
SRO Cotes ApS

Bjørnholms Allé 20, DK-8260 Viby J

Annual Report for 2024

CVR No. 39 76 56 75

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 25/4 2025

Ole Kannerup
Rasmussen
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of SRO Cotes ApS for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 25 April 2025

Executive Board

Laura Rønnow
CEO

Martin Brøchner-Mortensen
Manager

Independent Auditor's report

To the shareholder of SRO Cotes ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of SRO Cotes ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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 Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Management's responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Independent Auditor's report

Aarhus C, 25 April 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mads Johansson

State Authorised Public Accountant

mne40760

Company information

The Company

SRO Cotes ApS
Bjørnholms Allé 20
DK-8260 Viby J

CVR No: 39 76 56 75

Financial period: 1 January - 31 December

Incorporated: 6 July 2018

Financial year: 6th financial year

Municipality of reg. office: Aarhus

Executive Board

Laura Rønnow
Martin Brøchner-Mortensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Group Chart

Company	Residence	Ownership
SRO Cotes ApS	Viby J	
Cotes A/S	Viby J	57,64%
Cotes Polska z.o.o.	Poland	100%
Cotes Dehumidification Shanghai Co. Ltd.	China	100%
Fugtkontrol ApS	Slagelse	100%
Cotes US Inc.	USA	100%

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Profit/loss of primary operations	-1,103	7,552	555	7,578	9,846
Profit/loss of financial income and expenses	-3,385	-2,175	1,144	-1,230	-798
Net profit/loss for the year	-3,711	3,195	1,059	4,475	6,846
Balance sheet					
Balance sheet total	99,411	131,068	90,088	69,240	66,714
Investment in property, plant and equipment	1,247	2,364	339	576	-760
Equity	28,290	32,001	28,806	28,912	25,473
Cash flows					
Cash flows from:					
- operating activities	-3,622	-14,627	-7,576	12,376	-3,485
- investing activities	-1,614	-3,781	-4,653	836	-829
- financing activities	-3,950	25,414	10,520	-7,296	4,295
Change in cash and cash equivalents for the year	-9,186	7,006	-1,709	5,916	-19
Number of employees	115	119	85	67	77
Ratios					
Return on assets	-1.1%	5.8%	0.6%	10.9%	14.8%
Solvency ratio	28.5%	24.4%	32.0%	41.8%	38.2%
Return on equity	-12.3%	10.5%	3.7%	16.5%	31.3%

Management's review

Key activities

Cotes Group develops, manufactures, and sells adsorption dehumidifiers and has the experience and industry know-how to deliver the right dry-air solution in a responsible manner. Cotes Group is focused on making a positive and sustainable impact in the world by producing and selling adsorption dehumidifiers to the Wind Energy Industry, Battery Manufacturing Industry and for Building Drying. In addition, Cotes Group also sells dry-air solutions to other industry applications through its global network of trusted sales partners.

The Cotes Group story is about dedicated and talented people, with passion on a mission to build the most sustainable and best adsorption dehumidifiers on the market with the mindset of supplying "The right way to dry".

Development in the year

The income statement of the Group for 2024 shows a loss of DKK 3,711,140, and at 31 December 2024 the balance sheet of the Group shows a positive equity of DKK 28,290,204.

2024 has been a difficult year for Cotes Group. The Group was hit by delays in wind energy projects as well as delays and cancellations of new battery manufacturing projects.

As a result of this, it was necessary to adjust the cost base of the Group accordingly. Therefore, various cost saving initiatives were implemented, and several employees left the Group. By doing this, the Group succeeded in reducing the financial loss of the year, significantly. The result of 2024 is not considered satisfactory.

In 2024, Cotes Group signed up to the Science Based Targets initiative (SBTi) and committed to setting CO2 reduction targets in line with SBTi's guidelines. The Group has been awarded a Bronze Medal by EcoVadis in recognition of our sustainability achievement.

The Group's Environmental Management System (ISO 14001) was revisited by Bureau Veritas Certification without any nonconformities notifications.

The past year and follow-up on development expectations from last year

The Group did not meet targets and expectations from last year.

During 2024 Cotes Group introduced an adsorption dehumidifier for building drying market segments called CL26. This product has received very good feedback from the market, and we have created a new business unit, Building Drying, to focus on this market.

Targets and expectations for the year ahead

Though it was a difficult year of 2024, we are still confident in the positive outlook for our products and markets and therefore, we have focused on maintaining a scalable and lean structure and organization.

For 2025 we expect a positive development for the Wind Energy markets in the sense that projects already planned are being erected and commissioned. We also see a positive outlook for our sales partner business and the new building drying market segments. Due to the low sales of electrical vehicles in Europe, the battery manufacturing business faces some uncertainties though it is expected that the industry will recover.

In 2025, a profit before tax of MDKK 10-12 is expected.

Research and development

In 2024 the Group continued to improve its product program, both in terms of current products and new products. Allocation of resources for product improvements is of high importance to the Group, as it ensures the high-quality level of the dehumidifiers and helps to meet any demand for changes coming from the customers.

Management's review

Branches abroad

Cotes Group has one abroad branch located in Szczecin, Poland. The branch produces as well as stores and delivers goods in and out of the country.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The uncertainty of secured infrastructure within the wind energy industry and delay on large OEMs deployment of new turbine developments are subject to our continued growth and stability within production capacity. Besides uncertainty in the wind energy industry, supply chain challenges due to international conflicts are still factors that are subject to our products' cost prices and long lead time. This is the most significant uncertainty to the operating profit of 2025.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Gross profit		57,713,283	62,628,453	16,744	-812,740
Staff expenses	1	-55,002,632	-51,985,441	-120,000	-198,467
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-3,806,867	-2,856,200	0	0
Other operating expenses		-6,699	-234,880	0	0
Profit/loss before financial income and expenses		-1,102,915	7,551,932	-103,256	-1,011,207
Income from investments in subsidiaries		0	0	-2,474,210	2,055,636
Income from investments in associates		707,702	387,765	0	0
Financial income		342,339	888,515	3,892	2,249
Financial expenses	3	-4,435,418	-3,451,144	-446,988	-379,999
Profit/loss before tax		-4,488,292	5,377,068	-3,020,562	666,679
Tax on profit/loss for the year	4	777,152	-2,181,902	116,541	6,593
Net profit/loss for the year		-3,711,140	3,195,166	-2,904,021	673,272

Distribution of profit	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
Proposed distribution of profit				
Reserve for net revaluation under the equity method	0	0	-1,940,848	701,645
Minority interests' share of net profit/loss of subsidiaries	-807,119	2,521,893	0	0
Retained earnings	-2,904,021	673,273	-963,173	-28,373
	-3,711,140	3,195,166	-2,904,021	673,272

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Completed development projects		3,673,822	1,326,855	0	0
Acquired patents		25,698	40,824	0	0
Acquired other similar rights		2,689,673	2,703,823	0	0
Goodwill		13,760,189	15,835,432	0	0
Development projects in progress		0	2,273,401	0	0
Intangible assets	5	20,149,382	22,180,335	0	0
Other fixtures and fittings, tools and equipment		1,533,465	1,475,336	0	0
Leasehold improvements		791,609	1,011,285	0	0
Property, plant and equipment	6	2,325,074	2,486,621	0	0
Investments in subsidiaries	7	0	0	27,466,638	29,940,848
Investments in associates	8	1,803,506	1,189,373	0	0
Other receivables	9	710,068	723,959	0	0
Fixed asset investments		2,513,574	1,913,332	27,466,638	29,940,848
Fixed assets		24,988,030	26,580,288	27,466,638	29,940,848
Inventories	10	25,011,009	35,878,837	0	0
Trade receivables		33,230,852	46,105,186	0	0
Contract work in progress	11	2,674,977	1,533,185	0	0
Receivables from group enterprises		0	0	1,231,448	0
Receivables from associates		2,156,236	4,163,534	0	0
Other receivables		7,884,844	4,146,553	33,254	0
Deferred tax asset	12	73,107	0	116,541	0
Corporation tax		0	0	0	877,986
Prepayments		405,205	487,926	0	0
Receivables		46,425,221	56,436,384	1,381,243	877,986

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Cash at bank and in hand		2,986,855	12,172,468	69,549	238,109
Current assets		74,423,085	104,487,689	1,450,792	1,116,095
Assets		99,411,115	131,067,977	28,917,430	31,056,943

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Share capital		50,000	50,000	50,000	50,000
Reserve for net revaluation under the equity method		0	0	0	1,940,848
Reserve for development costs		2,865,583	2,808,200	0	0
Retained earnings		15,301,146	17,023,348	18,166,729	19,129,902
Equity attributable to shareholders of the Parent Company		18,216,729	19,881,548	18,216,729	21,120,750
Minority interests		10,073,475	12,119,796	0	0
Equity		28,290,204	32,001,344	18,216,729	21,120,750
Provision for deferred tax	12	0	1,296,353	0	0
Provisions		0	1,296,353	0	0
Credit institutions		1,109,582	2,504,662	0	0
Other payables		2,022,440	3,579,547	0	1,155,631
Long-term debt	13	3,132,022	6,084,209	0	1,155,631
Credit institutions	13	37,498,366	40,053,774	0	0
Prepayments received from customers		372,187	15,930,029	0	0
Trade payables		9,588,042	14,246,046	26,700	96,800
Payables to group enterprises		0	0	0	366,644
Corporation tax		303,390	767,743	0	0
Other payables	13	20,226,904	20,688,479	10,674,001	8,317,118
Short-term debt		67,988,889	91,686,071	10,700,701	8,780,562
Debt		71,120,911	97,770,280	10,700,701	9,936,193
Liabilities and equity		99,411,115	131,067,977	28,917,430	31,056,943
Contingent assets, liabilities and other financial obligations	16				
Subsequent events	17				
Accounting Policies	18				

Statement of changes in equity

Group

	Share capital	Reserve for development costs	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	2,808,200	17,023,348	19,881,548	12,119,796	32,001,344
Other equity movements	0	0	1,239,202	1,239,202	-1,239,202	0
Development costs for the year	0	57,383	-57,383	0	0	0
Net profit/loss for the year	0	0	-2,904,021	-2,904,021	-807,119	-3,711,140
Equity at 31 December	50,000	2,865,583	15,301,146	18,216,729	10,073,475	28,290,204

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	1,940,848	19,129,902	21,120,750
Net profit/loss for the year	0	-1,940,848	-963,173	-2,904,021
Equity at 31 December	50,000	0	18,166,729	18,216,729

Cash flow statement 1 January - 31 December

	Note	Group	
		2024	2023
		DKK	DKK
Result of the year		-3,711,140	3,195,166
Adjustments	14	6,414,324	7,201,379
Change in working capital	15	-1,174,970	-19,956,293
Cash flow from operations before financial items		1,528,214	-9,559,748
Financial income		342,339	888,515
Financial expenses		-4,435,418	-3,451,144
Cash flows from ordinary activities		-2,564,865	-12,122,377
Corporation tax paid		-1,056,661	-2,504,419
Cash flows from operating activities		-3,621,526	-14,626,796
Purchase of intangible assets		-1,748,347	-1,915,646
Purchase of property, plant and equipment		-1,247,404	-2,364,204
Sale of intangible assets		612,896	0
Sale of property, plant and equipment		769,256	0
Other adjustments		0	499,188
Cash flows from investing activities		-1,613,599	-3,780,662
Repayment of loans from credit institutions		-3,950,488	25,414,002
Cash flows from financing activities		-3,950,488	25,414,002
Change in cash and cash equivalents		-9,185,613	7,006,544
Cash and cash equivalents at 1 January		12,172,468	5,165,924
Cash and cash equivalents at 31 December		2,986,855	12,172,468
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		2,986,855	12,172,468
Cash and cash equivalents at 31 December		2,986,855	12,172,468

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
1. Staff expenses				
Wages and salaries	47,655,608	45,500,502	120,000	198,467
Pensions	2,631,651	2,197,393	0	0
Other social security expenses	2,941,052	2,805,575	0	0
Other staff expenses	1,774,321	1,481,971	0	0
	55,002,632	51,985,441	120,000	198,467
 Including remuneration to the Executive Board and Board of Directors	 2,451,945	 1,929,122	 120,000	 198,467
 Average number of employees	 115	 119	 1	 1
	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	3,167,172	2,036,527	0	0
Depreciation of property, plant and equipment	639,695	819,673	0	0
	3,806,867	2,856,200	0	0
	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
3. Financial expenses				
Interest paid to group enterprises	0	0	14,666	17,414
Other financial expenses	3,388,887	3,451,144	432,322	362,585
Exchange loss	1,046,531	0	0	0
	4,435,418	3,451,144	446,988	379,999

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
4. Income tax expense				
Current tax for the year	522,374	1,629,901	0	-142,682
Deferred tax for the year	-1,299,526	552,001	-116,541	136,089
	-777,152	2,181,902	-116,541	-6,593

5. Intangible fixed assets

Group

	Completed development projects	Acquired patents	Acquired other similar rights	Goodwill	Development projects in progress
	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	9,019,144	92,968	3,049,967	23,015,177	2,273,400
Additions for the year	1,090,835	0	657,512	0	0
Disposals for the year	-112,896	0	0	-1,000,000	0
Transfers for the year	2,273,400	0	0	0	-2,273,400
Cost at 31 December	12,270,483	92,968	3,707,479	22,015,177	0
Impairment losses and amortisation at 1 January	7,692,289	52,144	346,144	7,179,745	0
Amortisation for the year	904,372	15,126	671,662	1,575,243	0
Reversal for the year of previous years impairment losses	0	0	0	-500,000	0
Impairment losses and amortisation at 31 December	8,596,661	67,270	1,017,806	8,254,988	0
Carrying amount at 31 December	3,673,822	25,698	2,689,673	13,760,189	0
Amortised over	3-5 years	3-5 years	3-5 years	5-15 years	

Completed development projects are related to newer versions of the Company's existing products. The projects were finished in 2024. There are no new development projects in progress at year end 2024.

Notes to the Financial Statements

6. Property, plant and equipment Group

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	DKK	DKK
Cost at 1 January	2,366,112	2,829,913
Additions for the year	757,358	490,046
Disposals for the year	-319,407	-485,689
Cost at 31 December	<u>2,804,063</u>	<u>2,834,270</u>
Impairment losses and depreciation at 1 January	890,776	1,818,627
Depreciation for the year	357,291	282,404
Reversal of impairment and depreciation of sold assets	22,531	-58,370
Impairment losses and depreciation at 31 December	<u>1,270,598</u>	<u>2,042,661</u>
Carrying amount at 31 December	<u>1,533,465</u>	<u>791,609</u>
Amortised over	<u>3-5 years</u>	<u>3-5 years</u>

Notes to the Financial Statements

7. Investments in subsidiaries

	Parent company	
	2024	2023
	DKK	DKK
Cost at 1 January	28,000,000	28,000,000
Cost at 31 December	28,000,000	28,000,000
Value adjustments at 1 January	1,940,848	-1,353,991
Net profit/loss for the year	-1,098,261	3,431,585
Other equity movements, net	0	1,239,203
Amortisation of goodwill	-1,375,949	-1,375,949
Value adjustments at 31 December	-533,362	1,940,848
Carrying amount at 31 December	27,466,638	29,940,848

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Cotes A/S	Viby J	1.180.555	57,64%

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
8. Investments in associates				
Cost at 1 January	1,990,863	1,990,863	0	0
Cost at 31 December	1,990,863	1,990,863	0	0
Value adjustments at 1 January	-801,490	-989,631	0	0
Net profit/loss for the year	707,702	188,141	0	0
Dividends received	-93,569	0	0	0
Value adjustments at 31 December	-187,357	-801,490	0	0
Carrying amount at 31 December	1,803,506	1,189,373	0	0

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership
F-tech AS	Norway	NOK 100.000	25%

9. Other fixed asset investments

Group

	Other receivables
	DKK
Cost at 1 January	723,959
Additions for the year	12,414
Disposals for the year	-26,305
Cost at 31 December	710,068
Carrying amount at 31 December	710,068

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
10. Inventories				
Raw materials and consumables	12,654,394	27,075,119	0	0
Finished goods and goods for resale	12,356,615	8,803,718	0	0
	25,011,009	35,878,837	0	0

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
11. Contract work in progress				
Contract work in progress is recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	2,674,977	1,533,185	0	0
	2,674,977	1,533,185	0	0

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
12. Deferred tax asset				
Deferred tax asset at 1 January	-1,296,353	-748,404	0	136,089
Amounts recognised in the income statement for the year	1,369,460	-547,949	116,541	-136,089
Deferred tax asset at 31 December	73,107	-1,296,353	116,541	0

Notes to the Financial Statements

Group		Parent company	
2024	2023	2024	2023
DKK	DKK	DKK	DKK

13. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Credit institutions

After 5 years	0	0	0	0
Between 1 and 5 years	1,109,582	2,504,662	0	0
Long-term part	1,109,582	2,504,662	0	0
Within 1 year	36,820,798	39,772,834	0	0
Other short-term debt to credit institutions	677,568	280,940	0	0
	38,607,948	42,558,436	0	0

Other payables

After 5 years	0	0	0	0
Between 1 and 5 years	2,022,440	3,579,547	0	1,155,631
Long-term part	2,022,440	3,579,547	0	1,155,631
Within 1 year	1,155,631	2,250,996	1,155,631	2,250,996
Other short-term payables	19,071,273	18,437,483	9,518,370	6,066,122
	22,249,344	24,268,026	10,674,001	9,472,749

Group	
2024	2023
DKK	DKK

14. Cash flow statement - Adjustments

Financial income	-342,339	-888,515
Financial expenses	4,435,418	3,451,144
Depreciation, amortisation and impairment losses, including losses and gains on sales	3,806,867	2,856,200
Income from investments in associates	-707,702	-387,765
Tax on profit/loss for the year	-777,152	2,181,902
Other adjustments	-768	-11,587
	6,414,324	7,201,379

Notes to the Financial Statements

	Group	
	2024	2023
	DKK	DKK
15. Cash flow statement - Change in working capital		
Change in inventories	10,867,828	-11,629,011
Change in receivables	10,191,730	-21,020,358
Change in trade payables, etc	-22,234,528	12,693,076
	-1,174,970	-19,956,293

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
16. Contingent assets, liabilities and other financial obligations				
Charges and security				
The following assets have been placed as security with bankers:				
Floating charge, DKK 36,000k, in intangible rights, inventories, trade receivables and property, plant and equipments with a carrying amount	69,046,107	86,377,668	0	0
SRO Cotes has provided unlimited security for its subsidiary Cotes A/S' bank debts				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	828,309	945,933	0	0
Between 1 and 5 years	522,822	811,875	0	0
	1,351,131	1,757,808	0	0
Lease obligations, period of non-terminability 1-38 months	1,873,030	2,487,954	0	0
Guarantee obligations				
The company has provided guarantees to customers of	1,887,380	720,117	0	0

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
16. Contingent assets, liabilities and other financial obligations				
Other contingent liabilities				
The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.				
17. Subsequent events				
No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.				

Notes to the Financial Statements

18. Accounting policies

The Annual Report of SRO Cotes ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, SRO Cotes ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies. If currency positions are considered to hedge future cash flows, value adjustments are recognized directly in equity.

Notes to the Financial Statements

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Notes to the Financial Statements

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in associates

The item "Income from investments in associates" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Cotes A/S and Fugtkontrol ApS. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5-15 year.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 3-5 year.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

Notes to the Financial Statements

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in associates

Investments in associates are recognised and measured under the equity method.

The item "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the associates.

Associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of receivables (fixed assets).

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Notes to the Financial Statements

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Notes to the Financial Statements

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Overdraft facilities".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$