

ABI Invest Industriudvikling ApS

E Christensens Vej 76, 7430 Ikast
CVR no. 42 73 21 33

Annual report for 2024

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 30.06.25

Kent Keiward Pham
Dirigent

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The company

ABI Invest Industriudvikling ApS
c/o AB Inventech A/S
E Christensens Vej 76
7430 Ikast
Registered office: Ikast-Brande Kommune
CVR no.: 42 73 21 33
Financial year: 01.01 - 31.12

Executive Board

Sven Henrik Ragnar Flygar
Kent Keiward Pham

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Bank

Jyske Bank

Statement by the Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.01.24 - 31.12.24 for ABI Invest Industriudvikling ApS.

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 31.12.24 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.01.24 - 31.12.24.

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.

Ikast, June 30, 2025

Executive Board

Sven Henrik Ragnar Flygar

Kent Keiward Pham

To the shareholder of ABI Invest Industriudvikling ApS**Opinion**

We have audited the consolidated financial statements and financial statements of ABI Invest Industriudvikling ApS for the financial year 01.01.24 - 31.12.24, 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 31.12.24 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.01.24 - 31.12.24 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.

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.

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 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.

Aarhus, June 30, 2025

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Jesper Resdal Thomsen
State Authorised Public Accountant
MNE-no. mne34536

GROUPS FINANCIAL HIGHLIGHTS**Key figures**

Figures in DKK '000

	2024	2023	01.10.21 31.12.22
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Profit/loss

Gross result	76,216	49,314	28,618
Index	266	172	100
Operating loss	-9,675	-22,923	-32,881
Total net financials	-5,012	-4,970	-3,024
Loss for the year	-14,129	-24,578	-31,763

Balance

Total assets	170,948	176,925	163,775
Investments in property, plant and equipment	360	423	-941
Equity	55,097	63,461	78,237

Cashflow

Net cash flow:			
Operating activities	2,134	-19,851	-20,402
Investing activities	-4,821	-4,567	-161,385
Financing activities	9,428	27,530	162,152
Cash flows for the year	6,741	3,112	-19,635

Ratios

	2024	2023	01.10.21 31.12.22
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Profitability

Return on equity	-24%	-39%	-81%
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Equity ratio

Solvency ratio	32%	36%	48%
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Ratios - continued -

	2024	2023	01.10.21 31.12.22
<i>Liquidity and financing</i>			
Liquidity ratio	109%	106%	146%

Ratios definitions

Return on equity:	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Solvency ratio:	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets}}$
Liquidity ratio:	$\frac{\text{Current assets} \times 100}{\text{Short-term payables}}$

Primary activities

The group's main activities are developing, designing, installing and servicing special machines and industrial machines that streamline customers' production processes.

The parent company's main activity is to own shares in subsidiaries.

Development in activities and financial affairs

The income statement for the period 01.01.24 - 31.12.24 shows a profit/loss of DKK -14,129k against DKK -24,578k for the period 01.01.23 - 31.12.23. The balance sheet shows equity of DKK 55,097k.

The annual loss has improved from 24.5 million DKK in 2023 to 14 million DKK in 2024. Expectations for the year were 3-5 million DKK before tax, meaning the actual result is below the expected targets. This deviation is primarily due to delays in delivery times on several significant projects, as well as the fact that last years expectations did not account for the amortization of goodwill. Management finds the annual result unsatisfactory, despite the positive development compared to 2023.

Outlook

At the beginning of 2025, there is a good backlog of orders and high activity in inquiries and offers, which gives management reason for optimism regarding improved operations in the fiscal year 2025. Management expects an EBITDA in the range of 1,5-3,5 million DKK and a loss before tax in the range of 13-14 million DKK.

Research and development activities

The company continuously conducts development activities to maintain its leading technologic and market position, especially in special applications in the wind turbine industry. Significant development activities are also expected to be carried out in the coming fiscal year.

Subsequent events

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

Note	Group		Parent		
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000	
	76,216	49,314	-402	-1,233	
2	Staff costs	-72,269	-58,954	0	0
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	3,947	-9,640	-402	-1,233
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-13,622	-13,048	0	0
	Other operating expenses	0	-235	0	0
	Operating loss	-9,675	-22,923	-402	-1,233
3	Income from equity investments in group enterprises	0	0	-9,352	-17,036
	Financial income	606	11	3	1
	Financial expenses	-5,618	-4,981	0	0
	Loss before tax	-14,687	-27,893	-9,751	-18,268
	Tax on loss for the year	558	3,315	0	0
	Loss for the year	-14,129	-24,578	-9,751	-18,268

4 Proposed appropriation account

Note	ASSETS				
	Group		Parent		
	31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000	
	Completed development projects	7,031	0	0	0
	Acquired rights	1,463	889	0	0
	Goodwill	81,353	92,975	0	0
	Development projects in progress	3,188	7,432	0	0
5	Total intangible assets	93,035	101,296	0	0
	Leasehold improvements	251	152	0	0
	Plant and machinery	364	938	0	0
	Other fixtures and fittings, tools and equipment	820	882	0	0
6	Total property, plant and equipment	1,435	1,972	0	0
7	Equity investments in group enterprises	0	0	37,724	47,076
8	Deposits	536	413	0	0
	Total investments	536	413	37,724	47,076
	Total non-current assets	95,006	103,681	37,724	47,076
	Raw materials and consumables	5,948	7,585	0	0
	Prepayments for goods	367	0	0	0
	Total inventories	6,315	7,585	0	0
9	Work in progress for third parties	25,908	24,264	0	0
	Trade receivables	27,761	32,888	0	0
	Receivables from group enterprises	0	143	0	0
12	Deferred tax asset	2,906	2,348	0	0
	Other receivables	1,327	1,567	0	0
10	Prepayments	1,749	1,214	0	0
	Total receivables	59,651	62,424	0	0
	Cash	9,976	3,235	132	200
	Total current assets	75,942	73,244	132	200
	Total assets	170,948	176,925	37,856	47,276

		Group		Parent	
		31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000
EQUITY AND LIABILITIES					
Note					
	Share capital	40	40	40	40
	Reserve for development costs	7,971	5,797	0	0
	Retained earnings	29,453	40,186	37,424	45,983
	Equity attributable to owners of the parent	37,464	46,023	37,464	46,023
11	Non-controlling interests	17,633	17,438	0	0
	Total equity	55,097	63,461	37,464	46,023
13	Other provisions	999	2,582	0	0
	Total provisions	999	2,582	0	0
14	Subordinate loan capital	4,951	4,759	0	0
14	Payables to other credit institutions	32,984	32,767	0	0
14	Other payables	4,275	4,073	0	0
14	Deferred income	3,052	0	0	0
	Total long-term payables	45,262	41,599	0	0
14	Short-term part of long-term payables	6,372	0	0	0
	Payables to other credit institutions	29,934	32,160	0	0
	Lease commitments	0	222	0	0
9	Prepayments received from work in progress for third parties	13,346	16,033	0	0
	Trade payables	10,824	10,757	0	0
	Payables to group enterprises	64	64	392	1,253
	Other payables	9,050	6,637	0	0
	Deferred income	0	3,410	0	0
	Total short-term payables	69,590	69,283	392	1,253
	Total payables	114,852	110,882	392	1,253
	Total equity and liabilities	170,948	176,925	37,856	47,276
15	Contingent liabilities				
16	Charges and security				
17	Related parties				

Statement of changes in equity

Figures in DKK '000	Share capital	Reserve for development costs	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group:						
Statement of changes in equity for 01.01.24 - 31.12.24						
Balance as at 01.01.24	40	5,797	40,186	46,023	17,438	63,461
Capital increase	0	0	0	0	4,573	4,573
Group contribution	0	0	1,192	1,192	0	1,192
Transfers to/from other reserves	0	2,174	-2,174	0	0	0
Net profit/loss for the year	0	0	-9,751	-9,751	-4,378	-14,129
Balance as at 31.12.24	40	7,971	29,453	37,464	17,633	55,097

Parent:

Statement of changes in equity for 01.01.24 - 31.12.24

Balance as at 01.01.24	40	0	45,983	46,023	0	46,023
Group contribution	0	0	1,192	1,192	0	1,192
Net profit/loss for the year	0	0	-9,751	-9,751	0	-9,751
Balance as at 31.12.24	40	0	37,424	37,464	0	37,464

Consolidated cash flow statement

Note	Group	
	2024 DKK '000	2023 DKK '000
	-14,129	-24,578
Loss for the year		
18 Adjustments	18,073	15,402
Change in working capital:		
Inventories	1,270	-1,879
Receivables	3,207	-13,026
Trade payables	67	6,053
Other payables relating to operating activities	240	2,310
Other provisions	-1,583	837
Cash flows from operating activities before net financials	7,145	-14,881
Interest income and similar income received	607	11
Interest expenses and similar expenses paid	-5,618	-4,981
Cash flows from operating activities	2,134	-19,851
Purchase of intangible assets	-4,463	-3,909
Sale of intangible assets	0	-235
Purchase of property, plant and equipment	-360	-423
Sale of property, plant and equipment	2	0
Cash flows from investing activities	-4,821	-4,567
Raising of additional capital	5,765	9,800
Arrangement of payables to credit institutions	0	31,237
Repayment of payables to credit institutions	3,490	-13,384
Repayment of lease commitments	-222	-123
Repayment of other long-term payables	395	0
Cash flows from financing activities	9,428	27,530
Total cash flows for the year	6,741	3,112
Cash, beginning of year	3,235	123
Cash, end of year	9,976	3,235
Cash, end of year, comprises:		
Cash	9,976	3,235
Total	9,976	3,235

1. Information as regards going concern

The group's ultimate owner has provided a guarantee to the group's financial institution. Based on management's expectations and the available budgets, this guarantee is assessed to support credit facilities exceeding the company's expected liquidity needs.

On this basis, management considers the group's financing to be sufficient to cover activities in the coming financial year.

	Group		Parent	
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000

2. Staff costs

Wages and salaries	65,323	53,174	0	0
Pensions	5,998	4,808	0	0
Other social security costs	948	972	0	0
Total	72,269	58,954	0	0

Average number of employees during the year	103	88	0	0
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Remuneration for the management:

Salaries for the Executive Board	3,659	2,856	0	0
Pension for the Executive Board	281	264	0	0
Total remuneration for the Executive Board	3,940	3,120	0	0

Remuneration for the Board of Directors	782	684	0	0
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Remuneration for the Executive Board and Board of Directors	4,722	3,804	0	0
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3. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	-9,352	-17,036
Total	0	0	-9,352	-17,036

	Group		Parent	
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000

4. Proposed appropriation account

Non-controlling interests	-4,378	-6,310	0	0
Retained earnings	-9,751	-18,268	-9,751	-18,268
Total	-14,129	-24,578	-9,751	-18,268

5. Intangible assets

Figures in DKK '000	Completed development projects	Acquired rights	Goodwill	Development projects in progress
Group:				
Cost as at 01.01.24	0	3,236	116,219	7,432
Additions during the year	0	895	0	3,568
Transfers during the year to/from other items	7,812	0	0	-7,812
Cost as at 31.12.24	7,812	4,131	116,219	3,188
Amortisation and impairment losses as at 01.01.24	0	-2,347	-23,244	0
Amortisation during the year	-781	-321	-11,622	0
Amortisation and impairment losses as at 31.12.24	-781	-2,668	-34,866	0
Carrying amount as at 31.12.24	7,031	1,463	81,353	3,188

Development projects in progress include the development and testing of equipment to streamline production in the wind turbine industry. The costs mainly consist of internal expenses such as direct wages in 2024.

The new equipment is expected to provide significant competitive advantages and increase the company's activity level.

Furthermore a development project has been conducted to improve the drawing material which will improve the efficiency for the company going forward.

The implementation of a new ERP system includes external costs for consultancy fees. The projects are expected to improve the company's efficiency.

6. Property, plant and equipment

Figures in DKK '000	Leasehold improvements	Plant and machinery	Other fixtures and fittings, tools and equipment
Group:			
Cost as at 01.01.24	164	4,608	5,081
Additions during the year	149	144	68
Disposals during the year	0	0	-56
Cost as at 31.12.24	313	4,752	5,093
Depreciation and impairment losses as at 01.01.24	-12	-3,670	-4,199
Depreciation during the year	-50	-379	-469
Reversal of depreciation of and impairment losses on disposed assets	0	0	56
Transfers during the year to/from other items	0	-339	339
Depreciation and impairment losses as at 31.12.24	-62	-4,388	-4,273
Carrying amount as at 31.12.24	251	364	820
Carrying amount in the balance sheet if revaluation to fair value had not been carried out as at 31.12.24	0	0	0

7. Equity investments in group enterprises

Figures in DKK '000	Equity invest- ments in group enterprises
Parent:	
Cost as at 01.01.24	85,640
Cost as at 31.12.24	85,640
Depreciation and impairment losses as at 01.01.24	-38,564
Net profit/loss from equity investments	-9,352
Depreciation and impairment losses as at 31.12.24	-47,916
Carrying amount as at 31.12.24	37,724
The item comprises goodwill as at 31.12.24 of	81,353
Subsidiaries:	
Name and registered office:	Ownership interest
AB Inventech A/S, Ikast-Brande Kommune	68.15%
AB Invetech Group ApS, Ikast-Brande kommune	68.15%
ABI Industriudvikling ApS, Ikast-Brande kommune	68.15%

8. Other non-current financial assets

Figures in DKK '000	Deposits
Group:	
Cost as at 01.01.24	413
Additions during the year	123
Cost as at 31.12.24	536
Carrying amount as at 31.12.24	536

	Group		Parent	
	31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000
9. Work in progress for third parties				
Work in progress for third parties	136,941	141,115	0	0
On-account invoicing	-124,379	-132,884	0	0
Total work in progress for third parties	12,562	8,231	0	0
Work in progress for third parties	25,908	24,264	0	0
Prepayments received from work in progress for third parties, short-term payables	-13,346	-16,033	0	0
Total	12,562	8,231	0	0

10. Prepayments

Prepaid insurance premiums	325	415	0	0
Prepaid membership fees and subscriptions	1,295	799	0	0
Prepaid lease payments	112	0	0	0
Other prepayments	17	0	0	0
Total	1,749	1,214	0	0

Prepayments include accrual of expenses relating to subsequent financial years.

11. Non-controlling interests

Non-controlling interests, beginning of year	17,438	23,477	0	0
Capital increase	4,573	0	0	0
Transfers to/from other reserves	0	271	0	0
Net profit/loss for the year (distribution of net profit)	-4,378	-6,310	0	0
Total	17,633	17,438	0	0

	Group		Parent	
	31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000

12. Deferred tax

Provisions for deferred tax as at 01.01.24	2,348	-968	0	0
Deferred tax recognised in the income statement	558	3,316	0	0
Provisions for deferred tax as at 31.12.24	2,906	2,348	0	0

As at 31.12.24, the company has recognised a deferred tax asset of DKK 2,906k, which can primarily be attributed to tax losses carried forward. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years.

13. Other provisions

Figures in DKK '000	Warranty commitments		Other provisions	
	31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000
Group:				
Provisions as at 01.01.24			1,266	1,316
Provisions during the year			-415	-1,168
Provisions as at 31.12.24			851	148

Other provisions are expected to be distributed as follows:

Non-current liabilities	607	871	0	0
Current liabilities	392	1,711	0	0
Total	999	2,582	0	0

14. Long-term payables

Figures in DKK '000	Repayment first year	Total payables at 31.12.24	Total payables at 31.12.23
Group:			
Subordinate loan capital	0	4,951	4,759
Payables to credit institutions	5,500	38,484	32,767
Other payables	0	4,275	4,073
Deferred income	872	3,924	0
Total	6,372	51,634	41,599

Deferred income consists of a public subsidy received for a development project.

15. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of 36-102 months and total lease payments of DKK 17,597k.

Guarantee commitments

The group has provided a guarantee of DKK 16,796k via credit institutions.

Parent:

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 adjustments to the calculated tax liability as a result of changes to the consolidated income, etc.

16. Charges and security

Group:

The group has provided a company charge of DKK 35,000k as security for debt to credit institutions. As at 31.12.24, the company charge comprises goodwill, intellectual property rights, motor vehicles, other plant, fixtures and fittings, inventories as well as trade receivables. The total carrying amount of the covered assets amount to DKK 47,729k.

17. Related parties

Controlling influence	Basis of influence
Alder II AB, Sverige	Parent company

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

Remuneration for the management is specified in note 2. Staff costs.

The company is included in the consolidated financial statements of the parent Alder II AB, Sverige.

	Group	
	2024 DKK '000	2023 DKK '000
Other operating income	-2	0
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	13,622	13,048
Other operating expenses	0	235
Financial income	-607	-11
Financial expenses	5,618	4,981
Tax on profit or loss for the year	-558	-3,315
Other adjustments	0	464
Total	18,073	15,402

18. Adjustments for the cash flow statement

19. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for medium-sized groups and enterprises in reporting class C with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years, with the following reclassifications: Reserve for development costs (2023: DKK 5,797k) in the group company has been reclassified from retained earnings to reserve for development costs.

The reclassification have not resulted in any changes to the annual result, total assets or equity.

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.

19. Accounting policies - continued -**Non-controlling interests**

The financial items of the subsidiaries are recognised in full in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' equity is classified as a part of consolidated equity. The subsidiaries' results are distributed proportionately to non-controlling interests and the parent's equity interest.

Purchase and sale of non-controlling interests in a subsidiary which do not result in changes in control of the subsidiary are treated in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the parent's equity interest.

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.

19. Accounting policies - continued -**INCOME STATEMENT****Gross result**

Gross result comprises revenue, work performed for own account and capitalised, other operating income and raw materials and consumables and other external expenses.

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 the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

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).

Work performed for own account and capitalised

Work performed for own account and capitalised comprises cost of sales, wages and salaries and other internal expenses incurred during the year and included in the cost of self-constructed or self-produced intangible assets and property, plant and equipment.

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.

19. Accounting policies - continued -**Costs of raw materials and consumables**

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

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 '000
Completed development projects	5	
Acquired rights	5	0
Goodwill	10	0
Leasehold improvements	3-5	0
Plant and machinery	5	0
Other plant, fixtures and fittings, tools and equipment	3-5	0

Goodwill is amortised over 10 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

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.

19. Accounting policies - continued -

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.

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

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.

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. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

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.

19. Accounting policies - continued -**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.

Acquired rights

Acquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

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

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is 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.

19. Accounting policies - continued -**Property, plant and equipment**

Property, plant and equipment comprise leasehold improvements, 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 less accumulated depreciation and impairment losses.

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.

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.

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.

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.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 10 years for equity investments in subsidiaries. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

19. Accounting policies - continued -

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. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

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 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.

19. Accounting policies - continued -**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.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

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.

Cash

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

19. Accounting policies - continued -**Equity**

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.

Grants received from the parent are recognised directly in equity under retained earnings, as the grants are treated as capital contributions.

Provisions

Other provisions comprise expected expenses incidental to warranty commitments, loss on work in progress, restructuring etc. and are recognised when the company has a legal or constructive obligation at the balance sheet date and it is probable that such obligation will draw on the financial resources of the company. Provisions are measured at net realisable value or fair value if the provision is expected to be settled over the longer term.

Warranty commitments comprise the obligation to repair defective work within the warranty period of 1-5 years. Warranty commitments are measured at net realisable value and recognised based on previous years' experience with warranty work.

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.

19. Accounting policies - continued -

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.

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

Deferred tax is measured on the basis of the tax rules and at the tax rates 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

With subordinate loan capital, the creditor has subordinated its claim to those of all other creditors of the company.

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.

19. Accounting policies - continued -

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.

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.