reserve for development costs	Retained earnings	Proposed dividend for the financial year	Total equity
Group:							
Statement of changes in equity for 01.09.23 - 31.08.24							
Balance as at 01.09.23	2,800,000	75,665,716	0	1,154,663	188,212,651	20,000,000	287,833,030
Foreign currency translation adjustment of foreign enterprises	0	70,954	0	0	398,054	0	469,008
Total depreciation, amortisation, impairment losses and write-downs during the year	0	0	0	-149,038	0	0	-149,038
Dividend paid	0	0	0	0	0	-20,000,000	-20,000,000
Tax on changes in equity	0	0	0	32,788	0	0	32,788
Transfers to/from other reserves	0	0	0	0	116,250	0	116,250
Net profit/loss for the year	0	0	0	0	51,420,049	25,000,000	76,420,049
Balance as at 31.08.24	2,800,000	75,736,670	0	1,038,413	240,147,004	25,000,000	344,722,087
Statement of changes in equity for 01.09.24 - 31.08.25							
Balance as at 01.09.24	2,800,000	75,736,670	0	1,038,413	240,147,004	25,000,000	344,722,087
Foreign currency translation adjustment of foreign enterprises	0	24,863	0	0	-36,530	0	-11,667
Total depreciation, amortisation, impairment losses and write-downs during the year	0	0	0	72,242	0	0	72,242
Dividend paid	0	0	0	0	0	-25,000,000	-25,000,000
Tax on changes in equity	0	0	0	-15,893	0	0	-15,893
Transfers to/from other reserves	0	0	0	0	-56,349	0	-56,349
Net profit/loss for the year	0	0	0	0	67,334,038	35,000,000	102,334,038
Balance as at 31.08.25	2,800,000	75,761,533	0	1,094,762	307,388,163	35,000,000	422,044,458

Statement of changes in equity

Figures in DKK	Share capital	Revaluation reserve	Reserve for net revaluation according to the equity method	Reserve for development costs	Retained earnings	Proposed dividend for the financial year	Total equity
Parent:							
Statement of changes in equity for 01.09.23 - 31.08.24							
Balance as at 01.09.23	2,800,000	40,707,142	84,342,337	1,154,663	138,828,888	20,000,000	287,833,030
Foreign currency translation adjustment of foreign enterprises	0	0	469,008	0	0	0	469,008
Total depreciation, amortisation, impairment losses and write-downs during the year	0	0	0	-149,038	0	0	-149,038
Distributed dividend from group enterprises	0	0	-22,376,700	0	22,376,700	0	0
Dividend paid	0	0	0	0	0	-20,000,000	-20,000,000
Tax on changes in equity	0	0	0	32,788	0	0	32,788
Transfers to/from other reserves	0	0	0	0	116,250	0	116,250
Net profit/loss for the year	0	0	46,473,459	0	4,946,590	25,000,000	76,420,049
Balance as at 31.08.24	2,800,000	40,707,142	108,908,104	1,038,413	166,268,428	25,000,000	344,722,087
Statement of changes in equity for 01.09.24 - 31.08.25							
Balance as at 01.09.24	2,800,000	40,707,142	108,908,104	1,038,413	166,268,428	25,000,000	344,722,087
Foreign currency translation adjustment of foreign enterprises	0	0	-11,667	0	0	0	-11,667
Total depreciation, amortisation, impairment losses and write-downs during the year	0	0	0	72,242	0	0	72,242
Distributed dividend from group enterprises	0	0	-37,321,000	0	37,321,000	0	0
Dividend paid	0	0	0	0	0	-25,000,000	-25,000,000
Tax on changes in equity	0	0	0	-15,893	0	0	-15,893
Transfers to/from other reserves	0	0	0	0	-56,349	0	-56,349
Net profit/loss for the year	0	0	62,230,215	0	5,103,823	35,000,000	102,334,038
Balance as at 31.08.25	2,800,000	40,707,142	133,805,652	1,094,762	208,636,902	35,000,000	422,044,458

Consolidated cash flow statement

Note	Group		
	2024/25 DKK	2023/24 DKK	
	Profit for the year	102,334,038	76,420,049
21	Adjustments	44,603,288	36,885,239
	Change in working capital:		
	Inventories	-22,601,603	13,603,460
	Receivables	-67,622,909	2,240,745
	Trade payables	47,689,567	-6,806,027
	Other payables relating to operating activities	41,054,560	6,036,188
	Cash flows from operating activities before net financials	145,456,941	128,379,654
	Interest income and similar income received	897,206	946,217
	Interest expenses and similar expenses paid	-4,743,214	-7,087,586
	Income tax paid	-12,420,187	-10,537,643
	Cash flows from operating activities	129,190,746	111,700,642
	Purchase of intangible assets	-1,739,216	-370,924
	Purchase of property, plant and equipment	-83,934,126	-16,260,508
	Cash flows from investing activities	-85,673,342	-16,631,432
	Dividend paid	-25,000,000	-20,000,000
	Repayment of mortgage debt	505,150	11,803,923
	Repayment of payables to credit institutions	0	-6,769,267
	Cash flows from financing activities	-24,494,850	-14,965,344
	Total cash flows for the year	19,022,554	80,103,866
	Cash, beginning of year	81,422,387	1,318,521
	Cash, end of year	100,444,941	81,422,387
	Cash, end of year, comprises:		
	Cash	100,444,941	81,422,387
	Total	100,444,941	81,422,387

	Group		Parent	
	2024/25 DKK	2023/24 DKK	2024/25 DKK	2023/24 DKK

1. Revenue

Information about the distribution of revenue by activities and geographical markets is provided below. The segment information is prepared in accordance with the company's accounting policies and follows the company's internal financial management.

Revenue comprises the following activities:

Production and sale of modular systems and electrical panels	640,890,470	601,057,703	347,128,868	363,245,625
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Revenue comprises the following geographical markets:

Revenue Europe	585,807,966	533,462,599	292,059,799	300,181,802
Revenue, other countries	55,082,504	67,595,104	55,069,069	63,063,823
Total	640,890,470	601,057,703	347,128,868	363,245,625

2. Employee aspects

Wages and salaries	182,345,009	164,901,720	98,021,211	97,183,440
Pensions	9,605,042	8,994,192	6,138,150	5,865,037
Other social security costs	11,173,587	10,444,856	1,288,384	1,610,139
Other staff costs	3,546,982	2,897,479	2,836,191	2,220,972
Total	206,670,620	187,238,247	108,283,936	106,879,588

Average number of employees during the year	390	365	174	175
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With reference to section 98b(3) no. 2 of the Danish Financial Statements Act, remuneration for the management is not disclosed for 2024/25 and 2023/24, as information would otherwise lead to amounts being shown for a single member of management.

	Group		Parent	
	2024/25 DKK	2023/24 DKK	2024/25 DKK	2023/24 DKK
3. Fees to auditors appointed by the general meeting				
Statutory audit of the financial statements	757,294	581,579	385,000	320,000
Other services	347,869	350,027	320,000	324,000
Total	1,105,163	931,606	705,000	644,000
4. Income from equity investments in group enterprises				
Share of profit or loss of group enterprises	0	0	62,230,215	46,473,459
Total	0	0	62,230,215	46,473,459
5. Financial income				
Interest, group enterprises	129,302	0	697,136	2,195,472
Other interest income	465,622	624,615	383,589	585,642
Foreign currency translation adjustments	302,282	321,602	139,275	191,886
Other financial income	767,904	946,217	522,864	777,528
Total	897,206	946,217	1,220,000	2,973,000

	Group		Parent	
	2024/25 DKK	2023/24 DKK	2024/25 DKK	2023/24 DKK
6. Financial expenses				
Interest, group enterprises	0	2,167,016	11,112	2,186,344
Other interest expenses	3,945,373	4,461,176	3,909,520	4,343,933
Foreign currency translation adjustments	531,527	225,707	511,038	193,514
Other financial expenses	266,314	233,687	266,314	233,688
Other financial expenses	4,743,214	4,920,570	4,686,872	4,771,135
Total	4,743,214	7,087,586	4,697,984	6,957,479
7. Tax on profit for the year				
Current tax for the year	25,952,722	13,398,942	13,575,448	6,211,040
Adjustment of deferred tax for the year	-540,672	3,566,571	-1,912,836	2,463,803
Total	25,412,050	16,965,513	11,662,612	8,674,843
8. Proposed appropriation account				
Reserve for net revaluation according to the equity method	0	0	62,230,215	46,473,459
Proposed dividend for the financial year	35,000,000	25,000,000	35,000,000	25,000,000
Retained earnings	67,334,038	51,420,049	5,103,823	4,946,590
Total	102,334,038	76,420,049	102,334,038	76,420,049

9. Intangible assets

Figures in DKK	Completed development projects	Development projects in progress
Group:		
Cost as at 01.09.24	12,135,087	518,665
Additions during the year	544,108	3,410,910
Disposals during the year	0	-2,215,802
Cost as at 31.08.25	12,679,195	1,713,773
Amortisation and impairment losses as at 01.09.24	-10,567,624	0
Amortisation during the year	-481,592	0
Amortisation and impairment losses as at 31.08.25	-11,049,216	0
Carrying amount as at 31.08.25	1,629,979	1,713,773
Parent:		
Cost as at 01.09.24	12,135,087	518,665
Additions during the year	544,108	3,410,910
Disposals during the year	0	-2,215,802
Cost as at 31.08.25	12,679,195	1,713,773
Amortisation and impairment losses as at 01.09.24	-10,567,624	0
Amortisation during the year	-481,592	0
Amortisation and impairment losses as at 31.08.25	-11,049,216	0
Carrying amount as at 31.08.25	1,629,979	1,713,773

Development projects consist of clearly defined projects where technical aspects and a future market potential are proven and where the company intends to produce, market and use the project provided sufficient certainty for future earnings. Development projects consist of:

1. Automation and design projects in connection with the company's modular system.
2. Obtaining Type Test Certificates in accordance with the International Standards (IEC 61439).
3. Software acquisition in parent company.

Product development projects are capitalized based on their expected future contribution to earnings.

It is a prerequisite for recognition and measurement of development projects that development costs relates to development / further development of a product program sold on a well-established market.

10. Property, plant and equipment

Figures in DKK	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction
Group:				
Cost as at 01.09.24	128,988,279	163,491,082	35,782,528	14,696,140
Foreign currency translation adjustment of foreign enterprises	25,980	27,317	71,727	276
Additions during the year	28,207,450	19,535,210	5,363,838	80,496,119
Disposals during the year	0	0	-1,594,563	-48,074,204
Cost as at 31.08.25	157,221,709	183,053,609	39,623,530	47,118,331
Revaluations as at 01.09.24	92,177,335	0	0	0
Foreign currency translation adjustment of foreign enterprises	28,414	0	0	0
Revaluations as at 31.08.25	92,205,749	0	0	0
Depreciation and impairment losses as at 01.09.24	-27,374,134	-88,003,840	-28,199,647	0
Foreign currency translation adjustment of foreign enterprises	-11,408	-22,034	-50,245	0
Depreciation during the year	-2,388,162	-9,659,440	-2,501,009	0
Reversal of depreciation of and impairment losses on disposed assets	0	0	725,378	0
Depreciation and impairment losses as at 31.08.25	-29,773,704	-97,685,314	-30,025,523	0
Carrying amount as at 31.08.25	219,653,754	85,368,295	9,598,007	47,118,331
Carrying amount in the balance sheet if revaluation to fair value had not been carried out as at 31.08.25	123,223,005	0	0	0

10. Property, plant and equipment - continued -

Figures in DKK	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction
Parent:				
Cost as at 01.09.24	92,446,878	123,356,104	27,283,565	14,307,815
Additions during the year	28,207,450	18,330,356	1,536,397	73,187,323
Disposals during the year	0	0	-966,110	-48,074,204
Cost as at 31.08.25	120,654,328	141,686,460	27,853,852	39,420,934
Revaluations as at 01.09.24	52,188,645	0	0	0
Revaluations as at 31.08.25	52,188,645	0	0	0
Depreciation and impairment losses as at 01.09.24	-11,318,865	-61,060,941	-22,459,678	0
Depreciation during the year	-1,419,705	-7,408,427	-980,034	0
Reversal of depreciation of and impairment losses on disposed assets	0	0	310,000	0
Depreciation and impairment losses as at 31.08.25	-12,738,570	-68,469,368	-23,129,712	0
Carrying amount as at 31.08.25	160,104,403	73,217,092	4,724,140	39,420,934
Carrying amount in the balance sheet if revaluation to fair value had not been carried out as at 31.08.25	110,827,758	0	0	0
Carrying amount of assets held under finance leases as at 31.08.25	0	38,485,301	0	0

11. Equity investments in group enterprises

Figures in DKK	Equity invest- ments in group enterprises
Parent:	
Cost as at 01.09.24	14,924,254
Additions during the year	7,347
Cost as at 31.08.25	14,931,601
Revaluations as at 01.09.24	108,908,104
Foreign currency translation adjustment of foreign enterprises	-11,667
Net profit/loss from equity investments	62,230,215
Dividend relating to equity investments	-37,321,000
Revaluations as at 31.08.25	133,805,652
Carrying amount as at 31.08.25	148,737,253
Name and registered office:	
	Ownership interest
Subsidiaries:	
A/S Løgstrup-El, Helsingør, Denmark	100%
Logstrup Ireland Ltd., Tuam, Ireland	100%
Logstrup UK, Ltd., Manchester, United Kingdom	100%
Logstrup GmbH, Essen, Germany	100%
Lögstrup Sweden AB, Malmö, Sweden	100%

	Group		Parent	
	31.08.25 DKK	31.08.24 DKK	31.08.25 DKK	31.08.24 DKK
12. Work in progress for third parties				
Work in progress for third parties	38,209,897	123,190,465	15,524,504	114,019,232
On-account invoicing	-51,859,778	-118,144,733	-51,859,778	-118,144,733
Total work in progress for third parties	-13,649,881	5,045,732	-36,335,274	-4,125,501
Work in progress for third parties	38,209,897	16,575,989	15,524,504	7,026,693
Prepayments received from work in progress for third parties, short-term payables	-51,859,778	-11,530,257	-51,859,778	-11,152,194
Total	-13,649,881	5,045,732	-36,335,274	-4,125,501

13. Prepayments

Other prepayments	8,899,953	4,642,568	3,737,612	1,395,349
Total	8,899,953	4,642,568	3,737,612	1,395,349

14. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK
Share capital	2,800	2,800,000
Total		2,800,000

	Group		Parent	
	31.08.25 DKK	31.08.24 DKK	31.08.25 DKK	31.08.24 DKK
15. Deferred tax				
Deferred tax as at 01.09.24	33,250,968	29,257,836	25,734,190	23,270,388
Deferred tax recognised in the income statement	581,152	3,993,132	-1,912,836	2,463,802
Deferred tax as at 31.08.25	33,832,120	33,250,968	23,821,354	25,734,190

16. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.08.25	Total payables at 31.08.24
Group:				
Mortgage debt	4,981,274	44,828,396	70,079,501	64,052,017
Payables to other credit institutions	0	0	0	667,640
Lease commitments	5,167,076	8,477,416	35,547,368	40,402,061
Total	10,148,350	53,305,812	105,626,869	105,121,718
Parent:				
Mortgage debt	4,981,274	44,828,396	70,079,501	64,052,017
Lease commitments	5,167,076	8,477,416	35,547,368	40,402,061
Total	10,148,350	53,305,812	105,626,869	104,454,078

17. Contingent liabilities

Group:

Guarantee commitments

The group has provided a bank guarantee of DKK 12,852k to customers as part of the normal business.

Parent:

Recourse guarantee commitments

The company has provided a guarantee for group enterprises' debt to credit institutions. The guarantee is maximised at DKK 4,051k.

Guarantee commitments

The company has provided a bank guarantee of of DKK 12,852k to customers as part of the normal business.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

18. Other commitments

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of up to 5 years and total lease payments of DKK 19,848k, of which a total of DKK 4,692k is due within a year.

Other commitments

The company has entered into binding agreements for the purchase of production equipment and other fixed assets. The total committed amount relating to these agreements is DKK 41,612k, which primarily concerns equipment purchases contracted during 2025 with delivery in 2025–2026.

The company has entered into binding agreements for the purchase of raw materials for future production. The raw materials will be delivered in the next financial year. The commitments related to these purchases amount to DKK 38,904k.

The Company has entered into service agreements relating to certification services, consultancy services, and system validation activities. The total commitment under these agreements amounts to DKK 4,195k.

18. Other commitments - continued -

Parent:

Lease commitments

The company has concluded lease agreements with terms to maturity of up to 5 years and total lease payments of DKK 1,584k, of which a total of DKK 633k is due within a year. .

Other commitments

The company has entered into binding agreements for the purchase of production equipment and other fixed assets. The total committed amount relating to these agreements is DKK 32,146k, which primarily concerns equipment purchases contracted during 2025 with delivery in 2025–2026.

The company has entered into binding agreements for the purchase of raw materials for future production. The raw materials will be delivered in the next financial year. The commitments related to these purchases amount to DKK 16,320k.

The Company has entered into service agreements relating to certification services, consultancy services, and system validation activities. The total commitment under these agreements amounts to DKK 3,501k.

19. Charges and security

Group:

Land and buildings with a carrying amount of DKK 160,104k have been provided as security for mortgage debt of DKK 70,080k.

Parent:

Land and buildings with a carrying amount of DKK 160,104k have been provided as security for mortgage debt of DKK 70,080k.

20. Related parties

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

	Group	
	2024/25 DKK	2023/24 DKK
21. Adjustments for the cash flow statement		
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	14,304,823	13,007,006
Financial income	-897,206	-946,217
Financial expenses	4,743,214	7,087,586
Tax on profit or loss for the year	25,412,050	16,965,513
Other adjustments	1,040,407	771,351
Total	44,603,288	36,885,239

22. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

CURRENCY

The annual report is presented in Danish kroner (DKK).

22. Accounting policies - continued -

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

LEASES

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

GRANTS

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants received for the production or construction of assets are recognised as deferred income under payables. For depreciable and amortisable assets, the grant is recognised as the asset is depreciated or amortised.

22. Accounting policies - continued -

INCOME STATEMENT

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as revenue according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

Production costs

Costs incurred, directly or indirectly, to generate the revenue for the year, including raw materials and consumables, wages and salaries and lease of and depreciation, amortisation and impairment losses on the fixed assets used in the production process, are recognised under production costs.

Distribution costs

Costs for the distribution of goods sold during the year and sales campaigns etc., including wages and salaries for sales staff, advertising and exhibition costs etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used in the distribution and sales activity, are recognised under distribution costs.

Administrative expenses

Expenses incurred during the year for management and administration, including wages and salaries for administrative staff and management as well as office premise expenses, office expenses, bad debts etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used for administration, are recognised under administrative expenses.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

22. Accounting policies - continued -

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Completed development projects	5-10	
Buildings	25-100	0
Plant and machinery	6-15	0
Other plant, fixtures and fittings, tools and equipment	3-6	0

Land is not depreciated.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Income from equity investments in group enterprises

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses, the interest element of finance lease payments etc. are recognised in other net financials.

Amortisation of capital losses and borrowing costs relating to financial liabilities is recognised on an ongoing basis as financial expenses.

22. Accounting policies - continued -

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Completed development projects and development projects in progress

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

22. Accounting policies - continued -

Property, plant and equipment

Property, plant and equipment comprise land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost, for land and buildings with revaluation at fair value recognised under the revaluation reserve in equity, however, and less accumulated depreciation and impairment losses. The fair value for land and buildings is calculated by applying an individually determined discount rate to the capitalisation of a market-based operating income from the property. A valuer has been used to determine the fair value.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Property, plant and equipment under construction

Property, plant and equipment under construction are measured at cost. Costs incurred on property, plant and equipment under construction are transferred to the relevant asset category when the asset is ready for use.

Gains and losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group enterprises

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred.

22. Accounting policies - continued -

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The cost of manufactured finished goods and work in progress is determined as the value of direct material and labour costs. Interest on loans arranged to finance production is not included in the cost.

22. Accounting policies - continued -

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on-account invoicing made for each piece of work in progress.

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

22. Accounting policies - continued -

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

Revaluation reserve comprises in the financial statements of the parent revaluation of land and buildings at fair value. The revaluation reserve is measured less deferred tax and reduced by depreciation and amortisation of the revalued assets. On the disposal of the assets, the remaining amount is transferred from the revaluation reserve to retained earnings.

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries which are adopted before adoption of the annual report for A/S Løgstrup-Steel are not tied up in the revaluation reserve (simultaneous principle).

An amount equivalent to internally generated development costs in the balance sheet is recognised in the financial statements of the parent in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

22. Accounting policies - continued -

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables. Cash flows from financing activities also comprise finance lease payments.

22. Accounting policies - continued -

Cash and cash equivalents at the beginning and end of the year comprise cash.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.