

Avantea Steel Solutions A/S

Falkevej 2, 6705 Esbjerg Ø
CVR No.: 42 17 49 39

Annual Report 2025

1 January - 31 December

The Annual Report has been presented and adopted at the
Company's Annual General Meeting on 11 March 2026

Ignasi Salvador

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The BDO logo is displayed in white text on a red triangular background. The letters 'BDO' are bold and sans-serif, with a horizontal line underneath the 'O'.

BDO

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BDO Statsautoriseret Revisionspartnerselskab, a Danish limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Company Details

Company	Avantea Steel Solutions A/S Falkevej 2 6705 Esbjerg Ø CVR No.: 42 17 49 39 Established: 1 March 2021 Municipality: Esbjerg Financial Year: 1 January - 31 December
Board of Directors	Roberto Casas, chairman Christoph Joachim Wissmüller Peder Møller Andersen Peter Cornelis Veit Thomas Laue Risløv
Executive Board	Ignasi Salvador
Auditor	BDO Statsautoriseret Revisionspartnerselskab Birk Centerpark 30 7400 Herning

Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Avantea Steel Solutions A/S for the financial year 1 January - 31 December 2025.

The Annual Report is presented 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 Group's and the Company's assets, liabilities and financial position at 31 December 2025 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2025.

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.

Esbjerg, 11 March 2026

Executive Board

Ignasi Salvador

Board of Directors

Roberto Casas
Chairman

Christoph Joachim Wissmüller

Peder Møller Andersen

Peter Cornelis Veit

Thomas Laue Risløv

Independent Auditor's Report

To the Shareholder of Avantea Steel Solutions A/S

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Avantea Steel Solutions A/S for the financial year 1 January - 31 December 2025, which comprise income statement, Balance Sheet, statement of changes in equity, 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 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 assets, liabilities and financial position of the Group or the Company at 31 December 2025 and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2025 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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

Independent Auditor's Report

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 Parent 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.
- 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 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.

Independent Auditor's Report

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 and 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.

Herning, 11 March 2026

BDO Statsautoriseret Revisionspartnerselskab
CVR no. 45 71 93 75

Martin Jochens Lück
State Authorised Public Accountant
MNE no. mne35421

Financial Highlights of the Group

	2025 DKK '000	2024 DKK '000
Income statement		
Gross profit/loss	67.531	63.618
Operating profit/loss before depreciation and amortisation (EBITDA)	15.275	21.366
Operating profit/loss of main activities	12.646	19.810
Financial income and expenses, net	-548	-396
Profit/loss for the year before tax	12.098	19.413
Profit/loss for the year	9.203	15.125
Balance sheet		
Total assets	77.288	72.137
Equity	29.675	26.540
Cash flows		
Cash flows from operating activities	12.873	15.510
Cash flows from investing activities	-2.794	-2.886
Cash flows from financing activities	-5.799	-2.845
Total cash flows	4.280	9.779
Investment in property, plant and equipment	-3.190	-6.626
Key ratios		
Return on invested capital	72,9	103,9
Equity ratio	38,4	36,8
Return on equity	32,7	0,2

The ratios stated in the list of key figures and ratios have been calculated as follows:

Invested capital:
$$\frac{NWC + \text{intangible and tangible assets (ex goodwill)} - \text{provisions} - \text{other operating liabilities, non-current}}{\text{Average invested capital}}$$

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

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

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

Management Commentary

Principal activities

The main activities of the Company include design, fabrication, installation and maintenance work for steel chimneys, silos, and steel structures.

Development in activities and financial and economic position

The gross profit for the year amounts to tDKK 67.531 and the profit before tax is tDKK 12.098

The management considers these figures very positive as it is better than the budget.

Furthermore, year 2025 has implied a sensible increase in the volume of operations and the number of employees onboarded across different offices of the Company across Europe, and set up the start of operations in the US and Canada market.

Profit/loss for the year compared to the expected development

The Management has expected a gross profit of the year of tDKK 51.202 and a profit before tax of tDKK 10.688 instead of the ones achieved.

The reasons for the change compared to expectations is a very strong performance during the execution of the projects which lead to higher gross margin and higher result.

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 Company's financial position.

Future expectations

The expectations for 2026 is a profit before tax between tDKK 7.000 and tDKK 9.000.

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2025 DKK	2024 DKK	2025 DKK	2024 DKK
Gross profit		67.531.391	63.617.756	67.531.373	63.617.756
Staff costs	1	-52.256.081	-42.251.258	-51.310.184	-42.251.258
Depreciation, amortisation and impairment losses for tangible and intangible assets		-2.628.923	-1.556.663	-2.628.923	-1.556.663
Operating profit		12.646.387	19.809.835	13.592.266	19.809.835
Income from investments in subsidiaries		0	0	-983.716	0
Other financial income	2	6.292	117.806	12.361	117.806
Other financial expenses	3	-554.406	-514.167	-522.638	-514.167
Profit before tax		12.098.273	19.413.474	12.098.273	19.413.474
Tax on profit/loss for the year	4	-2.895.641	-4.288.741	-2.895.641	-4.288.741
Profit for the year	5	9.202.632	15.124.733	9.202.632	15.124.733

Balance Sheet at 31 December

	Note	Group		Parent Company	
		2025 DKK	2024 DKK	2025 DKK	2024 DKK
Assets					
Development projects completed, including patents and similar rights originating from development projects		774.793	812.756	774.793	812.756
Goodwill		1.906.109	2.158.512	1.906.109	2.158.512
Intangible assets	6	2.680.902	2.971.268	2.680.902	2.971.268
Production plant and machinery		7.326.168	6.231.847	7.326.168	6.231.847
Other plant, fixtures and equipment		1.624.181	1.816.974	1.624.181	1.816.974
Property, plant and equipment	7	8.950.349	8.048.821	8.950.349	8.048.821
Investments in subsidiaries		0	0	326.683	0
Rent deposit and other receivables		687.866	1.085.270	687.866	1.085.270
Financial non-current assets	8	687.866	1.085.270	1.014.549	1.085.270
Non-current assets		12.319.117	12.105.359	12.645.800	12.105.359
Expenses for raw materials and consumables		13.021.919	10.335.791	13.021.919	10.335.791
Inventories		13.021.919	10.335.791	13.021.919	10.335.791
Trade receivables		14.159.328	19.597.431	14.159.328	19.597.431
Contract work in progress	9	11.873.896	8.544.656	10.251.897	8.544.656
Receivables from group enterprises		0	0	752.909	0
Other receivables		2.364.333	3.201.846	2.364.334	3.201.846
Corporation tax receivable		0	42.196	0	42.196
Prepayments	10	1.774.371	814.843	1.233.809	814.843
Receivables		30.171.928	32.200.972	28.762.277	32.200.972
Cash and cash equivalents		21.774.618	17.494.542	13.168.586	17.494.542
Current assets		64.968.465	60.031.305	54.952.782	60.031.305
Assets		77.287.582	72.136.664	67.598.582	72.136.664

Balance Sheet at 31 December

	Note	Group		Parent Company	
		2025 DKK	2024 DKK	2025 DKK	2024 DKK
Equity and liabilities					
Share capital	11	400.000	400.000	400.000	400.000
Reserve for development costs		604.339	633.950	604.339	633.950
Retained earnings		26.170.338	19.505.658	26.170.338	19.505.658
Proposed dividend		2.500.000	6.000.000	2.500.000	6.000.000
Equity		29.674.677	26.539.608	29.674.677	26.539.608
Provision for deferred tax	12	3.127.088	2.977.509	3.127.088	2.977.509
Other provisions	13	874.647	827.816	874.647	827.816
Provisions		4.001.735	3.805.325	4.001.735	3.805.325
Lease liabilities		1.609.269	2.208.877	1.609.269	2.208.877
Non-current liabilities	14	1.609.269	2.208.877	1.609.269	2.208.877
Bank debt		792.824	0	792.824	0
Lease liabilities		553.794	545.951	553.794	545.951
Contract work in progress	9	19.058.565	20.813.113	10.352.986	20.813.113
Trade payables		15.304.289	15.426.281	14.411.810	15.426.281
Corporation tax payable		2.808.393	195.276	2.808.393	195.276
Other liabilities		3.484.036	2.602.233	3.393.094	2.602.233
Current liabilities		42.001.901	39.582.854	32.312.901	39.582.854
Liabilities		43.611.170	41.791.731	33.922.170	41.791.731
Equity and liabilities		77.287.582	72.136.664	67.598.582	72.136.664
Contractual obligations and contingencies, etc.	15				
Charges and securities	16				
Related parties	17				

Equity

DKK	Group					Total
	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Proposed dividend	
Equity at 1 January 2025	400.000	0	633.950	19.505.658	6.000.000	26.539.608
Proposed profit allocation, see note 5				6.702.632	2.500.000	9.202.632
Transactions with owners						
Dividend paid					-6.000.000	-6.000.000
Transfers						
Allowed equalization			-29.611	-37.952		-67.563
Equity at 31 December 2025	400.000	0	604.339	26.170.338	2.500.000	29.674.677

DKK	Parent Company					Total
	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Proposed dividend	
Equity at 1 January 2025	400.000	0	633.950	19.505.658	6.000.000	26.539.608
Proposed profit allocation, jf. note 5		-983.716		7.686.348	2.500.000	9.202.632
Transactions with owners						
Dividend paid					-6.000.000	-6.000.000
Other legal bindings						
Foreign exchange adjustments		-67.563				-67.563
Transfers						
Allowed equalization		1.051.279	-29.611	-1.021.668		0
Equity at 31 December 2025	400.000	0	604.339	26.170.338	2.500.000	29.674.677

Cash Flow Statement 1 January - 31 December

	Group		Parent Company	
	2025 DKK	2024 DKK	2025 DKK	2024 DKK
Profit/loss for the year	9.202.632	15.124.733	9.202.632	15.124.733
Depreciation and amortisation, reversed	2.628.923	1.556.663	2.628.923	1.556.663
Reversed realization gains	-49.037	358	-49.037	358
Profit/loss from subsidiaries	0	0	983.716	0
Tax on profit/loss, reversed	2.895.641	4.288.741	2.895.641	4.288.741
Other adjustments	-17.523	401.848	42.196	401.848
Corporation tax paid	-132.944	-3.700.000	-132.944	-3.700.000
Change in inventories	-2.686.128	-3.957.412	-2.686.128	-3.957.412
Change in receivables (ex tax)	1.986.847	53.328	3.396.499	53.328
Change in other provisions	46.831	206.553	46.831	206.553
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	-1.002.580	1.534.860	-11.735.016	1.534.860
Cash flows from operating activity	12.872.662	15.509.672	4.593.313	15.509.672
Purchase of intangible assets	-108.523	-154.972	-108.523	-154.972
Purchase of property, plant and equipment	-3.190.472	-3.825.968	-3.190.472	-3.825.968
Sale of property, plant and equipment	107.946	1.767.105	107.946	1.767.105
Purchase of financial assets	0	-672.038	-326.683	-672.038
Sale of financial assets	397.404	0	397.404	0
Cash flows from investing activity	-2.793.645	-2.885.873	-3.120.328	-2.885.873
Instalments on loans	-591.765	-45.172	-591.765	-45.172
Change in bank debt	792.824	0	792.824	0
Dividends paid in the financial year	-6.000.000	-2.800.000	-6.000.000	-2.800.000
Cash flows from financing activity	-5.798.941	-2.845.172	-5.798.941	-2.845.172
Change in cash and cash equivalents	4.280.076	9.778.627	-4.325.956	9.778.627
Cash and cash equivalents at 1 January	17.494.542	7.715.915	17.494.542	7.715.915
Cash and cash equivalents at 31 December	21.774.618	17.494.542	13.168.586	17.494.542
Cash and cash equivalents at 31 December comprise:				
Cash and cash equivalents	21.774.618	17.494.542	13.168.586	17.494.542
Cash and cash equivalents	21.774.618	17.494.542	13.168.586	17.494.542

Notes

	Group		Parent Company	
	2025 DKK	2024 DKK	2025 DKK	2024 DKK
1 Staff costs				
Average number of full time employees	99	78	98	78
Wages and salaries	44.970.279	36.606.322	44.121.139	36.606.322
Pensions	4.723.814	3.718.642	4.723.814	3.718.642
Social security costs	2.561.988	1.926.294	2.465.231	1.926.294
	52.256.081	42.251.258	51.310.184	42.251.258
Remuneration of Management and Board of Directors	1.400.746	1.244.100	1.400.746	1.244.100
	1.400.746	1.244.100	1.400.746	1.244.100
2 Other financial income				
Other interest income	6.292	117.806	12.361	117.806
	6.292	117.806	12.361	117.806
3 Other financial expenses				
Other interest expenses	554.406	514.167	522.638	514.167
	554.406	514.167	522.638	514.167
4 Tax on profit/loss for the year				
Calculated tax on taxable income of the year	2.746.062	3.853.080	2.746.062	3.853.080
Adjustment of deferred tax	149.579	435.661	149.579	435.661
	2.895.641	4.288.741	2.895.641	4.288.741
5 Proposed distribution of profit				
Proposed dividend for the year	2.500.000	6.000.000	2.500.000	6.000.000
Allocation to reserve for net revaluation under the equity method	0	0	-983.716	0
Retained earnings	6.702.632	9.124.733	7.686.348	9.124.733
	9.202.632	15.124.733	9.202.632	15.124.733

Notes

6 | Intangible assets

	Group	
DKK	Development projects completed, including patents and similar rights originating from development projects	Goodwill
Cost at 1 January 2025	837.170	2.524.030
Additions	108.523	0
Cost at 31 December 2025	945.693	2.524.030
Amortisation at 1 January 2025	24.414	365.518
Amortisation for the year	146.486	252.403
Amortisation at 31 December 2025	170.900	617.921
Carrying amount at 31 December 2025	774.793	1.906.109

The Company's development costs relate to the development of calculation program for tendering.

	Parent Company	
DKK	Development projects completed, including patents and similar rights originating from development projects	Goodwill
Cost at 1 January 2025	837.170	2.524.030
Additions	108.523	0
Cost at 31 December 2025	945.693	2.524.030
Amortisation at 1 January 2025	24.414	365.518
Amortisation for the year	146.486	252.403
Amortisation at 31 December 2025	170.900	617.921
Carrying amount at 31 December 2025	774.793	1.906.109

Notes

7 | Property, plant and equipment

	Group	
	Production plant and machinery	Other plant, fixtures and equipment
DKK		
Cost at 1 January 2025	7.819.065	2.753.552
Additions	2.884.532	305.940
Disposals	-68.579	0
Cost at 31 December 2025	10.635.018	3.059.492
Depreciation and impairment losses at 1 January 2025	1.587.219	936.579
Reversal of depreciation of assets disposed of	-9.671	0
Depreciation for the year	1.731.302	498.732
Depreciation and impairment losses at 31 December 2025	3.308.850	1.435.311
Carrying amount at 31 December 2025	7.326.168	1.624.181
Finance lease assets	2.226.937	

Notes

7 | Tangible fixed assets (continued)

DKK	Parent Company	
	Production plant and machinery	Other plant, fixtures and equipment
Cost at 1 January 2025	7.819.065	2.753.552
Additions	2.884.532	305.940
Disposals	-68.579	0
Cost at 31 December 2025	10.635.018	3.059.492
Depreciation and impairment losses at 1 January 2025	1.587.219	936.579
Reversal of depreciation of assets disposed of	-9.671	0
Depreciation for the year	1.731.302	498.732
Depreciation and impairment losses at 31 December 2025	3.308.850	1.435.311
Carrying amount at 31 December 2025	7.326.168	1.624.181

8 | Financial non-current assets

DKK	Group	
	Rent deposit and other receivables	
Cost at 1 January 2025		1.085.270
Disposals		-397.404
Cost at 31 December 2025		687.866
Carrying amount at 31 December 2025		687.866

DKK	Parent Company	
	Investments in subsidiaries	Rent deposit and other receivables
Cost at 1 January 2025	0	1.085.270
Additions	1.270.540	0
Disposals	0	-397.404
Cost at 31 December 2025	1.270.540	687.866
Profit/loss for the year	-983.716	0
Equity movements	39.559	0
Revaluation at 31 December 2025	-944.157	0
Carrying amount at 31 December 2025	326.383	687.866

Notes

8 | Financial non-current assets (continued)

Investments in subsidiaries (DKK)

Name and domicil	Equity	Profit/loss for the year	Ownership
Avantea Steel Solutions corp., USA	326.683	-943.859	100 %

9 | Contract work in progress

Sales value of completed work	43.185.498	40.158.214	41.563.489	40.158.214
Progress invoicing/advances received	-50.370.167	-52.426.671	-41.664.578	-52.426.671
Contract work in progress, net	-7.184.669	-12.268.457	-101.089	-12.268.457

Recognised as follows

Contract work in progress (asset)	11.873.896	8.544.656	10.251.897	8.544.656
Contract work in progress (liability)	-19.058.565	-20.813.113	-10.352.986	-20.813.113
	-7.184.669	-12.268.457	-101.089	-12.268.457

10 | Prepayments

Costs	1.774.371	814.843	1.233.809	814.843
	1.774.371	814.843	1.233.809	814.843

11 | Share capital

Allocation of Share capital:

Shares, 400 unit in the denomination of 1.000 DKK			400.000	400.000
			400.000	400.000

12 | Provision for deferred tax

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

Deferred tax, beginning of year	2.977.509	2.541.848	2.977.509	2.541.848
Deferred tax of the year, income statement	149.579	435.661	145.579	435.661

Provision for deferred tax 31 December				
2025	3.127.088	2.977.509	3.123.088	2.977.509

Notes

	Group		Parent Company	
	2025 DKK	2024 DKK	2025 DKK	2024 DKK
13 Other provisions				
0-1 år	874.647	827.816	874.647	827.816
Provision for productionclaims				

14 | Long-term liabilities

	Group			
	31/12 2025 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2024 total liabilities
DKK				
Lease liabilities	2.163.063	553.794	0	2.754.828
	2.163.063	553.794	0	2.754.828

	Parent Company			
	31/12 2025 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2024 total liabilities
DKK				
Lease liabilities	2.163.063	553.794	0	2.754.828
	2.163.063	553.794	0	2.754.828

Notes

15 | Contractual obligations and contingencies, etc.

	<u>Group</u>	<u>Parent Company</u>
	2025 T.DKK	2025 T.DKK
Contingent liabilities		
The Company has entered into a rental agreements with an annual rent of Tkr. 2.878. The lease can be terminated with notice 3-57 months.		
The total contingent liabilities as of the balance sheet date amount to:	12.130	12.130

	<u>Group</u>	<u>Parent Company</u>
	2025 T.DKK	2025 T.DKK
Lease commitment		
The Company has entered into leasing agreements with an annual lease cost of Tkr. 707		
The total lease commitment as of the balance sheet date amount to:	2.700	2.700
Other financial commitments		
In Assitions, customary work gurantees totalling have been provided as security for work inprogress and carried out.		
The total other financial commitments as of the balance sheet date amount to:	11.955	11.955

16 | Charges and securities

As security for engagement with the bank, the Company has provided a corporate mortgage of nominally Tkr 13,000. The corporate mortgage comprises the following assets, the carrying amount of which at the balance sheet date amounts to::

Goodwill	2.158.512	1.906.109
Production plant and machinery	7.326.168	7.326.168
Other plant, fixtures and equipment	1.624.181	1.624.181
Inventories	13.021.919	13.021.919
Receivables	30.171.929	28.762.277

17 | Related parties

The Company's related parties include:

Controlling interest

jeremias Abgastechnik GmbH, Opfendorfer Strasse 11-14, Germany, is the principal shareholder.

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.

Accounting Policies

The Annual Report of Avantea Steel Solutions A/S for 2025 has been presented in accordance with the provisions of the Danish medium-size Financial Statements Act for enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company Avantea Steel Solutions A/S and the subsidiaries in which Avantea Steel Solutions 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, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Sold or wound up enterprises are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or wound up enterprises.

The date of acquisition is the date at which the Group gains actual control over the acquired enterprises.

Acquired enterprises are recognised in the Consolidated Financial Statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Deferred tax on the taken over reassessments is recognised with the exception of goodwill.

At calculation of the fair value of investment properties, a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, using an overall assessment of the production equipment.

Positive differences (goodwill) between the acquisition value and fair value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life.

Negative differences are recognised in the Income Statement at the date of acquisition. The difference from acquired enterprises is DKK ('000) 0.

Transaction costs, incurred in connection with acquisition of enterprises, are recognised in the Income Statement in the year in which the costs are incurred.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

Accounting Policies

Income Statement

Net revenue

Where products with a high degree of individual adjustment 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 income 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.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to the related costs and only to the extent that it is likely that they will be recovered.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Costs of raw materials and consumables

Raw materials and consumables comprises the costs of raw materials and consumables used to reach the revenue for the year. Additionally, decrease or increase of inventories of raw materials and consumables for the year is included, as well as normal impairment of inventories of raw materials and consumables.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, operating lease expenses, etc

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement over the contract period. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees.

Income from investments in subsidiaries

The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

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 securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Accounting Policies

Tax

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 share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

Balance Sheet

Intangible fixed assets

Development projects 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 in the Balance Sheet.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and 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 5 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the 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.

Accounting Policies

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.

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

		Useful life
Production plant and machinery	5-10 years	0-20 %
Other plant, fixtures and equipment	3-5 years	0-20 %

Profit or loss on sale of property, plant and equipment is stated as the difference between the sales price less selling costs and the carrying amount at the date 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

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 contract period.

Financial non-current assets

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring consolidation.

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 calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, based on an overall assessment of the production equipment. The acquisition date is the date on which the Company gains actual control over the acquired entity.

The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, based on an overall assessment of the production equipment. The acquisition date is the date on which the Company gains actual control over the acquired entity.

Accounting Policies

Ascertained excess values in relation to the underlying company's equity value are recognised and measured in accordance with the accounting policies for the assets and liabilities, to which they are attributable. Excess values concerning land and buildings are depreciated on a straight-line basis over the depreciation period, which is X years. Excess values concerning plants and machines as well as operating equipment and inventory are depreciated on a straight-line basis over the depreciation period, which is x-x years.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which is X years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industry-specific condition.

Received dividend is deducted in the carrying amount of the equity investment.

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

Investments in subsidiaries are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

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 Company has a legal or actual liability to cover the subsidiaries deficit.

Impairment of fixed assets

The carrying amount of intangible fixed and property, plant and equipment together with fixed assets, which are not measured at fair value, are assessed annually 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 recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

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

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 the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the 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 the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

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

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the Balance Sheet date and the total anticipated revenue related to the specific piece of work in progress.

The specific piece of work in progress is recognised in the Balance Sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Costs relating to sales work and obtaining of contracts are recognised in the Income Statement as and when they are incurred.

Accruals, assets

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

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as 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.

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

Accounting Policies

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 the 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 transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

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:

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:

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:

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:

Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.