



DBI Plastics Group A/S

Stenmaglevej 20 D
4295 Stenlille
CVR No. 27171737

Annual report 2024

The Annual General Meeting adopted the
annual report on 11.04.2025

Per Valstorp

Chairman of the General Meeting

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Entity details

Entity

DBI Plastics Group A/S

Stenmaglevej 20 D

4295 Stenlille

Business Registration No.: 27171737

Registered office: Sorø

Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Christian Egemose Agger

Per Toft Valstorp

Hans Hellstrøm Henningsen

Executive Board

Hans Hellstrøm Henningsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of DBI Plastics Group A/S for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

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.

Stenlille, 11.04.2025

Executive Board

Hans Hellstrøm Henningsen

Board of Directors

Christian Egemose Agger

Per Toft Valstorp

Hans Hellstrøm Henningsen

Independent auditor's report

To the shareholders of DBI Plastics Group A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of DBI Plastics Group A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 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 consolidated financial statements and the parent financial statements" section of this auditor's 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.

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

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

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

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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 financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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.

Copenhagen, 11.04.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Carøe Andersen

State Authorised Public Accountant
Identification No (MNE) mne34499

Arif Aygar

State Authorised Public Accountant
Identification No (MNE) mne50634

Management commentary

Financial highlights

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	179,209	180,390	169,158	165,003	149,154
Gross profit/loss	90,940	94,313	91,928	93,670	88,818
Operating profit/loss	2,694	8,765	11,000	14,339	1,680
Net financials	(203)	(2,846)	(728)	897	(2,358)
Profit/loss for the year	52	4,802	7,766	12,654	(615)
Balance sheet total	137,580	153,777	152,835	122,662	126,925
Investments in property, plant and equipment	4,901	9,996	7,651	9,310	8,786
Equity	109,208	110,885	106,403	103,525	90,916
Equity excl. minority interests	109,208	110,885			
Average number of employees	195	213	211	197	207
Ratios					
Gross margin (%)	50.75	52.28	54.34	56.77	59.55
Net margin (%)	0.03	2.66	4.59	7.67	(0.41)
Equity ratio (%)	79.38	72.11	0.00	0.00	0.00
Revenue per employee	919	847	802	833	717

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

Gross margin (%):

Gross profit/loss * 100

Revenue

Net margin (%):

Profit/loss for the year * 100

Revenue

Equity ratio (%):

$$\frac{\text{Equity excl. minority interests} * 100}{\text{Balance sheet total}}$$

Revenue per employee:

$$\frac{\text{Revenue}}{\text{Average number of employees}}$$

Primary activities

The primary activities of the Group comprise the development, manufacturing, and sale of protective solutions, which are sold on the global market. The production is carried out in Denmark and Poland, and sales and logistics are carried out through enterprises in Europe, North America and Asia; see the group chart on page 10.

Development in activities and finances

The overall business activity was affected by slower than anticipated growth. An organizational change has been initiated and implemented across all business areas throughout the year. The focus has been redefined with a flat organizational structure that places the customer at the center, enabling quicker decision-making and emphasizing collaboration across the entire organization. As a result, the company is approximately 10% leaner in terms of full-time equivalents (FTE), primarily within the management layer.

Profit/loss for the year in relation to expected developments

The Group's result for the year ended at a profit of DKK 52 thousand compared to a profit of DKK 4,802 thousand in 2023.

The Group's revenue for the year decreased moderately compared to the planned increase. Consequently, the net result did not meet expectations. Additionally, ongoing cost increases impacted the results.

Uncertainty relating to recognition and measurement

The valuation of assets and liabilities is made in accordance with current accounting policies and Management of DBI Plastics Group A/S is of the opinion that no uncertainty is related to recognition and measurement.

Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances affecting recognition and measurement in the financial year 2024.

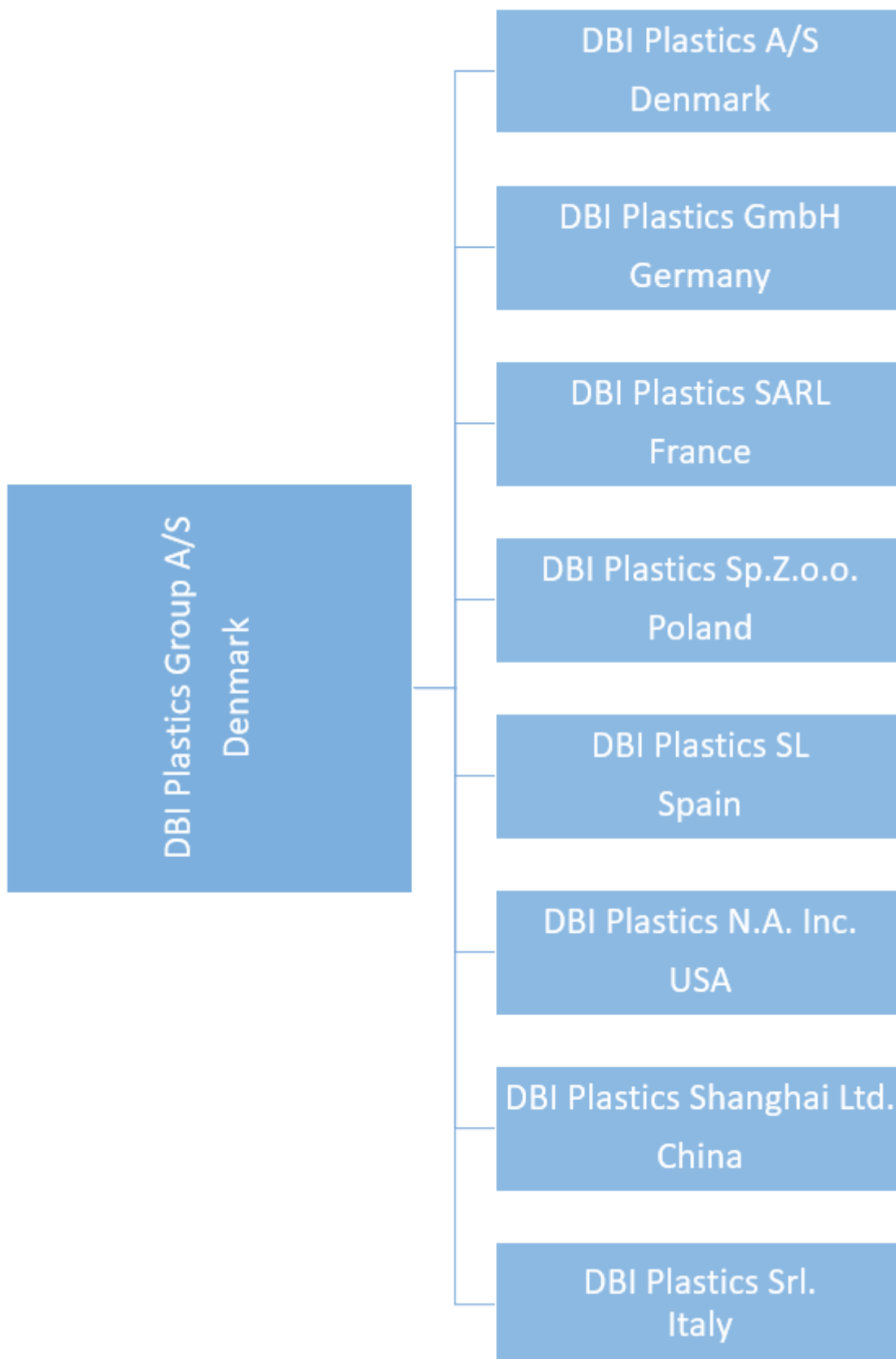
Outlook

The restructuring and organizational changes are set to pave the way for renewed growth across various business segments. Looking ahead, there will be a strong emphasis on enhancing business acumen through collaboration and prioritizing the customer. A significant digitalization platform change for the company has been initiated and will be implemented gradually over the coming years. As these changes take effect, net results are expected to show steady improvement.

The Group's activities do not involve any significant risks, neither operating nor financial risks. The company has some exposure to foreign currency, but the management monitors the risk on an ongoing basis.

Operating profit is expected to be within the range of DKK 10-15 m.

Group relations



Consolidated income statement for 2024

	Notes	2024 DKK	2023 DKK
Revenue		179,209,201	180,390,174
Other operating income		779,063	149,013
Costs of raw materials and consumables		(38,512,406)	(39,471,453)
Other external expenses		(50,535,667)	(46,754,384)
Gross profit/loss		90,940,191	94,313,350
Staff costs	2	(78,936,128)	(76,973,315)
Depreciation, amortisation and impairment losses	3	(9,294,238)	(8,575,425)
Other operating expenses		(15,963)	0
Operating profit/loss		2,693,862	8,764,610
Other financial income	4	1,089,086	3,142,018
Other financial expenses	5	(1,292,013)	(5,988,482)
Profit/loss before tax		2,490,935	5,918,146
Tax on profit/loss for the year	6	(2,438,700)	(1,116,232)
Profit/loss for the year	7	52,235	4,801,914

Consolidated balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Acquired intangible assets		2,172,721	2,076,932
Intangible assets	8	2,172,721	2,076,932
Plant and machinery		18,312,592	15,836,871
Other fixtures and fittings, tools and equipment		4,112,387	5,304,112
Leasehold improvements		2,352,023	2,694,471
Property, plant and equipment in progress		1,185,784	6,511,817
Property, plant and equipment	9	25,962,786	30,347,271
Deposits		1,820,873	1,810,809
Deferred tax	11	4,345,389	3,567,843
Financial assets	10	6,166,262	5,378,652
Fixed assets		34,301,769	37,802,855

Raw materials and consumables		13,772,106	13,314,913
Work in progress		5,651,325	7,761,178
Manufactured goods and goods for resale		28,053,422	32,623,511
Inventories		47,476,853	53,699,602
<hr/>			
Trade receivables		38,914,934	40,908,322
Receivables from group enterprises		1,496,926	5,148,507
Other receivables		818,166	1,870,752
Tax receivable		24,464	968,584
Joint taxation contribution receivable		153,962	344,775
Prepayments	12	469,522	818,152
Receivables		41,877,974	50,059,092
<hr/>			
Cash		13,923,262	12,215,799
<hr/>			
Current assets		103,278,089	115,974,493
<hr/>			
Assets		137,579,858	153,777,348
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Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		500,000	500,000
Retained earnings		100,707,701	110,384,675
Proposed dividend for the financial year		8,000,000	0
Equity		109,207,701	110,884,675
Other payables	13	4,671,816	4,627,023
Non-current liabilities other than provisions	14	4,671,816	4,627,023
Bank loans		0	5,746,508
Prepayments received from customers		2,738,118	4,296,063
Trade payables		8,548,357	7,254,515
Payables to group enterprises		5,691,385	11,011,815
Tax payable		0	602,199
Other payables		6,722,481	9,354,550
Current liabilities other than provisions		23,700,341	38,265,650
Liabilities other than provisions		28,372,157	42,892,673
Equity and liabilities		137,579,858	153,777,348
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	16		
Non-arm's length related party transactions	17		
Group relations	18		
Subsidiaries	19		

Consolidated statement of changes in equity for 2024

	Contributed capital DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	500,000	110,384,675	0	110,884,675
Ordinary dividend paid	0	(2,500,000)	0	(2,500,000)
Exchange rate adjustments	0	770,791	0	770,791
Profit/loss for the year	0	(7,947,765)	8,000,000	52,235
Equity end of year	500,000	100,707,701	8,000,000	109,207,701

Consolidated cash flow statement for 2024

	Notes	2024 DKK	2023 DKK
Operating profit/loss		2,693,862	8,764,610
Amortisation, depreciation and impairment losses		9,294,238	8,575,425
Working capital changes	15	7,444,497	3,473,688
Cash flow from ordinary operating activities		19,432,597	20,813,723
Financial income received		5,027,041	3,142,018
Financial expenses paid		(5,229,967)	(5,988,482)
Taxes refunded/(paid)		(2,683,512)	(2,593,021)
Cash flows from operating activities		16,546,159	15,374,238
Acquisition etc. of intangible assets		(328,763)	(1,973,040)
Acquisition etc. of property, plant and equipment		(4,901,153)	(9,996,363)
Acquisition of fixed asset investments		(471)	(1,409)
Sale of fixed asset investments		307,049	0
Cash flows from investing activities		(4,923,338)	(11,970,812)
Free cash flows generated from operations and investments before financing		11,622,821	3,403,426
Repayments of loans etc.		(5,746,508)	(4,289,440)
Dividend paid		(2,500,000)	(2,500,000)
Change in debt to group enterprises		(1,668,850)	3,111,962
Cash flows from financing activities		(9,915,358)	(3,677,478)

Increase/decrease in cash and cash equivalents	1,707,463	(274,052)
Cash and cash equivalents beginning of year	12,215,799	12,489,851
Cash and cash equivalents end of year	13,923,262	12,215,799
Cash and cash equivalents at year-end are composed of:		
Cash	13,923,262	12,215,799
Cash and cash equivalents end of year	13,923,262	12,215,799

Notes to consolidated financial statements

1 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.

2 Staff costs

	2024	2023
	DKK	DKK
Wages and salaries	70,666,874	69,380,025
Pension costs	3,761,672	3,435,311
Other social security costs	4,507,582	4,157,979
	78,936,128	76,973,315
Average number of full-time employees	195	213

	Remuneration of management 2024 DKK	Remuneration of management 2023 DKK
Total amount for management categories	3,368,714	3,458,701
	3,368,714	3,458,701

The company have with reference to the Danish Financial Statements Act §98B para 3, compiled the disclosure of remuneration for the management categories.

3 Depreciation, amortisation and impairment losses

	2024	2023
	DKK	DKK
Amortisation of intangible assets	232,974	0
Depreciation on property, plant and equipment	9,061,264	8,575,425
	9,294,238	8,575,425

4 Other financial income

	2024	2023
	DKK	DKK
Other interest income	27,348	33,987
Exchange rate adjustments	1,061,738	3,108,031
	1,089,086	3,142,018

5 Other financial expenses

	2024	2023
	DKK	DKK
Financial expenses from group enterprises	218,309	160,752
Other interest expenses	64,143	330,391
Exchange rate adjustments	1,009,561	5,496,339
Other financial expenses	0	1,000
	1,292,013	5,988,482

6 Tax on profit/loss for the year

	2024	2023
	DKK	DKK
Current tax	1,785,035	1,184,439
Change in deferred tax	(459,086)	391,895
Adjustment concerning previous years	1,442,751	39,621
Refund in joint taxation arrangement	(330,000)	(499,723)
	2,438,700	1,116,232

7 Proposed distribution of profit/loss

	2024	2023
	DKK	DKK
Ordinary dividend for the financial year	8,000,000	0
Retained earnings	(7,947,765)	4,801,914
	52,235	4,801,914

8 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	2,076,932
Additions	328,763
Cost end of year	2,405,695
Amortisation for the year	(232,974)
Amortisation and impairment losses end of year	(232,974)
Carrying amount end of year	2,172,721

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
Cost beginning of year	172,105,913	20,287,241	15,693,260	6,511,817
Exchange rate adjustments	0	276,371	0	0
Transfers	9,125,661	0	0	(9,125,661)
Additions	841,047	167,573	92,905	3,799,628
Disposals	(350,800)	0	0	0
Cost end of year	181,721,821	20,731,185	15,786,165	1,185,784
Depreciation and impairment losses beginning of year	(156,269,042)	(14,983,129)	(12,998,788)	0
Exchange rate adjustments	0	(193,696)	0	0
Depreciation for the year	(7,183,937)	(1,441,973)	(435,354)	0
Reversal regarding disposals	43,750	0	0	0
Depreciation and impairment losses end of year	(163,409,229)	(16,618,798)	(13,434,142)	0
Carrying amount end of year	18,312,592	4,112,387	2,352,023	1,185,784

10 Financial assets

	Deposits DKK	Deferred tax DKK
Cost beginning of year	1,810,809	3,567,843
Exchange rate adjustments	9,593	0
Additions	471	777,546
Cost end of year	1,820,873	4,345,389
Carrying amount end of year	1,820,873	4,345,389

11 Deferred tax

	2024	2023
	DKK	DKK
Intangible assets	(464,938)	(440,600)
Property, plant and equipment	2,001,142	2,000,994
Inventories	(25,300)	273,680
Receivables	4,400	4,400
Tax losses carried forward	2,830,085	1,729,369
Deferred tax	4,345,389	3,567,843

	2024	2023
	DKK	DKK
Changes during the year		
Beginning of year	3,567,843	3,959,738
Recognised in the income statement	459,086	(391,895)
Change in use of joint taxation	318,460	0
End of year	4,345,389	3,567,843

Deferred tax assets

Deferred tax assets are recognized on the basis of expected realized income from sales. The revenue base justify recognition of the tax assets.

12 Prepayments

Prepayments relate to prepaid expenses.

13 Other payables

	2024	2023
	DKK	DKK
Holiday pay obligation	4,671,816	4,627,023
	4,671,816	4,627,023

14 Non-current liabilities other than provisions

	Due after more than 12 months 2024 DKK
Other payables	4,671,816
	4,671,816

Non-current liabilities other than provisions due after 5 years from the balance sheet date amounts to DKK 0.

15 Changes in working capital

	2024	2023
	DKK	DKK
Increase/decrease in inventories	6,222,749	1,549,697
Increase/decrease in receivables	3,394,604	2,554,338
Increase/decrease in trade payables etc.	(2,851,379)	(2,333,285)
Other changes	678,523	1,702,938
	7,444,497	3,473,688

16 Unrecognised rental and lease commitments

	2024	2023
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	5,038,495	5,781,533

17 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

18 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: Hans Hellstrøm Henningsen Holding ApS, Slotsvej 52, 2920 Charlottenlund, Denmark.

19 Subsidiaries

	Registered in	Corporate form	Ownership %
DBI Plastics A/S	Stenlille	A/S	100
DBI Plastics GmbH	Germany	GmbH	100
DBI Plastics SARL	France	SARL	100
DBI Plastics Sp. Z.o.o.	Poland	Sp. Zo.o.	100
DBI Plastics SL	Spain	SL	100
DBI Plastics N.A. Inc.	United States of America	INC.	100
DBI Plastics (Shanghai) Co. Ltd.	China	Co. Ltd.	100
DBI Plastics Srl.	Italy	Srl.	100

Parent income statement for 2024

	Notes	2024 DKK	2023 DKK
Other external expenses		(23,375)	(28,500)
Gross profit/loss		(23,375)	(28,500)
Income from investments in group enterprises		(571,897)	4,252,551
Other financial income	2	845,650	831,943
Other financial expenses	3	(22,105)	(99,131)
Profit/loss before tax		228,273	4,956,863
Tax on profit/loss for the year	4	(176,038)	(154,948)
Profit/loss for the year	5	52,235	4,801,915

Parent balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Investments in group enterprises		87,042,239	90,492,400
Financial assets	6	87,042,239	90,492,400
Fixed assets		87,042,239	90,492,400
Receivables from group enterprises		22,363,083	24,349,608
Receivables		22,363,083	24,349,608
Cash		2,532	2,503
Current assets		22,365,615	24,352,111
Assets		109,407,854	114,844,511

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		500,000	500,000
Reserve for net revaluation according to equity method		46,896,974	50,261,375
Retained earnings		53,810,728	57,623,301
Proposed dividend for the financial year		8,000,000	2,500,000
Equity		109,207,702	110,884,676
Payables to group enterprises		0	3,777,898
Joint taxation contribution payable		176,038	154,948
Other payables		24,114	26,989
Current liabilities other than provisions		200,152	3,959,835
Liabilities other than provisions		200,152	3,959,835
Equity and liabilities		109,407,854	114,844,511
Events after the balance sheet date	1		
Employees	7		
Contingent liabilities	8		
Related parties with controlling interest	9		
Non-arm's length related party transactions	10		

Parent statement of changes in equity for 2024

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	500,000	50,261,375	57,623,301	2,500,000	110,884,676
Ordinary dividend paid	0	0	0	(2,500,000)	(2,500,000)
Exchange rate adjustments	0	770,791	0	0	770,791
Other entries on equity	0	(578,395)	578,395	0	0
Dividends from group enterprises	0	(2,984,900)	2,984,900	0	0
Profit/loss for the year	0	(571,897)	(7,375,868)	8,000,000	52,235
Equity end of year	500,000	46,896,974	53,810,728	8,000,000	109,207,702

Notes to parent financial statements

1 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.

2 Other financial income

	2024	2023
	DKK	DKK
Financial income from group enterprises	783,886	753,610
Other interest income	29	15
Exchange rate adjustments	61,735	78,318
	845,650	831,943

3 Other financial expenses

	2024	2023
	DKK	DKK
Exchange rate adjustments	22,105	98,131
Other financial expenses	0	1,000
	22,105	99,131

4 Tax on profit/loss for the year

	2024	2023
	DKK	DKK
Current tax	176,038	154,948
	176,038	154,948

5 Proposed distribution of profit and loss

	2024	2023
	DKK	DKK
Ordinary dividend for the financial year	8,000,000	2,500,000
Retained earnings	(7,947,765)	2,301,915
	52,235	4,801,915

6 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	40,230,959
Disposals	(85,759)
Cost end of year	40,145,200
Revaluations beginning of year	50,261,441
Exchange rate adjustments	770,791
Share of profit/loss for the year	(1,839,416)
Adjustment of intra-group profits	1,240,199
Dividend	(2,984,900)
Reversal regarding disposals	(551,076)
Revaluations end of year	46,897,039
Carrying amount end of year	87,042,239

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

7 Employees

The Entity has no employees other than the Executive Board.

8 Contingent liabilities

The Parent has issued a cross guarantee for the bank debt of the Danish group enterprises. The total bank debt of the Danish group enterprises that has been guaranteed amounts to DKK 236 thousand (DKK 9,657 thousand at 31.12.2023).

The Entity participates in a Danish joint taxation arrangement where Hans Hellstrøm Henningsen Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

9 Related parties with controlling interest

The following shareholders hold a significant influence on the Company:
Hans Hellstrøm Henningsen Holding ApS, Stationsvej 5, 4295 Stenlille.

All transactions with related parties which have not been according with market conditions will be disclosed. There have been no such transactions in the financial year.

10 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

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 consolidated financial statements and parent 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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

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 is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

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 intangible assets and property, plant and equipment, and salary refunds.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and normal writedowns of the relevant inventories.

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme 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 Parent is jointly taxed with all of its Danish group enterprises and other Danish consolidated companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

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

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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, subsuppliers and labour costs.

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

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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	3-7 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

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.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

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.

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.

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, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, 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 cash in hand and bank deposits.

Dividend

Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.