

Damstahl a/s

Danmarksvej 28, 8660 Skanderborg

CVR no. 23 25 61 18

Annual report 2024

Approved at the Company's annual general meeting on 21 May 2025

Chairman:

Signed by:

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26 May 2025

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Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Damstahl a/s for the financial year 1 January - 31 December 2024.


The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that 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 31 December 2024 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 1 January - 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the Parent Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Skanderborg, 21 May 2025
Executive Board

Signed by:

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Michael Lund Rauff Finnerup
22 May 2025


Signed by:

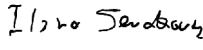
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Claus Bang Christiansen
22 maj 2025


Board of Directors:


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Wolf Ehrenberg
Chairman 22. Mai 2025

Signed by:

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Harry Ehrenberg
Vice chairman 23 May 2025

Signed by:

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Mrs Ilona Senderowicz
Vice chairman 22 May 2025

Signiert von:

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Marc Ehrenberg
22. Mai 2025

Signed by:

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Ori Ehrenberg
22 May 2025

Signiert von:

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Jan Wenzel Ehrenberg
22. Mai 2025

Independent auditors' report

To the shareholders of Damstahl a/s

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Damstahl a/s for the financial year 1 January -31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for both the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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 31 December 2024 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January -31 December 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 company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.

Independent auditors' report

As part of an audit conducted in accordance with ISAs and 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 note 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 group 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditors' report

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 21 May 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Signed by:

 26 May 2025

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Tom B. Lassen
State Authorised
Public Accountant
mne24820

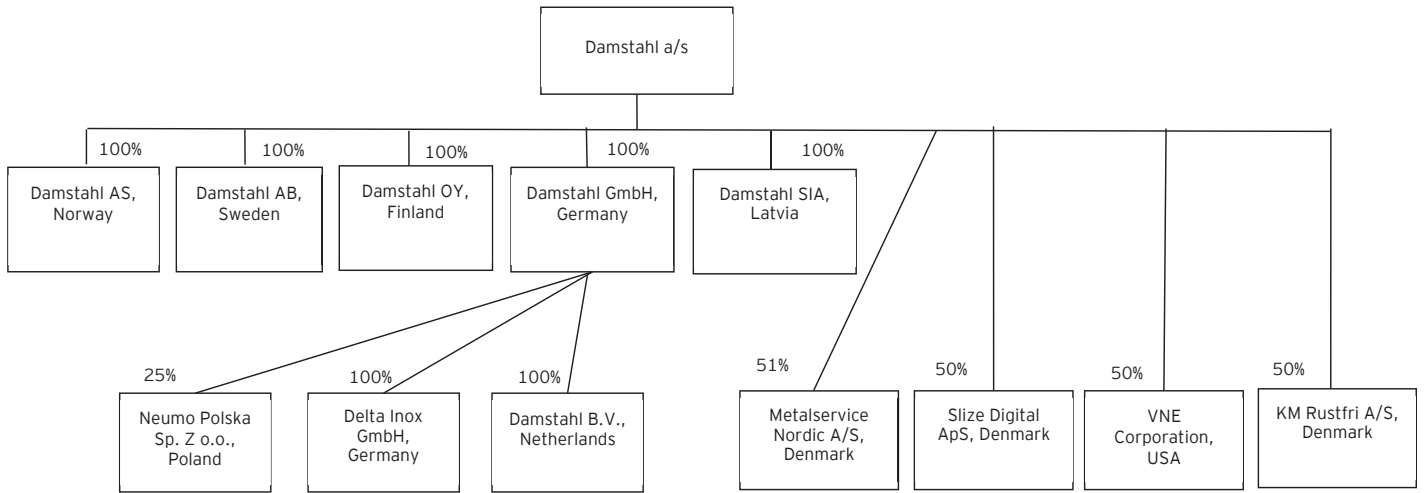
Management's review

Company details

Name	Damstahl a/s
Address, zip code, city	Danmarksvej 28, DK-8660 Skanderborg
CVR No.	23 25 61 18
Established	8 December 1969
Registered office	Skanderborg
Financial year	1 January - 31 December
Website	www.damstahl.com
E-mail	damstahl@damstahl.com
Telephone	+45 87 94 40 00
Board of Directors	Wolf Ehrenberg, CEO and Chairman Harry Ehrenberg, CEO and Vice Chairman Mrs Ilona Senderowicz, Vice Chairman Marc Ehrenberg Ori Ehrenberg Jan Wenzel Ehrenberg
Executive Board	Michael Lund Rauff Finnerup, CEO Claus Bang Christiansen, CFO
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, DK-8000 Aarhus C

Management's review

Group chart



Management's review

Financial highlights

EURm	2024	2023	2022	2021	2020
Key figures					
Revenue	350,6	395,9	434,5	296,2	252,4
Operating profit/loss	-9,2	-12,2	15,5	26,0	0,9
Profit/loss from financial income and expenses and other operating income	-2,6	-3,8	2,9	3,6	2,2
Profit/loss for the year	-8,4	-12,2	13,9	23,2	2,5
Non-current assets	67,4	53,4	54,4	46,9	44,0
Current assets	170,1	193,8	219,0	163,6	122,7
Total assets	237,5	247,2	273,4	210,5	166,7
Share capital	13,4	13,4	13,4	13,4	13,4
Equity	96,9	105,7	122,4	115,0	93,1
Non-controlling interests	2,9	2,8	2,9	0	0
Provisions	0,8	1,5	3,4	3,6	1,9
Non-current liabilities other than provisions	16,1	14,4	4,1	4,3	5,2
Current liabilities other than provisions	120,8	122,8	140,6	87,6	66,5
Cash flows from operating activities	-4,6	13,6	-19,2	-11,8	10,9
Cash flows from investing activities	-8,3	2,0	-10,7	-2,1	-8,8
Portion relating to investment in property, plant and equipment	-7,7	-6,6	-5,6	-0,5	-6,4
Cash flows from financing activities	-9,1	0,6	33,3	8,7	2,8
Total cash flows	-22,0	16,2	3,4	-5,2	4,9
Ratios					
	2024	2023	2022	2021	2020
Financial ratios					
Operating margin	-2,6	-3,1	3,5	8,8	0,4
Return on invested capital	-4,7	-5,9	6,2	13,5	0,6
Gross margin	10,3	7,1	16,3	24,9	16,7
Current ratio	140,8	157,8	155,8	186,8	184,5
Solvency ratio	40,8	42,8	44,8	54,6	55,8
Return on equity	-8,3	-10,7	11,7	22,3	2,7
Average number of full-time employees	345	362	352	316	305

For terms and definitions, please see the accounting policies.

Management's review

Financial highlights (continued)

	2024	2023	2021	2020	2019
Gender composition of management					
<i>Supreme governing body¹:</i>					
Total number of members	6	5	-	-	-
Underrepresented gender in percent	17%	20%	-	-	-
Target gender in percent	30%	30%	-	-	-
Target year	2028	2028	-	-	-
<i>Management²:</i>					
Total number of members	10	10	-	-	-
Underrepresented gender in percent	20%	20%	-	-	-
Target gender in percent	40%	40%	-	-	-
Target year	2028	2028	-	-	-

¹ In compliance with §99b of the Danish Financial Statements Act, our company remains committed to promoting gender diversity within our governance structures. Our Board, composed solely of family members, now consists of 6 members, with 17% representing the underrepresented gender. This familial setup continues to influence board composition. We uphold our target of at least 30% representation of the underrepresented gender by 2028. Achieving this, remains dependent on developments within the family structure and the potential inclusion of non-family members, if needed.

In 2024, we expanded the Board with a new male family member, reflecting generational succession and ongoing family engagement. Though this affected the gender ratio, we continue to integrate diversity into our governance planning and remain committed to advancing gender balance over time.

² We have set a goal to achieve at least 40% representation of the underrepresented gender among our management team by 2028. The management level includes the Executive Board and all persons with managerial responsibility, who refer directly to the first level of management. Currently, women represent 20% of our management team, corresponding to 2 out of 10 managers.

We are following our policy on presentation of both genders for all vacancies. This approach is designed to eliminate any potential biases in our selection process and to open opportunities for all talented individuals within our organization. It is essential to emphasize that while we strive to enhance gender diversity, our selection criteria will remain rooted in qualifications, skills, and the overall contribution to our company's goals. Our commitment to diversity does not compromise our standards of excellence; rather, it enhances our ability to tap into a wide range of talents and perspectives.

Management's review

Operating review

Principal activities of the Company

The company is a stockholder and distributor of stainless steel and related products.

Financial review

Profit/loss for the year

Based on global macroeconomic uncertainties, 2024 was affected by price decreases in larger periods of the year. Despite a few periods of increasing nickel prices, the sales prices of stainless steel did not follow through due to vague demand. The industry as such was influenced by a declining demand in the long product area whilst the flat products stabilized on a low-level dating back to 2023. Stocks both at the mills and stockholders throughout Europe was on the high side causing a highly competitive marketplace.

The Damstahl Group's overall volume dropped by app. 5%. The strategic focus area, Fittings & Flanges grew by 5% in revenue. The output was influenced by the large building projects ongoing in both Germany as well as in Denmark. After having finalized our first highbay in Langefeld Germany in July and in Skanderborg Denmark in August, we saw a fast recovery of our performance.

The actions around the green agenda, with a vision of creating transparency for our customers, continued throughout 2024. The focus on digitalization continued with great success as the digital penetration on Group level ended up at 85%.

Income statement

Consolidated revenue decreased from KEUR 395.870 in 2023 to KEUR 350.566 in 2024. This is mainly caused by declining prices of stainless steel and to some extent by the drop in tonnage. The turbulent market situation affected the Group's margin, however ended up being KEUR 36.070 compared to KEUR 27.954 in 2023. The effect of the negative price development caused a negative windfall effect of KEUR 7.166 and is the primary reason for not fulfilling the expectations as stipulated in the outlook in the annual report for 2023. Further to the negative windfall effect, the year is also impacted by a stock write down of KEUR 1.306 due to the price development.

The Group's operating costs and staff costs for 2024 ended up by KEUR 42.672, which is only a minor increase compared to 2023, where it ended up by KEUR 42.606. Behind this are savings in external operating costs because of various cost saving projects. Staff costs increased mainly because of costs related to the transition process for the 3 new highbays, where the last highbay in Germany will be finalized end 2025. And on top of that, staff costs were also impacted by one-off costs related to organizational changes.

The high market interest rates also influenced the Group's result, and the net interest costs ended up by KEUR 4.518.

Overall, the EBITDA improved by KEUR 8.050 from 2023 to 2024 because of increased profitability from core business activities.

The Group realized a profit after tax of KEUR -8.547 against a 2023 result of KEUR -12.147. The financial result does not meet expectations and is highly impacted by the central European activities. The result overall is considered unsatisfying.

Management's review

Balance sheet

The consolidated balance sheet totalled KEUR 237.482 against KEUR 247.161 in 2023. In these figures are included an increase in tangible assets because of investments in the 3 new highbay warehouses in Denmark and Germany. Despite the increase in tangible assets, the total balance decreased which amongst other derives from the continuously high focus on inventory management as well as the work with strategic financing, all with the aim of slimming the balance.

Self-financing continues to be high, and equity arrived at KEUR 96.934, corresponding to a solvency ratio of 40,8%.

Corporate social responsibility

The Group's corporate social responsibility report is accessible at the Company's webpage <https://www.damstahl.dk/om-damstahl/csr/>

Reporting on goals and policies regarding gender quotation on the Management Board

The Group's reporting on the gender quotation on the Board of Directors and policies for the gender quotation at other managerial levels are accessible at the Company's webpage <https://www.damstahl.dk/om-damstahl/csr/>.

Data ethics

We are following the guiding principles of EU GDPR related to the processing of personal data:

- ▶ Lawfulness, fairness, and transparency (when processing data)
- ▶ Purpose limitation (*collected for specified, explicit and legitimate purposes*)
- ▶ Data minimization ("need to have" focus)
- ▶ Accuracy (*kept up to date*)
- ▶ Storage limitation (*no longer than it is necessary*)
- ▶ Integrity and confidentiality (*appropriate security*)
- ▶ Accountability (*compliance*).

We are as a wholesaler (BtB) furthermore processing data concerning customers, suppliers, and products to be able to fulfil our purpose. We are also buying market information to support our internal decision making. We are following the same guiding principles within all data categories.

Like other business considerations, data ethics are considered in major strategic business decisions and underpin our business model, values, and vision. Our work with data ethics is anchored in our Business Support department. Decisions on the use of data and new technology are also anchored in the Executive Management, which continuously evaluates data ethics together with the other management levels and with the involvement of relevant employees. We are prioritizing that our employees are well informed about data ethics, data security and handling of personal data, among other things through continuous training and education.

Particular risks

General risks

Damstahl a/s is not subject to any risks other than normal business risks relating to the Company's business area.

The unstable macro environment as well as the escalating trade war expose a risk for a further slowdown in the global economy. Beyond that, there are still many constrains in the value chain based on a number of antidumping cases and safeguard measures.

Management's review

Financial risks

The Group conducts effective credit control and credit insurance to minimize the credit risks on its trade receivables.

The interest rate risk relating to interest-bearing current and non-current liabilities is assessed and controlled by Management on a regular basis.

Operating credit lines are normally established by using variable interest rates, whereas loans regarding the financing of non-current assets to some extent, are made by using a fixed rate or using interest swaps.

Risks in foreign currencies are monitored and controlled by Management in order to minimize foreign exchange risks. Transactions with subsidiaries are not hedged, nor are investments in foreign subsidiaries.

Risks related to underlying commodities in stainless steel such as nickel, chromium, and molybdenum are monitored and controlled by Management on a continuous basis.

Outlook

The demand started well in Q1 of 2025, and the first quarter has been significantly better than 2024 both measured in tonnage and margin. This, combined with a lower cost structure based on higher effectivity deriving from the implementation of our highbays and general cost savings, ensures a satisfying Q1. Despite the prevailing and rising uncertainties in the global economy, the Group will continue its active growth strategy in cooperation with its customers and suppliers. Despite the global trend, the Group will also continue its focus on sustainability and knowledge sharing within stainless steel, latest manifested by our Stainless Steel Guru based on AI.

Late in 2025, the second highbay in Langenfeld Germany will be ready for operation, and thereby all tubes and bars are stored on the premises in Langenfeld.

The group thereby utilizes the strength of the largest and most efficient highbay in the region to serve customers directly from Denmark to Finland. With the new highbays in Denmark and Germany, the increased efficiency of our supply chain structure has enabled the initiation of a close down process of the warehouse in Hämeenlinna, Finland. The sales activities with local representation in Finland will be continued to ensure local and professional handling of our customers.

Further, the Group will during 2025 continue developing the digital sales and especially the Commerce platform. The Damstahl Group is co-owner of the Commerce company Slize Digital, a company which focusses on digital business development. Based on the co-work with Slize Digital, the Group will during 2025 launch further digital solutions in all processes of the company.

2025 is expected to be a transition year, and the results of operations are far from predictable; but given the current market circumstances, a positive result in the range of 2-6MEUR is expected. The solidity of the Damstahl group is significant and above 40%, stocks under control and the strategic focus on finding partners willing to operate consignment stocks on Damstahl premises is developing. The focus on cost reductions and effectiveness will continue throughout 2025 ensuring our customers a well-shaped competitive knowledge driven partner with even higher attention to on time delivery and value adding product program.

Events after the balance sheet date

No events have occurred after the balance sheet date which materially affect the Group's financial position.

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December**Income statement**

Note	EUR'000	Consolidated		Parent company	
		2024	2023	2024	2023
3	Revenue	350.566	395.870	130.617	140.999
	Cost of sales	-314.496	-367.916	-118.697	-132.495
	Gross profit	36.070	27.954	11.920	8.504
4	External operating costs	-13.334	-15.496	-3.171	-3.434
5	Staff costs	-29.338	-27.110	-8.059	-6.973
	Profit before depreciation/amortisation (EBITDA)	-6.602	-14.652	690	-1.903
	Depreciation	-2.636	2.482	-1.457	-1.502
	Operating profit/loss (EBIT)	-9.238	-12.170	-767	-3.405
	Profit/loss from ordinary activities in subsidiaries	0	0	-7.178	-7.871
	Profit from ordinary activities in equity interests	1.836	790	1.322	182
6	Financial income	825	206	33	762
	Financial expenses	-5.343	-4.823	-2.696	-2.941
	Profit/loss from ordinary activities before tax (EBT)	-11.920	-15.997	-9.286	-13.273
7	Tax on profit/loss from ordinary activities	3.511	3.737	739	1.126
	Profit/loss for the year	-8.409	-12.260	-8.547	-12.147
	The consolidated result can be specified as:				
	Shareholders in Damstahl a/s	-8.547	-12.147		
	Non-controlling interest's share	138	-113		
		-8.409	-12.260		

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Balance sheet

Note	EUR'000	Consolidated		Parent company		
		2024	2023	2024	2023	
		ASSETS				
		Non-current assets				
8		Intangible assets				
		IT software	5.914	6.095	5.848	6.007
		Goodwill	1.570	1.697	0	0
		Current projects	67	263	67	263
			<u>7.551</u>	<u>8.055</u>	<u>5.915</u>	<u>6.270</u>
9		Property, plant and equipment				
		Land and buildings	16.709	14.948	7.885	5.561
		Fixtures and fittings, tools and equipment	19.555	2.692	7.764	605
		Current projects	3.335	9.757	0	3.669
			<u>39.599</u>	<u>27.397</u>	<u>15.649</u>	<u>9.835</u>
		Investments				
10		Investments in subsidiaries	0	0	70.508	77.389
11		Investments in equity interests	20.159	17.864	15.114	13.262
		Deposits	55	55	0	0
			<u>20.214</u>	<u>17.919</u>	<u>85.622</u>	<u>90.651</u>
		Total non-current assets	<u>67.364</u>	<u>53.371</u>	<u>107.186</u>	<u>106.756</u>
		Current assets				
		Inventories				
		Goods for resale	115.881	115.040	38.238	35.153
		Prepayments for goods	5.710	5.923	0	0
			<u>121.591</u>	<u>120.963</u>	<u>38.238</u>	<u>35.153</u>
		Receivables				
		Trade receivables	38.023	43.039	14.216	16.514
12		Amounts owed by subsidiaries	0	0	37.847	32.850
		Amounts owed by equity interests	106	213	106	74
		Amounts owed by group entities	407	394	23	28
		Corporation tax refund	716	616	178	59
13		Deferred tax asset	4.185	1.420	72	0
		Joint taxation contribution receivable	0	0	46	0
		Other receivables	2.724	2.365	547	551
14		Prepayments	685	1.111	530	911
			<u>46.846</u>	<u>49.158</u>	<u>53.565</u>	<u>50.987</u>
		Cash at bank and in hand	<u>1.681</u>	<u>23.669</u>	<u>1.117</u>	<u>11.731</u>
		Total current assets	<u>170.118</u>	<u>193.790</u>	<u>92.920</u>	<u>97.871</u>
		TOTAL ASSETS	<u>237.482</u>	<u>247.161</u>	<u>200.106</u>	<u>204.627</u>

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Balance sheet

Note	EUR'000	Consolidated		Parent company	
		2024	2023	2024	2023
		EQUITY AND LIABILITIES			
15	Equity				
	Share capital	13.405	13.418	13.405	13.418
	Reserve for net revaluation according to the equity method	0	0	63.470	69.553
	Reserve for development costs	0	4.685	4.613	4.685
	Hedging reserve	-403	0	-403	0
	Foreign currency translation reserve	-1.034	0	0	0
	Retained earnings	84.591	87.580	15.474	18.027
	Proposed dividends	375	0	375	0
	Damstahl a/s shareholders' share of equity	96.934	105.683	96.934	105.683
	Non-controlling interests	2.913	2.774	0	0
	Total equity	99.847	108.457	96.934	105.683
	Provisions				
13	Deferred tax	241	910	0	665
	Other provisions	547	577	0	0
	Total provisions	788	1.487	0	665
	Liabilities other than provisions				
16	Non-current liabilities other than provisions				
	Mortgage debt	7.846	8.252	7.846	8.252
	Bank loans	2.238	6.032	0	0
	Other non-current liabilities	6.011	133	6.011	133
		16.095	14.417	13.857	8.385
	Current liabilities other than provisions				
16	Current portion of non-current liabilities other than provisions				
	Bank loans	86.096	91.042	76.683	81.125
	Trade payables	21.961	18.755	8.580	4.795
	Amounts owed to group entities	0	0	360	1.120
	Amounts owed to other group entities	303	1.275	266	234
	Corporation tax	3.559	3.819	0	0
	Joint taxation contribution payable	8	0	0	0
	Other payables	8.074	7.509	2.675	2.220
		120.752	122.800	89.315	89.894
	Total liabilities other than provisions	136.847	137.217	103.172	98.279
	TOTAL EQUITY AND LIABILITIES	237.482	247.161	200.106	204.627

- 1 Accounting policies
- 2 Events after the balance sheet date
- 17 Derivative financial instruments
- 18 Contingent liabilities and collateral
- 19 Related party disclosures
- 20 Proposed profit appropriation

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Statement of changes in equity

		Consolidated						
Note	EUR'000	Share capital	Reserve for development costs	Hedging-reserve	Foreign currency translation reserve	Retained earnings	Dividend proposed for the year	Total equity
		13.418	4.685	0	0	87.580	0	105.683
		-13	-5	0	326	-81	0	227
		0	0	-134	0	0	0	-134
		0	0	30	0	0	0	30
		0	0	0	0	-325	0	-325
		0	0	0	0	0	0	0
		0	-4.680	-299	-1.360	-2.583	375	-8.547
		13.405	0	-403	-1.034	84.591	375	96.934

		Parent company						
Note	EUR'000	Share capital	Net revaluation acc. to the equity method	Reserve for development costs	Hedging reserve	Retained earnings	Dividend proposed for the year	Total
		13.418	69.553	4.685	0	18.027	0	105.683
		-13	260	-5	0	-15	-0	227
		0	0	0	-134	0	0	-134
		0	0	0	30	0	0	30
		0	0	0	0	-325	0	-325
		0	0	0	0	0	0	0
21		0	-6.343	-67	-299	-2.213	375	-8.547
		13.405	63.470	4.613	-403	15.474	375	96.934

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December**Consolidated cash flow statement**

EUR'000	2024	2023
Operating profit/loss	-9.238	-12.170
Adjustment for non-cash operating items:		
Depreciation/amortisation, etc.	2.636	-2.482
Other adjustments	-498	-653
	-7.100	-15.305
Changes in working capital:		
Changes in inventories, trade receivables, etc.	4.549	42.637
Changes in trade payables, incl. group entities and other liabilities from operations	2.799	-6.712
Cash flows from operating activities	248	20.620
Financing income	825	206
Financing expenses	-5.343	-4.823
Corporation tax paid, net	-276	-2.357
Cash flows from operating activities	-4.546	13.646
Investments, etc.		
Acquisition and disposal of intangible assets, net	-702	-676
Acquisition and disposal of tangible assets, net	-7.608	3.958
Acquisition and disposal of other non-current assets, net	0	-1.312
Cash flows from investing activities	-8.310	1.970
Financing		
Dividends paid	-325	-3.792
Dividends distributed from equity interests	347	2.080
Non-current liabilities	-4.208	-282
Proceeds from incurring mortgage debt and non-current bankloans	0	10.777
Other cash flows from financing activities	-4.946	-8.187
Cash flows from financing activities	-9.132	596
Cash flows for the year	-21.988	16.212
can be specified as follows:		
Cash and cash equivalents at 1 January	23.669	7.457
Cash flows from acquisitions during the year	0	0
Cash flows for the year	-21.988	16.212
Cash and cash equivalents at 31 December	1.681	23.669

The cash flow statement cannot be derived directly from the balance sheet and income statement.

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

1 Accounting policies

The annual report of Damstahl a/s for 2024 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Damstahl a/s, and subsidiaries in which Damstahl a/s directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls. Enterprises in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered equity interests.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' value of net assets or liabilities.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

1 Accounting policies (continued)

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on the translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in receivables or payables and in equity. Income and expenses related to such hedges are transferred from equity by realisation of the hedged item and recognised in the same financial statement item as the hedged item.

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer, the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020. Where goods sold are supplied on an

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

1 Accounting policies (continued)

ongoing basis and integrated with the purchaser's property, the income is recognised in revenue as the goods are supplied, meaning that revenue corresponds to the selling price of work performed during the year.

Cost of sales

Cost of sales includes the cost of goods and costs of distribution used in generating the year's revenue.

Other operating income

Other operating income comprise items secondary in relation to the primary activities of the Company, including, compensation, government grants, gains on the disposal of property, plant and equipment, etc.

External operating costs

External operating costs comprise sale and advertising, administration, costs of premises and operating leases, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss from ordinary activities

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company acts as administration company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Amortisation is made over the estimated economic life without the determination of a residual value.

IT software

Capitalised IT software is measured at costs less accumulated amortisation and impairment losses.

Assets are amortised over 3-9 years.

Intangible assets are written down to the recoverable amount if this is lower than the carrying amount and due to reasons not considered temporary.

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 10 and 15 years. The amortisation period is fixed on the basis of the expected repayment horizon and is longest for strategically acquired entities with strong market positions and long-term earnings profiles.

The carrying amount of goodwill is assessed regularly and amortised to the recoverable amount in the income statement if the impairment loss is not considered temporary.

Property, plant and equipment

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

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	10-50 years
Fixtures and fittings, tools and equipment	3-30 years

The depreciation period and the residual value are determined at the acquisition date and are reassessed on a yearly basis. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Fixtures and fittings, tools and equipment with a cost of less than EUR 3 thousand in the parent company are expensed in the year of acquisition.

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount and due to reasons not considered temporary.

Gain and losses on the disposal of property, plant and equipment are recognised in the income statement as depreciation.

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

1 Accounting policies (continued)

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to ownership to the entity are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Investments in subsidiaries and equity interests

Income statement

The proportionate share of the individual subsidiaries' profits/losses is recognised in the income statement after full elimination of internal profit/loss and less amortised goodwill.

The proportionate share of the individual equity interests' profits/losses is recognised in the income statement after proportionate elimination of internal profit/loss.

Balance sheet

Investments in subsidiaries and equity interests are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies minus or plus unrealised intra-group profits and losses and plus goodwill determined in accordance with the purchase method.

Investments in subsidiaries and equity interests with negative net asset values are measured at EUR 0 (nil), and any amounts owed by such entities are written down in so far as the amount receivable is considered irrecoverable. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries and equity interests is recognised in the reserve for net revaluation in equity according to the equity method to the extent that the carrying amount exceeds cost.

Inventories

Inventories are measured at average cost. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

1 Accounting policies (continued)

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domicile and credit ratings of the debtors in accordance with the credit risk management policy of the Parent Company and the Group. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate of the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash, bank loans and cashpool arrangements

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash or bank loans, but are recognized under "Amounts owed by subsidiaries".

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and equity interests relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Hedging reserve

The hedging reserve comprises the cumulative net change after tax in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The hedging reserve does not represent a limitation under company law and may therefore be negative.

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

1 Accounting policies (continued)

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as corporation tax receivable or corporation tax payable.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the Group.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other provisions

Provisions comprise pension liabilities to employees in foreign subsidiaries. The liability is measured based on actuarial calculations. Adjustments in the provision for the year are recognised in the income statement as staff costs.

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

1 Accounting policies (continued)

Liabilities other than provisions

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities.

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual lease commitment in respect of finance leases.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company'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 profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Transactions with no cash flow effect

Transactions with no cash flow effect, such as e.g. the entering into finance leases, are not included in the cash flow statement. Significant transactions with no cash flow effect are disclosed in the notes.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Segment information

Information is provided on geographical markets only, as the Group has only one business segment.

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

1 Accounting policies (continued)

Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Ordinary operating profit} \times 100}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Ordinary operating profit} \times 100}{\text{Average invested capital}}$
Invested capital incl. goodwill	Net-working capital, property, plant and equipment and intangible assets less other provisions and other non-current operating liabilities.
Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit from ordinary activities after tax} \times 100}{\text{Average equity}}$

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

2 Events after the balance sheet date

No events have occurred after the balance sheet date which materially affect the Company's financial position.

3 Segment information

The Group's revenue is broken down by geographical segments as follows:

EUR'000	Consolidated		Parent company	
	2024	2023	2024	2023
Denmark	97.336	103.107	77.512	86.265
Rest of Nordic	99.260	112.695	37.274	38.175
Rest of the world	153.970	180.068	15.831	16.559
	<u>350.566</u>	<u>395.870</u>	<u>130.617</u>	<u>140.999</u>

4 External operating costs

Fees to the parent company auditors appointed at the annual general meeting are included in the item:

EUR'000	Consolidated		Parent company	
	2024	2023	2024	2023
Audit services	52	50	52	50
Tax services	3	5	3	5
Non-audit services	27	41	27	41
	<u>82</u>	<u>96</u>	<u>82</u>	<u>96</u>

5 Staff costs

EUR'000	Consolidated		Parent company	
	2024	2023	2024	2023
Wages and salaries	24.130	22.199	6.852	5.835
Pensions	1.540	1.429	788	687
Other social security costs	2.996	2.797	84	80
Staff costs	672	685	335	371
	<u>29.338</u>	<u>27.110</u>	<u>8.059</u>	<u>6.973</u>
Average number of employees	<u>345</u>	<u>362</u>	<u>110</u>	<u>105</u>
Remuneration to members of Management:				
Executive Board and Board of Directors	<u>693</u>	<u>695</u>	<u>693</u>	<u>695</u>

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

EUR'000	Consolidated		Parent company	
	2024	2023	2024	2023
6 Financial income				
Interest income, etc. from subsidiaries	0	0	14	676
Other financial income	825	206	19	86
	<u>825</u>	<u>206</u>	<u>33</u>	<u>762</u>

EUR'000	Consolidated		Parent company	
	2024	2023	2024	2023
7 Tax on profit/loss from ordinary activities				
Current tax	15	21	0	0
Joint taxation	8	0	-46	0
Adjustment of deferred tax	-3.474	-2.981	-733	-1.300
Tax on equity transactions	30	84	30	84
Adjustments regarding previous years	-100	-951	0	0
Non-refundable dividend tax	10	90	10	90
	<u>-3.511</u>	<u>-3.737</u>	<u>-739</u>	<u>-1.126</u>

8 Intangible assets

EUR'000	Consolidated			
	IT software	Goodwill	Development projects in progress	Total
Cost at 1 January 2024	9.022	3.123	263	12.408
Foreign exchange rate adjustments	-10	-64	0	-74
Additions	635	0	67	702
Disposals	0	0	0	0
Transfer	263	0	-263	0
Cost at 31 December 2024	<u>9.910</u>	<u>3.059</u>	<u>67</u>	<u>13.036</u>
Amortisation and impairment losses at 1 January 2024	2.927	1.426		4.353
Foreign exchange rate adjustments	-4	-63		-67
Amortisation	1.073	126		1.199
Disposals	0	0		0
Amortisation and impairment losses at 31 December 2024	<u>3.996</u>	<u>1.489</u>		<u>5.485</u>
Carrying amount at 31 December 2024	<u>5.914</u>	<u>1.570</u>	<u>67</u>	<u>7.551</u>
Amortised over	<u>3-9 years</u>	<u>10-15 years</u>		

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

8 Intangible assets (continued)

EUR'000	Parent company		Total
	IT software	Development projects in progress	
Cost at 1 January 2024	8.737	263	9.000
Foreign exchange rate adjustments	-8	0	-8
Additions	635	67	702
Transfer	263	-263	0
Cost at 31 December 2024	9.627	67	9.694
Amortisation and impairment losses at 1 January 2024	2.730		2.730
Foreign exchange rate adjustments	-3		- 3
Amortisation	1.052		1.052
Disposals	0		0
Amortisation and impairment losses at 31 December 2024	3.779		3.779
Carrying amount at 31 December 2024	5.848	67	5.915
Amortised over	3-9 years		

Completed development projects - IT software

Completed development projects include development of a new ERP system for the Group. Furthermore, IT software include new functions on website and e-commerce platform.

Management has not identified any indication of impairment in relation to the carrying amount of the system.

Development projects in progress

Development projects in progress include development of a new functionality in the e-commerce platform.

The carrying amount totalled EUR 67 thousand at 2024. The development of the system functionalities is expected to be finalized in 2025.

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

9 Property, plant and equipment

EUR'000	Consolidated			Total
	Land and buildings	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	
Cost at 1 January 2024	30.023	10.678	9.757	50.458
Foreign exchange rate adjustments	-323	-86	-2	-411
Additions	1.450	9.138	3.333	13.921
Disposals	-25	-526	0	-551
Transfer	1.225	8.528	-9.753	0
Cost at 31 December 2024	32.350	27.732	3.335	63.417
Depreciation and impairment losses at 1 January 2024	15.075	7.986		23.061
Foreign exchange rate adjustments	-130	-76		-206
Depreciation	721	794		1515
Disposals	-25	-527		-552
Depreciation and impairment losses at 31 December 2024	15.641	8.177		23.818
Carrying amount at 31 December 2024	16.709	19.555	3.335	39.599
Assets held under finance leases with a carrying amount totalling	0	6.329	-	6.329
Depreciated over	10-50 years	3-30 years		

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

9 Property, plant and equipment (continued)

EUR'000	Parent company			Total
	Land and buildings	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	
Cost at 1 January 2024	13.187	3.939	3.669	20.795
Foreign exchange rate adjustments	-13	-4	-3	-20
Additions	1.385	4.892	0	6.277
Transfer	1.225	2.441	-3.666	0
Disposals	-25	-519	0	- 544
Cost at 31 December 2024	15.759	10.749	0	26.508
Depreciation and impairment losses at 1 January 2024	7.626	3.334		10.960
Foreign exchange rate adjustments	-7	-4		-11
Depreciation	280	174		454
Disposals	-25	-519		- 544
Depreciation and impairment losses at 31 December 2024	7.874	2.985		10.859
Carrying amount at 31 December 2024	7.885	7.764	0	15.649
Assets held under finance leases with a carrying amount totalling	0	6.329	-	6.329
Depreciated over	10-50 years	3-30 years		

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December**Notes****10 Investments in subsidiaries**

EUR'000	Parent company
Cost at 1 January 2024	17.554
Additions	700
Foreign exchange rate adjustment	-57
Cost at 31 December 2024	18.197
Value adjustments at 1 January 2024	59.835
Foreign exchange rate adjustment	-422
Profit/loss for the year	-7.178
Transfer	76
Value adjustments at 31 December 2024	52.311
Carrying amount at 31 December	77.508

Rationale for choice of goodwill amortisation periods

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 10 and 15 years. The amortisation period is fixed on the basis of the expected repayment horizon and is longest for strategically acquired entities with strong market positions and long-term earnings profiles.

Name and registered office	Ownership
Damstahl AS, Bergen, Norway	100 %
Damstahl AB, Malmö, Sweden	100 %
Damstahl OY, Hämeenlinna, Finland	100 %
Damstahl GmbH, Langenfeld, Germany	100 %
Damstahl SIA, Grobina, Latvia	100 %
Metalservice Nordic A/S, Horsens, Denmark	51 %

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

11 Investments in equity interests

	Consolidated		Parent company	
	2024	2023	2024	2023
EUR'000				
Cost at 1 January 2024	4.050	2.763	3.932	2.640
Foreign exchange adjustment	53	-25	21	-20
Additions	0	1.312	0	1.312
Cost at 31 December 2024	4.103	4.050	3.953	3.932
Value adjustments at 1 January 2024	13.814	15.193	9.330	11.365
Foreign exchange adjustment	753	-89	700	-420
Distributed dividends	-347	-2.080	-191	-1.797
Equity transactions	0	0	0	0
Profit/loss for the year	1.836	790	1.322	182
Value adjustments at 31 December 2024	16.056	13.814	11.161	9.330
Carrying amount at 31 December	20.159	17.864	15.114	13.262

Goodwill is amortised on a straight-line basis over a amortisation period of 15 years.

Name and registered office	Consolidated	Consolidated	Parent	Parent
	Ownership	Ownership	Ownership	Ownership
	2024	2023	2024	2023
Equity interests				
Slice Digital ApS, Skanderborg, Denmark	50 %	50 %	50 %	50 %
KM Rustfri A/S, Skive, Denmark	50 %	50 %	50 %	50 %
VNE Corporation, Janesville, USA	50 %	50 %	50 %	50 %
Neumo Polska Sp. Z o.o., Strobów, Poland	25 %	25 %	25 %	25 %

12 Amounts owed by subsidiaries

The Damstahl Group has a cash pool arrangement agreement with Nordea, where Damstahl a/s is the account holder and the Company's subsidiaries are the sub-account holder. The agreed terms of the cash pool arrangement give Nordea the right to settle withdrawals and deposits with each other, whereby only the net balance of the total cash pool accounts constitutes Damstahl a/s' balance with Nordea. The subsidiaries' accounts in the cash pool arrangement, which are included under amounts owed by subsidiaries, is on 31 December 2024 a debt of KEUR 36.011 (2023: KEUR 29.778).

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

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13 Deferred tax

EUR'000	Consolidated		Parent company	
	2024	2023	2024	2023
Carrying amount at 1 January	-510	2.482	665	1.965
Foreign exchange rate adjustment	10	-15	0	-4
Adjustments regarding previous years	0	4	-5	4
Adjustment of deferred tax	-3.474	-2.897	-762	-1.216
Adjustment of deferred tax - equity	30	-84	30	-84
Carrying amount at 31 December	-3.944	-510	-72	665
Deferred tax asset	-4.185	-1.420	-72	0
Deferred tax	241	910	0	665
	-3.944	-510	-72	665

Deferred tax relates to accelerated tax depreciation of software, buildings, and operating equipment, etc. and non-utilised tax losses. Management assess that non-utilised tax losses can be utilised within 1-3 years.

14 Prepayments

Prepayments consist of prepaid costs.

15 Share capital

The share capital consists of 1 share of DKK 100 million (EUR 13,4 million).

The share capital has not been subject to changes for the past five years.

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

Notes

16 Amounts owed to mortgage credit institutions and banks

Liabilities are broken down as follows:

EUR'000	Consolidated		Parent company	
	2024	2023	2024	2023
Mortgage credit institutions				
Non-current	7.846	8.252	7.846	8.252
Current	392	387	392	387
	<u>8.238</u>	<u>8.639</u>	<u>8.238</u>	<u>8.639</u>
Bank loans				
Non-current	2.238	6.032	0	0
	<u>2.238</u>	<u>6.032</u>	<u>0</u>	<u>0</u>
Financial leasing debt				
Non-current	6.011	133	6.011	133
Current	359	13	359	13
	<u>6.370</u>	<u>146</u>	<u>6.370</u>	<u>146</u>
Total liabilities	<u>16.846</u>	<u>14.817</u>	<u>14.608</u>	<u>8.785</u>
Total				
Non-current	16.095	14.417	13.857	8.385
Current	751	400	751	400
	<u>16.846</u>	<u>14.817</u>	<u>14.608</u>	<u>8.785</u>
Non-current liabilities other than provisions falling due more than five years after the balance sheet date (carrying amount)	<u>10.096</u>	<u>6.441</u>	<u>10.096</u>	<u>6.441</u>

17 Derivative financial instruments

The Group and the Parent Company use hedging instruments such as forward exchange contracts and interest and currency swaps with the Group's bank as counterparty to hedge recognised and non-recognised transactions.

Forecast transactions

The Group and the Parent Company use interest rate swaps relating to purchase of tangible assets in the coming year.

EUR'000	Period	Contractual value		Gains and losses recognised in equity	
		2024	2023	2024	2023
Interest rate swaps	10 years	<u>9.866</u>	<u>9.875</u>	<u>105</u>	<u>382</u>

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December**Notes****18 Contingent liabilities and collateral****Contingent liabilities**

EUR'000	Consolidated		Parent company	
	2024	2023	2024	2023
Lease obligations (operating leases) falling due within 5 years	3.464	4.119	913	941
Lease obligations (finance leases) falling due within 5 years	0	6.050	0	6.050
Other obligations	1.226	1.338	0	0
Damstahl a/s guarantees for all existing liabilities in the subsidiary Damstahl GmbH	0	0	51.389	43.159
Guarantees for bank loans in other subsidiaries	0	0	7.139	13.448
Guarantees for equity interests	4.075	3.695	4.075	3.695
Guarantees for affiliated companies	25	87	25	87

* Damstahl GmbH has made use of the preparation and disclosure facilitations under section 264 (3) of The German Commercial Code

Collateral

EUR'000	Consolidated		Parent company	
	2024	2023	2024	2023
The following assets have been provided as collateral for mortgages:				
Land and buildings with a carrying amount of	6.181	3.789	6.181	3.789

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December

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19 Related party disclosures

Damstahl a/s' related parties comprise the following:

Parties exercising control

Snel AG, Switzerland, owns the entire share capital in the Company.

Other related parties

The Company's related parties comprise the Board of Directors, the Executive Board and subsidiaries. Related parties also comprise group entities in the Ehrenberg Group.

Related party transactions

Group

EUR'000	2024	2023
Sales to group entities incl. equity interests	7.388	10.580
Bought from group entities incl. equity interests	3.511	6.577
Financial income from group entities incl. equity interests	5	80
Amounts owed by equity interests (asset)	106	213
Amounts owed by group entities (asset)	407	394
Amounts owed to group entities (debt)	303	1.275

Transactions with related parties consist of not consolidated group entities of the parent company Snel AG.

Parent company

EUR'000	2024	2023
Sales to subsidiaries, equity interests and group entities	45.849	46.244
Bought from subsidiaries, equity interests and group entities	12.760	13.337
Financial income from subsidiaries, equity interests and group entities	21	758
Amounts owed by subsidiaries (asset)	37.847	32.850
Amounts owed by equity interests (asset)	106	74
Amounts owed by group entities (asset)	24	1.120
Amounts owed to subsidiaries	360	0
Amounts owed to group entities	266	234

Apart from distribution of dividend, no other transactions were carried out with shareholders during the year.

Remuneration of the Parent Company's Executive Board and the Board of Directors is disclosed in note 6.

Consolidated financial statement and parent company financial statements for the period 1 January - 31 December**Notes****20 Proposed profit appropriation**

EUR'000	Parent company	
	2024	2023
Reserve for net revaluation according to the equity method	-6.343	-12.083
Reserve for development costs	-67	-589
Reserve for hedging	-299	0
Retained earnings	-2.213	525
Proposed dividends	375	0
	<u>-8.547</u>	<u>-12.147</u>

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