

H.C. HOLDING INVESTERINGSAKTIESELSKAB

Energivej 30, 2750 Ballerup
CVR no. 13 62 74 79

Annual report for 2024

This annual report has been adopted at the
annual general meeting on 16.05.25

Sickan Flindt Ibsen
Chairman of the meeting

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The company

H.C. HOLDING INVESTERINGSAKTIESELSKAB
Energivej 30
2750 Ballerup
Registered office: Ballerup
CVR no.: 13 62 74 79
Financial year: 01.01 - 31.12

Executive Boards

Jacob Østergaard Knudsen

Board of Directors

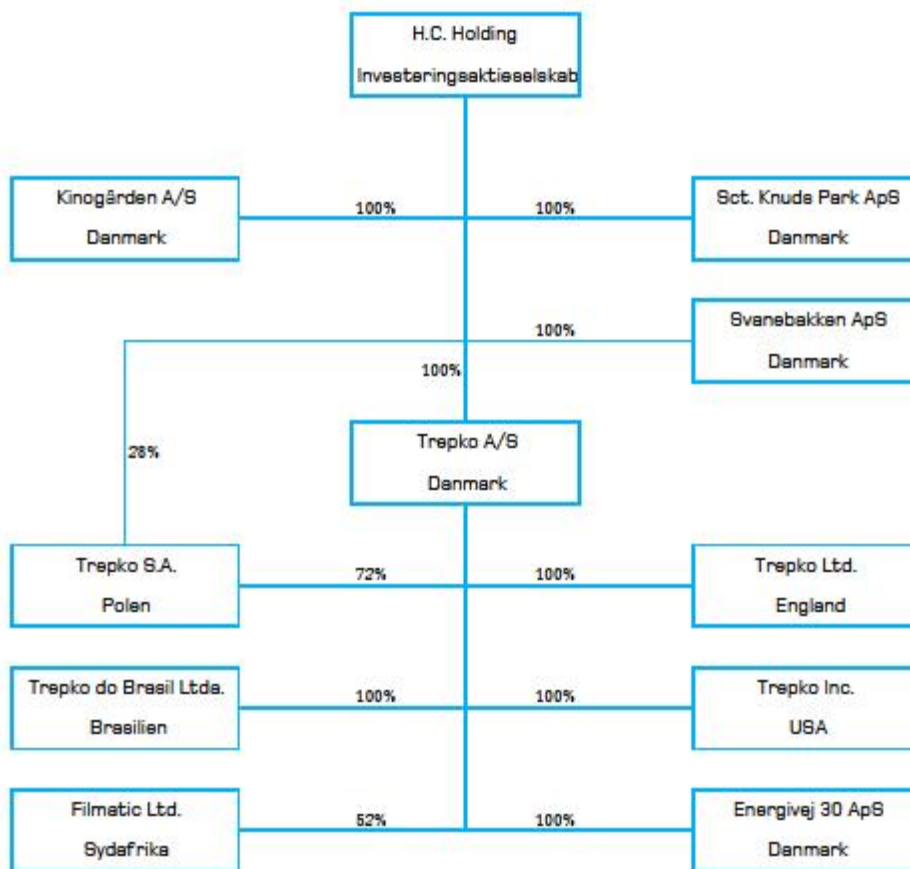
Jacob Østergaard Knudsen
Sickan Flindt Ibsen
Jesper Bjørn Hansen

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Subsidiaries

Trepko A/S, Ballerup
Trepko S.A., Gniezno, Poland
Kinogården A/S, Ballerup
Sct. Knuds Park ApS, Ballerup
Svanebakken ApS, Frederiksberg
Energivej 30 ApS, Ballerup
Trepko (UK) Limited, Gainsborough, UK
Trepko INC, Tampa, USA
Filmatic Packaging Systems LTD, Cape Town, south Africa
Trepko do Brasil Ltd, Curitiba, Brazil



Statement by the Executive Boards and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.24 - 31.12.24 for H.C. HOLDING INVESTERINGSAKTIESELSKAB.

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

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.24 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.01.24 - 31.12.24.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Ballerup, June 16, 2025

Executive Boards

Jacob Østergaard Knudsen

Board of Directors

Jacob Østergaard Knudsen

Sickan Flindt Ibsen

Jesper Bjørn Hansen

To the Shareholders of H.C. HOLDING INVESTERINGSAKTIESELSKAB**Opinion**

We have audited the consolidated financial statements and financial statements of H.C. HOLDING INVESTERINGSAKTIESELSKAB for the financial year 01.01.24 - 31.12.24, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including material accounting policy information for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31.12.24 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.01.24 - 31.12.24 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 financial statements" section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management's review

Management is responsible for the management's review.

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

In connection with our audit of the consolidated financial statements and financial statements, it is our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or 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's review provides the information required by law and regulations.

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

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

Management is responsible for the preparation of consolidated financial statements and 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and the 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 financial statements unless management either intends to liquidate the group and 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 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 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 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 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 financial statements, including the disclosures, and whether the consolidated financial statements and 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 expressing an opinion on the consolidated financial statements and 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.

Soeborg, Copenhagen, June 16, 2025

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Kim Nielsen

State Authorised Public Accountant
MNE-no. mne29417

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2024	2023	2022	2021	2020
<i>Profit/loss</i>					
Revenue	381,652	314,852	330,093	310,217	331,770
Index	115	95	99	94	100
Gross result	221,141	181,276	174,487	163,559	177,805
Index	124	102	98	92	100
Operating profit/loss	80,170	52,429	49,725	39,525	66,892
Index	120	78	74	59	100
Total net financials	-1,137	8,077	35,328	4,889	-182,649
Index	1	-4	-19	-3	100
Profit for the year	66,597	55,227	74,682	40,037	-110,580
Index	-60	-50	-68	-36	100
<i>Balance</i>					
Total assets	695,435	629,911	646,465	567,854	570,497
Index	122	110	113	100	100
Investments in property, plant and equipment	24,719	23,339	10,739	4,734	54,297
Index	46	43	20	9	100
Equity	423,320	451,597	464,225	362,303	325,476
Index	130	139	143	111	100
Inventories	120,352	100,032	69,607	67,165	57,617
Index	209	174	121	117	100
<i>Cashflow</i>					
Net cash flow:					
Operating activities	99,575	77,721	-1,103	44,123	98,998
Investing activities	-26,573	13,624	-3,814	-3,253	-75,943
Financing activities	-42,897	-83,083	23	-43,321	26,542
Cash flows for the year	30,105	8,262	-4,894	-2,451	49,597
Ratios					
	2024	2023	2022	2021	2020
<i>Profitability</i>					
Return on equity	15%	12%	17%	12%	-28%

Gross margin	58%	58%	53%	53%	54%
Return on invested capital	19%	12%	14%	13%	22%
Profit margin	21%	17%	15%	13%	20%

Equity ratio

Equity ratio	61%	71%	71%	63%	57%
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Others

Number of employees (average)	568	580	604	617	625
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In 2023, the company changed its accounting policies for land and buildings. The measurement basis for land and buildings was changed from cost less depreciation and impairment to fair value with recognition of value adjustments in the equity. Financial highlights for the past 3 to 4 years have not been restated in accordance with the change in accounting policies, see section 101(3) of the Danish Financial Statements Act.

Ratios definitions

Return on equity:	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Gross margin:	$\frac{\text{Gross result} \times 100}{\text{Revenue}}$
Return on invested capital:	$\frac{\text{EBITA} \times 100}{\text{Avg. invested capital excl. goodwill}}$
EBITA:	Operating profit plus amortisation and impairment losses on goodwill.
Invested capital excl. goodwill:	Sum of intangible operating assets and property, plant and equipment (excl. goodwill) as well as net working capital.
Profit margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$

Primary activities

The company's main activities are the ownership of the Trepko Group, as well as investing in real estate, shares and other financial assets.

The main activities of the the Trepko Group as a whole consist of development, production and sale of filling and packaging machines for the global food industry.

The products are sold to customers in more than 100 countries on 6 continents.

Development in the groups activities and financial affairs

Going into 2024 it was the expectation of the management that the revenue and the profit would resemble that of 2023. An increased order intake starting in 2nd quarter made the company exceed these expectations

Maintaining a gross margin of 58%, the revenue and the gross result for the year 2023 increased by respectively 21% and 22% compared to the previous year. This lead to an increase of the profit before tax by 31%, due to the profit margin increasing from 17% to 21%.

As a result, the group's income statement for the period of January 1, 2024, to December 31, 2024, demonstrates a net profit before tax of DKK 79,033 million, in contrast to DKK 60,506 million in the preceding year. The profit after tax increased to DKK 66.597 million in 2024 from DKK 55,227 million in 2023, while the equity, primarily due to a mid year dividend pay-out of DKK 100 million, decreased to DKK 423,320 million by the end of the year, from DKK 451,597 million at the start of the year.

Product development:

In the autumn Trepko launched the 800UHS-series, which is the fourth generation of Trepko's popular brick wrappers typically used for brick forming and paper wrapping of butter and margarine. This new generation consist of a series of Ultra High Speed Brick Wrappers that cater for a lower wear and 40% increased operation speeds. Running the most common consumer package, the machines cycle time is thereby reduced from 600 milliseconds to 430 milliseconds. With this new development Trepko is positioned at the absolute forefront of the industry

For the new 800UHS-series Trepko developed and implemented a multitude of new technologies, which ahead of the launch were thoroughly tested in-house using Trepkos completely new testing protocol. This new testing protocol allows for lengthy stress tests, accurate cause of fail identification and iterative improvements. Not only does the protocol reduce the cost of testing, it also enable a much more focused and thorough procedures ahead of finalizing the product. Going forward the new protocol will be an integrated part of Trepko's product development.

Profit & Loss Account for the Parent Company

The net profit of the parent company, inclusive of profits from its subsidiary companies and before taxes, reached DKK 61,252 million in the year 2024, compared to DKK 47,494 million in the previous year. The board of directors considers the result as being satisfactory.

Outlook

The Group holds a robust position in the global market, excelling in product range, quality, and competitive pricing. In an environment where numerous competitors are grappling with significant financial challenges, the Group maintains a high level of solvency. Undoubtedly, Trepko's exceptional solvency, the highest in the industry, greatly influences customers' preference for Trepko as their supplier, particularly when undertaking substantial capital investments with a lifespan of up to 20 years.

The past 20+ years has been spend solidifying Trepko as a one stop shop for the dairy and margarine industry. The focus has been on Filling machines and the down stream equipment being packing machines. Realizing that the product portfolio was close to complete, Trepko in 2021 took the important step of turning towards development of up-stream equipment, whereby it would enter the market for food-processing equipment. The first result of the new strategy was the rework system presented at Interpack in 2023. In March 2025, this strategy is further cemented, by the acquisition of the product portfolio of Egli Ag Process Technology. With this acquisition Trepko obtains a complete, deep and wide product program for butter and margarine processing equipment, making it capable of supplying complete dairies and margarine factories.

In addition to the above mentioned efforts expanding the companies product-range. Trepko maintain a focus on improving many of it's existing technologies, in order to exceed what is currently available in the market. As a result of these past efforts the product launches of 2023 and 2024 clearly set Trepko apart from the competition.

In 2024 the group finalized the building of its new factory in Paarl, South Africa. These new and modern premises increased the company's office and factory space. Compared to the formerly leased factory the new premises are better suited for the companys purpose and future development.

In Brazil the group completed a factory expansion and build a rapidly expanding workshop for in house manufacturing of components in line with the group policy.

Remaining open to opportunities, the Trepko Group considers the acquisition of small and medium-sized companies whose product offerings naturally complement its existing range or contribute in other ways to strengthening its global market position. In line with this strategy, the Trepko Group has successfully acquired Unipak and Hugart Filling Machines (Poland), Filmatic (South Africa), Regal and KDR Engineering (UK), Mecopak (Sweden) and Brasholanda (Brazil)

With ample capital strength and financial resources, the Trepko Group is well equipped to pursue

further desired acquisitions, adhering to its acquisition strategy: targeting companies whose geographic markets or products complement Trepko's existing markets or product range, thereby reinforcing the Trepko brand as previous acquisitions have done.

The Trepko Group had a very good backlog upon entering 2025, but with the current turmoil resulting from US politics, an unchanged revenue and profit level is expected for both the Group and the parent company.

Knowledge resources

In order to be able to develop and supply the group's solutions it is crucial for the company that it is able to recruit and maintain employees with a high education level. It is an ambition for the company to have both the newest knowledge and a quick adaptability. As measurement for this employee turnover and structure are important indicators.

The critical business process connected to supply of machinery to the food industry are service, quality and individual solutions. To ensure that the customer receives the agreed service and machinery, there are demands to the production, to secure that specific methods and procedures can be documented.

Financial risks

Foreign currency risks

Activities outside Denmark are causing the result, cash flows and equity to be influenced by the exchange rates and interest rate movements for a number of currencies. It is the policy of the company to hedge commercial exchange rate exposure. The hedge is primarily done by use of foreign exchange contracts to hedge expected turnover and purchase within the next 12 months. The company does not enter into speculative foreign currency holdings.

Exchange rate adjustments for investments in subsidiaries and associated companies, that are independent entities, are calculated directly into the equity. Relating exchange rate risks are not being covered as it is the company's opinion that a current hedging of such longterm investments will not be optimal from a total risk and cost perspective.

Supply chain risk

For the manufacturing of machines, the company rely on component supplies. Local as well as world wide logistic and manufacturing issues causes from time to time shortages and increased delivery times for many materials and components required for the manufacturing of Trepko's products. The Trepko Group has identified and initiated additional stock keep of critical components, and it continue to monitor, analyze and maintain these increased stock levels.

Research and development activities

The Group continues to develop new products aiming at expanding its productline and consolidating its position as a one stop shop within processing, filling and packing machines for the food industries. In addition refinement of existing products is carried out on a continuous basis with the goal of ensuring a high quality product offering value for money.

The Group does not capitalize development costs because the earnings potential of each development project cannot be reasonably estimated. Moreover, the company's approach to carrying out development projects is designed to keep costs relatively low, which reduces their significance for inclusion in the balance sheet.

Subsequent events

In March 2025 the group acquired the product portfolio of Egli Ag Process Technology in Switzerland. This acquisition consolidate Trepkos status as a One-Stop-Supplier as it adds processing to Trepkos two existing product legs being Filling machines and End of line equipment.

No other events, which might have any material influence on the financial situation of the Company, have occurred subsequent to the balance sheet date.

Corporate social responsibility*Business model*

The Group is a leading supplier of packaging solutions for the food industry. With 75 years of manufacturing experience Trepko is placed at the forefront of the packaging industry and today the group has loyal customers in more than 100 countries across the world.

The group's strategy is to raise the quality of manufactured equipment and services by the use of modern equipment and qualified staff. Trepko target being close to its customers and participating in their development by offering the newest solutions. Trepko aim to stay ahead of the competition and to be the most attractive solution provider for the food industry.

All Trepko machines meet the most stringent quality and hygiene requirements. The performance of the Trepko machines combined with their flexibility enable catering for any customer need. Trepko machines are characterized by high efficiency and reliability as well as ease of use and long durability.

More than 90% of the components used in a Trepko machine are in-house manufactured in Trepkos own facility where CNC controlled lathes and milling machines are employed together with water jet and laser cutting machines and numerous surface and hardening systems. This enable Trepko to ensure a thorough quality control and traceability of each component entering the assembly. This is why the customer can be confident that all parts are manufactured with extreme precision and are of

the highest quality.

The high and stable position in the market confirms that our course of action is good. The Trepko Group has positioned itself strongly and securely in all of Europe, North and South America, the Middle East, Africa and Australia and Trepko has grown to be a leader among manufacturers of filling and packaging machines.

Apart from contributing to the local societies through tax, the group's local activities provide jobs both directly and with sub suppliers in the local communities. In addition Trepko support initiatives helping children in the local communities where the company has manufacturing facilities.

It is the intention of the management in every possible way to run Trepko within the laws and legislation of the countries in which the company operates. It is furthermore the intent of the management to insure that the company operates as a responsible company, minimizing any negative impact on stakeholders and the surrounding society as much as possible. The company operates and carries out its activities under consideration of normally accepted principles and business moral ensuring that the company operates in a socially responsible way.

It follows that the company:

- target reducing its net energy consumption,
- target being an attractive and "happy" workplace for all employees,
- respect and contribute to human rights as defined by UN,
- refrain from involvement in (and work against) corruption and bribes.

Our statement on corporate social responsibility is based on the activities and policies of our operating company. We have not identified any risks or issues that are not already addressed through our operating company's corporate social responsibility report,

Principal risks

The Group is committed to responsible business practices and consider its impact on the environment, population, and its own enterprise. The Code of Conduct plays a crucial role in guiding company's actions and ensuring that all representatives and employees adhere to these principles. This commitment not only helps maintain a positive reputation but also foster trust with stakeholders. Trepko places a strong emphasis on conducting business in a responsible manner. This implies taking into account the impact of operations on the environment and the well being of the population. All the Trepko Groups policies regarding social responsibility are included in its Code of Conduct, which is available on its website: www.trepko.com/Code-of-Conduct.pdf.

Environmental matters

The Group contribute to CO₂ emissions, but target reducing its CO₂-footprint. Trepko Group commitment to sustainability and environmental responsibility is through the reduction of net energy consumption and aligns with the global efforts to combat climate change. Trepkos investments in energy saving initiative, such as photovoltaic investments involving the installation of solar panels to

harness energy from the sun, are a significant step in the right direction. By utilizing solar energy, Trepko can reduce its carbon footprint and contribute to a more sustainable future.

Reducing net energy consumption:

The activities of Trepko are characterized by a low degree of influence on the environment. It is Trepko's intention to continue working on reducing its energy consumption and to furthermore largely move the company towards renewable energy. The management believe that this work will not only enable Trepko to minimize its external impact on the environment, it will also make the company less dependant of energy providers and less impacted by fluctuating energy prices.

In 2022 money was set aside for an expansion of the groups solar capacity from 630 kilo watt to 1.5 mega watt. Local bureaucracy blocked commissioning of the expansion in 2023, for which reason it was expected to take place in 2024, but as the issues extended into 2024 only 95 kilo watt was added throughout the year. Further 544 kilo watt will be added in the first half of 2025, while the project for the remaining 240 kilo watt has been cancelled due to the obstacles imposed by local authorities. With the planned expansion the completed the revised target for the group as a whole is thereby to be 54% self sufficient in regards to electric power (the original target was 64%). In addition the holding company and the ultimate owners of Trepko has invested in solar harvesting plants through other companies. The total solar investment made outside Trepko generate 2.5 mega watt. The group as a whole is thereby a net producer targeted by mid 2025 to have a yearly capacity of 3.7 mega watt of which only 2/3 is dedicated to own manufacturing.

Trepko has not started an actual data collection and collection of key figures regarding our policy and actions regarding the environment and climate. Trepko is however taking the actions required as per its business model to reduce its impact on the environment and the climate.

Social and employee matters

It is crucial for the Trepko Group that it is able to recruit and maintain employees with a high education level. The Trepko Group is dedicated to creating a work environment where employees are treated fairly and their rights are respected. Trepko places a high level of importance on the well being of its employees. This includes not only their physical health but also their overall conditions, which encompasses their mental, emotional, and social well being. The company strives to create an attractive and happy workplace for all employees. This focus on employee satisfaction and well being contributes to a positive work environment.

Attractive and "happy" workplace:

Throughout the year, the company has continued its efforts to maintain an attractive and "happy" workplace for all its employees. These efforts yield positive results, through periodic personal development meetings between managers and the individual employees. Additionally, the company places a strong emphasis on fostering positive internal relationships among employees through various social events.

The management strongly believes that a positive work environment not only attracts desirable

employees but also enhances employee efficiency, and minimize employee turnover. The company recognizes that its employees are its greatest knowledge resources, and it is committed to maintaining a work culture that encourages continuity, growth, innovation, and collaboration for the individual and the organization as a whole.

No specific data or key figures have been collected during the year for our policies and actions for an Attractive and "happy" workplace. Trepko will continue to focus on these policies and have actions that aims to keep and attract employees.

Safety and Healthy workplace

The Group prioritizes the safety and health of its employees, recognizing that every individual has the right to work in a secure and healthy environment. We have a zero accident policy, meaning that the aim is to prevent any harm or injuries to employees while they carry out their job duties.

During the financial year, the group experienced 20 work related accidents. All injuries were minor and of a non-permanent nature. Most injuries were related to cuts and back sprains. The Group does its utmost to ensure that the employees do not get injured during work and the group continuously monitor and follow up on issues improving employee safety.

Our donations to charity work for children:

The Group to support children's health and wellbeing through donations for several projects that aim to help children in the local communities of our factories.

The focus is on:

- Children's homes for orphans and children/youths from troubled families.
- Schools for children (especially for children struggling with autism)
- Children hospitals and children with cerebral palsy

Respect for human rights

It is crucial for the company's self respect to respect and contribute to human rights as defined by the UN and refrain from involvement in (and work against) corruption and bribery.

The Group takes a strong stance against bribery, corruption extortion, and fraud. Upholding high ethical standards in business is crucial not only for legal compliance but also for fostering trust with stakeholders and safeguarding the company's reputation. Ethical business practices contribute to a positive corporate culture, and enhance long term sustainability.

By actively preventing and addressing unethical behavior, Trepko demonstrates a commitment to integrity and social responsibility. This commitment can lead to increased employee morale, customer loyalty, and positive relationships with regulators and the community. In the long run, such ethical practices can contribute to sustainable business growth and resilience.

Upholding by the Group fundamental human rights principles within its operations signifies a dedication to ethical conduct, social responsibility, and a recognition of the importance of human dignity. The United Nations' framework on human rights provides a comprehensive guideline for businesses to ensure they respect and support basic human rights.

No violations have been reported throughout the year, neither in relation to anti corruption and bribery nor violations of human rights.

Anti-corruption and bribery matters

Trepko continues to operate in a responsible manner, minimizing the negative impact on its Stakeholders and surrounding society to the greatest extent possible. The management will continuously evaluate the need for formalized policies and guidelines.

Gender composition of the management

Supreme management body

It is the Group's policy to recruit the Board of Directors, as well as staff for any other position, based on relevant qualifications. The candidates gender, race, nationality and sexual preference are therefore not a consideration in the recruitment process.

The company refrain from putting a target ratio for any underrepresented group in any part of the company, as this would be a violation of the recruitment policy, and is therefore only done in subsidiaries where specifically required by law.

Board of Directors in parent::

	31.12.24	31.12.23	31.12.22	31.12.21	31.12.20
Number of members	3	3	3	3	3
Underrepresented sex (%)	33%	33%	33%	33%	33%

Gender balance

Other levels of management include the Executive Board, and people with responsibility for personnel who report directly to the Executive Board.

As shown in the table below the company's other management levels consist of 1 manager, including the company's CEO.

Accounting policies

The gender diversity ratio in the supreme management body is calculated as the proportion of female board members on the Board of Directors. It only includes board members elected by the general meeting. Employee representatives are not included.

Other management levels

Other levels of management include the Executive Board, and people with responsibility for personnel who report directly to the Executive Board.

	31.12.24	31.12.23	31.12.22	31.12.21	31.12.20
Number of managers	1	1	1	1	1

Exempt from the requirement to set targets due to having less than three people in other management levels

The company's other management levels consist of 1 manager, including the company's CEO. Since the company has less than three managers at other management levels, there is no need to report on gender distribution at the other management levels. However, the company is not exempt from having to state the total number of people at the other management levels, and the proportion of the underrepresented sex (see the table above).

Accounting policies

The gender diversity ratio at other management levels is calculated as the proportion of female managers with responsibility for personnel out of the total number of managers with responsibility for personnel at the other management levels.

Data ethics

The market for the company's products is narrow, and does not leave the company much room for performing data analysis on its potential and current customers. It follows that the company does not analyse such data using algorithms, and such analysis are not an integrated part of the company's business strategy. For more information see:

www.trepko.com/en/personaldataprotection/

www.trepko.com/en/privacy-policy/

www.trepko.com/Code-of-Conduct.pdf

Taxpolicy

It is and has always been the policy of Trepko to pay tax on profit as per the rules and regulations in the countries where the company has its local activities. The company has not "taxoptimized" its activities.

In order to ensure that management resources are devoted to their intended purpose, it is the policy of the group to permanently stop or heavily reduce investments in group companies experiencing

unreasonable scrutiny comparable to harassment from local authorities.

Income statement

Note	Group		Parent		
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000	
1	Revenue	381,652	314,852	194	191
	Change in inventories of finished goods and work in progress	-24,172	-14,955	0	0
	Other operating income	4,157	1,872	799	0
	Costs of raw materials and consumables	-102,240	-82,443	0	0
	Property costs	-1,860	-1,605	-29	-39
	Other external expenses	-36,396	-36,445	-191	-197
	Gross result	221,141	181,276	773	-45
2	Staff costs	-131,606	-118,862	0	0
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	89,535	62,414	773	-45
	Depreciation and impairments losses of property, plant and equipment	-7,938	-6,795	0	0
	Profit/loss before fair value adjustments	81,597	55,619	773	-45
	Fair value adjustment of investment properties	0	-2,390	0	0
	Other operating expenses	-1,427	-800	-1	0
	Operating profit/loss	80,170	52,429	772	-45
4	Income from equity investments in group enterprises	0	0	58,830	45,340
5	Financial income	5,888	12,988	2,112	2,410
6	Financial expenses	-7,025	-4,911	-462	-211
	Profit before tax	79,033	60,506	61,252	47,494
	Tax on profit for the year	-11,637	-5,279	3,057	6,247
	Other taxes	-799	0	0	0
	Total tax	-12,436	-5,279	3,057	6,247
	Profit for the year	66,597	55,227	64,309	53,741
7	Proposed appropriation account				

ASSETS		Group		Parent	
		31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000
Note					
	Completed development projects	6,252	0	0	0
	Acquired rights	289	418	0	0
8	Total intangible assets	6,541	418	0	0
	Land and buildings	152,360	125,604	0	0
	Investment properties	141,965	141,965	2,290	2,290
	Other fixtures and fittings, tools and equipment	25,517	24,793	0	0
	Property, plant and equipment under construction	2,359	13,975	0	0
	Prepayments for property, plant and equipment	1,965	1,647	0	0
9	Total property, plant and equipment	324,166	307,984	2,290	2,290
10	Equity investments in group enterprises	0	0	372,842	350,232
11	Receivables from group enterprises	0	0	0	39,000
11	Other receivables	16,686	17,518	15,677	16,471
	Total investments	16,686	17,518	388,519	405,703
	Total non-current assets	347,393	325,920	390,809	407,993
	Raw materials and consumables	48,837	50,920	0	0
	Work in progress	37,662	23,576	0	0
	Manufactured goods and goods for resale	26,586	16,500	0	0
	Prepayments for goods	7,267	9,036	0	0
	Total inventories	120,352	100,032	0	0
12	Work in progress for third parties	46,554	41,748	0	0
	Trade receivables	57,661	65,631	0	0
	Receivables from group enterprises	0	0	2,973	6,104
17	Deferred tax asset	13,624	17,639	23,650	23,633
	Income tax receivable	781	2,719	1,233	1,835
	Other receivables	5,504	2,804	4	0
13	Prepayments	1,352	1,309	0	0
	Total receivables	125,476	131,850	27,860	31,572
	Other investments	585	585	470	470
	Total securities and equity investments	585	585	470	470
	Cash	101,629	71,524	1,699	11,715
	Total current assets	348,042	303,991	30,029	43,757
	Total assets	695,435	629,911	420,838	451,750

EQUITY AND LIABILITIES		Group		Parent	
		31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000
Note					
14	Share capital	5,000	5,000	5,000	5,000
	Revaluation reserve	55,245	52,801	0	0
	Reserve for net revaluation according to the equity method	0	0	302,265	279,655
	Reserve for development costs	6,252	0	0	0
	Foreign currency translation reserve	-4,935	-8,817	0	0
	Cash flow hedging reserve	236	316	0	0
	Retained earnings	355,622	297,546	110,155	62,192
	Proposed dividend for the financial year	0	100,000	0	100,000
	Equity attributable to owners of the parent	417,420	446,846	417,420	446,847
15	Non-controlling interests	5,900	4,751	0	0
	Total equity	423,320	451,597	417,420	446,847
16	Provisions for pensions and similar obligations	3,734	3,667	0	0
17	Provisions for deferred tax	17,401	14,170	0	0
18	Other provisions	505	0	0	0
	Total provisions	21,640	17,837	0	0
19	Mortgage debt	66,360	67,209	759	794
19	Payables to other credit institutions	1,686	2,251	0	0
19	Other payables	25,685	11,369	0	0
19	Deferred income	1,810	1,859	0	0
	Total long-term payables	95,541	82,688	759	794
19	Short-term part of long-term payables	2,276	1,541	48	60
	Payables to other credit institutions	576	745	5	0
12	Prepayments received from work in progress for third parties	67,506	36,175	0	0
	Prepayments received from customers	918	400	0	0
	Trade payables	13,900	11,027	180	170
	Payables to group enterprises	0	1	1,921	3,611
	Payables to owners and management	45,098	0	0	0
	Deposits	2,224	2,857	46	45
	Income taxes	2,553	4,413	1	2
	Other payables	19,883	20,630	458	221
	Total short-term payables	154,934	77,789	2,659	4,109
	Total payables	250,475	160,477	3,418	4,903
	Total equity and liabilities	695,435	629,911	420,838	451,750

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 - 21 Derivative financial instruments
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Statement of changes in equity

Figures in DKK '000	Share capital	Revaluation reserve	Reserve for net revaluation according to the equity method	Reserve for development costs	Foreign currency translation reserve	Cash flow hedging reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group:											
Statement of changes in equity for 01.01.23 - 31.12.23											
Balance as at 01.01.23	5,000	43,248	0	0	-18,517	2,264	343,493	85,000	460,488	3,737	464,225
Foreign currency translation adjustment of foreign enterprises	0	3,595	0	0	9,700	0	0	0	13,295	-472	12,823
Revaluations during the year	0	8,933	0	0	0	0	0	0	8,933	0	8,933
Fair value adjustment of hedging instruments	0	0	0	0	0	-1,948	0	0	-1,948	0	-1,948
Dividend paid	0	0	0	0	0	0	0	-85,000	-85,000	0	-85,000
Tax on changes in equity	0	-2,663	0	0	0	0	0	0	-2,663	0	-2,663
Transfers to/from other reserves	0	-312	0	0	0	0	312	0	0	0	0
Net profit/loss for the year	0	0	0	0	0	0	-46,259	100,000	53,741	1,486	55,227
Balance as at 31.12.23	5,000	52,801	0	0	-8,817	316	297,546	100,000	446,846	4,751	451,597

Statement of changes in equity

Figures in DKK '000	Share capital	Revaluation reserve	Reserve for net revaluation according to the equity method	Reserve for development costs	Foreign currency translation reserve	Cash flow hedging reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Statement of changes in equity for 01.01.24 - 31.12.24											
Balance as at 01.01.24	5,000	52,801	0	0	-8,817	316	297,546	100,000	446,846	4,751	451,597
Foreign currency translation adjustment of foreign enterprises	0	-608	0	0	3,882	0	0	0	3,274	231	3,505
Revaluations during the year	0	4,051	0	0	0	0	0	0	4,051	0	4,051
Total depreciation, amortisation, impairment losses and write-downs during the year	0	0	0	-568	0	0	568	0	0	0	0
Distributed dividend from group enterprises	0	0	0	0	0	0	81	0	81	0	81
Fair value adjustment of hedging instruments	0	0	0	0	0	-29	0	0	-29	0	-29
Dividend paid	0	0	0	0	0	0	0	-100,000	-100,000	-1,464	-101,464
Other changes in equity	0	0	0	0	0	0	-73	0	-73	94	21
Tax on changes in equity	0	-621	0	0	0	-51	0	0	-672	0	-672
Transfers to/from other reserves	0	-378	0	6,820	0	0	-6,809	0	-367	0	-367
Net profit/loss for the year	0	0	0	0	0	0	64,309	0	64,309	2,288	66,597
Balance as at 31.12.24	5,000	55,245	0	6,252	-4,935	236	355,622	0	417,420	5,900	423,320

Statement of changes in equity

Figures in DKK '000	Share capital	Revaluati on reserv e	Reserve for net revaluatio n accordi ng to the equity method	Reserve for development costs	Foreign currency translation reserve	Cash flow hedging reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non- controlling interests	Total equity
Parent:											
Statement of changes in equity for 01.01.23 - 31.12.23											
Balance as at 01.01.23	5,000	0	285,429	0	0	0	85,059	85,000	460,488	0	460,488
Foreign currency translation adjustment of foreign enterprises	0	0	13,296	0	0	0	0	0	13,296	0	13,296
Distributed dividend from group enterprises	0	0	-68,732	0	0	0	68,732	0	0	0	0
Fair value adjustment of hedging instruments	0	0	-1,948	0	0	0	0	0	-1,948	0	-1,948
Dividend paid	0	0	0	0	0	0	0	-85,000	-85,000	0	-85,000
Other changes in equity	0	0	8,933	0	0	0	0	0	8,933	0	8,933
Tax on changes in equity	0	0	-2,663	0	0	0	0	0	-2,663	0	-2,663
Net profit/loss for the year	0	0	45,340	0	0	0	-91,599	100,000	53,741	0	53,741
Balance as at 31.12.23	5,000	0	279,655	0	0	0	62,192	100,000	446,847	0	446,847

Statement of changes in equity

Figures in DKK '000	Share capital	Revaluation reserve	Reserve for net revaluation according to the equity method	Reserve for development costs	Foreign currency translation reserve	Cash flow hedging reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Statement of changes in equity for 01.01.24 - 31.12.24											
Balance as at 01.01.24	5,000	0	279,655	0	0	0	62,192	100,000	446,847	0	446,847
Foreign currency translation adjustment of foreign enterprises	0	0	2,914	0	0	0	0	0	2,914	0	2,914
Distributed dividend from group enterprises	0	0	-42,484	0	0	0	42,484	0	0	0	0
Fair value adjustment of hedging instruments	0	0	-80	0	0	0	0	0	-80	0	-80
Dividend paid	0	0	0	0	0	0	0	-100,000	-100,000	0	-100,000
Other changes in equity	0	0	4,051	0	0	0	0	0	4,051	0	4,051
Tax on changes in equity	0	0	-621	0	0	0	0	0	-621	0	-621
Net profit/loss for the year	0	0	58,830	0	0	0	5,479	0	64,309	0	64,309
Balance as at 31.12.24	5,000	0	302,265	0	0	0	110,155	0	417,420	0	417,420

Consolidated cash flow statement

Note	Group	
	2024 DKK '000	2023 DKK '000
	66,597	55,227
25	22,904	10,259
Change in working capital:		
Inventories	-20,320	-30,531
Receivables	32,582	41,826
Trade payables	2,873	-1,962
Other payables relating to operating activities	1,056	-6,403
Other provisions	571	-1,614
Cash flows from operating activities before net financials	106,263	66,802
Interest income and similar income received	5,879	12,459
Interest expenses and similar expenses paid	-7,018	-4,746
Income tax paid	-5,549	3,206
Cash flows from operating activities	99,575	77,721
Purchase of intangible assets	-233	-332
Purchase of property, plant and equipment	-26,684	-23,952
Sale of property, plant and equipment	335	344
Sale of securities and equity investments	0	37,348
Dividend recieved	9	216
Cash flows from investing activities	-26,573	13,624
Dividend paid	-101,464	-85,000
Repayment of mortgage debt	-1,220	-823
Repayment of payables to credit institutions	-312	-4,871
Arrangement of other payables (short/long)	60,099	7,611
Cash flows from financing activities	-42,897	-83,083
Total cash flows for the year	30,105	8,262
Cash, beginning of year	71,524	63,262
Cash, end of year	101,629	71,524
Cash, end of year, comprises:		
Cash	101,629	71,524
Total	101,629	71,524

	Group		Parent	
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000

1. Revenue

Information about the distribution of revenue by activities and geographical markets is provided below. The segment information is prepared in accordance with the company's accounting policies and follows the company's internal financial management.

Revenue comprises the following activities:

Revenue, sales and services	372,607	305,559	0	0
Revenue, rental income from property	9,045	9,293	194	191
Total	381,652	314,852	194	191

Revenue comprises the following geographical markets:

Europe	186,654	149,640	194	191
Africa	80,254	87,605	0	0
North and South America	65,539	49,762	0	0
Asia and Middle East	48,794	24,742	0	0
Others countries	411	3,103	0	0
Total	381,652	314,852	194	191

2. Staff costs

Wages and salaries	112,880	101,795	0	0
Pensions	1,182	2,238	0	0
Other staff costs	17,544	14,829	0	0
Total	131,606	118,862	0	0

Average number of employees during the year	568	580	0	0
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3. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	1,131	1,120	110	105
Other services	267	217	76	81
Total	1,398	1,337	186	186

	Group		Parent	
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
4. Income from equity investments in group enterprises				
Share of profit or loss of group enterprises	0	0	58,830	45,340

5. Financial income

Interest, group enterprises	0	0	930	89
Other interest income	2,689	2,830	1,175	1,794
Other financial income	3,199	10,158	7	527
Total	5,888	12,988	2,112	2,410

6. Financial expenses

Other interest expenses	3,611	2,356	25	6
Other financial expenses	3,414	2,555	437	205
Total	7,025	4,911	462	211

7. Proposed appropriation account

Reserve for net revaluation according to the equity method	0	0	58,830	45,340
Proposed dividend for the financial year	0	100,000	0	100,000
Non-controlling interests	2,288	1,486	0	0
Retained earnings	64,309	-46,259	5,479	-91,599
Total	66,597	55,227	64,309	53,741

8. Intangible assets

Figures in DKK '000	Completed development projects	Acquired rights	Goodwill
Group:			
Cost as at 01.01.24	2,400	6,234	14,171
Foreign currency translation adjustment of foreign enterprises	44	228	-107
Additions during the year	0	233	0
Disposals during the year	0	-204	0
Transfers during the year to/from other items	6,820	0	0
Cost as at 31.12.24	9,264	6,491	14,064
Amortisation and impairment losses as at 01.01.24	-2,400	-5,816	-14,171
Foreign currency translation adjustment of foreign enterprises	-44	-233	107
Amortisation during the year	-568	-357	0
Reversal of amortisation of and impairment losses on disposed assets	0	204	0
Amortisation and impairment losses as at 31.12.24	-3,012	-6,202	-14,064
Carrying amount as at 31.12.24	6,252	289	0

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred

9. Property, plant and equipment

Figures in DKK '000	Land and buildings	Investment properties	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Prepayments for property, plant and equipment
Group:					
Cost as at 01.01.24	72,543	137,729	91,834	13,975	1,647
Foreign currency translation adjustment of foreign enterprises	702	0	1,768	333	0
Additions during the year	18,456	0	3,904	2,359	1,965
Disposals during the year	0	0	-1,813	0	0
Transfers during the year to/from other items	6,320	0	1,315	-14,308	-1,647
Cost as at 31.12.24	98,021	137,729	97,008	2,359	1,965
Revaluations as at 01.01.24	69,994	0	0	0	0
Foreign currency translation adjustment of foreign enterprises	-431	0	0	0	0
Revaluations during the year	4,051	0	0	0	0
Revaluations as at 31.12.24	73,614	0	0	0	0
Depreciation and impairment losses as at 01.01.24	-16,934	0	-67,042	0	0
Foreign currency translation adjustment of foreign enterprises	-164	0	-1,338	0	0
Depreciation during the year	-2,177	0	-4,877	0	0
Reversal of depreciation of and impairment losses on disposed assets	0	0	1,766	0	0
Depreciation and impairment losses as at 31.12.24	-19,275	0	-71,491	0	0
Fair value adjustments as at 01.01.24	0	4,236	0	0	0
Fair value adjustments as at 31.12.24	0	4,236	0	0	0
Carrying amount as at 31.12.24	152,360	141,965	25,517	2,359	1,965

9. Property, plant and equipment - continued -

Figures in DKK '000	Land and buildings	Investment properties	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Prepayments for property, plant and equipment
Group:					
Carrying amount in the balance sheet if revaluation to fair value had not been carried out as at 31.12.24	84,338	0	0	0	0
Parent:					
Cost as at 01.01.24	0	2,946	0	0	0
Cost as at 31.12.24	0	2,946	0	0	0
Fair value adjustments as at 01.01.24	0	-656	0	0	0
Fair value adjustments as at 31.12.24	0	-656	0	0	0
Carrying amount as at 31.12.24	0	2,290	0	0	0

10. Investments

Figures in DKK '000	Equity invest- ments in group enterprises	Other invest- ments
Parent:		
Cost as at 01.01.24	70,576	0
Cost as at 31.12.24	70,576	0
Revaluations as at 01.01.24	279,656	0
Foreign currency translation adjustment of foreign enterprises	2,914	0
Revaluations during the year	4,051	0
Net profit/loss from equity investments	58,830	0
Dividend relating to equity investments	-42,484	0
Fair value adjustment of hedging instruments	-80	0
Other adjustments relating to equity investments	-621	0
Revaluations as at 31.12.24	302,266	0
Carrying amount as at 31.12.24	372,842	0

Name and registered office:	Ownership interest	Equity DKK'000	Net profit/loss for the year DKK'000	Recognised value DKK'000
Subsidiaries:				
Trepko A/S, Ballerup	100%	312,879	49,765	312,879
Trepko S.A., Gniezno, Poland	28%	194,597	30,021	55,350
Kinogården A/S, Ballerup	100%	8,276	740	8,276
Sct. Knuds Park ApS, Ballerup	100%	615	-207	615
Svanebakken ApS, Frederiksberg	100%	553	88	553
Internal profit and adjustment to group practice, Denmark	100%	-4,831	-58	-4,831
Trepko (UK) Limited, Gainsborough, UK	100%	24,934	2,567	-
Trepko INC, Tampa, USA	100%	18,524	8,542	-
Filmatic Packaging Systems LTD, Cape Town, south Africa	52%	12,292	4,960	-
Trepko do Brasil Ltd, Curitiba, Brazil	100%	13,649	802	-
Energivej 30 ApS, Ballerup	100%	7,020	826	-

The parent owns 28% of Trepko S.A. Gniezno Poland. The subsidiary Trepko A/S holds the remaining 72 % of the company capital. Consequently, the parent exercises control of the company, and the company is therefore classified as a subsidiary.

11. Other non-current financial assets

Figures in DKK '000	Receivables from group enterprises	Other receivables
Group:		
Cost as at 01.01.24	0	222,983
Foreign currency translation adjustment of foreign enterprises	0	19
Disposals during the year	0	-851
Cost as at 31.12.24	0	222,151
Impairment losses as at 01.01.24	0	-205,465
Impairment losses as at 31.12.24	0	-205,465
Carrying amount as at 31.12.24	0	16,686
Parent:		
Cost as at 01.01.24	39,000	221,936
Disposals during the year	-39,000	-794
Cost as at 31.12.24	0	221,142
Impairment losses as at 01.01.24	0	-205,465
Impairment losses as at 31.12.24	0	-205,465
Carrying amount as at 31.12.24	0	15,677

	Group		Parent	
	31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000
12. Work in progress for third parties				
Work in progress for third parties	80,785	67,043	0	0
On-account invoicing	-101,737	-61,470	0	0
Total work in progress for third parties	-20,952	5,573	0	0
Work in progress for third parties	46,554	41,748	0	0
Prepayments received from work in progress for third parties, short-term payables	-67,506	-36,175	0	0
Total	-20,952	5,573	0	0

13. Prepayments

Prepaid insurance premiums	76	68	0	0
Other prepayments	1,276	1,241	0	0
Total	1,352	1,309	0	0

14. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK'000
Share class A	1,000	1,000
Share class B	4,000	4,000
Total		5,000

	Group		Parent	
	31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000

15. Non-controlling interests

Non-controlling interests, beginning of year	4,751	3,737	0	0
Foreign currency translation adjustment of foreign enterprises	231	-472	0	0
Dividend paid	-1,464	0	0	0
Other changes in equity	94	0	0	0
Net profit/loss for the year (distribution of net profit)	2,288	1,486	0	0
Total	5,900	4,751	0	0

16. Provisions for pensions and similar obligations

The provision for pension obligations only concerns the group companies in Poland as the other pension plans are defined contribution plans where the pension obligation is incumbent on the individual insurance company and where the group does not have obligations towards the employees when they leave the group.

	Group		Parent	
	31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000

17. Deferred tax

Deferred tax as at 01.01.24	-3,469	-2,492	-23,633	-24,723
Deferred tax recognised in the income statement	6,625	-4,405	-17	1,090
Deferred tax recognised in equity	621	3,428	0	0
Deferred tax as at 31.12.24	3,777	-3,469	-23,650	-23,633

Deferred tax is recognized in the balance sheet as:

Deferred tax asset	-13,624	-17,639	-23,650	-23,633
Provisions for deferred tax	17,401	14,170	0	0
Total	3,777	-3,469	-23,650	-23,633

	Group		Parent	
	31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000

17. Deferred tax - continued -

Deferred tax is distributed as below:

Property, plant and equipment	23,429	21,573	0	0
Inventories	-2,109	-1,935	0	0
Receivables	4,844	770	0	-176
Provisions	-751	0	0	0
Liabilities	-1,635	-416	4	4
Tax losses	-20,001	-23,461	-23,654	-23,461
Total	3,777	-3,469	-23,650	-23,633

As at 31.12.24, the parent company has recognised a deferred tax asset of DKK 23.654k, which can primarily be attributed to tax losses carried forward. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years.

18. Other provisions

Figures in DKK '000 Warranty commitments

Group:

Provisions during the year	505
Provisions as at 31.12.24	505

	31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000
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Other provisions are expected to be distributed as follows:

Non-current liabilities	311	0	0	0
Current liabilities	194	0	0	0
Total	505	0	0	0

19. Long-term payables

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.24	Total payables at 31.12.23
Group:				
Mortgage debt	866	63,534	67,226	68,056
Payables to other credit institutions	675	0	2,361	2,895
Other payables	685	20,340	26,370	11,369
Deferred income	50	1,612	1,860	1,909
Total	2,276	85,486	97,817	84,229
Parent:				
Mortgage debt	48	566	807	854
Total	48	566	807	854

Deferred income consists of a public subsidy received for a renovation project.

20. Fair value information

Figures in DKK '000	Investment pro- perties	Derivative financial instruments	Land and building
Group:			
Fair value as at 31.12.24	141,965	86	152,360
Unrealised changes of fair value recognised in equity for the year	0	-80	2,135

20. Fair value information - continued -

Figures in DKK '000	Investment pro- perties	Derivative financial instruments	Land and building
Parent:			
Fair value as at 31.12.24	2,290	0	0

The company uses the normal earnings method to determine the fair value of the investment property.

Determination of fair value is based on an expected normalized operating profit and a required return of 5,15-6,75%. The required rate of return is determined taking into account the property's location, age, state of maintenance and degree of occupancy, including terms and conditions in leases.

On the balance sheet date, leases have been entered into on all leases. Leases are entered into on the usual terms of the Lease Act. Operating costs are estimated based on the costs that are expected to be incurred for the operation of the investment property in a normal year, including costs for repairs and maintenance to maintain the property in its current state of maintenance.

No external appraiser has been used in determining the fair value of the investment property.

Currency forward contracts are valued according to generally accepted valuation techniques based on relevant observable swap curves and exchange rates. Both externally calculated fair values based on discounting of future cash flows are used. The statement does not include own credit risk, as it is assessed to be neutral for the report.

Currency forward contracts are valued according to generally accepted valuation techniques based on relevant observable swap curves and exchange rates. Both externally calculated fair values based on discounting of future cash flows are used. The statement does not include own credit risk, as it is assessed to be neutral for the report.

Land and buildings are measured at fair value. The calculation is based on a number of estimates and assumptions. Determining the fair value is based on the estimated m² price, taking into account the property's location, age and state of maintenance.

It is the management's opinion that the estimates and assumptions made in the calculation of the fair value are correctly stated.

An external appraiser has been used to determine the fair value of individual parts of land and buildings.

21. Derivative financial instruments

Group:

The Board of Directors lays down the framework for the conclusion of contracts for derivative financial instruments. The enterprise concludes contracts for the sole purpose of hedging the currency risk on the future sale/purchase of goods in foreign currency (PLN, USD, EUR, GBP). Forward exchange contracts are only concluded with counterparties (Danish banks) with a good credit score from a reputable credit rating agency.

Group companies: 0-12 months gross amount of forward exchange contracts DKK 29.2 Mill.

22. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of total DKK'000 320.

Guarantee commitments

The group has provided usual guarantee on repair on sold equipment. Guarantee cost are charged to the profit and loss account as incurred.

The group has provided a bankguarantee of DKK 9.3 Mill. to customers, and a guarantee to labor complaint of DKK'000 863.

Maintenance obligation

On one investment properties, there is a maintenance obligation in accordance with the Landowners' Investment Fund §119 of DKK'000 420 and §120 of DKK'000 725. The obligation is not incorporated in the accounts.

Parent:

Guarantee commitments

The company has provided a guarantee for the the subsidiaries mortgage debt. The guarantee towards the subsidiaries is at DKK 57,925 Mill. At the balance sheet date the total debt amounts to DKK 56,920 Mill.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and

unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

23. Charges and security

Group:

The group has issued mortgage deeds registered to the mortgagor in the total amount of DKK 67,226 Mill secured upon investment properties with a carrying amount of DKK 141,965 Mill.

The group has issued security for other payables with a total amount of DKK 23,605 Mill secured upon land and buildings with a carrying amount of DKK 23,467 Mill.

As security for bank guarantee DKK 5.176 Mill, the group has provided security in inventory of DKK 48.2 Mill.

As security for bank debt DKK 2.896, the group has provided security in assets of DKK 45.300 Mill.

Parent:

The company has issued mortgage deeds registered to the mortgagor in the total amount of DKK 0,807 Mill secured upon investment properties with a carrying amount of DKK 2,290 Mill.

24. Related parties

Controlling influence	Basis of influence
Hans Christian Hansen	Kapitalejer
Jesper Bjørn Hansen	Kapitalejer
Christian Pihl Hansen	Kapitalejer
Mathias Pihl Hansen	Kapitalejer

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

	Group	
	2024 DKK '000	2023 DKK '000
25. Adjustments for the cash flow statement		
Other operating income	-288	-90
Depreciation and impairments losses of property, plant and equipment	7,938	6,795
Fair value adjustment of investment properties	0	2,390
Financial income	-5,888	-12,988
Financial expenses	7,024	4,912
Tax on profit or loss for the year	11,637	5,279
Other taxes	799	0
Other adjustments	1,682	3,961
Total	22,904	10,259

26. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

Non-controlling interests

The financial items of the subsidiaries are recognised in full in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' equity is classified as a part of

26. Accounting policies - continued -

consolidated equity. The subsidiaries' results are distributed proportionately to non-controlling interests and the parent's equity interest.

Purchase and sale of non-controlling interests in a subsidiary which do not result in changes in control of the subsidiary are treated in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the parent's equity interest.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition, derivative financial instruments are measured at cost. Subsequently, they are

26. Accounting policies - continued -

measured at fair value and recognised under other receivables and other payables, respectively.

Fair value adjustment of derivative financial instruments classified as and meeting the criteria for hedging future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. In the event that the hedged transaction results in the recognition of an asset or a liability, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be included in the cost of the asset or the liability. In the event that the hedged transaction results in the recognition of an income or an expense, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be recognised together with the hedged income or expense.

If the hedged transaction is no longer expected to occur, the cash flow hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument is transferred to other net financials in the income statement. If the hedged transaction is still expected to occur, but the criteria for cash flow hedging are no longer met, the hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument remains in equity until the transaction occurs.

Fair value adjustments of derivative financial instruments that do not meet the criteria for hedge accounting treatment are recognised under other net financials in the income statement on an ongoing basis.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

GRANTS

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised on a proportionate basis in the income statement over the period in which the expenses eligible for grants are expensed. Grants are recognised under other operating income.

INCOME STATEMENT**Revenue**

Income from the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year

26. Accounting policies - continued -

stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as revenue according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

Income from the rental of properties is recognised in the income statement for the relevant period. Revenue is measured at fair value and determined exclusive of VAT and discounts.

Change in inventories of finished goods and work in progress

Change in inventories of finished goods and work in progress comprises adjustments in inventories of finished goods and work in progress for the year, including write-downs of inventories of finished goods and work in progress to the extent that these do not exceed normal write-downs.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Property costs

Property costs comprise costs relating to property management, including repair and maintenance costs, real property taxes, insurance, overhead costs and other costs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

26. Accounting policies - continued -**Staff costs**

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Completed development projects	3-10	
Acquired rights	3-10	
Goodwill	3-10	
Buildings	30	0-70
Leasehold improvements	3-10	
Other plant, fixtures and fittings, tools and equipment	3-10	0-10

Land is not depreciated.

Investment properties are not depreciated.

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Fair value adjustment of investment properties

Unrealised value adjustments of investment properties and realised gains and losses on the sale of assets are recognised in the fair value adjustment of investment properties.

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

26. Accounting policies - continued -**Income from equity investments in group enterprises**

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies, gains and losses on other securities and equity investments etc. are recognised in other net financials.

Amortisation of capital losses and borrowing costs relating to financial liabilities is recognised on an ongoing basis as financial expenses.

Dividends from other equity investments are recognised as income in the financial year in which the dividend is declared.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

Other taxes

Other taxes comprises tax amounts that are calculated on a basis other than the income for the year.

26. Accounting policies - continued -**BALANCE SHEET****Intangible assets***Completed development projects*

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation and impairment losses' section.

Acquired rights

Acquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of intangible assets

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment*Investment properties*

26. Accounting policies - continued -

Investment properties comprise investments in land and buildings for the purpose of earning a return on such investments in the form of regular operating income and capital gains on sale. Investment properties are recognised at cost at the date of acquisition. Cost comprises the purchase price plus expenses resulting directly from the purchase until the asset is ready for use. Investment properties are subsequently measured at fair value with value adjustments in the income statement. The fair value is calculated by applying an individually determined discount rate to the capitalisation of a market-based operating income from the property. A valuer has not been used to determine the fair value.

Other property, plant and equipment

Other property, plant and equipment comprise land and buildings, leasehold improvements as well as other fixtures and fittings, tools and equipment.

Other property, plant and equipment are measured in the balance sheet at cost, for land and buildings with revaluation at fair value recognised under the revaluation reserve in equity, however, and less accumulated depreciation and impairment losses. The fair value for land and buildings is calculated by applying an individually determined discount rate to the capitalisation of a market-based operating income from the property. A valuer has not been used to determine the fair value.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Other property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Property, plant and equipment under construction

Property, plant and equipment under construction are measured at cost. Costs incurred on property, plant and equipment under construction are transferred to the relevant asset category when the asset is ready for use.

Prepayments for property, plant and equipment

Prepayments for property, plant and equipment comprise prepayments to suppliers.

Gains and losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

26. Accounting policies - continued -**Equity investments in group enterprises**

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

26. Accounting policies - continued -**Inventories**

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The cost of manufactured finished goods and work in progress is determined as the value of direct material and labour costs. Interest on loans arranged to finance production is not included in the cost.

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

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on-account invoicing made for each piece of work in progress.

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

26. Accounting policies - continued -

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Other investments

Other securities are measured at fair value, equivalent to the market value at the balance sheet date.

Equity investments that are not classified as group enterprises, associates or participating interests and which are not traded in an active market are measured in the balance sheet at cost. Other equity investments classified as current assets are written down to the lower of cost and net realisable value. Other equity investments that are traded in an active market are measured at fair value, equivalent to the market value at the balance sheet date.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

Revaluation reserve comprises in the financial statements of the parent revaluation of land and buildings at fair value. The revaluation reserve is measured less deferred tax and reduced by depreciation of the revalued assets. On the disposal of the assets, the remaining amount is transferred from the revaluation reserve to retained earnings.

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

An amount equivalent to internally generated development costs in the balance sheet is recognised in

26. Accounting policies - continued -

the financial statements of the parent in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

Unrealised gains and losses on financial instruments classified as and meeting the criteria for hedging of future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. The reserve is measured less deferred tax. The reserve is dissolved when the hedged transaction occurs, or it is no longer expected to occur.

Provisions

Pension obligations are measured in the balance sheet on the basis of actuarial computations to the extent that such obligations are not covered by insurance (defined benefit plans). Actuarial gains and losses on defined benefit plans are recognised directly in equity under retained earnings.

Other provisions comprise expected expenses incidental to warranty commitments, loss on work in progress, restructuring etc. and are recognised when the company has a legal or constructive obligation at the balance sheet date and it is probable that such obligation will draw on the financial resources of the company. Provisions are measured at net realisable value or fair value if the provision is expected to be settled over the longer term.

Warranty commitments comprise the obligation to repair defective work within the warranty period of 1-5 years. Warranty commitments are measured at net realisable value and recognised based on previous years' experience with warranty work.

26. Accounting policies - continued -**Current and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Deposits recognised under liabilities comprise deposits received from lessees under the company's leases.

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

26. Accounting policies - continued -**Deferred income**

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash and short-term payables to credit institutions.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.