

logstrup



A/S Løgstrup-Steel

www.logstrup.com

CVR-nr. 15 78 91 82

Egeskovvej 16-18-20, 3490 Kvistgård

Annual Report for 2023/2024

This annual report has been adopted
at the company's annual general meeting on 20 / 2 2025

Dirigent / Chairman of the meeting

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The company

A/S Løgstrup-Steel
Egeskovvej 16-18-20
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

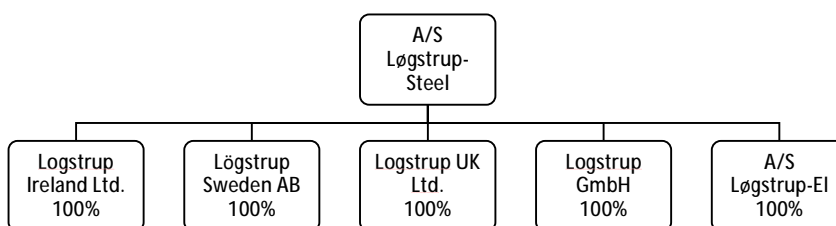
Per Løgstrup

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 01.09.23 - 31.08.24 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 31.08.24 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.09.23 - 31.08.24.

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 20, 2025

Executive Board

Per Løgstrup

Board of Directors

Leif Johan Henrik Ling-Vannerus Mads Mathias Middelboe
Chairman

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 01.09.23 - 31.08.24, 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 31.08.24 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.09.23 - 31.08.24 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 is 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 by law and regulations.

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 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 20, 2025

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	2023/24	2022/23	2021/22	2020/21	2019/20
<i>Profit/loss</i>					
Revenue	601,058	520,158	519,040	412,170	359,151
Index	167	145	145	115	100
Gross profit	197,289	144,139	129,054	115,188	100,456
Index	196	143	128	115	100
Earnings before interest, tax, depreciation and amortisation (EBITDA)	112,533	71,504	61,096	56,363	44,352
Index	254	161	138	127	100
Operating profit (EBIT)	99,527	59,781	50,068	45,943	34,423
Index	289	174	145	133	100
Total net financials	-6,141	-4,069	-2,195	-1,483	-966
Profit before tax (EBT)	93,386	55,712	47,873	44,460	33,457
Index	279	167	143	133	100
Profit for the year	76,420	48,604	39,821	37,146	17,534
<i>Balance</i>					
Total assets	610,466	542,458	489,758	422,369	366,689
Investments in property, plant and equipment	16,631	49,867	30,332	28,520	27,007
Equity	344,722	287,833	240,098	215,487	190,786
<i>Cashflow</i>					
Net cash flow:					
Operating activities	111,701	60,309	36,575	20,688	47,461
Investing activities	-16,631	-49,674	-30,745	-28,535	-25,700
Financing activities	-14,965	-11,442	-7,433	-5,355	4,714
Cash flows for the year	80,105	-807	-1,603	-13,202	26,475

Ratios

	2023/24	2022/23	2021/22	2020/21	2019/20
<i>Profitability</i>					
Return on equity	24%	18%	18%	18%	16%
Profit margin	17%	11%	10%	11%	10%
Return on capital employed (ROCE)	16.3	11.0	10.2	10.9	9.4

Equity ratio

Equity interest	56%	53%	49%	51%	52%
Equity interest, parent	62%	58%	54%	56%	54%

Others

Number of employees (average)	365	332	313	292	270
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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	$\frac{\text{Operation profit/loss} \times 100}{\text{Total assets}}$
Equity interest	$\frac{\text{Equity, end of the year} \times 100}{\text{Total assets}}$

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 a modular system for building and installing electrical panels.

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 01.09.23 - 31.08.24 shows a profit before tax of DKK 93.385.562 against DKK 55.712.146 for the period 01.09.22 - 31.08.23. The increase in profit before tax is 67,6% and the balance sheet shows equity of DKK 344.722.087.

The turnover expectations for the year 2023-2024 was an increase compared to the year 2022-2023 with DKK 520.158.243. We realized a turnover of DKK 601.057.703.

As just about every department and subsidiaries have reached a positive development in the current financial year 2023/24, the growth and result are considered very satisfactory and better than expected.

Furthermore, the large investments in production capacity have had a positive impact.

Outlook

In beginning of the year 2024-2025 we have seen some delays in projects and expect the turnover to be slightly below 2023-2024. For the year 2024-2025 we expect the turnover to be in the range of mDKK 550-600. We still expect our core markets to continue the general growth and expect an increase in turnover in the coming years.

We will continue investments in 2024-2025 in a fully automatic robotics warehouse, new ERP system and further increase the production capacity in Denmark and Ireland to improve the company's delivery time and competitiveness. The expected range of turnover for 2024-2025 will influence the result accordingly and we therefore expect the profit before tax to be in the range of mDKK 60-75.

We do not see any specific uncertain factors which are decisive for our expectations for the year 2024-2025.

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 the 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 5,369k on development activities, of which DKK 4,952k has been included as an expense in the profit and loss account and DKK 417k 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 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 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.

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#60wpfd-certificates>

Logstrup acknowledges our cooperate responsibility and wants to contribute to conserving the environmental, social and economic structures that are pivots for sustainable development in Denmark and globally.

Therefore, we are working on documenting our activities in areas where we already contribute and where we want to contribute in the future.

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.

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.

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.

These initiatives have lowered our carbon footprint and improved energy efficiency in production. The solar power plant's contribution to our overall energy consumption and CO2 reduction will be included in our future ESG reporting.

We have initiated a life cycle assessment of our modular system to gain a complete overview of its total climate impact. The analysis will help us identify areas for improvement and provide our customers with insights on how to optimize the use and management of the product to minimize its environmental footprint.

No specific KPIs for ESG have been developed yet in connection with CSRD reporting. We will define concrete CSRD metrics for the Financial Annual Report 2025-2026.

Social (S)

Policy for social issues and labour conditions

Introduction

Logstrup is well aware that the 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 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. We have implemented several initiatives, including an update to the employee health insurance and the introduction of an improved canteen program that provides healthy and varied meals. Additionally, we have strengthened our focus on continuous training initiatives that promote both professional and personal development.

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.

No specific KPIs for ESG have been developed yet in connection with CSRD reporting. We will define concrete CSRD metrics for the Financial Annual Report 2025-2026.

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.

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

We choose our suppliers from these principles and we only used internationally acknowledged suppliers, who are in control of their supply chain. Logstrup suppliers that delivers approximately 80% of our materials, all have CSR Policies in place, which we register.

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.

A majority of our suppliers have signed our Code of conduct have now signed declarations of compliance with the principles of the UN Global Compact. This ensures that our procurement aligns with the highest standards for environmental, social, and governance practices.

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

Gender composition of the management

Supreme management body

The company sees gender diversity on the Board of Directors as important to ensure that both genders are represented and can contribute to the company being viewed from different angles.

	31.08.24	31.08.23	31.08.22	31.08.21	31.08.20
Number of members	3	*)	*)	*)	*)
Underrepresented sex (%)	0%	*)	*)	*)	*)
Target (%)	25%	*)	*)	*)	*)
Target figures expected to be met in year	2026	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Update on meeting targets

The company's Board of Directors currently consists of 0 female board members out of a total of 3 board members (0%), which is unchanged from last year.

The board of directors consists of 5 people of whom 3 are elected by the annual general meeting, i.e., by the owner. 2 members of the board of directors are elected by the employees.

The composition of the Board of Directors is determined by the shareholder and the employees.

Currently, the underrepresented gender determined by the shareholder accounts for 0%. The company has set a target for 25% of the board to be represented by the underrepresented gender. This reflects our commitment to equality and diversity as part of our responsible governance structure.

Significant actions taken during the financial year to achieve the target

The Board of Directors is determined by the shareholder has not been changed during the financial report year and therefor the company target for the underrepresented gender has not been met.

Accounting policies

The gender diversity ratio in the supreme management body is calculated as the proportion of female board members on the Board of Directors. It only includes board members elected by the general meeting. Employee representatives are not included.

Other management levels

Other levels of management include the Executive Board, and people with responsibility for personnel who report directly to the Executive Board. Because of the significant majority of men employees within the business, the percentage of women with management responsibilities is 0%. The company has set a target figure for 15% the underrepresented gender in other management levels.

	31.08.24	31.08.23	31.08.22	31.08.21	31.08.20
Number of managers	16	*)	*)	*)	*)
Underrepresented sex (%)	6%	*)	*)	*)	*)
Target (%)	15%	*)	*)	*)	*)
Target figures expected to be met in year	2028	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Update on meeting targets

The company's other levels of management currently consist of 1 female manager out of a total of 16 managers (6%), which is unchanged from last year.

Description of material content of the policy

The company's general employment policy states that all employees are hired on the basis of their qualifications and without regard for gender or other characteristics not related to the qualitative contents of the position in question, but if two candidates are equal, the candidate from the underrepresented gender will be chosen.

The company operates in a business traditionally employed by men and the current staff consists of approximately 90% men.

The company has set a target for the underrepresented sex at other management levels of 15%. The company is working towards achieving the target before the end of 2028.

Significant actions taken during the financial year to achieve the target

The company has taken the following actions during the year in line with this policy to increase the proportion of female managers:

- Pursuing staff policies that promote equal career opportunities for both sexes

Accounting policies

The gender diversity ratio at other management levels is calculated as the proportion of female managers with responsibility for personnel out of the total number of managers with responsibility for personnel at the other management levels.

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 does not process sensitive personal data or complex datasets as part of its daily operations, nor does it use algorithms for data analysis. As such, data analysis and processing are not integral to the company's strategy or business model. Despite this, we acknowledge that responsible data management and the ethical use of technology are central to modern business operations and governance. As a result, we proactively ensure the following:

1. **Security and Compliance:** Although data processing is not a core activity, we ensure compliance with applicable legislation, including GDPR, in the event data is processed.
2. **Ethical Technology:** We only use technological solutions that are designed and developed in accordance with ethical standards and respect for individual rights.
3. **Supplier Responsibility:** When collaborating with external partners, we expect them to share our commitment to data ethics and security.
4. **Transparency:** We are open about how we use technology and data, and we commit to informing our stakeholders if data ethics becomes a more significant area in our business strategy.

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

Income statement

Note	Group		Parent		
	2023/24	2022/23	2023/24	2022/23	
	DKK	DKK	DKK	DKK	
1	Revenue	601,057,703	520,158,242	363,245,625	323,003,810
	Production costs	-403,768,791	-376,019,559	-269,700,184	-259,795,525
	Gross profit	197,288,912	144,138,683	93,545,441	63,208,285
	Distribution costs	-40,860,078	-34,998,100	-23,418,758	-20,826,942
	Administration costs	-57,839,698	-50,089,810	-27,520,771	-25,487,308
	Other operating income	937,795	730,115	0	0
	Operating profit	99,526,931	59,780,888	42,605,912	16,894,035
4	Income from equity investments in group enterprises	0	0	46,473,459	36,842,390
5	Financial income	946,217	882,234	2,973,000	2,959,287
6	Financial expenses	-7,087,586	-4,950,976	-6,957,479	-4,757,354
	Profit before tax	93,385,562	55,712,146	85,094,892	51,938,358
7	Tax on profit for the year	-16,965,513	-7,107,985	-8,674,843	-3,334,197
	Profit for the year	76,420,049	48,604,161	76,420,049	48,604,161
8	Proposed appropriation account				

ASSETS		Group		Parent	
		31.08.24 DKK	31.08.23 DKK	31.08.24 DKK	31.08.23 DKK
Note					
	Completed development projects	1,567,463	1,748,208	1,567,463	1,748,208
	Development projects in progress	518,665	506,880	518,665	506,880
9	Total intangible assets	2,086,128	2,255,088	2,086,128	2,255,088
	Land and buildings	193,791,480	195,295,168	133,316,658	134,000,000
	Plant and machinery	75,487,242	51,387,167	62,295,163	36,786,303
	Other fixtures and fittings, tools and equipment	7,582,881	6,495,119	4,823,889	3,961,836
	Property, plant and equipment under construction	14,696,140	34,462,685	14,307,815	34,462,685
10	Total property, plant and equipment	291,557,743	287,640,139	214,743,525	209,210,824
11	Equity investments in group enterprises	0	0	123,832,358	99,259,143
	Receivables from group enterprises	0	0	0	8,676,594
	Total investments	0	0	123,832,358	107,935,737
	Total non-current assets	293,643,871	289,895,227	340,662,011	319,401,649
	Raw materials and consumables	36,969,399	39,682,508	19,795,754	20,110,723
	Work in progress	10,597,614	12,609,334	6,296,037	7,227,298
	Manufactured goods and goods for resale	32,004,836	40,883,467	24,597,593	26,767,058
	Total inventories	79,571,849	93,175,309	50,689,384	54,105,079
12	Work in progress for third parties	16,575,989	23,542,898	7,026,693	8,495,801
	Trade receivables	121,077,471	117,406,327	62,711,460	58,661,442
	Receivables from group enterprises	0	0	5,181,437	42,194,515
	Other receivables	13,532,274	13,785,985	11,825,440	11,540,835
13	Prepayments	4,642,568	3,333,834	1,395,349	1,685,620
	Total receivables	155,828,302	158,069,044	88,140,379	122,578,213
	Cash	81,422,387	1,318,521	73,072,912	18,104
	Total current assets	316,822,538	252,562,874	211,902,675	176,701,396
	Total assets	610,466,409	542,458,101	552,564,686	496,103,045

EQUITY AND LIABILITIES		Group		Parent	
		31.08.24 DKK	31.08.23 DKK	31.08.24 DKK	31.08.23 DKK
Note					
14	Share capital	2,800,000	2,800,000	2,800,000	2,800,000
	Revaluation reserve	75,736,670	75,665,716	40,707,142	40,707,142
	Reserve for net revaluation according to the equity method	0	0	108,908,104	84,342,337
	Reserve for development costs	1,038,413	1,154,663	1,038,413	1,154,663
	Retained earnings	240,147,004	188,212,651	166,268,428	138,828,888
	Proposed dividend for the financial year	25,000,000	20,000,000	25,000,000	20,000,000
	Total equity	344,722,087	287,833,030	344,722,087	287,833,030
15	Provisions for deferred tax	33,250,968	29,257,836	25,734,190	23,270,388
	Total provisions	33,250,968	29,257,836	25,734,190	23,270,388
16	Mortgage debt	60,376,954	49,420,013	60,376,954	49,420,015
16	Payables to other credit institutions	369,209	32,757,345	0	32,095,305
16	Lease commitments	35,647,132	6,379,665	35,647,132	6,379,665
	Total long-term payables	96,393,295	88,557,023	96,024,086	87,894,985
16	Short-term part of long-term payables	8,728,423	4,760,770	8,429,992	4,249,155
	Payables to other credit institutions	0	6,769,267	0	3,516,644
12	Prepayments received from work in progress for third parties	11,530,257	13,691,518	11,152,194	13,691,518
	Trade payables	62,322,462	69,128,489	38,361,495	50,314,954
	Payables to group enterprises	0	1,278,669	3,443,925	2,095,729
	Income taxes	5,222,713	2,361,413	4,634,057	1,735,770
	Other payables	47,580,657	37,506,439	20,062,660	21,500,872
	Deferred income	715,547	1,313,647	0	0
	Total short-term payables	136,100,059	136,810,212	86,084,323	97,104,642
	Total payables	232,493,354	225,367,235	182,108,409	184,999,627
	Total equity and liabilities	610,466,409	542,458,101	552,564,686	496,103,045
17	Contingent liabilities				
18	Charges and security				
19	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 01.09.22 - 31.08.23							
Balance as at 01.09.22	2,800,000	61,132,375	0	1,545,973	159,619,277	15,000,000	240,097,625
Foreign currency translation adjustment of foreign enterprises	0	49,076	0	0	-402,667	0	-353,591
Revaluations during the year	0	17,052,539	0	0	0	0	17,052,539
Total depreciation, amortisation, impairment losses and write-downs during the year	0	0	0	-501,679	0	0	-501,679
Dividend paid	0	0	0	0	0	-15,000,000	-15,000,000
Tax on changes in equity	0	-2,568,274	0	110,369	0	0	-2,457,905
Transfers to/from other reserves	0	0	0	0	391,880	0	391,880
Net profit/loss for the year	0	0	0	0	28,604,161	20,000,000	48,604,161
Balance as at 31.08.23	2,800,000	75,665,716	0	1,154,663	188,212,651	20,000,000	287,833,030
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

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 01.09.22 - 31.08.23							
Balance as at 01.09.22	2,800,000	37,121,555	59,311,190	1,545,973	124,318,907	15,000,000	240,097,625
Foreign currency translation adjustment of foreign enterprises	0	0	-353,022	0	0	0	-353,022
Revaluations during the year	0	4,596,907	10,898,679	0	0	0	15,495,586
Total depreciation, amortisation, impairment losses and write-downs during the year	0	0	0	-501,679	0	0	-501,679
Distributed dividend from group enterprises	0	0	-22,356,900	0	22,356,900	0	0
Dividend paid	0	0	0	0	0	-15,000,000	-15,000,000
Tax on changes in equity	0	-1,011,320	0	110,369	0	0	-900,951
Transfers to/from other reserves	0	0	0	0	391,310	0	391,310
Net profit/loss for the year	0	0	36,842,390	0	-8,238,229	20,000,000	48,604,161
Balance as at 31.08.23	2,800,000	40,707,142	84,342,337	1,154,663	138,828,888	20,000,000	287,833,030
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

Consolidated cash flow statement

Note	Group	
	2023/24 DKK	2022/23 DKK
	76,420,049	48,604,161
	76,420,049	48,604,161
20	36,885,239	22,514,062
Change in working capital:		
Inventories	13,603,460	-4,298,024
Receivables	2,240,745	5,827,491
Trade payables	-6,806,027	-19,120,906
Other payables relating to operating activities	6,036,188	20,012,339
Cash flows from operating activities before net financials	128,379,654	73,539,123
Interest income and similar income received	946,217	882,234
Interest expenses and similar expenses paid	-7,087,586	-4,950,976
Income tax paid	-10,537,643	-9,161,729
Cash flows from operating activities	111,700,642	60,308,652
Purchase of intangible assets	-370,924	-249,004
Purchase of property, plant and equipment	-16,260,508	-49,867,449
Sale of property, plant and equipment	0	442,000
Cash flows from investing activities	-16,631,432	-49,674,453
Dividend paid	-20,000,000	-15,000,000
Repayment of mortgage debt	11,803,923	13,555,870
Repayment of payables to credit institutions	-6,769,267	-9,997,602
Cash flows from financing activities	-14,965,344	-11,441,732
Total cash flows for the year	80,103,866	-807,533
Cash, beginning of year	1,318,521	2,126,054
Cash, end of year	81,422,387	1,318,521
Cash, end of year, comprises:		
Cash	81,422,387	1,318,521
Total	81,422,387	1,318,521

	Group		Parent	
	2023/24 DKK	2022/23 DKK	2023/24 DKK	2022/23 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	601,057,703	520,158,242	363,245,625	323,003,810
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Revenue comprises the following geographical markets:

Revenue Europe	533,462,599	425,888,547	300,181,802	262,166,843
Revenue, other countries	67,595,104	94,269,695	63,063,823	60,836,967
Total	601,057,703	520,158,242	363,245,625	323,003,810

2. Employee aspects

Wages and salaries	165,043,186	141,698,316	97,324,906	86,896,056
Pensions	8,994,192	8,652,149	5,865,037	4,559,454
Other social security costs	10,303,390	8,552,874	1,468,673	1,355,654
Other staff costs	2,897,479	3,744,465	2,220,972	2,404,269
Total	187,238,247	162,647,804	106,879,588	95,215,433

Average number of employees during the year	365	332	175	166
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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 2023/24 and 2022/23, as information would otherwise lead to amounts being shown for a single member of management.

	Group		Parent	
	2023/24 DKK	2022/23 DKK	2023/24 DKK	2022/23 DKK

3. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	581,579	566,569	320,000	320,000
Other assurance engagements	0	126,462	0	0
Other services	350,027	355,000	324,000	355,000
Total	931,606	1,048,031	644,000	675,000

4. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	46,473,459	36,842,390
Total	0	0	46,473,459	36,842,390

5. Financial income

Interest, group enterprises	0	0	2,195,472	2,211,284
Other interest income	624,615	0	585,642	45,806
Foreign currency translation adjustments	321,602	702,197	191,886	702,197
Other financial income	0	180,037	0	0
Other financial income	946,217	882,234	777,528	748,003
Total	946,217	882,234	2,973,000	2,959,287

	Group		Parent	
	2023/24 DKK	2022/23 DKK	2023/24 DKK	2022/23 DKK
6. Financial expenses				
Interest, group enterprises	2,167,016	1,373,774	2,186,344	1,407,769
Other interest expenses	4,461,176	2,510,919	4,343,933	2,283,302
Foreign currency translation adjustments	225,707	693,957	193,514	693,957
Other financial expenses	233,687	372,326	233,688	372,326
Other financial expenses	4,920,570	3,577,202	4,771,135	3,349,585
Total	7,087,586	4,950,976	6,957,479	4,757,354

7. Tax on profit for the year

Current tax for the year	13,398,942	6,820,103	6,211,040	2,473,770
Adjustment of deferred tax for the year	3,566,571	287,882	2,463,803	860,427
Total	16,965,513	7,107,985	8,674,843	3,334,197

8. Proposed appropriation account

Reserve for net revaluation according to the equity method	0	0	46,473,459	36,842,390
Proposed dividend for the financial year	25,000,000	20,000,000	25,000,000	20,000,000
Retained earnings	51,420,049	28,604,161	4,946,590	-8,238,229
Total	76,420,049	48,604,161	76,420,049	48,604,161

9. Intangible assets

Figures in DKK	Completed development projects	Development projects in progress
Group:		
Cost as at 01.09.23	11,775,948	506,880
Additions during the year	359,139	417,240
Disposals during the year	0	-405,455
Cost as at 31.08.24	12,135,087	518,665
Amortisation and impairment losses as at 01.09.23	-10,027,740	0
Amortisation during the year	-539,884	0
Amortisation and impairment losses as at 31.08.24	-10,567,624	0
Carrying amount as at 31.08.24	1,567,463	518,665
Parent:		
Cost as at 01.09.23	11,775,948	506,880
Additions during the year	359,139	417,240
Disposals during the year	0	-405,455
Cost as at 31.08.24	12,135,087	518,665
Amortisation and impairment losses as at 01.09.23	-10,027,740	0
Amortisation during the year	-539,884	0
Amortisation and impairment losses as at 31.08.24	-10,567,624	0
Carrying amount as at 31.08.24	1,567,463	518,665

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 01.09.23	128,258,522	140,902,145	42,808,106	34,462,684
Foreign currency translation adjustment of foreign enterprises	32,336	95,202	159,150	0
Additions during the year	697,422	32,193,314	3,221,920	14,727,875
Disposals during the year	0	-9,702,261	-10,406,645	-34,494,419
Cost as at 31.08.24	128,988,280	163,488,400	35,782,531	14,696,140
Revaluations as at 01.09.23	92,141,953	0	0	0
Foreign currency translation adjustment of foreign enterprises	35,382	0	0	0
Revaluations as at 31.08.24	92,177,335	0	0	0
Depreciation and impairment losses as at 01.09.23	-25,105,307	-89,514,978	-36,312,985	0
Foreign currency translation adjustment of foreign enterprises	-13,433	-71,293	-113,129	0
Depreciation during the year	-2,255,395	-8,117,148	-2,180,182	0
Reversal of depreciation of and impairment losses on disposed assets	0	9,702,261	10,406,646	0
Depreciation and impairment losses as at 31.08.24	-27,374,135	-88,001,158	-28,199,650	0
Carrying amount as at 31.08.24	193,791,480	75,487,242	7,582,881	14,696,140
Carrying amount in the balance sheet if revaluation to fair value had not been carried out as at 31.08.24	105,514,145	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 01.09.23	91,749,456	91,817,218	25,308,625	34,462,685
Additions during the year	697,422	31,538,885	1,974,941	14,339,550
Disposals during the year	0	0	0	-34,494,420
Cost as at 31.08.24	92,446,878	123,356,103	27,283,566	14,307,815
Revaluations as at 01.09.23	52,188,645	0	0	0
Revaluations as at 31.08.24	52,188,645	0	0	0
Depreciation and impairment losses as at 01.09.23	-9,938,101	-55,030,915	-21,346,788	0
Depreciation during the year	-1,380,764	-6,030,025	-1,112,889	0
Depreciation and impairment losses as at 31.08.24	-11,318,865	-61,060,940	-22,459,677	0
Carrying amount as at 31.08.24	133,316,658	62,295,163	4,823,889	14,307,815
Carrying amount in the balance sheet if revaluation to fair value had not been carried out as at 31.08.24	83,815,013	0	0	0
Carrying amount of assets held under finance leases as at 31.08.24	0	41,566,152	0	0

11. Equity investments in group enterprises

Figures in DKK	Equity invest- ments in group enterprises
Parent:	
Cost as at 01.09.23	14,916,806
Additions during the year	7,449
Cost as at 31.08.24	14,924,255
Revaluations as at 01.09.23	84,342,336
Foreign currency translation adjustment of foreign enterprises	469,008
Net profit/loss from equity investments	46,473,459
Dividend relating to equity investments	-22,376,700
Revaluations as at 31.08.24	108,908,103
Carrying amount as at 31.08.24	123,832,358
Subsidiaries:	
Name and registered office:	Ownership interest
A/S Løgstrup-El, Helsingør, Denmark	100%
Logstrup Ireland Ltd., Tuam, Ireland	100%
Logstruk UK, Ltd., Manchester, United Kingdom	100%
Logstrup GmbH, Essen, Germany	100%
Lögstrup Sweden AB, Malmö, Sweden	100%

	Group		Parent	
	31.08.24	31.08.23	31.08.24	31.08.23
	DKK	DKK	DKK	DKK

12. Work in progress for third parties

Work in progress for third parties	123,568,528	50,335,115	114,019,232	35,288,018
On-account invoicing	-106,992,539	-26,792,217	-106,992,539	-26,792,217
Total work in progress for third parties	16,575,989	23,542,898	7,026,693	8,495,801
Prepayments received from work in progress for third parties, short-term payables	-11,530,257	-13,691,518	-11,152,194	-13,691,518

13. Prepayments

Other prepayments	4,642,568	3,333,834	1,395,349	1,685,620
Total	4,642,568	3,333,834	1,395,349	1,685,620

14. Share capital

The share capital consists of:

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

	Group		Parent	
	31.08.24 DKK	31.08.23 DKK	31.08.24 DKK	31.08.23 DKK

15. Deferred tax

Deferred tax as at 01.09.23	29,257,836	26,401,680	23,270,388	21,398,641
Deferred tax recognised in the income statement	3,993,132	287,882	2,463,802	860,427
Deferred tax recognised in equity	0	2,568,274	0	1,011,320
Deferred tax as at 31.08.24	33,250,968	29,257,836	25,734,190	23,270,388

16. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.08.24	Total payables at 31.08.23
Group:				
Mortgage debt	3,675,063	44,556,824	64,052,017	52,674,593
Payables to other credit institutions	298,431	0	667,640	33,268,960
Lease commitments	4,754,929	13,925,144	40,402,061	7,374,240
Total	8,728,423	58,481,968	105,121,718	93,317,793
Parent:				
Mortgage debt	3,675,063	44,556,824	64,052,017	52,674,595
Payables to other credit institutions	0	0	0	32,095,305
Lease commitments	4,754,929	13,925,144	40,402,061	7,374,240
Total	8,429,992	58,481,968	104,454,078	92,144,140

17. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of up to 5 years and total lease payments of DKK 8.346k, of which a total of DKK 1.261k is due within a year.

Guarantee commitments

The group has provided a bank guarantee of DKK 8.728k to customers as part of the normal business.

Parent:

Lease commitments

The company has concluded lease agreements with terms to maturity of up to 5 years and total lease payments of DKK 563k, of which a total of DKK 465k is due within a year.

Recourse guarantee commitments

The company has provided a guarantee for group enterprises' debt to credit institutions. The guarantee is maximised at DKK 3.837.600.

Guarantee commitments

The company has provided a bank guarantee of DKK 8.728k to customers as part of the normal business.

The Company has issued a guarantee regarding Logstrup (Ireland) Ltd. with respect to Section 357 (1) of the Companies Act 2014.

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 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. Charges and security

Group:

Land and buildings with a carrying amount of DKK 133,317k have been provided as security for mortgage debt of DKK 64,052k.

Parent:

Land and buildings with a carrying amount of DKK 133,317k have been provided as security for mortgage debt of DKK 64,052k.

19. Related parties

Controlling influence	Basis of influence
Per Løgstrup A/S Løgstrup-Electric, Helsingør	Owner of the parent company Parent company

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

	Group	
	2023/24 DKK	2022/23 DKK
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	13,007,006	11,723,204
Financial income	-946,217	-882,234
Financial expenses	7,087,586	4,950,976
Tax on profit or loss for the year	16,965,513	7,107,985
Other adjustments	771,351	-385,869
Total	36,885,239	22,514,062

20. Adjustments for the cash flow statement

Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	13,007,006	11,723,204
Financial income	-946,217	-882,234
Financial expenses	7,087,586	4,950,976
Tax on profit or loss for the year	16,965,513	7,107,985
Other adjustments	771,351	-385,869
Total	36,885,239	22,514,062

21. 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).

21. 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.

21. 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.

21. 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.

21. 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.

21. 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.

21. 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.

21. 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.

21. 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.

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.

21. 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.

21. 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.