Østermark Group ApS

Nybovej 34, DK-7500 Holstebro

Annual Report for
1 October 2023 - 30 September 2024

CVR No. 37 40 25 24

The Annual Report was presented and adopted at the Annual General Meeting of the company on 12/12 2024

Jacob Kaiser
Chairman of the general meeting

Contents

Management's statement

The Executive Board has today considered and adopted the Annual Report of Østermark Group ApS for the financial year 1 October 2023 - 30 September 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 30 September 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023/24.

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.

Executive Board

Bent Møller Henriksen	John Henriksen	Thomas Bak
Claus Balleby Møldambjærg	Henrik Vestergaard Nielsen	

Independent Auditor's report

To the shareholder of Østermark Group 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 30 September 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 October 2023 - 30 September 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Østermark Group ApS for the financial year 1 October 2023 - 30 September 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent Auditor's report

Herning, 12 December 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Kim Vorret
State Authorised Public Accountant
mne33256

Hans Jørgen Andersen
State Authorised Public Accountant
mne30211

Company information

The Company	Østermark Group ApS Nybovej 34 DK-7500 Holstebro CVR No: 37 40 25 24 Financial period: 1 October 2023 - 30 September 2024 Incorporated: 27 January 2016 Municipality of reg. office: Holstebro
Executive Board	Bent Møller Henriksen John Henriksen Thomas Bak Claus Balleby Møldambjærg Henrik Vestergaard Nielsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 DK-7400 Herning
Bankers	Nordea Østergade 4-6 7400 Herning

Group Chart

Company	Residence	Ownership
Østermark Group ApS	**Holstebro**	
Grouting Maskiner ApS	Holstebro	100%
Østermark Grouting A/S	Holstebro	100%
Oestermark Grouting Australia Pty Ltd	Australia	100%
Oestermark Grouting Australia (QLD) Pty Ltd	Australia	100%
Oestermark Grouting Ukraine LLC	Ukraine	100%
Oestermark Grouting US Inc.	USA	100%
Y-MatTec A/S	Holstebro	90%
Y-MatTec Iberia S.L.	Spain	90%

Financial Highlights

Seen over a 4-year period, the development of the Group is described by the following financial highlights:

	Group			
	2023/24	2022/23	2021/22	2020/21
	TDKK	TDKK	TDKK	TDKK
Key figures				
Profit/loss				
Gross profit	53,627	67,498	73,642	62,812
Profit/loss of primary operations	7,178	19,202	24,604	21,696
Profit/loss of financial income and expenses	160	-1,910	-1,432	-25
Net profit/loss for the year	5,142	13,075	17,408	16,532
Balance sheet				
Balance sheet total	71,002	76,763	82,631	79,405
Investment in property, plant and equipment	3,415	6,678	5,459	14,107
Equity	51,986	57,126	59,022	55,974
Cash flows				
Cash flows from:				
- operating activities	5,761	22,297	23,472	4,663
- investing activities	-3,874	-5,151	-8,249	-37,508
- financing activities	-6,266	-16,024	-14,259	39,726
Change in cash and cash equivalents for the year	-4,379	1,122	964	6,881
Number of employees	50	55	50	43
Ratios				
Return on assets	10.1%	25.0%	29.8%	27.3%
Solvency ratio	73.2%	74.4%	71.4%	70.5%
Return on equity	9.4%	22.5%	30.3%	31.2%

Management's review

Key activities

The Group's primary activity is production of ultra-high-performance concrete (UHPC) and grouting and sealing of wind turbine foundations both for on- and offshore purposes.

In addition, the Group carries out repair tasks on wind turbine foundations and other constructions, testing of grouting materials from new and existing manufacturers on the market as well as testing of materials and installations for the wind turbine industry.

The Group operates worldwide with trained professionals and specialized equipment.

Development in the year

The income statement of the Group for 2023/24 shows a profit of DKK 5,141,870, and at 30 September 2024 the balance sheet of the Group shows a positive equity of DKK 51,986,295.

The management considers the year's result to be satisfactory.

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

The group produces and delivers UHPC on a continuing basis to wind foundations worldwide in high quality. The greatest focus for the year has been on grouting of onshore foundations, and secondly on sealing of previously grouted foundations.

As expected, the demand for the service of the Group has been decreasing compared to the previous year, as conditions in the wind turbine market during the financial year have been restraining due to increased interest rates and prolonged project approvals.

The Group works continuously with product development, as well as the expansion of competences to carry out grouting in almost all kinds of weather and to carry out repair tasks on both wind turbine foundations and other types of foundations in the offshore industry and the construction industry in general. As a result, the Group's management is always aware of the opportunities to improve and supplement the range of products, services and markets.

Targets and expectations for the year ahead

It is the management's goal that the most important parameter for choosing the Group as partner must continue to be innovativeness, quality and presence. With on-time delivery, worldwide service and quality documentation on all tasks, the Group will continue to compete in these parameters. The market, however, is expected to continue to be restrained in 2024/25.

Research and development

The Group's management focuses on the development of the Group's products and business areas, just as operating procedures are constantly optimized. The Group develops new UHPC products with cutting-edge applications within the construction industry and manages to attract external funding for new products. No specific research is carried out.

External environment

The Group implements ongoing initiatives that intend to reduce the environmental impact, and the Group has correspondingly, an attention in relation to ensuring the right level of environmental ambition for energy consumption, etc.

Intellectual capital resources

The Group is a knowledge-based company and spends significant resources on training, developing skills and products and attracting employees. The Group considers it important to have employees who have the right skills and a high level of education and experience in relation to performing tasks with high quality requirements and at the same time to be able to recruit and retain high qualified employees.

Management's review

Branches abroad

The Group has subsidiaries in Australia, USA, Spain and Ukraine.

The Australian Group has had a stable development with activity and earnings in line with the previous financial year.

The subsidiaries' operations in Europe have been significantly affected by political unrest in Russia and Ukraine, where all activities have been suspended. Liquidation of a Russian subsidiary was initiated in the previous financial year and finalized in 2023/24. Liquidation of the Ukrainian subsidiary has been initiated. The subsidiary in Spain has been without activity in the financial year.

It requires a large effort to run subsidiaries and permanent offices abroad and the operation outside Denmark's borders is therefore continuously supported by both employees in the administration, operations and the Group's Danish management, as it is a prerequisite for a standardized and scalable operation.

The Group prioritize local market adaption and therefore often use a combination of Danish and local labor force on foreign assignments. The presence of Danish supervisors contributes to ensuring that projects are performed with high quality and standardized methods regardless of where in the world the Group operates.

It is the Group’s expectation that the activities of the subsidiaries will be on the same level in 2024/25.

Unusual events

The financial position at 30 September 2024 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023/24 have not been affected by any unusual events.

Subsequent events

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

Income statement 1 October 2023 - 30 September 2024

		Group		Parent company	
	Note	2023/24	2022/23	2023/24	2022/23
		DKK	DKK	DKK	DKK
Gross profit		**53,627,166**	**67,498,497**	**-58,352**	**-27,388**
Staff expenses	1	-37,698,818	-39,324,819	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-8,538,725	-8,673,178	0	0
Other operating expenses		-211,726	-298,132	0	0
Profit/loss before financial income and expenses		**7,177,897**	**19,202,368**	**-58,352**	**-27,388**
Income from investments in subsidiaries		730,872	0	5,067,975	12,519,695
Financial income	2	102,762	114,159	338,661	462,402
Financial expenses	3	-673,837	-2,024,493	-371,099	-307,985
Profit/loss before tax		**7,337,694**	**17,292,034**	**4,977,185**	**12,646,724**
Tax on profit/loss for the year	4	-2,195,824	-4,216,674	17,113	-36,054
Net profit/loss for the year	5	**5,141,870**	**13,075,360**	**4,994,298**	**12,610,670**

Balance sheet 30 September 2024

Assets

		Group		Parent company	
	Note	2023/24	2022/23	2023/24	2022/23
		DKK	DKK	DKK	DKK
Completed development projects		2,916,241	3,329,928	0	0
Goodwill		2,392,000	4,186,000	0	0
Development projects in progress		1,558,399	85,410	0	0
Intangible assets	6	**6,866,640**	**7,601,338**	**0**	**0**
Plant and machinery		16,361,306	20,749,804	0	0
Other fixtures and fittings, tools and equipment		3,102,555	1,353,099	0	0
Leasehold improvements		514,309	678,877	0	0
Property, plant and equipment	7	**19,978,170**	**22,781,780**	**0**	**0**
Investments in subsidiaries	8	0	0	47,731,976	52,645,896
Deposits	9	573,580	573,580	0	0
Fixed asset investments		**573,580**	**573,580**	**47,731,976**	**52,645,896**
Fixed assets		**27,418,390**	**30,956,698**	**47,731,976**	**52,645,896**
Inventories	10	**6,841,086**	**9,450,792**	**0**	**0**
Trade receivables		29,379,206	23,529,161	0	0
Contract work in progress	11	457,132	1,651,830	0	0
Receivables from group enterprises		0	0	4,215,786	9,240,693
Other receivables		1,688,594	1,668,725	0	0
Corporation tax		0	4,069	0	4,069
Corporation tax receivable from group enterprises		0	0	2,800,175	4,477,873
Prepayments	12	630,840	535,548	0	0
Receivables		**32,155,772**	**27,389,333**	**7,015,961**	**13,722,635**

Balance sheet 30 September 2024

Assets

		Group		Parent company	
	Note	2023/24	2022/23	2023/24	2022/23
		DKK	DKK	DKK	DKK
Cash at bank and in hand		**4,586,521**	**8,966,425**	**4,590**	**31,867**
Current assets		**43,583,379**	**45,806,550**	**7,020,551**	**13,754,502**
Assets		**71,001,769**	**76,763,248**	**54,752,527**	**66,400,398**

Balance sheet 30 September 2024

Liabilities and equity

	Note	Group 2023/24	Group 2022/23	Parent company 2023/24	Parent company 2022/23
		DKK	DKK	DKK	DKK
Share capital		100,000	100,000	100,000	100,000
Reserve for net revaluation under the equity method		0	0	17,389,588	22,303,508
Reserve for exchange rate conversion		11,733	-6,372	0	0
Retained earnings		51,195,910	56,201,612	33,818,055	33,891,732
Equity attributable to shareholders of the Parent Company		**51,307,643**	**56,295,240**	**51,307,643**	**56,295,240**
Minority interests		678,652	831,080	0	0
Equity		**51,986,295**	**57,126,320**	**51,307,643**	**56,295,240**
Provision for deferred tax	13	2,488,122	3,270,719	0	0
Other provisions	14	145,000	52,999	0	0
Provisions		**2,633,122**	**3,323,718**	**0**	**0**
Deferred income		493,472	0	0	0
Long-term debt	15	**493,472**	**0**	**0**	**0**
Credit institutions		3,541,023	972	0	0
Trade payables		2,872,318	2,725,440	20,000	20,000
Contract work in progress	11	359,792	621,800	0	0
Payables to group enterprises		0	0	1,819,723	6,402,231
Corporation tax		1,803,827	3,682,927	1,605,161	3,682,927
Deposits		30,500	30,500	0	0
Other payables		7,281,420	9,251,571	0	0
Short-term debt		**15,888,880**	**16,313,210**	**3,444,884**	**10,105,158**
Debt		**16,382,352**	**16,313,210**	**3,444,884**	**10,105,158**
Liabilities and equity		**71,001,769**	**76,763,248**	**54,752,527**	**66,400,398**

Balance sheet 30 September 2024

Liabilities and equity

		Group		Parent company	
	Note	2023/24	2022/23	2023/24	2022/23
		DKK	DKK	DKK	DKK
Contingent assets, liabilities and other financial obligations	19				
Related parties	20				
Accounting Policies	21				

Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 October	100,000	-6,372	56,201,612	56,295,240	831,080	57,126,320
Exchange adjustments	0	18,105	0	18,105	0	18,105
Ordinary dividend paid	0	0	0	0	-300,000	-300,000
Extraordinary dividend paid	0	0	-10,000,000	-10,000,000	0	-10,000,000
Net profit/loss for the year	0	0	4,994,298	4,994,298	147,572	5,141,870
Equity at 30 September	**100,000**	**11,733**	**51,195,910**	**51,307,643**	**678,652**	**51,986,295**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 October	100,000	22,303,508	33,891,732	56,295,240
Extraordinary dividend paid	0	0	-10,000,000	-10,000,000
Other equity movements	0	18,105	0	18,105
Net profit/loss for the year	0	-4,932,025	9,926,323	4,994,298
Equity at 30 September	**100,000**	**17,389,588**	**33,818,055**	**51,307,643**

Cash flow statement 1 October 2023 - 30 September 2024

	Note	Group 2023/24	Group 2022/23
		DKK	DKK
Result of the year		5,141,870	13,075,360
Adjustments	17	10,197,666	14,076,354
Change in working capital	18	-4,154,082	3,205,429
Cash flow from operations before financial items		**11,185,454**	**30,357,143**
Financial income		102,762	114,159
Financial expenses		-673,837	-2,024,493
Cash flows from ordinary activities		**10,614,379**	**28,446,809**
Corporation tax paid		-4,853,452	-6,150,285
Cash flows from operating activities		**5,760,927**	**22,296,524**
Purchase of intangible assets		-1,472,990	-59,470
Purchase of property, plant and equipment		-3,414,736	-6,678,146
Fixed asset investments made etc		0	-312,399
Sale of property, plant and equipment		282,500	1,898,647
Sale of fixed asset investments made etc		730,872	0
Cash flows from investing activities		**-3,874,354**	**-5,151,368**
Repayment of loans from credit institutions		0	-1,024,359
Raising of loans from credit institutions		3,540,051	0
Raising of other long-term debt		493,472	0
Dividend paid		-10,300,000	-15,000,000
Cash flows from financing activities		**-6,266,477**	**-16,024,359**
Change in cash and cash equivalents		**-4,379,904**	**1,120,797**
Cash and cash equivalents at 1 October		8,966,425	7,845,628
Cash and cash equivalents at 30 September		**4,586,521**	**8,966,425**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		4,586,521	8,966,425
Cash and cash equivalents at 30 September		**4,586,521**	**8,966,425**

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
1. Staff Expenses				
Wages and salaries	31,848,208	34,110,158	0	0
Pensions	4,378,053	4,590,779	0	0
Other social security expenses	529,481	623,882	0	0
	36,755,742	39,324,819	0	0
	36,755,742	**39,324,819**	**0**	**0**
Including remuneration to the Executive Board:				
Executive board	1,951,327	1,987,162	0	0
	1,951,327	**1,987,162**	**0**	**0**
Average number of employees	**50**	**55**	**0**	**0**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
2. Financial income				
Interest received from group enterprises	0	0	335,523	462,148
Other financial income	86,080	61,337	3,138	254
Exchange gains	16,682	52,822	0	0
	102,762	**114,159**	**338,661**	**462,402**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
3. Financial expenses				
Interest paid to group enterprises	0	0	358,099	271,132
Other financial expenses	551,662	1,484,766	13,000	36,853
Exchange loss	122,175	539,727	0	0
	673,837	**2,024,493**	**371,099**	**307,985**

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
4. Income tax expense				
Current tax for the year	2,978,421	4,513,927	-17,113	36,054
Deferred tax for the year	-782,597	-297,253	0	0
	2,195,824	**4,216,674**	**-17,113**	**36,054**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
5. Profit allocation				
Extraordinary dividend paid	10,000,000	15,000,000	10,000,000	15,000,000
Reserve for net revaluation under the equity method	0	0	-4,932,025	-2,480,303
Minority interests' share of net profit/loss of subsidiaries	147,572	464,691	0	0
Retained earnings	-5,005,702	-2,389,331	-73,677	90,973
	5,141,870	**13,075,360**	**4,994,298**	**12,610,670**

6. Intangible fixed assets

Group

	Completed development projects	Goodwill	Development projects in progress
	DKK	DKK	DKK
Cost at 1 October	4,136,876	22,940,000	85,410
Additions for the year	0	0	1,472,989
Cost at 30 September	4,136,876	22,940,000	1,558,399
Impairment losses and amortisation at 1 October	806,947	18,754,000	0
Amortisation for the year	413,688	1,794,000	0
Impairment losses and amortisation at 30 September	1,220,635	20,548,000	0
Carrying amount at 30 September	**2,916,241**	**2,392,000**	**1,558,399**
Amortised over	10 years	10 years	

Notes to the Financial Statements

7. Property, plant and equipment
Group

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	DKK	DKK	DKK
Cost at 1 October	52,064,070	2,352,274	822,840
Exchange adjustment	21,299	23,629	0
Additions for the year	1,364,596	2,050,139	0
Disposals for the year	-1,069,815	0	0
Cost at 30 September	52,380,150	4,426,042	822,840
Impairment losses and depreciation at 1 October	31,314,267	999,174	143,963
Exchange adjustment	11,553	9,949	0
Depreciation for the year	5,704,466	314,364	164,568
Reversal of impairment and depreciation of sold assets	-1,011,442	0	0
Impairment losses and depreciation at 30 September	36,018,844	1,323,487	308,531
Carrying amount at 30 September	**16,361,306**	**3,102,555**	**514,309**
Amortised over	2 - 8 years	5 years	5 years

Notes to the Financial Statements

	Parent company	
	2023/24	2022/23
	DKK	DKK
8. Investments in subsidiaries		
Cost at 1 October	30,342,388	30,342,388
Cost at 30 September	30,342,388	30,342,388
Value adjustments at 1 October	22,303,508	24,754,485
Net profit/loss for the year	7,151,275	15,401,069
Dividend to the Parent Company	-10,000,000	-15,000,000
Other equity movements, net	18,105	29,326
Amortisation of goodwill	-1,794,000	-1,794,000
Change in intercompany profit on inventories	-289,300	-1,087,372
Value adjustments at 30 September	17,389,588	22,303,508
Carrying amount at 30 September	**47,731,976**	**52,645,896**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Østermark Grouting A/S	Holstebro	100%
Oestermark Grouting Australia Pty Ltd	Australia	100%
Oestermark Grouting Australia (QLD) Pty Ltd	Australia	100%
Oestermark Grouting RUS OOO (liquidated in 2023/24)	Russia	100%
Oestermark Grouting Ukraine LLC	Ukraine	100%
Oestermark Grouting US Inc.	USA	100%
Y-MatTec A/S	Holstebro	90%
Y-MatTec Iberia S.L.	Spain	90%
Grouting Maskiner ApS	Holstebro	100%

Notes to the Financial Statements

9. Other fixed asset investments
Group

	Deposits
	DKK
Cost at 1 October	573,580
Cost at 30 September	573,580
Carrying amount at 30 September	**573,580**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
10. Inventories				
Raw materials and consumables	6,401,397	8,843,946	0	0
Finished goods and goods for resale	439,689	606,846	0	0
	6,841,086	**9,450,792**	**0**	**0**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
11. Contract work in progress				
Selling price of work in progress	22,923,706	32,846,140	0	0
Payments received on account	-22,826,366	-31,816,110	0	0
	97,340	**1,030,030**	**0**	**0**
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	457,132	1,651,830	0	0
Prepayments received recognised in debt	-359,792	-621,800	0	0
	97,340	**1,030,030**	**0**	**0**

12. Prepayments

Prepayments are made up of prepaid costs relating to insurance premiums, subscriptions, etc.

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
13. Provision for deferred tax				
Deferred tax liabilities at 1 October	3,270,719	3,567,972	0	0
Amounts recognised in the income statement for the year	-782,597	-297,253	0	0
Deferred tax liabilities at 30 September	**2,488,122**	**3,270,719**	**0**	**0**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
14. Other provisions				
Other provisions	145,000	52,999	0	0
	145,000	**52,999**	**0**	**0**
The provisions are expected to mature as follows:				
Within 1 year	145,000	52,999	0	0
After 5 years	0	0	0	0
	145,000	**52,999**	**0**	**0**

Notes to the Financial Statements

15. 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:

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
Deferred income				
After 5 years	296,083	0	0	0
Between 1 and 5 years	197,389	0	0	0
Long-term part	493,472	0	0	0
Within 1 year	0	0	0	0
	493,472	**0**	**0**	**0**

16. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

17. Cash flow statement - Adjustments

	Group	
	2023/24	2022/23
	DKK	DKK
Financial income	-102,762	-114,159
Financial expenses	673,837	2,024,493
Depreciation, amortisation and impairment losses, including losses and gains on sales	8,218,516	7,575,726
Income from investments in subsidiaries	-730,872	0
Tax on profit/loss for the year	2,195,824	4,216,674
Exchange adjustments	-56,877	373,620
	10,197,666	**14,076,354**

Notes to the Financial Statements

	Group	
	2023/24	2022/23
	DKK	DKK
18. Cash flow statement - Change in working capital		
Change in inventories	2,609,706	1,955,098
Change in receivables	-4,770,508	2,269,014
Change in other provisions	92,001	-499,501
Change in trade payables, etc	-2,085,281	-519,182
	-4,154,082	**3,205,429**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
19. Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	150,000	124,000	0	0
Between 1 and 5 years	51,000	0	0	0
	201,000	**124,000**	**0**	**0**

The group has entered into a tenancy agreement with an annual rent of TDKK 2,365, which is noncancellable until 30 April 2033 and thereafter can be terminated with 6 months' notice.

Guarantee obligations

The parent company has provided self-debtor sureties for intra-group companies' balances with credit institutions up to a maximum of DKK 26 million.

The parent company has provided self-debtor sureties for Østermark Ejendomme ApS' balances with credit institutions up to a maximum of DKK 1.5 million.

The parent company has provided self-debtor sureties for Østermark Ejendomme ApS' balances with mortgage credit institutions . The remaining debt amounts to DKK 18.1 million on 30 September 2024.

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK

19. 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. The total amount of corporation tax payable by the Group amounts to DKK 1,605,161. 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 Group's liability.

20. Related parties

Related parties	Basis
Østermark Grouting A/S	Subsidiary
Grouting Maskiner ApS	Subsidiary
Y-MatTec A/S	Subsidiary
Y-MatTec Iberia S.L.	Subsidiary
Oestermark Grouting Australia Pty Ltd	Subsidiary
Oestermark Grouting Australia (QLD) Pty Ltd	Subsidiary
Oestermark Grouting Ukraine LLC	Subsidiary
Oestermark Grouting US Inc.	Subsidiary

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There are no transactions to disclose.

Notes to the Financial Statements

21. Accounting policies

The Annual Report of Østermark Group ApS for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023/24 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Østermark Group 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 acquistition of subsidiaries.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

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.

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

Notes to the Financial Statements

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, other operating income, expenses for raw materials and consumables, production wages 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.

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 subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with koncernens danske dattervirksomhede. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management’s experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company’s development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 year.

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.

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:

Plant and machinery	2 - 8 years
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

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.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

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

The item "Investments in subsidiaries" 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 subsidiaries 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 subsidiaries.

Subsidiaries 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 deposits.

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.

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.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

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.

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Notes to the Financial Statements

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.

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".

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

Financial Highlights

Explanation of financial ratios

Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity