

Deloitte.



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Entity details

Entity

Nordmark Maskinfabrik A/S
Kjeldgaardsvej 10
9300Sæby

Business Registration No.: 26632773

Registered office: Frederikshavn

Financial year: 01.01.2025- 31.12.2025

Board of Directors

Johnny Thomsen, Chairman
Christian Kolding Andreasen
Søren Lomholt Husted
Morten Jørgensen Mørk
Jens Jørgen Hahn-Petersen

Executive Board

Henrik Hilbert Overbye

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Østre Havnepromenade 26, 4th floor
9000 Aalborg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Nordmark Maskinfabrik A/S for the financial year 01.01.2025 - 31.12.2025.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2025 and of the results of its operations for the financial year 01.01.2025 - 31.12.2025.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Sæby, 20.02.2026

Executive Board

Henrik Hilbert Overbye

Board of Directors

Johnny Thomsen
Chairman

Christian Kolding Andreasen

Søren Lomholt Husted

Morten Jørgensen Mørk

Jens Jørgen Hahn-Petersen

Independent auditor's report

To the shareholders of Nordmark Maskinfabrik A/S

Opinion

We have audited the financial statements of Nordmark Maskinfabrik A/S for the financial year 01.01.2025 - 31.12.2025, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2025 and of the results of its operations for the financial year 01.01.2025 - 31.12.2025 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 commentary

Management is responsible for the management commentary.

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

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information

required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aalborg, 20.02.2026

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jakob Olesen

State Authorised Public Accountant
Identification No (MNE) mne34492

Management commentary

Financial highlights

	2025 DKK'000	2024 DKK'000	2023 DKK'000	2021/22 DKK'000	2020/21 DKK'000
Key figures					
Gross profit/loss	76,897	43,193	52,167	96,494	78,649
Operating profit/loss	15,655	(14,905)	(9,670)	(4,692)	6,819
Net financials	(2,085)	(1,469)	45,545	(44,151)	1,102
Profit/loss for the year	11,022	(13,237)	38,093	(48,274)	6,123
Total assets	155,758	177,157	235,197	203,452	185,449
Investments in property, plant and equipment	20,361	10,017	15,682	20,620	6,123
Equity	65,254	80,233	93,469	55,377	84,650
Ratios					
Return on equity (%)	15.15	(15.24)	51.18	(68.95)	7.50
Equity ratio (%)	41.89	45.29	39.74	27.22	45.65

The financial figures for 2021/22 consists of a 18 month period.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%) :

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%) :

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Primary activities

Nordmark Maskinfabrik A/S is a high technology company that specialises in machining of large-scale steel components.

Development in activities and finances

The financial year reflects a strong and positive development, driven by focused Management initiatives and improved market conditions. These factors resulted in a solid profit for the year of DKK 11 million after taxes.

Profit/loss for the year in relation to expected developments

The financial year 2025 was characterized by a positive market trend combined with Management's continued focus on optimizing the cost structure and expanding the customer and market portfolio. These initiatives supported a significant improvement in operating performance.

During the year investments were made in machinery and operating equipment, contributing to optimized production processes and increased capacity. In addition, activity levels were strong throughout the year, particularly within the wind and heavy industry segments. As a result, the company achieved higher activity levels than expected, and EBITDA for the year amounted to DKK 23.4 million, compared to DKK -7.3 million in 2024. This exceeded the initial expectations for 2025, which were an EBITDA in the range of DKK 10–15 million. Management therefore considers the financial performance for the year to be satisfactory.

Outlook

The company expects increased activity levels in the coming financial year, primarily driven by demand from customers within the wind industry and the industrial segment, supported by a satisfactory initial order backlog.

Throughout 2025, Management continued to focus on optimization initiatives, including cost efficiencies, improved workflows, and streamlined processes aimed at strengthening operational efficiency. This strategic focus is expected to provide a solid foundation for continued improvement in financial performance.

Accordingly, Management expects a positive EBITDA for 2026 in the range of DKK 25–30 million.

Use of financial instruments

The company's most significant operational risks relate to maintaining strong customer relationships, retaining key employees, and continuously remaining at the forefront of technological development within its business areas.

Raw material risks

As Nordmark Maskinfabrik A/S primarily operates as a Tier 2 supplier, the company's exposure is mainly related to coating costs rather than steel prices. In cases where Tier 1 contracts are undertaken, there is a risk that fluctuations in steel prices may not be fully reflected in ongoing orders or adequately covered by price indexation. Management actively mitigates this risk by closely monitoring contracts and ensuring appropriate price indexation mechanisms are applied.

Currency risks

The company mainly conducts transactions in DKK and EUR. Due to the Danish National Bank's fixed exchange rate policy against the euro, the company is only marginally exposed to currency fluctuations. The company does not engage in forward exchange contracts for speculative purposes.

Interest rate risks

Moderate changes in interest rates are not expected to have a significant direct impact on the company's earnings. In 2025, the company did not enter into any interest rate positions.

Knowledge resources

Nordmark Maskinfabrik A/S delivers products and services of high quality through the use of modern machinery and a highly skilled workforce. Continuous training and development of employees remain a priority, ensuring strong competencies and supporting ongoing improvements in efficiency and performance across all business activities.

Environmental performance

The company operates under continuous supervision with regard to environmental and work environment regulations. Nordmark Maskinfabrik A/S remains committed to ongoing improvements in environmental conditions and to conducting business in an environmentally responsible manner.

Research and development activities

The company does not conduct independent research and development activities but actively participates in development projects in close cooperation and dialogue with its customers.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2025

	Notes	2025 DKK	2024 DKK
Gross profit/loss	2	76,897,454	43,192,955
Staff costs	3	(53,525,210)	(50,540,487)
Depreciation, amortisation and impairment losses		(7,717,553)	(7,557,165)
Operating profit/loss		15,654,691	(14,904,697)
Income from other fixed asset investments		0	7,516
Other financial income	4	1,002,213	6,701,613
Other financial expenses	5	(3,087,354)	(8,178,013)
Profit/loss before tax		13,569,550	(16,373,581)
Tax on profit/loss for the year	6	(2,547,899)	3,136,834
Profit/loss for the year	7	11,021,651	(13,236,747)

Balance sheet at 31.12.2025

Assets

	Notes	2025 DKK	2024 DKK
Acquired intangible assets		809,625	1,352,900
Intangible assets	8	809,625	1,352,900
Plant and machinery		49,396,240	53,608,222
Other fixtures and fittings, tools and equipment		4,463,049	4,593,675
Leasehold improvements		4,217,005	3,469,433
Property, plant and equipment in progress		24,159,987	2,858,997
Prepayments for property, plant and equipment		602,332	5,121,781
Property, plant and equipment	9	82,838,613	69,652,108
Other investments		900	900
Financial assets	10	900	900
Fixed assets		83,649,138	71,005,908
Raw materials and consumables		8,456,942	9,362,282
Prepayments for goods		0	629,031
Inventories		8,456,942	9,991,313
Trade receivables		33,495,209	43,002,320

Contract work in progress	11	16,198,028	11,236,401
Receivables from group enterprises		2,260,083	27,235,319
Deferred tax	12	2,741,751	5,289,650
Other receivables		2,317,208	2,356,798
Joint taxation contribution receivable		4,397	4,397
Prepayments	13	554,017	683,366
Receivables		57,570,693	89,808,251
Cash		6,081,672	6,351,861
Current assets		72,109,307	106,151,425
Assets		155,758,445	177,157,333

Nordmark Maskinfabrik A/S | Balance sheet at 31.12.2025

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Equity and liabilities

	Notes	2025 DKK	2024 DKK
Contributed capital	14	500,000	500,000
Retained earnings		64,754,305	53,732,654
Proposed dividend		0	26,000,000
Equity		65,254,305	80,232,654
Lease liabilities		21,080,703	18,937,088
Non-current liabilities other than provisions	15	21,080,703	18,937,088
Current portion of non-current liabilities other than provisions	15	6,904,863	6,625,184
Bank loans		35,110,431	44,893,722
Prepayments received from customers		907,216	0
Contract work in progress	11	0	394,855
Trade payables		14,890,905	15,271,521
Payables to group enterprises		6,156,457	5,892,874
Other payables		5,453,565	4,909,435
Current liabilities other than provisions		69,423,437	77,987,591
Liabilities other than provisions		90,504,140	96,924,679
Equity and liabilities		155,758,445	177,157,333

Events after the balance sheet date

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Statement of changes in equity for 2025

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	53,732,654	26,000,000	80,232,654
Ordinary dividend paid	0	0	(26,000,000)	(26,000,000)
Profit/loss for the year	0	11,021,651	0	11,021,651
Equity end of year	500,000	64,754,305	0	65,254,305

Notes

1 Events after the balance sheet date

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

2 Gross profit /loss

Gross profit comprises other operation income and expenses from gains and losses on disposal of fixed assets at DKK 1.5m (2024: -4.2m)

Gross profit also comprises other income from insurance cases amounting to DKK 1.0m (2024: DKK 7.1m) and other expenses relating to the legal cases of DKK 3.1m (2024: DKK 6.4m)

3 Staff costs

	2025 DKK	2024 DKK
Wages and salaries	46,077,469	43,424,772
Pension costs	6,136,815	5,776,031
Other social security costs	1,310,926	1,339,684
	53,525,210	50,540,487

Average number of full-time employees	76	77
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Remuneration of
Remuneration of

	Management 2025 DKK	Management 2024 DKK
Executive Board	0	2,280,249
Board of Directors	0	652,050
Total amount for management categories	3,532,530	0
	3,532,530	2,932,299

In accordance with §98b (3) of the Danish Financial Statements Act information about remuneration to management in 2025 is disclosed as total amount for management categories.

4 Other financial income

	2025 DKK	2024 DKK
Financial income from group enterprises	599,550	6,533,964
Other interest income	0	2,476
Exchange rate adjustments	336,389	144,074
Other financial income	66,274	21,099
	1,002,213	6,701,613

5 Other financial expenses

	2025 DKK	2024 DKK
Financial expenses from group enterprises	154,190	0
Other interest expenses	2,893,127	7,944,933
Other financial expenses	40,037	233,080
	3,087,354	8,178,013

6 Tax on profit/loss for the year

	2025 DKK	2024 DKK
Change in deferred tax	2,547,899	(3,136,834)
	2,547,899	(3,136,834)

7 Proposed distribution of profit and loss

	2025 DKK	2024 DKK
Ordinary dividend for the financial year	0	26,000,000
Retained earnings	11,021,651	(39,236,747)
	11,021,651	(13,236,747)

8 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	1,629,825
Cost end of year	1,629,825
Amortisation and impairment losses beginning of year	(276,925)
Amortisation for the year	(543,275)
Amortisation and impairment losses end of year	(820,200)
Carrying amount end of year	809,625

9 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK	Prepayments for property, plant and equipment DKK
Cost beginning of year	147,170,869	10,778,516	4,402,152	2,858,997	5,121,781
Transfers	352,934	1,026,590	1,771,628	14,277,540	(17,428,692)
Additions	101,848	313,089	13,153	7,023,450	12,909,243
Disposals	(11,104,732)	0	0	0	0
Cost end of year	136,520,919	12,118,195	6,186,933	24,159,987	602,332
Depreciation and impairment losses beginning of year	(93,562,647)	(6,184,841)	(932,719)	0	0
Depreciation for the year	(4,666,764)	(1,470,305)	(1,037,209)	0	0
Reversal regarding disposals	11,104,732	0	0	0	0
Depreciation and impairment losses end of year	(87,124,679)	(7,655,146)	(1,969,928)	0	0
Carrying amount end of year	49,396,240	4,463,049	4,217,005	24,159,987	602,332
Recognised assets not	44,507,784	0	0	11,814,074	0

owned by entity

10 Financial assets

	Other investments DKK
Cost beginning of year	900
Cost end of year	900
Carrying amount end of year	900

11 Contract work in progress

	2025 DKK	2024 DKK
Contract work in progress	17,652,110	13,428,924
Progress billings regarding contract work in progress	(1,454,082)	(2,587,378)
Transferred to liabilities other than provisions	0	394,855
	16,198,028	11,236,401

12 Deferred tax

	2025 DKK	2024 DKK
Property, plant and equipment	(10,277,057)	(9,359,725)
Receivables	(121,884)	(150,340)
Liabilities other than provisions	6,156,825	5,623,700
Tax losses carried forward	6,983,867	9,176,015
Deferred tax	2,741,751	5,289,650

Changes during the year	2025 DKK	2024 DKK
Beginning of year	5,289,650	2,347,568
Recognised in the income statement	(2,547,899)	3,136,834
Recognised on joint taxation accounts	0	(194,752)
End of year	2,741,751	5,289,650

Deferred tax assets

Deferred tax assets are measured based on managements expected utilization within a 5 year period.

13 Prepayments

Prepayments comprise prepaid expenses such as insurance, membership fees etc.

14 Contributed capital

	Number	Par value DKK	Nominal value DKK
A-shares	500	500.000	500,000
	500		500,000

15 Non-current liabilities other than provisions

	Due within 12 months 2025 DKK	Due within 12 months 2024 DKK	Due after more than 12 months 2025 DKK	Outstanding after 5 years 2025 DKK
Lease liabilities	6,904,863	6,625,184	21,080,703	4,202,315
	6,904,863	6,625,184	21,080,703	4,202,315

16 Other unrecognised commitments

The Entity has entered agreements of leasing cars with an annual lease cost of 40 t.DKK. The contracts are irredeemable for up to 4 months and have an outstanding commitment of 13 t.DKK.

The Entity has entered an agreement of rented premises with an annual rent cost of 3,786 t.DKK. The contract is irredeemable for up to 96 months and have an outstanding commitment of 30,285 t.DKK.

17 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where CC North Invest ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, and also secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

18 Assets charged and collateral

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on plant, intangible assets and leasehold improvements of 500 t.DKK nominal. The carrying amount of mortgaged assets is 83,648 t.DKK.

Bank loans are secured by way of a deposited floating charge registered to the mortgagor on assets of 30,500 t.DKK. The carrying amount of mortgaged trade receivables, inventories, property, plant and equipment and intangible assets is 125,600 t.DKK.

19 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

20 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Nordmark Group Holding ApS, CVR No. 43 05 11 80

Accounting policies

Basis for financial statements

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial

recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of property, plant and equipment, and salary refunds etc.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Income from other fixed asset investments

Income from other fixed asset investments comprises gains in the form of interest, dividends, etc on fixed asset investments which are not investments in group enterprises or associates.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. The intellectual property rights acquired are amortised on a straight-line basis over 3 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Plant and machinery	1-14 years
Other fixtures and fittings, tools and equipment	1-10 years
Leasehold improvements	5-10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Other investments

Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials and consumables.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases

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

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement

as such statement is included in the consolidated cash flow statement of Nordmark Group Holding ApS, Business
Reg. No. 43 05 11 80 .