



Steel Products A/S

Islandsvej 25, DK-8700 Horsens

**Annual Report for
1 July 2024 - 30 June 2025**

CVR No. 38 06 92 17

The Annual Report was presented and adopted at the
Annual General Meeting of the company on
12/12/2025

Mogens Hørdum Sørensen
Chairman of the general meeting





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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Steel Products A/S for the financial year 1 July 2024 - 30 June 2025.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2025 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024/25.

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

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

Horsens, 12 December 2025

Executive Board

Mikkel Kroglund Andersen
CEO

Board of Directors

Mogens Hørdum Sørensen
Chairman

Mikkel Kroglund Andersen

Tine Valente

Angela Hørdum Valente

Emilie Hørdum Valente



Independent Auditor's report

To the shareholders of Steel Products A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2025 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 July 2024 - 30 June 2025 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Steel Products A/S for the financial year 1 July 2024 - 30 June 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

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



Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus C, 12 December 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Kragh
State Authorised Public Accountant
mne26783

Søren Stadel
State Authorised Public Accountant
mne47769



Company information

The Company	Steel Products A/S Islandsvej 25 DK-8700 Horsens CVR No: 38 06 92 17 Financial period: 1 July 2024 - 30 June 2025 Incorporated: 7 October 2016 Municipality of reg. office: Horsens
Board of Directors	Mogens Hørdum Sørensen, chairman Mikkel Kroglund Andersen Tine Valente Angela Hørdum Valente Emilie Hørdum Valente
Executive Board	Mikkel Kroglund Andersen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C



Financial Highlights

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

(TDKK)	Group				
	2024/25	2023/24	2022/23	2021/22	2020/21
Key figures					
Profit/loss					
Revenue	550,178	563,879	695,661	672,551	537,692
Gross profit	59,840	38,575	83,248	105,157	82,489
EBITDA	47,903	30,571	71,953	91,212	73,688
Profit/loss of financial income and expenses	-284	-1,565	-1,281	-940	-1,496
Net profit/loss for the year	27,351	11,499	44,740	59,577	45,791
Balance sheet					
Balance sheet total	478,276	435,526	487,304	509,259	436,649
Investment in property, plant and equipment	2,701	8,013	10,693	10,514	5,256
Equity	259,380	234,529	245,356	200,730	141,266
Net working capital	132,773	153,827	186,915	137,280	63,657
Number of employees	276	298	313	309	286
Ratios					
Gross margin	10.9%	6.8%	12.0%	15.6%	15.3%
EBITDA ratio	8.7%	5.4%	10.3%	13.6%	13.7%
Profit margin	6.4%	2.8%	8.3%	11.4%	11.0%
Return on assets	7.4%	3.6%	11.8%	15.0%	13.5%
Solvency ratio	54.2%	53.8%	50.3%	39.4%	32.4%
Return on equity	11.1%	4.8%	20.1%	34.8%	64.8%
NWC Ratio	24.1%	27.3%	26.9%	20.4%	11.8%



Management's review

Principal activities

The Steel Products Group serves a wide range of international as well as national customers with counseling and strong product solutions. The Group's competence is complete solutions within deep drawing, pressing, cold forming and spinning for production of complicated parts. The Group supplies, among others, to the following industries:

- Process equipment - food, juice, beer and soft drinks, pharmaceutical and chemical industrial equipment – e.g., pump, valve and component housing and fittings.
- Automotive – e.g., exhaust parts, engine parts, brake parts and vibration damping.
- Agricultural machinery - components – e.g., pulleys and parts for mobile hydraulics.
- Machine Industry.
- Marine & Offshore – e.g., tank measuring equipment, compressors.
- Energy – e.g., heat exchanger plates, components for wind turbines, components for solar energy systems, cooling and heat control, energy storage equipment.
- Electronics - components – e.g., parabolas, vacuum switches, frequency converter components.
- Consumer goods – e.g., thermostats, heat pumps, oil heaters, audio etc.

The Group continuously strives to be a technological leader in cold forming processes, and it is the Group's stated goal to manufacture products that ensure customers improved competitiveness.

Development in activities and financial and economic position

The results of the financial year were challenged by the slowdown in our industry. Realized net sales for the year amounted to DKK 550 million. Profit for the year was a profit of DKK 27,4 million. against a profit of DKK 11,5 million. last year. Equity amounts to DKK 259,4 million. per June 30, 2025.

Profit/loss for the year compared to the expected development

The results of the financial year were satisfactory. We still see the slowdown in our industry however our EBITDA has increased from last years DKK 30,6 million to DKK 44,7 million this financial year. The result is within our budget expectations for 2024/25.

Significant events after the end of the financial year

No events have occurred after the end of the financial year that could materially affect the company's financial position. However, an acquisition of an additional company to support the group in the future is signed and we have initiated construction of an additional building due to our entry in defense industry.

Special risks

Special risks

The company's activities and results are affected by fluctuations in commodity prices.

Market risks

Customer and market risks are assessed as limited due to the spread in different market segments.

Currency risks

Foreign trade means that earnings and cash flows are affected by exchange rate and interest rate trends for a few currencies. The company monitors developments in the foreign exchange market to assess whether special actions are required. At present, forward transactions are not used to hedge transactions in foreign currencies, as the Company's primary foreign currency is EUR. The company does not enter any speculative currency positions.



Management's review

Interest rate risk

The interest-bearing net debt represents a significant amount, which means that moderate changes in interest rates will have a direct effect on earnings.

Research and development activities

These costs include streamlining production processes as well as developing prototypes in connection with customer projects. These costs are expensed as incurred.

Knowledge resources

We continuously develop the skills of our employees.

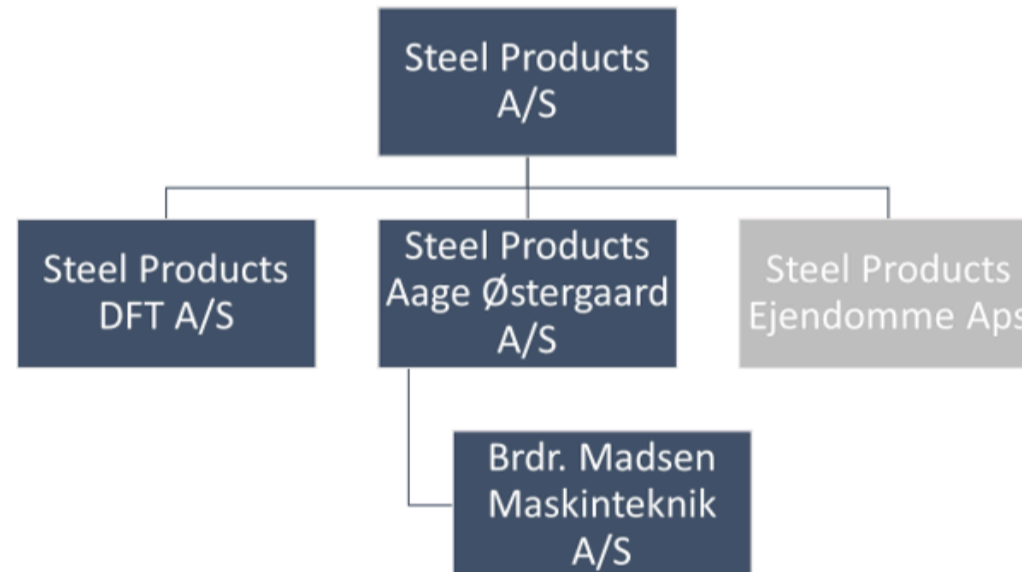
Future expectations

For the financial year 2025/26, management expects a turnover between 500 and 650 million DKK and profit to be between 20 and 50 million DKK.

Statement of corporate social responsibility

Business model

Steel Products is an industrial group of subsidiaries, all of which work in metalworking, with exception of Steel Products Ejendomme, which deals exclusively with commercial property rental. Steel Products consists of the following companies:



Companies in Steel Products Group.



Management's review

Steel Products purchases raw materials and components and uses subcontractors. Our behavior is largely guided by our values:

- “Best fit” must be a basic principle. It creates value for everyone that we always make the right choices in terms of processes, flow, and equipment so that they match the expectations of the customers.
- We know the importance of continuous innovative improvements and ensure this through employee involvement and close cooperation with customers.
- We invest in our employees and surroundings to ensure a modern and competent company.
- Our current and future competencies must ensure continuous development and Steel Products as an attractive workplace and business partner.
- We strive for an environment of innovative solutions, accountability, and quality on time.

CSR areas

Steel Products respects and has joined the UN Global Compact in all 10 areas of human rights, labor rights, the environment and anti-corruption. This is included in our CSR policy. Examples of this are also shown in the following CSR areas: environment, working environment, social and human resources, human rights, anti-corruption, and bribery.

Steel Products also works to support the UN's global goals, specifically we focus on goals 4 and 12 on education and responsible production.

SP is a member of Horsens Alliance and recipient of the CSRpeople brand. This means that we commit ourselves to having a social commitment and helping to strengthen other people in their relationship with the labor market. We do this by hiring people who have challenges in finding and carrying out ordinary work. We have start-up programs to slowly train the ability to be part of a regular work function.

In addition, we employ people of other ethnic origins than Danish, to support a multicultural work environment.

Environment

Steel Products works according to our environmental policy for sustainable production, where we continuously improve by reducing our impact on the environment, including consumption of resources.

At Steel Products, we have chosen to combine environmental conditions and climate impacts under the heading 'Environment', as our actions in energy, among other things, also influence the climate.

ISO14001: 2015 Environmental certification has been integrated at all Steel Products production sites since 2020.

Our cold forming processes provide a minimum amount of waste compared to manufacturing similar products with other manufacturing methods. This results in less waste, less consumption of raw materials and often a reduction in processing time. In doing so, we support the UN's World Goal 12.

We are aware that our greatest risk in relation to the environment is an over-consumption of energy or water. We are therefore working to have an overview of our consumption, so that we can respond as quickly as possible if over-consumption occurs and optimize the use of energy. This supports the UN's World Goal 12.

Waste

Steel Products A/S's hard focus on waste reduction from production compared to revenue is one of our main drivers to ensure quality and reduction of waste.

The development over the past three years is shown on the next page:



Management's review

Waste (metal) from production in	2022/23	2023/24	2024/25	Target
% of revenue				2025/26
Steel Products – Aage Østergaard A/S	0,60%	0,99%	0,87%	<1,00 %
Steel Products – DFT Presswork %	1,10%	1,90%	1,41%	<1,00
A/S				

In 2024/2025, we have improved compared to 2023/24.

Waste & material sorting

By involving employees in the importance of focusing on waste through Awareness courses, which not only deals with product quality, but also energy consumption, correct sorting of waste and metal for recycling, we have based on the motto "the more accurate sorting the better recycling", this significantly improved our recycling.

SCIP, SCHC, Reach & ROHS

We are subject to strict requirements regarding the registration, use and disposal of ECHA selected problematic materials and chemical substances. Therefore, all additives are reported in databases so proper disposal is possible.

Conflict minerals

As a responsible supplier, we naturally support the European Trade Commission and comply with the guidelines from here. That is, we ensure that our products contain only minerals and metals from responsible and conflict-free sources.

Carbon emissions & energy improvements

Supporting Net Zero strategy and reducing global warming is a key value for Steel Products A/S, therefore we have over the last 3 years, performed Scope 1 & 2 GHG Protocols, through Danish Business Authority (Klimakompasset).

This is to insure continuously focus on reductions of energy and consumptions, which already has led to -18% & 25% reduction in Ton CO2 Emission per million Dkr. turnover from 2022/2023 to 2024/2025.

See the next page, which shows the development over the past three years:



Management's review

		2022/23	2023/24	2024/25	Target 2025/26
Scope 1 & 2 (Ton Co2-e)	Steel Products – Aage Østergaard A/S	906	874	615	On track for Net Zero - 2028
Scope 1 & 2 (Ton per Million Dkr. revenue)		1,88	2,12	1,55	<2,50
Scope 1 & 2 (Ton Co2-e)	Steel Products – DFT Presswork A/S	765	512	421	Net Zero - 2030
Scope 1 & 2 (Ton per Million Dkr. revenue)		3,63	3,28	2,73	<4,00
Scope 3 (Ton Co2-e)	Steel Products A/S	N/A	N/A	N/A	Net Zero - 2050

Working environment

Steel Products policy provides the framework for a good and safe work environment, a working environment that ensures the safety and health of employees, as well as complying with legislation and binding obligations that deal with work environment.

It is a focus area to reduce the number of accidents with absence, although there has been incidents in the 2024/25, none have been fatal, every person has recovered.

Our goal, is and will always be 0 work accidents.

In 2024/2025, we continued to work towards this goal. We do this by analyzing our accidents and near misses and telling all employees about the root causes so that together we can help to avoid accidents.

With our whistleblower scheme, we would like to emphasize to our employees that they always have the opportunity, without risk of their employment, to present whatever they find challenging in our company.

Social and personnel matters

We contribute to young people's education by continuously offering apprenticeships and creating opportunities for education within our area of work.

We contribute to lifting corporate social responsibility by continually offering opportunities to unemployed people and people with reduced ability to work.

We have been focusing on our sick leave and through discussions with our staff have helped them to a lower absence.

In relation to our employees, it is our focus to secure future workforce. It is our greatest risk that we may end up not having enough skilled workforce as tasks change as we progress. That is why we have chosen to focus on upgrading the skills of our employees through established *Steel Products Academy*. And why we constantly focus on automatization.



Management's review

Anti-corruption, and bribery (Code of Conduct)

We have chosen to have a very detailed Code of Conduct to show our employees that we do not accept bribes and do not provide this. Most of our customers and suppliers we have had a year-long trusting collaboration with, and we have an ongoing dialogue about their business, with which the risk of corruption is assessed to be low.

For new partners, we focus on contractually incorporating obligations to comply with our Code of Conduct. It is our assessment that during 2024/2025 none of our partners have worked in violation of our Code of Conduct. We work towards implementing procedures that can help ensure focus on anti-corruption in a busy everyday life.

Human rights

As a responsible supplier, we naturally support the European Trade Commission and comply with the guidelines from here. This means that we ensure that our products only contain minerals and metals from responsible and conflict-free sources.

Steel Products sources raw materials and components itself and uses subcontractors. To a large extent, suppliers from Denmark or countries close to this are used. Most of our suppliers we have had a longterm trusting collaboration with, and we have an ongoing dialogue about their business, with which the risk of human rights violations is assessed to be low.

It is our assessment that in 2024/25 none of our subcontractors have violated the European Trade Commission's guidelines for conflict - free minerals. We are working towards implementing procedures that can help ensure focus on human rights in a busy day.

Data ethics IT and security

As a result of the digital development, the Steel Products Group (SP) is increasingly using data to run its business. Data security, privacy and data ethics are all elements of a responsible data culture. Therefore, SP has expanded our Code of Conduct to also include the most important elements from the Data Ethics Council's proposal for a data ethics policy. These elements of the Code of Conduct must ensure that we comply with applicable legislation and protect our data in accordance with good IT practice. In addition, we want to handle data with respect for people, always taking equality, dignity and freedom into account to ensure that SP actively promotes people's welfare and well-being in its data handling. The Code of Conduct has been made available on the SP Group's intranet.

In 2024/25 We have been awarded the D-seal certificate in order to prepare for NCIS2. It and data are essential for our business, and we continuously work on data and IT security.



Income statement 1 July 2024 - 30 June 2025

(TDKK)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Revenue	1	550,178	563,879	0	0
Production expenses	2	-490,338	-525,304	0	0
Gross profit		59,840	38,575	0	0
Distribution expenses	2	-7,264	-7,782	0	0
Administrative expenses	2	-19,323	-18,051	-93	-36
Operating profit/loss		33,253	12,742	-93	-36
Other operating income		1,910	3,110	0	0
Profit/loss before financial income and expenses		35,163	15,852	-93	-36
Income from investments in subsidiaries	3	0	0	29,621	14,665
Financial income	4	2,728	1,802	890	163
Financial expenses	5	-3,012	-3,367	-78	-738
Profit/loss before tax		34,879	14,287	30,340	14,054
Tax on profit/loss for the year	6	-7,528	-2,788	-158	134
Net profit/loss for the year	7	27,351	11,499	30,182	14,188



Balance sheet 30 June 2025

Assets

(TDKK)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Land and buildings		52,114	55,743	0	0
Plant and machinery		34,024	39,996	0	0
Other fixtures and fittings, tools and equipment		198	270	0	0
Leasehold improvements		2,472	2,838	0	0
Property, plant and equipment in progress		1,632	2,586	0	0
Property, plant and equipment	8	90,440	101,433	0	0
Investments in subsidiaries	9	0	0	204,177	304,556
Fixed asset investments		0	0	204,177	304,556
Fixed assets		90,440	101,433	204,177	304,556
Inventories	10	131,073	142,162	0	0
Trade receivables		109,428	108,835	0	0
Receivables from group enterprises		8,953	0	8,261	154
Other receivables		4,607	5,255	0	0
Corporation tax		0	134	0	134
Prepayments	11	85	105	0	0
Receivables		123,073	114,329	8,261	288
Current asset investments		6	5	0	0
Cash at bank and in hand		133,684	77,597	101,026	5,817
Current assets		387,836	334,093	109,287	6,105
Assets		478,276	435,526	313,464	310,661



Balance sheet 30 June 2025

Liabilities and equity

(TDKK)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Share capital		7,400	7,400	7,400	7,400
Reserve for net revaluation under the equity method		0	0	125,286	225,877
Retained earnings		249,411	222,113	178,084	49,811
Proposed dividend for the year		0	2,500	2,500	2,500
Equity attributable to shareholders of the Parent Company		256,811	232,013	313,270	285,588
Minority interests		2,569	2,516	0	0
Equity		259,380	234,529	313,270	285,588
Provision for deferred tax	12	11,015	12,046	0	0
Other provisions	13	6,843	6,843	0	0
Provisions		17,858	18,889	0	0
Mortgage loans		61,013	63,936	0	0
Lease obligations		78	306	0	0
Payables to group enterprises		10,500	10,500	0	0
Corporation tax		8,068	4,697	158	0
Long-term debt	14	79,659	79,439	158	0
Mortgage loans	14	3,462	3,203	0	0
Lease obligations	14	228	221	0	0
Prepayments received from customers		17,285	8,522	0	0
Trade payables		69,514	66,105	0	0
Payables to group enterprises	14	625	676	1	25,035
Corporation tax		4,238	0	0	0
Other payables		26,027	23,932	35	38
Deferred income	15	0	10	0	0
Short-term debt		121,379	102,669	36	25,073
Debt		201,038	182,108	194	25,073
Liabilities and equity		478,276	435,526	313,464	310,661
Contingent assets, liabilities and other financial obligations	18				
Related parties	19				
Fee to auditors appointed at the general meeting	20				
Subsequent events	21				
Accounting Policies	22				



Statement of changes in equity

Group

(TDKK)	Share capital	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
Equity at 1 July	7,400	275,688	2,500	285,588	2,516	288,104
Net effect from change of accounting policy	0	-53,575	0	-53,575	0	-53,575
Adjusted equity at 1 July	7,400	222,113	2,500	232,013	2,516	234,529
Ordinary dividend paid	0	0	-2,500	-2,500	0	-2,500
Net profit/loss for the year	0	27,298	0	27,298	53	27,351
Equity at 30 June	7,400	249,411	0	256,811	2,569	259,380

Parent company

(TDKK)	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 July	7,400	225,877	49,811	2,500	285,588
Ordinary dividend paid	0	0	0	-2,500	-2,500
Net profit/loss for the year	0	-100,591	128,273	2,500	30,182
Equity at 30 June	7,400	125,286	178,084	2,500	313,270



Cash flow statement 1 July 2024 - 30 June 2025

(TDKK)	Note	Group	
		2024/25	2023/24
Result of the year		27,351	11,499
Adjustments	16	20,568	22,494
Change in working capital	17	25,431	40,200
Cash flow from operations before financial items		73,350	74,193
Financial income		2,728	1,802
Financial expenses		-3,012	-3,367
Cash flows from ordinary activities		73,066	72,628
Corporation tax paid		113	-18,822
Cash flows from operating activities		73,179	53,806
Purchase of property, plant and equipment		-2,701	-8,013
Fixed asset investments made etc		-1	0
Sale of property, plant and equipment		0	1,990
Current asset investments made		-1	-1
Cash flows from investing activities		-2,703	-6,024
Repayment of mortgage loans		-2,664	-3,118
Reduction of lease obligations		-221	-215
Repayment of payables to group enterprises		-9,004	-2,815
Dividend paid		-2,500	0
Cash flows from financing activities		-14,389	-6,148
Change in cash and cash equivalents		56,087	41,634
Cash and cash equivalents at 1 July		77,597	35,963
Cash and cash equivalents at 30 June		133,684	77,597
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		133,684	77,597
Cash and cash equivalents at 30 June		133,684	77,597



Notes to the Financial Statements

1. Revenue

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Geographical segments				
Revenue, Denmark	122,249	116,973	0	0
Revenue, exports	427,929	446,906	0	0
	550,178	563,879	0	0

2. Staff

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Wages and salaries	136,356	134,584	0	0
Pensions	12,981	13,165	0	0
Other social security expenses	2,040	2,127	0	0
Other staff expenses	6,048	4,710	0	0
	157,425	154,586	0	0
Wages and salaries etc. are recognised in the following items:				
Production expenses	136,591	135,039	0	0
Distribution expenses	4,839	5,323	0	0
Administrative expenses	15,995	14,224	0	0
	157,425	154,586	0	0
Including remuneration to the Executive Board and Board of Directors	3,141	2,718	0	0
Average number of employees	276	298	0	0

3. Income from investments in subsidiaries

(TDKK)	Parent company	
	2024/25	2023/24
Share of profits	29,621	14,665
	29,621	14,665



Notes to the Financial Statements

4. Financial income

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Interest from group enterprises	0	0	127	154
Other financial income	2,728	1,802	763	9
	2,728	1,802	890	163

5. Financial expenses

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Interest to group enterprises	626	677	76	737
Other financial expenses	2,386	2,690	2	1
	3,012	3,367	78	738

6. Income tax expense

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Current tax for the year	7,910	5,211	158	-134
Deferred tax for the year	-382	-2,423	0	0
	7,528	2,788	158	-134

7. Profit allocation

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Proposed dividend for the year	0	2,500	2,500	2,500
Reserve for net revaluation under the equity method	0	0	-100,591	14,665
Minority interests' share of net profit/loss of subsidiaries	53	-19	0	0
Retained earnings	27,298	9,018	128,273	-2,977
	27,351	11,499	30,182	14,188



Notes to the Financial Statements

8. Property, plant and equipment

Group

(TDKK)	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
Cost at 1 July	148,459	453,253	3,552	3,204	2,586
Additions for the year	0	2,657	44	0	0
Disposals for the year	0	-451	0	0	-954
Cost at 30 June	148,459	455,459	3,596	3,204	1,632
Impairment losses and depreciation at 1 July	24,031	413,257	3,282	366	0
Net effect from change of accounting policy	68,685	0	0	0	0
Depreciation for the year	3,629	8,629	116	366	0
Reversal of impairment and depreciation of sold assets	0	-451	0	0	0
Impairment losses and depreciation at 30 June	96,345	421,435	3,398	732	0
Carrying amount at 30 June	52,114	34,024	198	2,472	1,632

9. Investments in subsidiaries

(TDKK)	Parent company	
	2024/25	2023/24
Cost at 1 July	78,679	78,679
Cost at 30 June	78,679	78,679
Value adjustments at 1 July	225,877	182,515
Net profit/loss for the year	29,621	14,665
Dividend to the Parent Company	-130,000	0
Other equity movements, net	0	28,697
Value adjustments at 30 June	125,498	225,877
Carrying amount at 30 June	204,177	304,556

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Steel Products DFT A/S	Sønderborg	2.500	100%
Steel Products Ejendomme ApS	Horsens	1.000	100%
Steel Products Aage Østergaard A/S	Horsens	25.000	100%
Brdr. Madsen Maskenteknik A/S	Horsens	875	60%



Notes to the Financial Statements

10. Inventories

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Raw materials and consumables	29,315	36,008	0	0
Work in progress	64,951	59,614	0	0
Finished goods and goods for resale	36,807	46,540	0	0
	131,073	142,162	0	0

11. Prepayments

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

12. Provision for deferred tax

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Deferred tax liabilities at 1 July	12,046	20,086	0	0
Amounts recognised in the income statement for the year	-649	-2,423	0	0
Amounts recognised in equity for the year	-382	-5,617	0	0
Deferred tax liabilities at 30 June	11,015	12,046	0	0

13. Other provisions

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Other provisions relate to warranty costs on goods sold. Provisions are assessed annually and based on historical data.				
Other provisions	6,843	6,843	0	0
	6,843	6,843	0	0

The provisions are expected to mature as follows:

	Group	Parent company
	2024/25	2023/24
After 5 years	0	0
	0	0



Notes to the Financial Statements

14. Long-term debt

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.				
The debt falls due for payment as specified below:				
Mortgage loans				
After 5 years	47,009	48,029	0	0
Between 1 and 5 years	14,004	15,907	0	0
Long-term part	61,013	63,936	0	0
Within 1 year	3,462	3,203	0	0
	64,475	67,139	0	0
Lease obligations				
After 5 years	0	0	0	0
Between 1 and 5 years	78	306	0	0
Long-term part	78	306	0	0
Within 1 year	228	221	0	0
	306	527	0	0
Payables to group enterprises				
After 5 years	0	0	0	0
Between 1 and 5 years	10,500	10,500	0	0
Long-term part	10,500	10,500	0	0
Other short-term debt to group enterprises	625	676	1	25,035
	11,125	11,176	1	25,035
Corporation tax				
After 5 years	0	0	0	0
Between 1 and 5 years	8,068	4,697	158	0
Long-term part	8,068	4,697	158	0
Within 1 year	4,238	0	0	0
	12,306	4,697	158	0



Notes to the Financial Statements

15. Deferred income

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

16. Cash flow statement - Adjustments

(TDKK)	Group	
	2024/25	2023/24
Financial income	-2,728	-1,802
Financial expenses	3,012	3,367
Depreciation, amortisation and impairment losses, including losses and gains on sales	12,740	18,141
Tax on profit/loss for the year	7,528	2,788
Other adjustments	16	0
	20,568	22,494

17. Cash flow statement - Change in working capital

(TDKK)	Group	
	2024/25	2023/24
Change in inventories	11,089	47,576
Change in receivables	75	6,579
Change in trade payables, etc	14,216	-13,955
Other changes in working capital	51	0
	25,431	40,200

18. Contingent assets, liabilities and other financial obligations

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Charges and security				
The following assets have been placed as security with mortgage credit institutes:				
Land and buildings with a carrying amount of	52,114	55,743	0	0
Plant and machinery with a carrying amount of	34,024	39,996	0	0

The Group's production plants and machinery of DKK ('000) 34,024 may with exception of cars be included in the mortgage on properties in compliance with the rules on security for fittings.



Notes to the Financial Statements

18. Contingent assets, liabilities and other financial obligations (continued)

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
The group has issued owner's mortgage of DKK ('000) 12.900 which leads to a mortgage on specific production plants and machinery. The owner's mortgage is in the possession of the group.				
The following assets have been placed as security with bankers:				
Receivables from sales	109,428	108,835	0	0
Extensive operating fixtures and equipment	34,222	40,266	0	0
Inventory	131,073	142,162	0	0
Rental and lease obligations				
Lease obligations, period of non-terminability 12 months	8,008	8,127	0	0

Other contingent liabilities

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

Other financial obligations

The Group's main activity is to make complete solutions within deep drawing, pressing, cold forming and spinning for production of complicated parts. As part of this activity, and normal practice in the industry, the Group enters into contracts and place orders with external suppliers and thus has financial obligations to them. The total remaining financial obligation in this connection is assessed to TDKK 51.163 as of 30 June 2025. The parent company has no obligations as of 30 June 2025.



Notes to the Financial Statements

19. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Kirkehøjgaard ApS, 8700 Horsens	Parent Company
Transactions	
The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.	
Consolidated Financial Statements	
The company is enclosed in the consolidated financial statements for the parent company:	
<u>Name</u>	<u>Place of registered office</u>
Kirkehøjgaard ApS, CVR no. 25372808	Horsens

The consolidated financial statements can be requested at cvr.dk.

20. Fee to auditors appointed at the general meeting

With reference to the Danish Financial Statements Act §96 subsection 3, we refer to the above consolidated financial statements for Kirkehøjgaard ApS.

21. Subsequent events

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



Notes to the Financial Statements

22. Accounting policies

The Annual Report of Steel Products A/S for 2024/25 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The company has changed its accounting policy regarding the recognition of land and buildings. The company previously applied Section 41 of the Danish Financial Statements Act, under which fair value was measured through equity with deduction of depreciation. This is no longer permitted according to the Financial Statements Act, and therefore the company has transitioned to recognizing at cost less accumulated depreciation in accordance with Section 36. As a result of the change in accounting policy, comparative figures have been adjusted.

The change in accounting policy has resulted in a profit effect before tax for the current year of tDKK 3.244 (2023/24: tDKK 3.244), with a tax effect in the current year of tDKK 752 (2023/24: tDKK 752). The total assets have been reduced by tDKK 72.107 (2023/24: tDKK 68.685), and equity has likewise been reduced by tDKK 2.492 (2023/24: tDKK 53.574).

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024/25 are presented in tDKK.

Recognition and measurement

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

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

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

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

Basis of consolidation

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

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

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

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.



Notes to the Financial Statements

22. Accounting policies (continued)

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.



Notes to the Financial Statements

22. Accounting policies (continued)

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

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

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

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

Translation policies

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

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

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

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.



Notes to the Financial Statements

22. Accounting policies (continued)

Income statement

Revenue

Information is provided on geographical markets. The segment information is provided in consideration of the group's accounting policies, risks and management control. The company only operates within one business segment.

Segment assets comprise assets that are used directly in the segment's revenue-producing activities.

Segment liabilities comprise liabilities resulting from the segment's operations, including trade payables and other payables.

Production expenses

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

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group.

Income from investments in subsidiaries

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

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).



Notes to the Financial Statements

22. Accounting policies (continued)

Balance sheet

Property, plant and equipment

On acquisition land and buildings are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed properties comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and suppliers up until the time when the asset is ready for use.

Plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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

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

Production buildings	15-50 years
Plant and machinery	3-15 years
Other fixtures and fittings, tools and equipment	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Investments in subsidiaries

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

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

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

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

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.



Notes to the Financial Statements

22. Accounting policies (continued)

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

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

Receivables

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

Prepayments

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

Current Asset Investments

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

Dividend

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

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions comprise warranty commitments which include expenses for remedial action within the warranty period of 1-5 years. Provisions for warranty commitments are measured and recognised based on experience gained from guarantee work. Provisions with an expected maturity of more than one year from the balance sheet date are discounted using a rate that reflects the risk and maturity of the liability.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

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

Deferred tax assets and liabilities are offset within the same legal tax entity.



Notes to the Financial Statements

22. Accounting policies (continued)

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

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

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

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

Deferred income

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

Cash Flow Statement

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

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

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



Notes to the Financial Statements

22. Accounting policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
EBITDA ratio	
Profit margin	$\text{Profit/loss of primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$
EBITDA	$\text{EBITDA} / \text{Revenue}$
Net working capital	$\text{Net working capital} / \text{Revenue}$