

IQ METAL A/S
BIRKEMOSEVEJ 1, DK-8361 HASSELAGER
ANNUAL REPORT

1 JANUARY 2024 – 31 DECEMBER 2024

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 25 June 2025.

Thomas Bechmann
Chairman of the Meeting

CVR-No.: 42 62 57 28

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COMPANY DETAILS

Company

IQ Metal A/S
Birkemosevej 1
DK-8361 Hasselager

Telephone: 87 38 90 11
Website: www.iqmetal.com
E-mail: info@iqmetal.com
CVR No.: 42 62 57 28
Established: 21 April 1977
Registered Office: Aarhus
Financial Year: 1 January 2024 – 31 December 2024

Divisions

Head office:
IQ Metal A/S
Birkemosevej 1
DK-8361 Hasselager

Polish divisions:
IQ Metal Sp. z o.o.
Kniewska 7
PL-70-846 Szczecin

IQ Metal Central Poland Sp. z o.o.
Elgiszewo 221
PL-87-408 Elgiszewo

Board of Directors

Chairman Thomas Bechmann
Board member Lars Taarn Pedersen
Board member Carsten Thygesen
Board member Bo Fischer Larsen

Executive Board

Group CEO Jacob Bøhme Christensen

Auditor

BDO Statsautoriseret revisionsaktieselskab
Vestre Ringgade 28
DK-8000 Aarhus C

Bank

Jyske Bank A/S
Enghavevej 32
DK-7100 Vejle

mBank S.A.
Corporate Branch Szczecin
ul. Zbozowa 4 (entrance C) second floor
PL-70-653 Szczecin

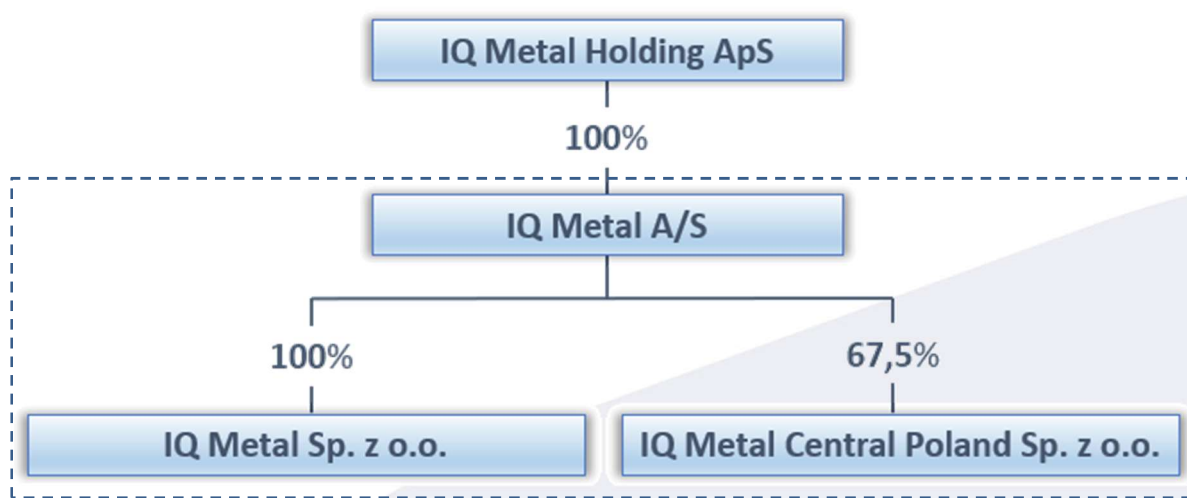
General Meeting

The Annual General Meeting is held on 25 June 2025 at the Groups head office at Birkemosevej 1, DK-8361 Hasselager.

GROUP STRUCTURE

IQ Metal A/S holds 100% of IQ Metal Sp. z o.o. shares and 67,5% shares of IQ Metal Central Poland Sp. z o.o.

Group structure is as follows:



MANAGEMENT'S STATEMENT

Today the Board of Directors and the Executive Board have discussed and approved the Annual Report of IQ Metal A/S for the year 1 January 2024 - 31 December 2024.

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

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of IQ Metal A/S give a true and fair view of the Group's and the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Group's and the Company's operations and cash flows for the financial year 1 January 2024 - 31 December 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aarhus, 25 April 2025

Executive Board:

Jacob Bøhme Christensen
Group CEO

Board of Directors:

Thomas Bechmann
Chairman

Lars Taarn Pedersen

Carsten Thygesen

Bo Fischer Larsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of IQ Metal A/S

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of IQ Metal A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows, notes and a summary of significant accounting policies, for both the Group and the Parent Company. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared under 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 and cash flows of the Group and Parent Company operations 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements 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 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 Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 mis-statement 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 Company Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance 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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover 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 Company Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements or the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Aarhus, 25 April 2025

BDO Statsautoriseret revisionsaktieselskab
CVR No. 20 22 26 70

Thomas Nørgaard Christensen
State Authorised Public Accountant
MNE no. mne40048

FINANCIAL HIGHLIGHTS OF THE GROUP

	2024 TDKK	2023 TDKK	2022 TDKK (15 mos)	2021 TDKK	2020 TDKK
Income Statement					
Net revenue	345.740	379.699	453.646	280.934	195.100
Gross profit	53.481	52.153	59.172	47.888	34.705
Operating profit	3.166	21.135	26.577	23.512	11.449
Financial income and expenses, net	-5.931	-3.633	-3.987	-1.601	-1.440
Profit for the year before tax	-2.765	17.501	22.590	21.911	10.009
Profit for the year	-3.533	14.421	19.406	19.129	7.784
Profit for the year ex. minority interests	-4.131	14.392	19.406	19.129	7.784
Balance Sheet					
Balance sheet total	174.061	172.404	179.657	185.486	144.652
Investments in tangible fixed assets	15.350	16.265	10.663	8.186	47.703
Equity	42.838	58.552	61.978	53.259	40.719
Equity ex. minority interests	42.201	58.518	61.975	53.259	40.719
Net working capital	50.297	56.413	60.728	61.614	39.769
Net interest-bearing debt	-80.344	-63.088	-57.391	-69.148	-67.121
Invested capital	120.975	121.810	119.270	121.287	98.989
Average number of full-time employees (without temporary workers)					
	392	401	312	266	226
Key ratios					
Gross Margin	15,5	13,7	13,0	17,0	17,8
Operation Margin	0,9	5,6	5,9	8,4	5,9
Return on invested capital	2,6	17,5	22,1	21,3	14,0
Quick ratio	132,0	151,4	152,7	140,3	139,2
Equity ratio	24,2	33,9	34,5	28,7	28,1
Return on equity	-7,0	23,9	33,7	40,7	18,8
Index for net revenue	177	195	186	144	100
Net revenue per employee in TDKK	882	947	1.163	1.056	863

FINANCIAL HIGHLIGHTS OF THE GROUP

The ratios stated in the above Financial Highlights have been calculated as follows:

Net working capital (NWC): Inventories + receivables – trade and other payables + other operating assets, current – other operating liabilities, current

Invested capital: NWC + intangible and tangible assets (ex goodwill) – provisions – other operating liabilities, non-current

Net interest-bearing debt: Interest-bearing liabilities – interest-bearing assets – cash and cash equivalents

Free cash flow Operating cash flows – investments in fixed assets, net

Gross margin: $\frac{\text{Gross profit/loss} \times 100}{\text{Net revenue}}$

Operating margin: $\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$

Return on invested capital: $\frac{\text{Operating profit/loss adjusted for goodwill amortisation} \times 100}{\text{Average invested capital}}$

Quick ratio $\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$

Equity ratio: $\frac{\text{Equity ex minorities, at year-end} \times 100}{\text{Total assets, at year-end}}$

Return on equity $\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Net revenue per employee
DKK ('000) $\frac{\text{Net revenue DKK ('000)}}{\text{Average number of full-time employees}}$

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

MANAGEMENT COMMENTARY

Principal activities

IQ Metal Group are specialised in providing cost effective integrated metal and steel solutions to customers worldwide. The activities of the Group are contract manufacturing of components and metal parts in steel, stainless steel and aluminum for industrial customers. The customized solutions encompass everything from components and systems to supply chain solutions, as well as the IQ Metal Partnership Manufacturing™ concept, which involves insourcing complete production processes or extensive product portfolios for customers through long-term partnership agreements.

In the following, the name Group is used as a general name covering all IQ Metal and therefore applies to the Group, IQ Metal A/S, IQ Metal Sp. z o.o. and IQ Metal Central Poland Sp. z o.o..

Unusual matters

The financial year 2024 can be characterized as a strategic investment year for the Group, but also a year with slowdown in demand from many customers across various industries without losing any share of wallet, leading to a more competitive environment.

Detailed description under subsection "Development in activities and financial position" below.

Recognition and measurement uncertainty

There have not been any uncertainties associated with the recognition and measurement of business operations.

Development in activities and financial and economic position

The concluded fiscal year 2024 marked a decline in demand from many customers driven by general and macroeconomic challenges. In a more competitive environment, IQ Metal Group has still succeeded in both maintaining its share of wallet with all major customers, onboarded two new Partnership Manufacturing™ customers, and furthermore invested heavily in strategic initiatives across the Group, to further fuel and secure the growth of the Group in the coming years.

In 2024 the IQ Metal Group invested in various strategic areas. The investment in a new ERP platform across its entities being 2024's most valuable investment. Two out of three of the group entities are fully operational in the new ERP system by the end of the calendar year 2024 without any delays in production and sales, showing the readiness of the Group and its designated key employees. Not to mention further significant investments during 2024 in machinery and human resources. With the investments made in the entire IQ Metal Group during the year, the Group is well positioned to attract new IQ Metal Partnership Manufacturing™ customers in the coming years.

MANAGEMENT COMMENTARY

Profit for the year in relation to expected developments

In the financial year 2024, the Group recorded a net revenue of 345.740 TDKK and achieved a gross profit of 53.481 TDKK. Profit after tax amounted to a loss of 3.533 TDKK compared to a profit of 14.421 TDKK in the financial year 2023.

Compared to the expected earnings for 2024 (15–20 MDKK), the Group realized lower earnings than expected because of the continuous decline in market demands and macroeconomic conditions.

The results and financial development of the Group are considered less satisfactory. However, given the challenges in market conditions, a positive operating profit of 3.166 TDKK before financial costs is deemed acceptable.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Group's financial position.

Future expectations

IQ Metal Group operates in a competitive market, and the management expects the activities for current year to be higher than recorded for 2024. The growing activities will be supported by the already completed investments in human resources, capacity and technology on all production sites in 2024.

In addition, 2025 will be characterized by significant activities and investments in both human resources as well as production technology. Also, the new ERP platform will be implemented in the third and remaining entity of the Group.

The expected results are expressed in the budgets for the coming financial year and the management expects to realize improved figures of sales and profit. In 2025 the Group expects consolidated earnings of approx. 12 MDKK.

Financial risks

Foreign exchange risks

Credits raised at IQ Metal Sp. z o.o. and IQ Metal Central Poland Sp. z o.o. have increased the PLN currency exposure against EUR/DKK.

Purchase and sale in foreign currencies are primarily conducted in EUR and PLN. The Group's active currency strategy minimizes the risks of the DKK/PLN, and PLN/EUR exchange rate fluctuations.

MANAGEMENT COMMENTARY

The Group uses derivative financial instruments to manage foreign currency risks. The Group aims to reduce such risks significantly. We refer to notes for information about the Group's hedging policy and the current foreign exchange exposure.

Interest rate risks

The Group's operating budget for the 2025 financial year is based on the level of interest at the beginning of the financial year, with a certain margin. Thus, an increasing interest rate level will only have a limited impact on the Group's profit.

Special risks

Operational risks

The Group is an industrial contract manufacturer and therefore sensitive to macroeconomic fluctuations and consequent business cycles. At the beginning of the financial year 2025, there is still some uncertainty in relation to the conflict in Ukraine and to the overall macroeconomic situation in Europe when it comes to the manufacturing industry. However, with references to the current safety- and countermeasures in place, the management estimates that the potential risks are relatively balanced. In order to further reduce the risk and vulnerability, it is the strategy to decrease the exposure and to continue the development and balancing between the main segments.

Price risks

As in previous years, the pressure on prices has continued and IQ Metal Group's conclusion remains, that future operating results must be realized through higher volumes and through operational excellence.

Corporate social responsibility (CSR) report, ref. the Danish Financial Statements Act, section 99a (Voluntary addition)

The IQ Metal Group aims to develop its business and meet its strategic challenges in a financially and socially justifiable way, by adhering to legislation, conducting its activities responsibly, and taking measures of a social nature.

For more than two decades, a major share of the activities of IQ Metal has been targeted towards renewable energy. Today, IQ Metal is positioned as a significant supplier to the largest producers of offshore wind turbines.

MANAGEMENT COMMENTARY

With the establishment of IQ Metal Sp. z.o.o. in Poland in 2010, the company for the first time extended its global footprint outside of Denmark. The role as a responsible organisation and employer was extended to comprise the activities in a new and different environment and society. Today, IQ Metal is paying much attention to its role as employer as well as taking a social responsibility within the local society in both Denmark and Poland. Not only are app. 400 families dependent upon the jobs and wages the Group offers, but IQ Metal will also make sure that every employee works in a safe and great work place.

With the UN's Global Compact implemented late 2015, IQ Metal has focused on creating a sustainable workplace, and the corporate social responsibility has now been further extended towards the global footprint. Through the Group's actions and day-to-day behaviour, IQ Metal prioritizes its contribution to the UN's Sustainable Development Goals.



Specifically, the IQ Metal Group adopts the UN-SDG into its actions with CSR initiatives and commitments within these main focus areas:

- ❖ Environmental and Climate
- ❖ Responsible Employer
- ❖ Role in Society

MANAGEMENT COMMENTARY

IQ Metal Group's UN-SDG focus, metrics, and indicators

The IQ Metal Group focuses on these sustainable development goals and actions:

3 GOOD HEALTH
AND WELL-BEING



4 QUALITY
EDUCATION



5 GENDER
EQUALITY



7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



16 PEACE, JUSTICE AND
STRONG INSTITUTIONS



MANAGEMENT COMMENTARY

Focus area	UN-SDGs	IQ Metal focus	Metrics & Indicators
Environmental and Climate	 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>IQM as a significant supplier of products for the renewable energy sector.</p> <p>We will Implement energy saving practices.</p>	<ul style="list-style-type: none"> • IQM will hold the current leading position in the category of small weldments for the offshore Wind Turbine industry. • IQM will aim to use renewable energy sources.
	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>We will encourage reduce, reuse, and recycle at our workplaces.</p>	<ul style="list-style-type: none"> • IQM will maintain our ISO 14001 certification. • IQM will improve waste management to facilitate recycling.
	 <p>13 CLIMATE ACTION</p>	<p>We will reduce CO2 emissions from buildings and manufacturing processes.</p>	<ul style="list-style-type: none"> • IQM will reduce CO2 emission from laser cutting. • IQM will reduce the consumption of oil and gas for heating of buildings.
Responsible Employer	 <p>4 QUALITY EDUCATION</p>	<p>We will contribute to the development of competences within our industry.</p>	<ul style="list-style-type: none"> • IQM will establish internal and external training & education. • IQM will cooperate with vocational schools and universities.
	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>We will innovate processes and productivity, improve competitiveness, and continuously make our company a better place to work.</p>	<ul style="list-style-type: none"> • IQM will continue to grow sales based on innovation by all members of staff. • IQM will continuously improve the employee satisfaction at the workplace.
Role in Society	 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>We will be a safe place to work and we will contribute to national and global improvement of health at work.</p>	<ul style="list-style-type: none"> • IQ Metal will maintain our ISO 45001 certification. • IQM is committed to reduce incident rate through efforts. • IQM donates to organizations fighting serious diseases, poverty and children in need.
	 <p>5 GENDER EQUALITY</p>	<p>We will convert a predominantly male business into an attractive place to work for both genders, also at management and board level.</p>	<ul style="list-style-type: none"> • IQM will strive to further improve the ratio of women on the shop floor. • IQM will develop career paths for female employees in engineering, quality, and logistic functions.
	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>We will not tolerate corruption in all its forms and will not tolerate any form of fraud, theft, embezzlement, money laundering or misuse of any kind.</p>	<ul style="list-style-type: none"> • IQM commits to fight corruption. • IQM will improve transparency and access to information. • IQM has implemented a whistleblower policy.

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report (continued)

Environmental and Climate impact unfolded

For more than two decades, renewable energy has been among the most important activities of the IQ Metal Group. Since the ending of the last millennium, the products have been installed within thousands of onshore and offshore Wind Turbines that produce CO₂ emission-free energy. In other words, every day the outcome of the Group's activities supply Gigawatts of clean energy to industries and households around the World.

The wind turbine components that IQ Metal supply, are produced on traditional energy consuming machinery, using the available sources of energy. This cannot be changed. Therefore, as an element of improving the environmental footprint, IQ Metal has launched initiatives to reduce the energy consumption in the operations by implementing more efficient and less energy consuming machines and supporting technology.

During the financial year the impact of environment friendly technology has resulted in continued improvements when it comes to the consumption of power versus activity level and output.

Responsible employer unfolded

The employees are the main assets of the IQ Metal Group. Ideas, innovations, and the continuous improvements come from the people in employed in the Group. Jobs and career opportunities must be based and balanced according to the needs and capabilities of our staff. IQ Metal Group has the possibility to satisfy the needs and wishes of our employees, regardless if they feel most comfortable by standard and routine work, knowing every day what tomorrow will bring, or are high-potentials looking for a more diverse and challenging workday. We are able to screen and identify high-potentials, and we continuously nurture, grow, and develop their talents and offer attractive career paths within the IQ Metal Group.

As a responsible employer we do not see our people just as "Human Resources". Our employees are individuals, and all of them play a role in the growth of the IQ Metal Group.

IQ Metal Denmark has a long and ongoing tradition of training apprentices, which we initially aimed to extend to IQ Metal Poland. Due to lack of external, well-organized vocational schools, IQ Metal Poland instead developed an internal IQ Metal Welding Academy, which is structured and organized according to the Scandinavian templates of developing workers with documented skilled competences.

Generic skills are organized in groups according to the current level of competences. Training and development of engineers, administrative staff and managers are organized according to individual needs and schedules and the company's growth strategy.

During the previous financial year IQ Metal has continued the development of employees, including training and certifications of shop floor workers, launching of training and education in classes and also individual training programs and sponsoring of master degrees.

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report (continued)

Responsible employer unfolded (continued)

Finally, IQ Metal acknowledges children's right to be children and to receive education. Therefore, the company does not employ children who are under the mandatory school age. Full time employees under 18 are only employed in connection with the education of apprentices.

Role in Society unfolded

IQ Metal must be a safe and good place to work, and a zero-incident safety policy is a must. By the start of 2025, the IQ Metal Group employs almost 400 people, and the fact that almost 400 families are depending on the wellbeing of the IQ Metal Group makes us humble and respectful towards our role as employer.

Since 2010, when the activities of the IQ Metal Group were extended to comprise the operations in Poland, our awareness and adoption of our role in society has been growing. The IQ Metal Group was initially forced to navigate within different cultures and societies, teaching us to be grateful for conditions that cannot be taken for granted everywhere. We have now evolved beyond this.

Today, the IQ Metal Group strongly supports equality between genders, and despite the nature of the metal and steel business used to be dominated by men, we manage to attract and employ female workers on various levels - especially in IQ Metal Poland. Women must have equal opportunities, and IQ Metal Group supports their rights in society, and we offer the same employment conditions for both women and men.

We realize, that we cannot on our own do a major impact in all areas, e.g. within treating serious diseases. However, we can contribute. Therefore, IQ Metal Group each year makes a number of donations and support activities targeted towards major causes in the global society. Our key focus has been to extend long-term donations supporting orphan girls in Pakistan, the fight against cancer, and donations to fight other serious diseases. As IQ Metal believes in a sustained and long-term effort, the donations and fundings from previous years have been continued during the past financial year.

Finally, IQ Metal expects the highest degree of integrity and honesty in all business activities and the company will not tolerate any form of corruption, direct as well as indirect, fraud, bribery, money-laundering etc. Thus, IQ Metal has a Whistleblower system accessible on the Company's website and encourages everyone to report any case of direct or indirect corruption.

The risk is however deemed low, as the Group encourages its employees, and not least its customers to adhere to all relevant laws and regulations.

INCOME STATEMENT

	Note	Group		Parent company	
		1/1 – 31/12 2024	1/1 – 31/12 2023	1/1 – 31/12 2024	1/1 – 31/12 2023
		DKK	TDKK	DKK	TDKK
NET REVENUE	1	345.739.955	379.699	72.712.162	98.214
Cost of sales.....	2	-292.258.730	-327.546	-61.936.150	-78.896
GROSS PROFIT		53.481.225	52.153	10.776.012	19.318
Distribution costs.....		-1.670.037	-1.207	-741.305	-389
Administrative expenses.....	2	-48.645.267	-29.811	-12.468.142	-12.924
OPERATING PROFIT		3.165.921	21.135	-2.433.435	6.005
Income from investments in subsidiaries		0	0	-1.274.641	10.503
Financial income.....	3	269.236	549	105.255	226
Financial expenses.....	4	-6.200.073	-4.183	-1.351.150	-1.151
PROFIT BEFORE TAX		-2.764.916	17.501	-4.953.971	15.583
Tax on profit/loss for the year	5	-767.825	-3.080	822.553	-1.191
PROFIT FOR THE YEAR	6	-3.532.741	14.421	-4.131.418	14.392

BALANCE SHEET

ASSETS	Note	Group		Parent company	
		31/12 2024	31/12 2023	31/12 2024	31/12 2023
		DKK	TDKK	DKK	TDKK
Other intangible fixed assets		25.099	124	0	0
Completed development costs.....		5.157.007	0	1.099.346	0
Intangible assets	7	5.182.106	124	1.099.346	0
Land and buildings.....		1.457.892	1.821.731	0	0
Production plant and machinery		53.756.232	59.641	13.510.331	13.494
Other plant, fixtures and equipment ..		1.171.689	1.105	0	0
Leasehold improvements		1.661.017	1.879	1.661.017	1.879
Prepayment for tangible fixed assets under construction.....		9.476.858	126	0	0
Property, plant and equipment ...	8	67.523.688	64.573	15.171.348	15.373
Investments in subsidiaries		0	0	43.244.150	54.758
Deposits		1.450.406	1.388	1.450.406	1.388
Financial asset.....	9	1.450.406	1.388	44.694.556	56.146
NON-CURRENT ASSETS.....		74.156.200	66.085	60.965.250	71.519

BALANCE SHEET

ASSETS	Note	Group		Parent company	
		31/12 2024	31/12 2023	31/12 2024	31/12 2023
		DKK	TDKK	DKK	TDKK
Raw materials and consumables.....		23.901.502	14.617	6.866.549	4.137
Work in progress		21.830.402	27.559	1.895.811	3.867
Finished goods and goods for resale..		8.618.144	9.581	2.196.630	2.248
Inventories		54.350.049	51.757	10.958.990	10.252
Trade receivables		32.080.818	36.472	8.993.526	10.892
Receivables from group enterprises...		2.159.576	0	3.234.945	723
Deferred tax asset	10	1.348.317	458	1.117.623	54
Derived financial instruments	11	721.106	4.518	0	0
Other receivables.....		1.693.601	1.574	371.772	187
Prepayments and accrued income	13	679.035	1.639	407.807	442
Receivables		38.682.454	44.661	14.125.673	12.298
Cash.....		6.872.109	9.901	353.144	318
Cash.....		6.872.109	9.901	353.144	318
CURRENT ASSETS		99.904.612	106.319	25.437.807	22.868
ASSETS.....		174.060.812	172.404	86.403.057	94.387

BALANCE SHEET

EQUITY AND LIABILITIES	Note	Group		Parent company	
		31/12 2024	31/12 2023	31/12 2024	31/12 2023
		DKK	TDKK	DKK	TDKK
Share capital		1.000.000	1.000	1.000.000	1.000
Reserves for net revaluation accord- ing to the equity value method.....		0	0	41.738.754	53.252
Reserves for development costs		4.022.466	0	857.490	0
Fair value reserve, currency exchan- ge hedging	11	584.096	3.660	0	0
Retained earnings.....		36.593.973	53.858	-1.395.709	4.266
Proposed dividend for the financial- year		0	0	0	0
Minority interests		637.087	33	0	0
EQUITY		42.837.622	58.552	42.200.535	58.518
Provisions for deferred tax	12	1.271.552	858	241.856	0
PROVISIONS		1.271.552	858	241.856	0
Debt to banks.....		17.352.669	23.275	10.000.000	10.000
Lease liabilities		6.511.606	8.911	6.511.606	8.911
Non-current liabilities	14	23.864.275	32.186	16.511.606	18.911

BALANCE SHEET

EQUITY AND LIABILITIES	Note	Group		Parent company	
		31/12 2024	31/12 2023	31/12 2024	31/12 2023
		DKK	TDKK	DKK	TDKK
Current portion of long-term liabilities		13.780.111	12.612	2.399.601	2.431
Debt to banks.....		49.571.398	28.191	17.419.720	3.782
Trade payables.....		33.230.126	26.215	5.900.290	6.661
Debt to group enterprises		0	0	31.724	0
Corporation tax.....		0	1.553	0	1.063
Other payables		9.505.729	10.994	1.697.726	3.020
Accruals and deferred income	15	0	1.244	0	0
Current liabilities		106.087.363	80.808	27.449.061	16.958
LIABILITIES		129.951.638	112.994	43.960.667	35.869
EQUITY AND LIABILITIES		174.060.812	172.404	86.403.057	94.387
Contingencies etc.	16				
Charges and securities	17				
Related parties	18				
Consolidated Financial Statements.....	19				

STATEMENT OF CHANGES IN EQUITY

	Group					
	Share capital	Retained earnings	Reservation for development costs	Proposed dividend for the financial year	Minority interests	Total
Equity at 1 January	1.000.000	57.518.286	0	0	33.288	58.551.574
Dividend paid			0	-9.750.000		-9.750.000
Proposed distribution of profit		-17.903.884	4.022.466	9.750.000	598.677	-3.532.741
Exchange adjustment, foreign subsidiaries		639.479			5.122	644.601
Change fair value reserves						
Fair value reserve, currency exchange hedging		-3.797.295				-3.797.295
Tax on fair value reserves		721.484				721.484
Equity at 31 December	1.000.000	37.178.070	4.022.466	0	637.087	42.837.622

STATEMENT OF CHANGES IN EQUITY

	Parent company					Total
	Share capital	Net revaluation under the equity method	Reservation for development costs	Retained earnings	Proposed dividend for the financial year	
Equity at 1 January	1.000.000	53.252.481	0	4.265.808	0	58.518.289
Dividend paid		-7.802.756	0	7.802.756	-9.750.000	-9.750.000
Proposed distribution of profit		-1.274.635	857.490	-13.464.267	9.750.000	-4.131.418
Exchange adjustment, foreign subsidiaries		639.475				639.475
Change fair value reserves						
Other equity adjustments		-3.797.295				-3.797.295
Tax on other equity adjustments		721.484				721.484
Equity at 31 December	1.000.000	41.738.754	857.490	-1.395.707	0	42.200.535

CASH FLOW STATEMENT

	Group		Parent company	
	1/1 – 31/12 2024	1/1 – 31/12 2023	1/1 – 31/12 2024	1/1 – 31/12 2023
	DKK	TDKK	DKK	TDKK
Profit for the year	-3.532.741	14.421	-4.131.419	14.392
Depreciation and amortisation, reserved	13.083.541	11.391	3.075.000	2.975
Gains from investment activities	-3.000	0	-3.000	0
Profit from subsidiaries	0	0	1.274.641	-10.503
Tax on profit/loss, reserved	994.102	3.072	-822.179	1.121
Corporation tax paid	-1.902.521	-2.668	-1.063.491	-1.776
Change in inventory	-2.592.793	199	-706.621	4.316
Change in receivables	3.071.597	17.520	-1.221.599	10.777
Change in current liabilities (ex bank, tax and dividend)	4.282.869	-13.091	-1.322.377	-2.498
CASH FLOWS FROM OPERATING ACTIVITIES	13.401.052	30.844	-4.921.045	18.804
Purchase of intangible fixed assets	-5.392.985	-141	-1.164.014	0
Purchase of tangible fixed assets	-15.349.714	-16.265	-2.808.523	-4.394
Sale of tangible fixed assets	135.597	5	3.000	0
Purchase of financial investments	-333.075	-199	-333.075	-199
Sale of financial investments	0	340	0	340
Other cash flows relating to investing activities	1.846.362	3.653	0	0
CASH FLOWS FROM INVESTING ACTIVITIES	-19.093.815	-12.607	-4.302.612	-4.253

CASH FLOW STATEMENT

	Group		Parent company	
	1/1 – 31/12 2024	1/1 – 31/12 2023	1/1 – 31/12 2024	1/1 – 31/12 2023
	DKK	TDKK	DKK	TDKK
Changes in subordinated loan capital.	-7.153.604	-2.899	-2.431.073	-2.181
Proceeds from long-term borrowing ..	5.989.779	7.375	0	1.985
Other changes in long-term debt.....	-7.802.755	-7.886	7.802.755	7.887
Dividend paid in the financial year	-9.750.000	-25.000	-9.750.000	-25.000
CASH FLOWS FROM FINANCING ACTIVITIES	-18.716.580	-28.409	-4.378.318	-17.309
CHANGE IN CASH AND CASH EQUIVALENTS	-24.409.342	-10.172	-13.601.975	-2.758
Cash and cash equivalents at 1 January	-18.289.947	-8.118	-3.464.601	-707
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	-42.699.289	-18.290	-17.066.576	-3.465
Specification of cash and cash equivalents at 31 December				
Cash at banks.....	6.872.109	9.901	353.144	317
Bank debt, overdraft.....	-49.571.398	-28.191	-17.419.720	-3.782
CASH AND CASH EQUIVALENTS, NET DEBT.....	-42.699.289	-18.290	-17.066.576	-3.465

NOTES

	Group		Parent company		Note
	1/1 – 31/12 2024 DKK	1/1 – 31/12 2023 TDKK	1/1 – 31/12 2024 DKK	1/1 – 31/12 2023 TDKK	
Net revenue					1
Segments details (geography)					
Domestic.....	136.134.643	134.108	58.027.980	82.514	
Abroad.....	209.605.311	245.591	14.684.182	15.700	
	345.739.954	379.699	72.712.162	98.214	
Segments details (activities)					
Production and sub-supplier activities.....	345.739.954	379.699	72.712.162	98.214	
	345.739.954	379.699	72.712.162	98.214	
Staff costs					2
Average number of employees:	401	401	72	72	
Wages and salaries.....	99.815.459	97.736	26.733.855	31.010	
Pensions.....	4.193.698	4.093	4.193.698	4.093	
Social security costs.....	708.668	788	708.668	788	
Other staff costs.....	471.475	433	471.475	433	
	105.189.300	103.050	32.107.696	36.324	
Remuneration of management.....	1.500.497	1.454	1.500.497	1.454	
	1.500.497	1.454	1.500.497	1.454	

The remuneration of management is shown accumulated referring to section 98B of the Danish Financial Statements Act.

NOTES

	Group		Parent company		Note
	1/1 – 31/12	1/1 – 31/12	1/1 – 31/12	1/1 – 31/12	
	2024	2023	2024	2023	
	DKK	TDKK	DKK	TDKK	
Financial income					3
Other interest income.....	269.236	549	105.255	226	
	269.236	549	105.255	226	
Financial expenses					4
Group enterprises.....	0	0	0	0	
Other interest expenses.....	6.200.073	4.183	1.351.150	1.151	
	6.200.073	4.183	1.351.150	1.151	
Tax on profit for the year					5
Calculated tax on taxable income of the year.....	1.902.521	2.942	0	1.063	
Adjustment of tax previous year..	-374	79	-374	71	
Adjustment of deferred tax.....	-1.134.322	59	-822.179	57	
	767.825	3.080	-822.553	1.191	
Proposed distribution of profit					6
Paid dividend through the year....	9.750.000	25.000	9.750.000	25.000	
Allocation to reserve for net revaluation according to equity value.....	0	0	-1.274.635	10.503	
Allocation to reserve for development costs.....	4.022.466	0	857.490	0	
Retained earnings.....	-17.903.884	-10.608	-13.464.267	-21.111	
Minority interests.....	598.677	29	0	0	
	-3.532.741	14.421	-4.131.418	14.392	

NOTES

Intangible assets	Group		Note 7
	Completed development Costs	Other intangible fixed assets	
Cost at 1 January 2024.....	0	1.646.244	
Additions.....	5.392.985	0	
Disposals.....	0	-137.303	
Exchange rate adjustment.....	0	24.473	
Cost at 31 December 2024.....	5.392.985	1.533.414	
Depreciation and impairment losses at 1 January 2024.....	0	1.522.142	
Reversal of depreciation of assets disposed of.....	0	-121.919	
Depreciation of the year.....	235.977	84.773	
Exchange rate adjustment.....	0	23.319	
Depreciation and impairment losses at 31 December 2024.....	235.977	1.508.315	
Carrying amount at 31 December 2024.....	5.157.008	25.099	

The Company has implemented new ERP platform, and the recognized development costs relates to this. The Company expects the development project to minimize working hours for white collar significantly during the years to come.

Intangible assets	Parent	7
	Completed development Costs	
Cost at 1 January 2024	0	
Additions	1.164.014	
Disposals	0	
Exchange rate adjustment	0	
Cost at 31 December 2024.....	1.164.014	
Depreciation and impairment losses at 1 January 2024.....	0	
Reversal of depreciation of assets disposed of	0	
Depreciation of the year	64.667	
Exchange rate adjustment	0	
Depreciation and impairment losses at 31 December 2024.....	64.667	
Carrying amount at 31 December 2024.....	1.099.346	

The Company has implemented new ERP platform, and the recognized development costs relates to this. The Company expects the development project to minimize working hours for white collar significantly during the years to come.

NOTES

Property, plant and equipment	Group			Note 8
	Production plants and machinery	Other plants, machinery, tools and equipment	Leasehold improvements	
Cost at 1 January 2024	136.121.292	2.567.795	4.333.679	
Additions	5.146.716	724.929	73.569	
Disposals	-823.539	-69.144	0	
Exchange rate adjustment	1.246.773	40.756	0	
Cost at 31 December 2024.....	141.691.241	3.264.336	4.407.248	
Depreciation and imp.losses at 1 January 2024 ..	76.480.471	1.462.402	2.454.687	
Reversal of depreciation of assets disposed of ...	-720.087	0	0	
Depreciation of the year	11.592.953	607.006	291.544	
Exchange rate adjustment	581.672	23.239	0	
Depreciation and impairment losses at 31 December 2024	87.935.010	2.092.647	2.746.231	
Carrying amount at 31 December 2024.....	53.756.232	1.171.689	1.661.017	
Recognised assets not owned by the company ..	9.287.894	0	22.641	

Property, plant and equipment (continued)	Group		8
	Land and buildings	Assets under Construction	
Cost at 1 January 2024	3.085.874	126.345	
Additions	0	9.404.500	
Disposals	0	-127.325	
Exchange rate adjustment	47.854	73.339	
Cost at 31 December 2024.....	3.133.729	9.476.859	
Depreciation and impairment losses at 1 January 2024	1.264.144	0	
Reversal of depreciation of assets disposed of	0	0	
Depreciation of the year	389.096	0	
Exchange rate adjustment	22.597	0	
Depreciation and imp.losses at 31 December 2024	1.675.837	0	
Carrying amount at 31 December 2024.....	1.457.892	9.476.859	

NOTES

Property, plant and equipment (continued)	Parent company			Note 8
	Production plants and machinery	Other plants, machinery, tools and equipment	Leasehold improvements	
Cost at 1 January 2024	56.635.248	265.000	4.333.679	
Additions	2.734.953	0	73.569	
Disposals	-250.000	0	0	
Cost at 31 December 2024.....	59.120.201	265.000	4.407.248	
Depreciation and imp. losses at 1 January 2024	43.141.082	265.000	2.454.687	
Reversal of depreciation of assets disposed of ...	-250.000	0	0	
Depreciation of the year	2.718.789	0	291.544	
Depreciation and impairment losses at 31 December 2024	45.609.871	265.000	2.746.231	
Carrying amount at 31 December 2024.....	13.510.331	0	1.661.017	
Recognised assets not owned by the company ..	9.287.894	0	22.641	
Financial non-current assets			Group	9
			Rent deposit	
Cost at 1 January 2024			1.387.998	
Additions			333.075	
Disposals			-270.667	
Exchange rate adjustment			0	
Cost at 31 December 2024.....			1.450.406	
Depreciation and impairment losses at 1 January 2024			0	
Reversal of depreciation of assets disposed of			0	
Depreciation of the year			0	
Exchange rate adjustment			0	
Depreciation and impairment losses at 31 December 2024.....			0	
Carrying amount at 31 December 2024.....			1.450.406	

NOTES

Financial non-current assets (continued)	Parent company		Note 9
	Fixed assets investments	Rent deposit	
Cost at 1 January 2024	1.505.399	1.387.998	
Additions	0	333.075	
Disposals	0	-270.667	
Cost at 31 December 2024.....	1.505.399	1.450.406	
Revaluation at 1 January 2024.....	53.252.481	0	
Exchange rate adjustment	639.475	0	
Other equity adjustments.....	-3.075.808	0	
Dividend paid.....	-7.802.756	0	
Profit for the year	-1.274.641	0	
Revaluation at 31 December 2024	41.738.751	0	
Carrying amount at 31 December 2024.....	43.244.150	1.450.406	
Investments in subsidiaries (DKK)			
Name and registered office	Equity	Profit	Ownership
IQ Metal Sp. z o.o., Poland	38.201.937	-5.909.301	100 %
Correction accounting policies, Poland.....	-30.040	3.391.253	100 %
IQ Metal Central Poland Sp. z o.o., Poland.....	1.960.269	1.842.084	67,5 %
Minority share.....	-637.087	-598.677	32,5 %

Deferred tax asset

Provision for deferred tax comprises deferred tax on contract work in progress, inventory and intangible and tangible fixed assets.

	Group		Parent company	
	31/12 2024 DKK	31/12 2023 TDKK	31/12 2024 DKK	31/12 2023 TDKK
Deferred tax, beginning of year...	457.943	475	53.588	110
Deferred tax for the year.....	890.374	-17	1.064.034	-57
	1.348.317	458	1.117.622	53

The Group's deferred tax assets are recognized in the Balance Sheet at 1.348.317 DKK. The tax asset relates primarily to lease liabilities and unused carry forwarded tax loss. The tax asset is recognized on the basis of the expectations to the positive tax profits for the next couple of years, and the temporary deviation between the financial accounts and tax are expected to be fully utilized through equalization of future earnings. The assessments are based on the Group's budgets for the next years. The budgets have been prepared according to the Group's usual budget procedure.

NOTES

**Note
11**

Derived financial instruments

The Company applies derived financial instruments for hedging currency risks concerning recognised assets and liabilities as well as future cash flows on unrecognised transactions.

The risk management is performed centrally by the parent company based on reported positions. In accordance with the Group's policy, realised gains and losses on hedge activities are booked directly in the subsidiaries with the exposure being hedged. Thus, the individual company bears the risk for its own hedging transactions. Only banks with high credit ratings are used for derivative financial instruments, for which reason the counterparty risk is low.

Forward exchange contracts are used for hedging recognised receivables and debt of foreign currency. The principal amounts and hedge level of the instruments at 31 December 2024 comprise the following:

Currency	Payment/expire	Group		Hedge transaction	Net position
		Receivable	Debt		
PLN	DKK, 0-6 months	124.736.643	124.015.536	721.107	584.096
		124.736.643	124.015.536	721.107	584.096

Contractual cash flows from orders to sell entered in foreign currency are hedged by forward exchange contract, except from orders to sell in EUR. Budgeted revenue is not hedged, because the distribution by currencies has appeared to be difficult to predict. At the end of the financial year all outstanding orders to sell are in DKK or EUR, by which the Group has no hedge activities for future revenue at 31 December 2024.

The hedge instruments impact the balance sheet, income statement and equity as follows:

	Group
	Forward exchange contracts and currency swaps
Fair values at 31 December 2024:	
Assets.....	721.107
Obligations.....	0
Deferred tax.....	-137.011
	584.096
Value adjustment for the year in the income statement.....	0
Value adjustment for the year in the equity.....	584.096
	584.096

NOTES

Provisions Note
12
Provisions for deferred tax liability comprises deferred tax on financial instruments and on development costs

	Group		Parent company	
	31/12 2024 DKK	31/12 2023 TDKK	31/12 2024 DKK	31/12 2023 TDKK
Deferred tax, beginning of year...	858.496	0	0	0
Deferred tax for the year.....	1.271.552	858	241.856	0
	1.271.552	858	241.856	0

The Group's deferred tax liability are recognized in the Balance Sheet at 1.271.552 DKK.

Prepayments and accrued income 13
Prepayments and accruals recognised as assets include costs incurred relating to the subsequent financial year.

Non-current liabilities 14

	Group				
	Liability 31 December 2024	Short term liability 31 December 2024	Liability after 5 years	Liability 1 January 2024	Short term liability 1 January 2024
Debt to banks.....	28.733.179	11.380.510	0	33.455.642	10.180.510
Lease liabilities.....	8.911.207	2.399.601	0	11.342.349	2.431.144
	37.644.386	13.780.111	0	44.797.991	12.611.654

	Parent company				
	Liability 31 December 2024	Short term liability 31 December 2024	Liability after 5 years	Liability 1 January 2024	Short term liability 1 January 2024
Debt to banks.....	10.000.000	0	0	10.000.000	0
Lease liabilities.....	8.911.207	2.399.601	0	11.342.349	2.431.144
	18.911.207	2.399.601	0	21.342.349	2.431.144

Accruals and deferred income 15
Accruals and deferred income includes payments received relating to revenue in subsequent financial year.

NOTES

**Note
16**

Contingencies

Contingent liabilities

The Group has signed a rent agreement that is irrevocable until 31 December 2027. Commitment represents a total of 6.022 TDKK. The yearly commitment for rent is 2.007 TDKK. The Group has also signed a rent agreement that is irrevocable until 5 February 2028. Commitment represents a total of 14.555 TDKK. The yearly commitment for rent is 4.721 TDKK. The Group has also signed a rent agreement that is irrevocable until 5 February 2028. Commitment represents a total of 6.223 TDKK. The yearly commitment for rent is 2.018 TDKK. The Group has also signed a rent agreement that is irrevocable until 5 February 2028. Commitment represents a total of 2.820 TDKK. The yearly commitment for rent is 915 TDKK. The Group has also signed a rent agreement that is irrevocable until 30 June 2027. Commitment represents a total of 2.339 TDKK. The yearly commitment for rent is 935 TDKK.

The Parent Company has signed a rent agreement that is irrevocable until 31 December 2027. Commitment represents a total of 6.022 TDKK. The yearly commitment for rent is 2.007 TDKK.

Rental commitments

	Group		Parent company	
	31/12 2024 DKK	31/12 2023 TDKK	31/12 2024 DKK	31/12 2023 TDKK
Less than 1 year.....	10.596.134	9.204	2.007.274	1.978
Between 1 and 5 years.....	21.362.344	27.186	4.014.548	5.933
More than 5 years.....	0	531	0	0
	31.958.478	36.921	6.021.822	7.910

Joint liabilities

The Parent company is jointly and severally liable together with the parent company and the other group companies in the jointly taxed group for tax on the Group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the Group's jointly taxed income is stated in the annual report of IQ Metal Holding ApS, which serves as management company for the joint taxation.

IQ Metal Sp. z o.o. and IQ Metal Central Poland Sp. z o.o. is an independent tax subject to IQ Metal A/S and until 31 December 2024 to Pentaco Partners II A/S, and from 31 December 2024 to IQ Metal Holding ApS.

NOTES

**Note
17**

Charges and securities

As security for all balances with banks, the company has given mortgage of 25.000 TDKK. The mortgage deeds are secured in inventory, goodwill, furniture, fixtures and accounts receivable. Furthermore, there are opposite bank issued mortgage deeds in furniture, fixtures and goodwill totalling 25.813 TDKK as per 31 December 2024.

The mortgage deeds are also with security in shares in IQ Metal Sp. z o.o. and IQ Metal Central Poland Sp. z o.o. with a value of 43.244 TDKK as per 31 December 2024.

As security for bank debt, the company has given security of 3.000 TDKK. The security are secured in movables totalling 3.000 TDKK as per 31 December 2024.

The Company has also given mortgage of 5.450 TDKK and security in movables with a value of 3.000 TDKK for all balances with banks.

As security for lease debts per 31 December 2024 of 8.911 TDKK, the Parent company has given mortgage deeds in leased plants and machinery with a value of 9.311 TDKK.

As security for bank debts per 31 December 2024 of 8.896 TDKK, the Parent company has provided security of 20% of the mortgage. The remaining 80% security is provided by Eksport Kredit Fonden EKF.

	Group		Parent company	
	Carrying amount of assets TDKK	Nom. Value of mortgage or outstanding debt TDKK	Carrying amount of assets TDKK	Nom. Value of mortgage or outstanding debt TDKK
The following assets have been provided as security for debt:				
Mortgage deeds on inventory, goodwill, furniture, fixtures, accounts receivable and shares....	69.057	25.000	25.813	25.000
Security for bank debt, nominal....		3.000		3.000
Security in movables, nominal.....		5.450		5.450
Security for bank debt.....		8.896		1.779
The following assets are finance by finance leases:				
Production, plant and equipment..	9.311	8.911	9.311	8.911

The carrying amount of charged assets is shown entirely in accordance with the allocation used in the Financial Statements.

NOTES

**Note
18**

Related parties

The Company's related parties include:

Controlling interest

IQ Metal Holding ApS, Ejgårdsvej 28, 2920 Charlottenlund, CVR-no. 43 09 84 03 owns all shares in the Entity, thus exercising control.

Transactions with related parties

The company did not carry out any material transactions, that were not concluded on market conditions.

According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions, that were not performed on common market conditions.

Consolidated Financial Statements

The Company is included in the Consolidated Financial Statements of the ultimate parent, IQ Metal Holding ApS, Ejgårdsvej 28, 2920 Charlottenlund, CVR-no. 43 09 84 03.

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ACCOUNTING POLICIES

The Annual Report of IQ Metal A/S for 2024 is presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C.

The accounting policies are consistent with the policies applied last year.

Consolidated financial statements

The consolidated financial statements include the parent company IQ Metal A/S and its subsidiaries in which IQ Metal A/S directly or indirectly holds more than 50 % of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20 % and 50 % of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure. The consolidated financial statements consolidate the financial statements of the parent company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly established enterprises are recognised in the Consolidated Financial Statements from the date of establishment. Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' market value of net assets and liabilities at the acquisition date.

Minority interests

The accounting items of the subsidiaries are recognised in full in the Consolidated Financial Statements. The minority interests' proportional share of the results and Equity of the subsidiaries is stated as separate items in the allocation of profit/loss and in individual main items under Equity.

INCOME STATEMENT

Net revenue

Net revenue from sale finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method).

This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

ACCOUNTING POLICIES

Production costs

Production costs comprise costs, including wages and salaries and write-off, incurred to achieve the net revenue for the year. Commercial enterprises recognise cost of sales, and the manufacturing enterprises recognise production costs equal to the revenue for the year, including direct and indirect costs of raw materials and consumables, wages and salaries, rent and leasing and depreciation of production plant.

Distribution costs

The costs incurred for distribution of goods sold during the year and for sales campaigns carried out during the year are recognised in distribution costs. The costs of the sales personnel, advertising and exhibition costs and amortisation are also recognised in distribution costs.

Administrative expenses

Administrative expenses recognise costs incurred during the year regarding management and administration of the group, inclusive of costs relating to the administrative staff, executives, office premises, office expenses, etc. and related amortisation.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security, etc. for the Company's employees. Repayments from public authorities are deducted from staff costs.

Investments in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the Income Statement by the amounts that relate to the financial year.

ACCOUNTING POLICIES

Interest and other costs of borrowing for financing of manufacture of current assets and fixed assets are not recognised in the cost price.

Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the portion that may be attributed to the profit for the year, and is recognised directly in equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible assets

Computer software are measured at cost less accumulated depreciation and impairment losses.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company's development activities and which fulfil the criteria for recognition. Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount. Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 3-5 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Property, plant and equipment

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life	Residual value
Land and buildings	5-10 years	0-10 % of cost
Production plant and machinery	5-10 years	0-10 % of cost
Other plant, fixtures and equipment	3-8 years	0-10 % of cost
Lease improvement	10 years	0-10 % of cost

Profit or loss on disposal of tangible fixed assets is stated at the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Lease contracts

Lease contracts relating to tangible fixed assets where the Company bears all material risks and benefits attached to the ownership (finance lease) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at calculated cost equal to the lower of fair value and present value of the future lease payments. The internal interest rate of the lease contract is used as discounting factor or an approximate value when calculating the present value. Finance lease assets are depreciated similarly to the Company's other tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the term of the contract.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the Income Statement over the term of the contract. The Company's total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

Financial non-current assets

Investments in subsidiaries are measured in the parent company balance sheet under the equity method.

Investments in subsidiaries are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill.

ACCOUNTING POLICIES

Net revaluation of investments in subsidiaries is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the parent company has a legal or actual liability to cover the subsidiary's negative balance.

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories

Inventories are measured at cost using the FIFO method. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

ACCOUNTING POLICIES

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet include bank deposits.

Equity

Reserve for net revaluation under the equity method

At recognition and measurement of subsidiaries according to the equity method, the ordinary dividend suggested in subsidiaries is presented, which is expected to be received from subsidiaries, so that it flows from the net revaluation reserve according to the equity value and is transferred to the free reserves.

Fair value reserve for foreign currency translation

The reserve includes a share of foreign currency translation adjustments arisen at translation of the financial statements of entities with another functional currency than Danish Kroner as well as foreign currency translation adjustments regarding assets and liabilities which constitute a share of the company's net investments in such entities. The reserve is dissolved by disposal of foreign entities.

In the parent company where investments in subsidiaries, associates and equity investments are subject to the requirement of limitation of the reserve according to equity method, foreign currency translation adjustments will instead be included in the reserve according to the equity method.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet at the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax.

Any changes in deferred tax resulting from changes in tax rates are recognised in the Income Statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalized value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

The capitalised residual lease liability on finance lease contracts is also recognised as financial liabilities.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

ACCOUNTING POLICIES

Derivative financial instruments

Derivative financial instruments are initially recognised in the Balance Sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised under receivables and payables, respectively.

Change in the fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in the fair value of derivative financial instruments related to hedging of future cash flows are recognised in Equity to the extent, that the conditions for this purpose are fulfilled. The value adjustments are recognised in a fair value reserve for hedging for accounting purposes until the hedged transaction is realised or the hedging ceases is adjusted downward. Upon realisation the accumulated value of the hedging instrument together with the hedged transaction is recognised in the Income Statement, unless the hedging transaction results in recognition of a non-financial asset or a non-financial liability. In this case, the amount is transferred from Equity to the cost price or carrying amount of this asset or liability.

Where a hedging is no longer effective, in part or in full, the accumulated value in Equity is transferred in full or proportionally to the financial income or expenses in the Income Statement. Changes in the fair value of derivative financial instruments which the Company might elect not to transfer to hedging for accounting purposes are also recognised here. Tax on the movements in the hedging reserve is recognised, which is transferred to tax in the Income Statement as the reserve is being dissolved.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

ACCOUNTING POLICIES

On recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the balance sheet date. Non-monetary items are translated at the rate at the time of acquisition or at the time of subsequent revaluation or write-down of the asset. The items of the Income Statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item.

The income statements of foreign subsidiaries and associates fulfilling the criteria for being independent entities are translated at an average exchange rate for the month and balance sheet items are translated at the rate of exchange on the balance sheet date. Exchange differences arising from translation of the equity of foreign subsidiaries at the beginning of the year to the rates of the balance sheet date and from translation of income statements from average rate to the rates of the balance sheet date are recognised directly in the equity.

Exchange adjustments of intercompany accounts with foreign subsidiaries that are deemed to be an addition to or deduction from the equity of independent subsidiaries are recognised directly in equity.

Exchange rate differences recognised in Equity are accumulated in a fair value reserve for currency translation of foreign entities and are transferred to the Income Statement when object of the currency translation is realised or ends. An exception is exchange rate differences arising from translation of Equity interests, which are recognised at Equity value, where the whole value adjustment, including exchange rate differences, are included in the reserve for net valuation according to the Equity value method.

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents include bank overdraft and cash in hand.

