



LTP Group A/S

Bryghuspladsen 8
1473 København K
CVR No. 17974246

Annual report 2024

The Annual General Meeting adopted the
annual report on 27.05.2025

Lubo Nielsen

Chairman of the General Meeting

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Entity details

Entity

LTP Group A/S

Bryghuspladsen 8

1473 København K

Business Registration No.: 17974246

Registered office: København

Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Morten Østergaard, Chair person

Jon Skovhus Knudsen

Katja Lund Schjølin

Claus Flyger Pejstrup

Kenni Riise

Executive Board

Henrik Holmgaard Olsson

Rasmus Helt Poulsen

Jon Skovhus Knudsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Papirfabrikken 26

8600 Silkeborg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of LTP Group A/S for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 27.05.2025

Executive Board

Henrik Holmgaard Olsson

Rasmus Helt Poulsen

Jon Skovhus Knudsen

Board of Directors

Morten Østergaard

Chair person

Jon Skovhus Knudsen

Katja Lund Schjølin

Claus Flyger Pejstrup

Kenni Riise

Independent auditor's report

To the shareholders of LTP Group A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of LTP Group A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's 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.

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

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

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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 financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Silkeborg, 27.05.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Peter Mølkjær

State Authorised Public Accountant
Identification No (MNE) mne24821

Heidi Julitta Østergaard Jensen

State Authorised Public Accountant
Identification No (MNE) mne34163

Management commentary

Financial highlights

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	600,923	851,655	1,097,718	831,067	600,227
Gross profit/loss	182,592	270,756	328,645	252,166	192,527
Operating profit/loss	(37,328)	19,524	74,872	70,364	47,950
Net financials	(8,327)	781	(5,844)	2,937	14,613
Profit/loss for the year	(41,137)	13,036	117,428	69,660	44,467
Balance sheet total	375,384	423,583	545,788	469,641	385,602
Investments in property, plant and equipment	22,201	15,350	26,647	16,864	4,759
Equity	271,398	308,539	346,883	300,270	278,281
Average invested capital incl. goodwill	260,619	298,901	296,325	200,195	172,723
Ratios					
Gross margin (%)	30.39	31.79	29.94	30.34	32.08
Net margin (%)	(6.85)	1.53	10.70	8.38	7.41
Return on invested capital incl. goodwill (%)	(15.78)	4.36	39.63	34.80	25.74
Return on equity (%)	(14.19)	3.98	36.29	24.08	16.66
Equity ratio (%)	72.30	72.84	63.56	63.94	72.17

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

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on invested capital incl. goodwill (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average invested capital incl. goodwill}}$

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Balance sheet total

Primary activities

Purpose and Direction

LTP Group is a supply chain and manufacturing partner that works with premium garment and furniture brands. We have extensive experience in dealing with textiles for various products and collaborates with the customers to constantly improve the sustainable quality of production skills and services that guarantee the durability of the products supplied.

At LTP Group, we proudly partner with some of the most respected and forward-thinking Sport & Outdoor apparel brands and premium Furniture brands in the world. These are companies that, like us, are driven by quality, creativity, and a vision to lead their industries through innovation and long-term value creation.

With roots dating back to the 1980s, LTP Group has continuously evolved to meet the demands of an ever-changing market. Today, we are a trusted global manufacturing partner with 9 state-of-the-art production facilities across 5 countries, providing the scale, flexibility, and consistency required by top-tier brands.

We act as a critical link in the value chain – connecting raw material suppliers with design- and performance-focused brands – and adding tangible value from initial concept and development to technical execution, production, and final delivery.

Whether producing highly technical performance garments or precision-crafted upholstery solutions, our role is to turn ambition into reality. Through deep industry expertise, end-to-end capabilities, and a strong focus on partnership, we help our customers succeed in some of the most demanding and design-driven global markets.

Development in activities and finances

Resilience and Strategic Adjustments Amid Challenging Market Conditions

In 2024, LTP Group faced a challenging macroeconomic environment, marked by reduced consumer demand and a cautious retail landscape – which affected all players in the market. Despite these headwinds, the LTP Group remained committed to strategic transformation, operational efficiency, and long-term growth positioning.

Revenue and Gross Margin

Total revenue for the year amounted to DKK 601m, compared to DKK 852m in 2023, reflecting a 29% decline due primarily to lower volumes and postponed orders. The Garment division experienced a 35% drop in sales, while the Furniture division saw a more moderate decline of 22%.

Segment Performance

- **Garment Europe** made notable progress in material efficiency, partially offsetting inflationary wage pressures in Romania and Lithuania, and capacity challenges from subcontractor bankruptcies in Lithuania.
- **Garment Asia**, faced material efficiency challenges idle time, which combined with severance payments, due to restructuring impacted the financial performance. We are now in stronger position for the future and have continued the investments to make the best factory in Asia.
- In the **Furniture division**, the reversal of provisions supported margins. Cost structures were successfully aligned to lower volumes, though growth was naturally constrained.
- **Mexico operations** continued scaling, albeit at a slower pace than anticipated.

Profitability

Group EBITDA ended at DKK -17.9m (margin: -3%), impacted primarily by performance in the Garment division, the deviation was mainly driven by severance and restructuring costs.

OPEX and Cost Management

Total operating expenses amounted slightly above forecast due to strategic decisions in restructuring and severance activities. The Group maintains strong focus on productivity improvements and fixed cost flexibility going into 2025.

LTP Group enters 2025 with a reasonable liquidity, despite the challenging 2024 and major investments done during 2024 to position ourselves even stronger for the future.

Strategic Direction

At LTP Group, we are on a bold journey toward becoming the #1 preferred manufacturing partner within the premium segments we serve. With our sights set high, we continue to expand our scope and strengthen our position as an agile, innovative, and truly global organization. Our vision is built around resilience, forward-thinking, and the confidence to embrace change in a fast-moving world.

The foundation of our success lies in our dedicated and talented global team. Across our six international locations, our employees are the heart of everything we do – their skill, passion, and commitment ensure that we continue to deliver outstanding value to our customers, drive innovation, and support sustainable growth. At LTP Group, we believe in empowering people. We invest in personal development, celebrate diversity, and foster a positive, inclusive workplace culture where ideas flourish and collaboration thrives.

From our strategic headquarters in Denmark to our production hubs across Europe, Asia, and North America, we provide our partners with unmatched flexibility. Our global footprint enables nearshoring solutions, fast adaptation, and reliable capacity – always with a focus on quality and creativity.

To support our long-term goals, we are investing in technology across the entire value chain – from manufacturing and logistics to sales and administration. By embracing digital tools, advanced analytics, and 3D design technology, we unlock new levels of efficiency, enable data-driven decision-making, and build a more scalable and future-ready organization. These digital investments not only strengthen our operations but also support our shared ambitions with customers – including reducing environmental impact.

Sustainability is not an add-on – it's at the core of who we are. At LTP Group, we are committed to shaping a better future through responsible production and long-lasting product solutions. Sustainability is embedded in our values, strategy, and daily operations. It guides our innovation efforts and defines how we collaborate with partners across the supply chain.

As we look ahead, LTP Group remains committed to driving meaningful change – in our industry, with our partners, and for the generations to come.

Profit/loss for the year in relation to expected developments

Profit before tax of DKK -45.7m compared to DKK 20.3m in 2023, is driven by DKK 251m lower sales in 2024 compared to 2023. The Profit before tax is considered an unsatisfactory result, and was worse than Budget, but on par with our latest forecast for the year, driven by an acknowledgment that the markets we operate in had a rough 2024, which affected all players in the industry.

Outlook

Following a transitional 2024 marked by market headwinds and strategic consolidation, LTP Group enters 2025 with a strong backlog and renewed growth momentum. The Group expects significant improvement in both the Garment and Furniture divisions, driven by increased market demand, improved capacity utilization, and enhanced operational efficiency across global sites.

In the Garment division, investments in our Asian facilities, expansion of customer partnerships, and deployment of advanced technologies are expected to deliver a substantial boost in revenue and profitability. Consumer interest in premium and sustainable activewear is regaining pace, and LTP's unique R&D and 3D capabilities position the division as a first-choice manufacturing partner.

The Furniture division is expected to benefit from a more favourable retail climate, and leveraging on sites both in Europe and Mexico, alongside ongoing supply chain optimization. Strategic product development collaborations and leaner operations are forecast to translate into top-line growth.

Across both divisions, LTP Group's commitment to sustainability, digitization, and value-added services will remain central to our customer value proposition. We are confident that we will return to positive EBITDA in 2025, supported by both topline recovery and disciplined cost management.

LTP Group remains confident in its strategic direction and is well-positioned to capture emerging growth opportunities in our chosen markets.

Financial affairs

The result and equity of LTP Group are impacted by several financial risks, including foreign exchange risks, interest rate risks, liquidity risks and credit risks as well as by the risk that the conditions of the international trade are changed. LTP Group does not engage in speculative transactions.

The credit risk policy includes an ongoing credit assessment, and credit insurance are established on a case-by-case basis.

LTP Group's credit facilities carry floating interest rate.

Currency exposure is mainly managed in matching income and liabilities in same currencies. Some exposure is present between VND/USD, MXN/USD and EUR/USD. No forward cover has been entered.

We have in the annual books maintained DKK 3.7m of our tax asset in Mexico, driven by the forecast for the next 3-5 years, which shows significant improvement in the profitability.

LTP Group have legal ownership of two entities in Belarus, which no longer deliver manufacturing services for the customers. All machinery, tools and equipment are frozen due to local regulations and LTP Group efforts to liquidate the entities has not been successful until the date of this report. It has been decided according to Danish accounting standards to include the Belarus companies in the annual report as investments in participating interest.

During the financial year there was a correction of provisions included. The correction is regarding previous years. The numbers for previous financial year were adjusted accordingly.

Risks and Uncertainty Factors

We are in LTP Group exposed to the following risk and uncertainty factors, also driven by the current global political situation.

- Potential tariff impact on Mexico, Vietnam and Europe
- Foreign exchange risks due to our international presence
- Cost pressures related to raw materials and labour wages – specifically wages in Europe is increasing
- Increasing demands for sustainability and compliance from regulatory authorities, which potentially can drive cost up.

Management is aware of these and are being proactive with adaptation strategies to mitigate these factors.

LTP Guidance on outlook 2025

Revenue will be in the range of an expected growth of 10% - 15% compared to FY 2024.

EBITDA will be in the range of an improvement of DKK 22m – DKK 30m compared to FY 2024.

Statutory report on corporate social responsibility

We remained committed to a data-driven and transparent approach in all aspects of our operations, particularly in ESG and CSRD. We are collaborating with Position Green in preparation for CSRD and awaiting the final Omnibus decision from EU.

Regardless of that decision, we have taken the decision of focused ESG strategies and plans for each division, which are driven locally close to the factories and customers, but with a divisional global footprint and management. We believe this fosters the fastest solution and we are committed to transparent, ethical, and measurable progress.

The statutory report on sustainability under section 99(a) of the Danish Financial Statements Act, can be found in LTP Group A/S 2024 Sustainability Report.

<https://www.ltpgroup.com/consciously-crafted/compliance-reports>

Statutory report on data ethics policy

At LTP Group, we recognize that responsible use of data is essential in building trust with our customers, partners, and employees. In alignment with Section 99d of the Danish Financial Statements Act, our Data Ethics Policy outlines how ethical considerations are embedded into the way we collect, use, and manage data across our global organization. Our approach to data ethics goes beyond legal compliance — it reflects our commitment to transparency, fairness, and accountability in all digital interactions. Data ethics principles are integrated into the design and deployment of technologies used in our daily operations, ensuring responsible data processing and governance throughout the LTP Group.

Progress in 2023–2024

- The Data Ethics Policy was updated following a comprehensive review of internal data handling procedures.
- Awareness initiatives were implemented to reinforce the importance of ethical data practices across all departments.

Focus for 2025

- We will continuously evaluate and improve our data ethics framework to ensure it evolves with emerging technologies and regulatory developments.

- Ongoing internal reviews and risk assessments will support the continued alignment of our operations with the principles of ethical data use.

By maintaining a strong focus on data ethics, LTP Group ensures that our digital transformation journey is guided by integrity and respect for individual rights and societal expectations.

Strengthening Our Digital Backbone – IT Security and ERP

At LTP Group, the reliability and security of our digital infrastructure is a strategic priority. As our operations continue to evolve in an increasingly digital landscape, we recognize the growing importance of safeguarding our systems, data, and business continuity across all divisions.

To protect our digital core, we have implemented robust IT safeguards to mitigate risks of cyberattacks and system downtime. In partnership with a leading external IT service provider, we ensure 24/7 management and maintenance of our network infrastructure. This includes regular security updates, access controls, firewall monitoring, and data backup procedures – all designed to ensure high system resilience and business continuity.

In 2024, we initiated a group-wide effort to further reduce complexity and exposure by consolidating the number of IT applications and introducing standardized processes. These initiatives not only enhance security but also improve operational efficiency and system integration.

A key milestone in this journey is the ongoing ERP implementation project in our Garment division. This initiative will significantly strengthen our IT platform and provide a modern, unified system to support business processes, data transparency, and performance tracking across the division. The ERP project is a vital component of our long-term digital strategy and reflects our commitment to future-ready operations.

Furthermore, we continue to cultivate a strong culture of cybersecurity awareness across the Group, ensuring that employees understand their role in protecting our digital environment. By aligning tools, training, and governance structures, we are building a secure and scalable digital foundation that enables LTP Group to grow with confidence.

We remain committed to delivering a stable, secure, and trusted digital experience for all our stakeholders – today and into the future.

Strengthening Compliance Through Systems and Culture

At LTP Group, integrity is a cornerstone of our business. We are committed to conducting our operations with honesty, transparency, and respect for international regulations. Operating across multiple countries, we are subject to a broad range of legal requirements – particularly within customs, VAT, taxation, and data privacy.

We recognize that non-compliance not only carries the risk of fines and legal claims but can also undermine the trust we have built with our customers, partners, and stakeholders. That is why compliance is not seen as a checkbox exercise – but as an essential part of our value-driven culture.

To ensure that we uphold the highest standards, we have implemented comprehensive internal procedures, digital tools, and employee training programs. These are designed to align with both LTP Group's Code of Conduct and the regulatory environments in which we operate.

In 2024, we made significant progress in reinforcing our compliance infrastructure:

- The ongoing ERP implementation in the Garment division is a major step forward. It will bring harmonized processes, better data transparency, and stronger control mechanisms across our operations – providing a more robust foundation for compliance and reporting.
- Increased use of IPW is helping to formalize documentation, approvals, and controls, raising the overall compliance maturity within the Group.
- Enhanced monitoring at Group level, in close collaboration with local units, ensures that significant compliance risks are identified and addressed proactively.

Together, these actions reflect our continuous efforts to embed compliance into every part of the organization. By combining strong systems with a compliance-first mindset, LTP Group is well-positioned to meet today's requirements and tomorrow's expectations.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Concluding remarks

Despite the significant challenges faced in 2024, LTP Group stands with a strong foundation and a clear strategy for the future. We actively cultivate a reputation as a reliable and adaptable partner for our customers, suppliers, and manufacturing partners. This commitment is backed by our financial strength and flexibility. Our entire team is dedicated to exceeding customer expectations by proactively finding solutions, ensuring on-time deliveries, and adapting to evolving industry needs.

Garment division

Purpose and Strategic Direction

The 2024 financial year was a transitional period for the LTP Garment, marked by global economic headwinds, significant internal transformation, introduction to a new strategy and strategic investments aimed at preparing the business for long-term success. We also worked to strengthen relationships with both existing and new customers. As we step into 2025, our focus is clear: stability, growth, and being a better global partner.

We're now putting more focus on working across Global teams, improving lead times, and turning our strategy into day-to-day results. The goal is to create better value for our customers and build a stronger, more efficient setup. We put significant effort into six business areas that will ensure we create a customer centric business focused on delivering the highest quality standards in our industry and ensure LTP Garment strengthens and grows its position in the market.



The nominator for our strategic ambitions is: "On Time. Every Time." This is now being implemented, not only as a strategy name, but a mindset together with our ambition to create a global culture for LTP Garment.

Last year was tough for many in our industry. High stock levels after COVID, combined with a drop in demand, affected both our customers and LTP. We also recognize that we didn't act fast enough to build a stronger customer pipeline to balance the slowdown.

But the steps we took early in 2024 are now paying off. 2025 looks very promising. We're seeing substantial growth in order intake – especially in Vietnam. At the same time, we see growth in Europe, hence we continue to work on our operational footprint to ensure we can continue to produce and deliver the customer needs for the region.

The market for premium technical garments is growing, and we expect to take a bigger share this year. Even with ongoing challenges—such as the war to the east and tariff discussions in the west—we believe our production setup in both Europe and Vietnam gives us the flexibility and reliability our customers need.

Our global setup is also key to managing risk. By spreading our operations across different regions, we reduce our exposure to local disruptions and make it easier to shift capacity when needed. This helps us keep our promises to customers, even when the market is uncertain.

We're building a stronger LTP by focusing on what we do best—staying flexible, thinking globally, and acting with our customers in mind every day.

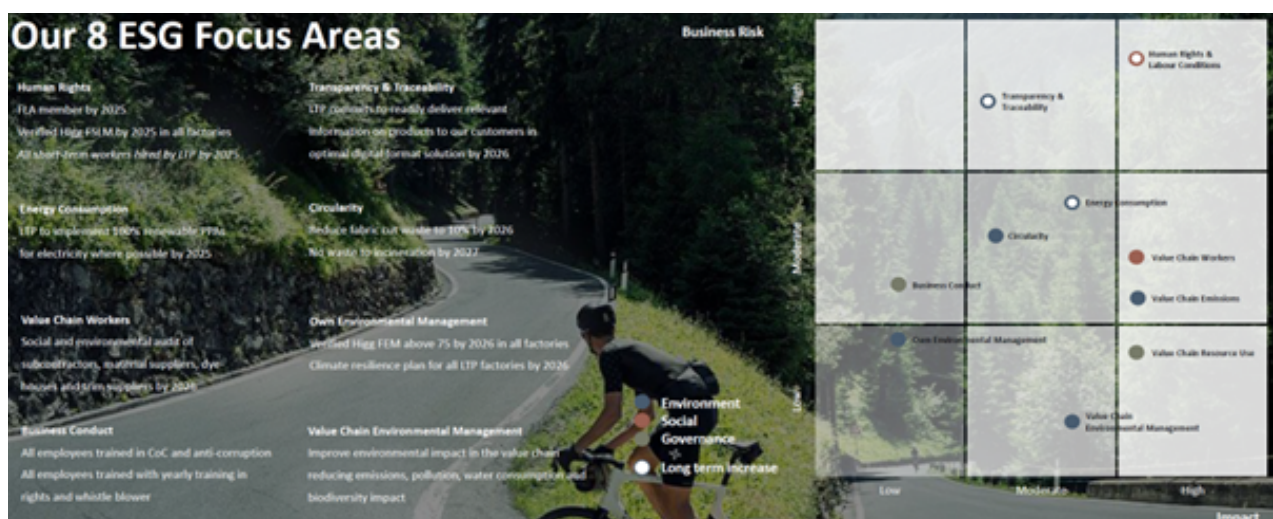
ESG and Responsible Progress

In 2024, LTP strengthened its ESG commitments with a clear focus on ethical manufacturing, sustainability, and transparency. We began implementing ISO 9001 and ISO 14001 standards in our Vietnam facilities, with certification expected by May 2025. Additionally, we are pursuing Fair Labor Association (FLA) membership, aiming for full factory accreditation by 2028.

As part of our circularity strategy, we aligned with the Global Recycled Standard (GRS) and Global Organic Textile Standard (GOTS), achieving GRS certification in Vietnam. All LTP factories across Romania, Ukraine, Lithuania, and Vietnam now operate on 100% renewable electricity through Guarantees of Origin (GOs) and International Renewable Energy Certificates (I-RECs).

Looking ahead, we plan to install solar panels at our Vietnam sites and implement Power Purchase Agreements (PPAs) in Europe to further decarbonize our operations. All factories will also be verified through Higg FEM and Higg FSLM, reinforcing our commitment to both environmental and social standards.

To support regulatory compliance and transparency, particularly with the CSRD, we are rolling out a new ERP system to track ESG metrics and optimize workflows.



Financial Performance 2024

Revenue and Market Conditions

Total revenue for the Garment Division reached DKK 322m, representing a 35% decrease compared to the previous year. While this decline reflects the subdued consumer demand in the global garment segment, the performance in Garment Europe was notably more resilient, with revenue exceeding forecast expectations. Conversely, sales in Garment Asia fell short, declining compared to the previous year.

The division's EBITDA closed at DKK -14m (compared to DKK 34m in 2023), significantly impacted by strategic investments, severance and restructuring costs.

Strategic Investments and Organizational Changes

A cornerstone initiative in December 2024 was the initiation of an ERP project, which together with the strategic project will future proof the organization. These investments, while generating short-term cost pressure, are expected to yield strong operational efficiencies from 2026 onward.

In parallel, a new top management team was installed within the division, driving a refreshed strategic agenda focused on customer centricity, pipeline development, and increased commercial agility.

Operational Focus and Regional Highlights

The Vietnam operations underwent significant revitalization, with investments in both infrastructure and talent. These efforts are already paying off with increased order intake and an improved foundation for growth, targeting a strong revenue increase in 2025.

Garment Europe continued to serve as the division's stronghold, delivering a stable gross margin and showing resilience despite macroeconomic challenges. The indirect and operating expenses in Europe, however, were impacted by severance and restructuring cost.

Working Capital and Risk Management

Inventory levels were tightly managed, with a notable reduction in Garment Europe. Frozen stock is well-covered by customer agreements and accounts receivable processes remain robust, with special focus on a few accounts under active repayment plans.

Market Outlook 2025

The demand for premium technical garment products is increasing and alongside our significant efforts to revitalize the business and the brands recovery after COVID – business is looking strong. With our efforts to bring LTP top of mind we see good traction with new business with significant impact in 2026 and for 2025 many of our biggest customers have given us trust and added more volume to us.

Furniture division

Purpose and Strategic Direction

In 2024, LTP Furniture continued its mission to support premium furniture brands across Europe by delivering tailored, competitive, and reliable manufacturing solutions. With a firm commitment to operational excellence, customer proximity, and strategic growth, we finalized our 2028 strategy, structured around three key pillars: Ease of Business, Speed of Business, and Cost-Effective Business. These principles will serve as the foundation for long-term value creation across our organization and customer partnerships.

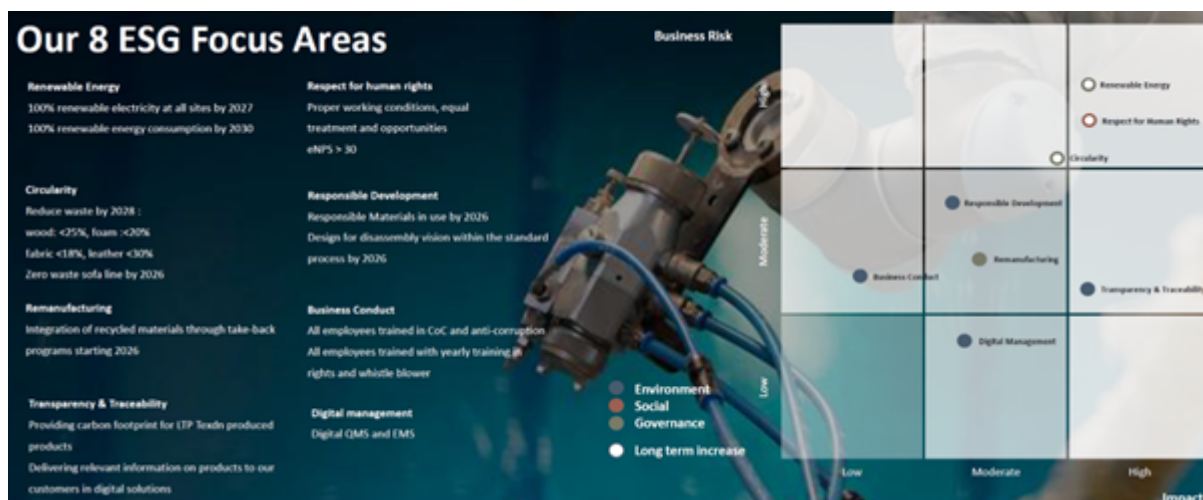
This year, we also introduced a new winning aspiration that sets the course for the future:

“We aspire to transform the global furniture industry with tailored 360-solutions and circular practices. –
Consciously Crafted by LTP.”

ESG and Responsible Progress

We remained committed to a data-driven and transparent approach in all aspects of our operations, particularly in ESG. Our six ESG commitments, anchored in action and accountability, are translating ambition into measurable progress—from reducing climate impact to advancing circular design and strengthening our supply chain. As we state:

“At LTP, we believe that many small, responsible actions lead to real, lasting impact. We are committed to transparent, ethical, and measurable progress—reducing climate impact, fostering circular design, and strengthening our entire value chain.”



Financial Performance 2024

In 2024, the Furniture Division of LTP Group operated in a complex market environment shaped by macroeconomic uncertainty, inflationary pressures, and subdued consumer demand, particularly in Europe. Despite these headwinds, the division demonstrated resilience by adjusting production levels to align with market activity and implementing cost-saving initiatives to safeguard profitability.

Strategic investments in automation, such as new conveyors, robots, and advanced cutting technologies, supported our continued focus on operational efficiency and long-term competitiveness.

Revenue and Sales Development

Total revenue for the Furniture Division amounted to DKK 279m, representing a 22% drop versus prior year. The decline was driven by lower volumes across key European markets, affecting Lithuania, which Mexico doubled its revenue compared to 2023.

Profitability and Margins

Gross profit margin was as expected in Lithuania, also driven by a one-time reversal of stock provision. However, gross margin in Mexico was below expectations, impacted by high material and production costs, and ramping up on new product lines.

Operational Efficiency and Costs

Operating expenses remained under tight control, especially in Lithuania, where cost-saving measures—such as reduced IT and utility expenses—contributed to overall efficiency.

Despite these efforts, EBITDA for the Furniture Division closed at DKK -1.5m, mainly due to underperformance in sales.

Working Capital and Risk Management

Inventory levels were reduced and inventory days improving from 113 to 110 days. Credit exposure and customer risk are reviewed monthly, and insurance limits are actively managed across key accounts.

Circular Design and Customer Value Creation

Our ESG initiatives began to yield tangible results. We advanced circularity through design for disassembly, launching three new soft seating product lines aligned with emerging EU regulations. We also became one of the first to deliver full Scope 3 emissions data and cradle-to-gate carbon footprints for all furniture products. Customers now access this data directly through our digital portal—strengthening both transparency and ease of business.

Regional Highlights

Our Mexican operations demonstrated strong momentum, doubling revenue in 2024 while holding operating expenses steady. Although EBIT remained negative, this was in line with our strategic plan, and a positive financial turnaround is expected by year-end 2025, driven by new projects and customer onboarding.

Meanwhile, our Lithuanian operations faced topline pressure across most customers due to market oversupply and reduced demand. Despite this, we secured several new projects and customers and maintained profitability through focused adjustments and efficiencies. In both regions, we observed broader market headwinds. The global furniture supply chain was characterized by excess capacity, with only a few players managing to gain ground. The U.S. contract furniture market was particularly affected, with continued weakness expected into 2025 due to persistent declines in the Architectural Billing Index.

Strategic Priorities 2025

Looking ahead to 2025, we will accelerate the development of our soft seating platform and begin implementation with selected retail customers. Our production footprint will continue evolving through the integration of lean methodologies, automation, and digital processes. The principles of Ease, Speed, and Cost Efficiency will guide our actions as we bring our 2028 strategy to life.

Market Outlook 2025

We anticipate onboarding new customers in the European retail furniture segment—an expansion supported by our deep experience in the contract market. In Mexico, we expect additional U.S. and European contract brands to launch production, reinforcing our value as a nearshoring partner to North America. While macroeconomic and geopolitical factors may impact our customers' revenues, we believe the shifting global landscape presents significant opportunity. Many brands are repositioning for growth and seeking scalable, cost-effective production partnerships—an environment where LTP Furniture is well-positioned to thrive.

Risk Management and Operational Resilience

To manage future risk, we initiated the rollout of a fully digitalized Quality Management System (QMS) and Environmental Management System (EMS) in 2024, with completion planned for 2025. These systems will harmonize and strengthen our operational standards across all sites. Our dual production setup in Lithuania and Mexico also serves as a strategic safeguard, offering customers supply chain resilience and flexibility in the face of regulatory or tariff disruptions.

Consolidated income statement for 2024

	Notes	2024 DKK	2023 DKK
Revenue	1	600,923,444	851,655,168
Other operating income		877,778	5,073,396
Cost of sales		(384,588,294)	(547,109,487)
Other external expenses	2	(34,620,937)	(38,862,750)
Gross profit/loss		182,591,991	270,756,327
Staff costs	3	(199,826,828)	(230,160,405)
Depreciation, amortisation and impairment losses	4	(19,446,353)	(18,799,089)
Other operating expenses		(646,898)	(2,273,120)
Operating profit/loss		(37,328,088)	19,523,713
Other financial income		1,558,949	9,425,238
Other financial expenses		(9,885,804)	(8,644,711)
Profit/loss before tax		(45,654,943)	20,304,240
Tax on profit/loss for the year	5	4,518,021	(7,267,849)
Profit/loss for the year	6	(41,136,922)	13,036,391

Consolidated balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Completed development projects	8	441,459	787,851
Acquired intangible assets		12,066,890	15,405,073
Goodwill		1,913,615	2,549,614
Prepayments for intangible assets		1,397,422	0
Intangible assets	7	15,819,386	18,742,538
Land and buildings		41,687,659	46,331,241
Plant and machinery		6,043,188	5,020,724
Other fixtures and fittings, tools and equipment		29,381,093	27,134,325
Leasehold improvements		17,130,666	8,940,199
Property, plant and equipment in progress		202,491	1,439,399
Property, plant and equipment	9	94,445,097	88,865,888
Investments in participating interests		465,720	0
Other receivables		1,426,018	1,408,001
Financial assets	10	1,891,738	1,408,001
Fixed assets		112,156,221	109,016,427
Raw materials and consumables		84,707,060	92,691,791
Work in progress		42,692,642	40,771,984
Manufactured goods and goods for resale		7,816,478	1,598,306
Prepayments for goods		740,003	22,040,095
Inventories		135,956,183	157,102,176
Trade receivables		68,165,583	92,398,615
Receivables from group enterprises		1,261,578	0
Deferred tax	11	8,522,842	3,967,586
Other receivables		12,789,282	9,962,386
Tax receivable		2,658,737	5,296,589
Prepayments	12	7,295,362	1,832,880
Receivables		100,693,384	113,458,056

Cash	26,577,727	44,006,067
Current assets	263,227,294	314,566,299
Assets	375,383,515	423,582,726

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital	13	500,000	500,000
Translation reserve		158,245	(3,837,865)
Other statutory reserves		336,013	625,626
Retained earnings		270,404,033	311,251,342
Equity		271,398,291	308,539,103
Deferred tax	11	66,946	0
Provisions		66,946	0
Mortgage debt		4,870,224	7,721,957
Debt to other credit institutions		2,211,666	0
Prepayments received from customers		103,361	113,895
Non-current liabilities other than provisions	14	7,185,251	7,835,852
Current portion of non-current liabilities other than provisions	14	4,077,718	2,857,263
Bank loans		9,628,392	930,732
Prepayments received from customers		15,298,530	15,870,406
Trade payables		38,061,018	58,945,425
Payables to owners and management		390,167	375,161
Tax payable		103,210	3,148,473
Other payables		25,989,393	24,435,783
Deferred income	15	3,184,599	644,528
Current liabilities other than provisions		96,733,027	107,207,771
Liabilities other than provisions		103,918,278	115,043,623
Equity and liabilities		375,383,515	423,582,726
Unrecognised rental and lease commitments	17		
Contingent assets	18		
Assets charged and collateral	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2024

	Contributed capital DKK	Translation reserve DKK	Other statutory reserves DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	(3,837,865)	625,626	312,727,646	310,015,407
Adjustment of material errors	0	0	0	(1,476,304)	(1,476,304)
Adjusted equity, beginning of year	500,000	(3,837,865)	625,626	311,251,342	308,539,103
Exchange rate adjustments	0	3,996,110	0	0	3,996,110
Profit/loss for the year	0	0	(289,613)	(40,847,309)	(41,136,922)
Equity end of year	500,000	158,245	336,013	270,404,033	271,398,291

Consolidated cash flow statement for 2024

	Notes	2024 DKK	2023 DKK
Operating profit/loss		(37,328,088)	19,523,713
Amortisation, depreciation and impairment losses		19,446,353	18,799,089
Working capital changes	16	14,082,518	50,102,597
Cash flow from ordinary operating activities		(3,799,217)	88,425,399
Financial income received		1,558,949	9,425,238
Financial expenses paid		(9,885,804)	(8,644,711)
Taxes refunded/(paid)		(377,700)	(16,683,606)
Cash flows from operating activities		(12,503,772)	72,522,320
Acquisition etc. of intangible assets		(2,260,271)	(1,119,577)
Acquisition etc. of property, plant and equipment		(13,044,303)	(15,350,499)
Sale of property, plant and equipment		843,159	1,895,638
Sale of fixed asset investments		0	27,817,681
Exchange rate adjustment, intangible assets		44,658	(81,541)
Exchange rate adjustment, tangible assets		1,471,247	230,135
Cash flows from investing activities		(12,945,510)	13,391,837
Free cash flows generated from operations and investments before financing		(25,449,282)	85,914,157
Loans raised		569,854	0
Repayments of loans etc.		0	(8,411,623)
Dividend paid		0	(48,000,000)
Changes in short-term deb to banks		8,697,660	(9,807,361)
Loans from owners and management		15,006	(10,868,475)
Loans from group companies		(1,261,578)	0
Cash flows from financing activities		8,020,942	(77,087,459)

Increase/decrease in cash and cash equivalents	(17,428,340)	8,826,698
Cash and cash equivalents beginning of year	44,006,067	35,179,369
Cash and cash equivalents end of year	26,577,727	44,006,067
Cash and cash equivalents at year-end are composed of:		
Cash	26,577,727	44,006,067
Cash and cash equivalents end of year	26,577,727	44,006,067

Notes to consolidated financial statements

1 Revenue

	2024 DKK	2023 DKK
Garment segment	322,244,365	493,073,023
Furniture segment	278,679,079	358,582,145
Total revenue by activity	600,923,444	851,655,168

85.6% of the revenue is generated in Europe, while 14.4% is generated in the rest of the world.

2 Fees to the auditor appointed by the Annual General Meeting

	2024 DKK	2023 DKK
Statutory audit services	670,745	397,204
Tax services	356,600	346,169
Other services	487,620	324,027
	1,514,965	1,067,400

Fees to foreign auditors not appointed by the Annual General Meeting included in above amount to DKK 426k relating to statutory audit services (DKK 213k in 2023), DKK 75k to tax services (DKK 0 in 2023) and DKK 248k to other services (DKK 36k in 2023).

3 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	194,392,265	218,963,376
Pension costs	1,806,234	1,925,681
Other social security costs	3,628,329	9,271,348
	199,826,828	230,160,405

Average number of full-time employees	1,768	2,305
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	Remuneration of management 2024 DKK	Remuneration of management 2023 DKK
Executive Board	6,126,353	5,953,894
Board of Directors	1,300,000	1,400,000
	7,426,353	7,353,894

Special incentive programmes

LTP Group has established a warrant program for members of the Executive Management. The warrant is granted in accordance with the authorizations given to the Board of Directors by the shareholders. The Board of Directors has fixed the terms of and the size of the grants of warrants, considering authorizations from the shareholders, and an assessment of expectations of the Group's growth. 23.000 warrants are granted at the end of 2024 that each gives the right to subscribe 1 share in the company. Exercise of warrants is by default subject to continuing employment with LTP Group and can only be exercised within 1. January 2028 - 31. January 2028 or in case of an exit.

Remuneration to executive Board includes severance pay.

4 Depreciation, amortisation and impairment losses

	2024 DKK	2023 DKK
Amortisation of intangible assets	5,138,765	5,080,907
Impairment losses on intangible assets	0	(1,903)
Depreciation on property, plant and equipment	14,307,588	14,122,460
Impairment losses on property, plant and equipment	0	(402,375)
	19,446,353	18,799,089

5 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	1,383,559	8,403,485
Change in deferred tax	(5,901,580)	(1,135,636)
	(4,518,021)	7,267,849

6 Proposed distribution of profit/loss

	2024 DKK	2023 DKK
Extraordinary dividend distributed in the financial year	0	48,000,000
Retained earnings	(41,136,922)	(34,963,609)
	(41,136,922)	13,036,391

7 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Goodwill DKK	Prepayments for intangible assets DKK
Cost beginning of year	3,528,242	28,041,602	3,187,017	0
Exchange rate adjustments	0	(32,279)	2,341	0
Additions	0	862,849	0	1,397,422
Disposals	0	(7,105)	0	0
Cost end of year	3,528,242	28,865,067	3,189,358	1,397,422
Amortisation and impairment losses beginning of year	(2,740,391)	(12,636,529)	(637,403)	0
Exchange rate adjustments	0	(14,252)	(468)	0
Amortisation for the year	(346,392)	(4,154,501)	(637,872)	0
Reversal regarding disposals	0	7,105	0	0
Amortisation and impairment losses end of year	(3,086,783)	(16,798,177)	(1,275,743)	0
Carrying amount end of year	441,459	12,066,890	1,913,615	1,397,422

8 Development projects

Development project comprise of new IT systems and solutions supporting BI, development of a new homepage etc. The systems creates optimization in operations across the group companies.

9 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost beginning of year	77,526,318	9,392,610	76,141,750	17,291,688	1,453,369
Exchange rate adjustments	(270,476)	(511,705)	(539,666)	(469,493)	30,874
Transfers	(1,127,953)	451,039	(341,042)	3,159,043	(2,031,089)
Additions	48,087	2,334,524	10,496,154	8,528,594	793,844
Disposals	(1,132,561)	(1,596,110)	(4,612,297)	(2,857,963)	(44,507)
Cost end of year	75,043,415	10,070,358	81,144,899	25,651,869	202,491
Depreciation and impairment losses beginning of year	(31,195,077)	(4,371,886)	(49,007,425)	(8,351,489)	(13,970)
Exchange rate adjustments	38,234	178,114	254,156	(193,129)	0
Transfers	554,391	(46,563)	(51,591)	(554,391)	0
Depreciation for the year	(3,149,582)	(1,349,588)	(7,528,261)	(2,280,157)	0
Reversal regarding disposals	396,278	1,562,753	4,569,315	2,857,963	13,970
Depreciation and impairment losses end of year	(33,355,756)	(4,027,170)	(51,763,806)	(8,521,203)	0
Carrying amount end of year	41,687,659	6,043,188	29,381,093	17,130,666	202,491
Recognised assets not owned by Entity	0	4,109,647	0	0	0

10 Financial assets

	Investments in participating interests DKK	Other receivables DKK
Cost beginning of year	0	1,408,001
Exchange rate adjustments	0	8,732
Additions	465,720	9,285
Cost end of year	465,720	1,426,018
Carrying amount end of year	465,720	1,426,018

Investments in participating interests	Registered in	Ownership %
LTP Belvit	Vitebsk, Belarus	100.00
LTP Orlit	Vitebsk, Belarus	100.00

11 Deferred tax

	2024 DKK	2023 DKK
Intangible assets	(97,000)	(173,000)
Property, plant and equipment	(53,695)	46,287
Liabilities other than provisions	2,469,209	2,186,457
Tax losses carried forward	6,137,382	1,907,842
Deferred tax	8,455,896	3,967,586

Changes during the year	2024 DKK	2023 DKK
Beginning of year	3,967,586	2,136,754
Recognised in the income statement	4,488,310	1,830,832
End of year	8,455,896	3,967,586

Deferred tax has been recognised in the balance sheet as follows	2024 DKK	2023 DKK
Deferred tax assets	8,522,842	3,967,586
Deferred tax liabilities	(66,946)	0
	8,455,896	3,967,586

Deferred tax assets

Deferred tax asset is expected to be actualised in future earnings in the Group over the next 3-5 years. There are tax losses carried forward of DKK 25,9 mill that are not recognized.

12 Prepayments

Prepayments under current assets relate to costs in subsequent periods.

13 Contributed capital

	Number	Par value DKK	Nominal value DKK
Share capital	50	10,000.00	500,000
	50		500,000

14 Non-current liabilities other than provisions

	Due within 12 months	Due within 12 months	Due after more than 12 months
	2024	2023	2024
	DKK	DKK	DKK
Mortgage debt	2,859,090	2,857,263	4,870,224
Debt to other credit institutions	1,218,628	0	2,211,666
Prepayments received from customers	0	0	103,361
	4,077,718	2,857,263	7,185,251

15 Deferred income

Deferred income contains income in subsequent periods.

16 Changes in working capital

	2024	2023
	DKK	DKK
Increase/decrease in inventories	21,145,993	50,297,968
Increase/decrease in receivables	10,299,127	48,625,639
Increase/decrease in trade payables etc.	(17,362,602)	(48,821,010)
	14,082,518	50,102,597

17 Unrecognised rental and lease commitments

	2024	2023
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	30,425,004	30,608,346

18 Contingent assets

There are tax losses carried forward of DKK 25,9 mill that are not recognized. The unrecognized tax asset from this amounts to TDKK 6.180.

19 Assets charged and collateral

Mortgage debt is secured by way of mortgages on properties. The carrying amount of mortgaged properties amounts to TDKK 40.694.

20 Subsidiaries

	Registered in	Ownership %
UAB LTP TexDan	Kedaniniai, Lithaunia	100.00
UAB LTP	Kaunas, Lithaunia	100.00
UAB JMJ Baltic	Kaunas, Lithaunia	100.00
LTP Belvit	Vitebsk, Belarus	100.00
LTP Orlit	Vitebsk, Belarus	100.00
LTP Vietnam Company Limited	Ho Chi Minh City, Vietnam	100.00
LTP Ukraine LLC	Lviv, Ukraine	100.00
LTP Furniture Mexico	Saltillo, Mexico	100.00
LTP Balkan SRL	Botosani, Romania	100.00

Exclusion of Subsidiaries from Consolidated Financial Statement

In accordance with the Danish Financial Statements Act, we have decided to exclude LTP Belvit and LTP Orlit from the consolidated financial statement for the year 2024. This decision has been made based on the following considerations:

Lack of Effective Control: Although we formally have control over the Subsidiaries, we are effectively unable to exercise our rights due to restrictions on travel to Belarus, preventing us from physically visiting the companies to ensure proper oversight and control.

Uncertain Production Status: Currently, LTP Belvit and LTP Orlit are not engaged in any production activities. However, we cannot verify this due to our inability to visit the companies and inspect their operations.

Attempted Sale and Exit Tax: We have explored the possibility of selling the Subsidiaries and received an offer that matched the book value. Nevertheless, we declined the offer due to the exit tax imposed by the Belarusian government.

These factors render it impractical for us to include LTP Belvit and LTP Orlit in the consolidated financial statement in a manner that accurately reflects its financial position. The exclusion is in compliance with the requirements and conditions stipulated in the Danish Financial Statements Act, and we assess that this will not compromise the true and fair view of the consolidated financial statements.

Parent income statement for 2024

	Notes	2024 DKK	2023 DKK
Revenue		13,412,150	19,625,690
Other external expenses		(9,324,939)	(8,265,012)
Gross profit/loss		4,087,211	11,360,678
Staff costs	1	(14,842,353)	(17,370,959)
Depreciation, amortisation and impairment losses	2	(346,392)	(346,389)
Operating profit/loss		(11,101,534)	(6,356,670)
Income from investments in group enterprises		(35,450,151)	16,775,676
Other financial income	3	4,027,580	3,050,192
Other financial expenses		(169,817)	(1,310,807)
Profit/loss before tax		(42,693,922)	12,158,391
Tax on profit/loss for the year	4	1,557,000	878,000
Profit/loss for the year	5	(41,136,922)	13,036,391

Parent balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Completed development projects	7	441,459	787,851
Intangible assets	6	441,459	787,851
Leasehold improvements		0	0
Property, plant and equipment	8	0	0
Investments in group enterprises		249,043,684	285,216,712
Investments in participating interests		465,720	0
Other receivables		200,999	194,366
Financial assets	9	249,710,403	285,411,078
Fixed assets		250,151,862	286,198,929
Receivables from group enterprises		48,998,721	13,389,640
Deferred tax	10	2,324,000	767,000
Other receivables		410,321	190,313
Tax receivable		0	42,000
Prepayments	11	455,179	271,040
Receivables		52,188,221	14,659,993
Cash		730,058	19,247,661
Current assets		52,918,279	33,907,654
Assets		303,070,141	320,106,583

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		500,000	500,000
Reserve for net revaluation according to equity method		180,228,267	249,858,304
Reserve for development costs		344,338	614,524
Retained earnings		90,325,686	57,566,275
Equity		271,398,291	308,539,103
Provisions for investments in group enterprises	12	19,777,183	8,219,342
Provisions		19,777,183	8,219,342
Bank loans		9,628,392	930,732
Trade payables		1,156,270	483,138
Payables to owners and management		390,167	375,161
Other payables		719,838	1,559,107
Current liabilities other than provisions		11,894,667	3,348,138
Liabilities other than provisions		11,894,667	3,348,138
Equity and liabilities		303,070,141	320,106,583
Contingent liabilities	13		
Assets charged and collateral	14		
Related parties with controlling interest	15		

Parent statement of changes in equity for 2024

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	251,334,608	614,524	57,566,275	310,015,407
Adjustment of material errors	0	(1,476,304)	0	0	(1,476,304)
Adjusted equity, beginning of year	500,000	249,858,304	614,524	57,566,275	308,539,103
Exchange rate adjustments	0	3,996,110	0	0	3,996,110
Dividends from group enterprises	0	(32,195,159)	0	32,195,159	0
Transfer to reserves	0	0	(270,186)	270,186	0
Profit/loss for the year	0	(41,430,988)	0	294,066	(41,136,922)
Equity end of year	500,000	180,228,267	344,338	90,325,686	271,398,291

Notes to parent financial statements

1 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	12,951,611	15,351,206
Pension costs	1,806,234	1,925,681
Other social security costs	84,508	94,072
	14,842,353	17,370,959
Average number of full-time employees	10	12

	Remuneration of Manage- ment 2024 DKK	Remuneration of Manage- ment 2023 DKK
Executive Board	6,126,353	5,953,894
Board of Directors	1,300,000	1,400,000
	7,426,353	7,353,894

Special incentive programmes

LTP Group has established a warrant program for members of the Executive Management. The warrant is granted in accordance with the authorizations given to the Board of Directors by the shareholders. The Board of Directors has fixed the terms of and the size of the grants of warrants, considering authorizations from the shareholders, and an assessment of expectations of the Group's growth. 23.000 warrants are granted at the end of 2024 that each gives the right to subscribe 1 share in the company. Exercise of warrants is by default subject to continuing employment with LTP Group and can only be exercised within 1. January 2028 - 31. January 2028 or in case of an exit.

Remuneration to Executive Board includes severance pay.

2 Depreciation, amortisation and impairment losses

	2024 DKK	2023 DKK
Amortisation of intangible assets	346,392	346,389
	346,392	346,389

3 Other financial income

	2024 DKK	2023 DKK
Financial income from group enterprises	3,609,708	2,221,331
Other interest income	417,872	332,239
Fair value adjustments	0	496,622
	4,027,580	3,050,192

4 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Change in deferred tax	(1,557,000)	(878,000)
	(1,557,000)	(878,000)

5 Proposed distribution of profit and loss

	2024 DKK	2023 DKK
Extraordinary dividend distributed in the financial year	0	48,000,000
Retained earnings	(41,136,922)	(34,963,609)
	(41,136,922)	13,036,391

6 Intangible assets

	Completed development projects DKK
Cost beginning of year	3,528,242
Cost end of year	3,528,242
Amortisation and impairment losses beginning of year	(2,740,391)
Amortisation for the year	(346,392)
Amortisation and impairment losses end of year	(3,086,783)
Carrying amount end of year	441,459

7 Development projects

Development project comprise of new IT systems and solutions supporting BI, development of a new homepage etc. The systems creates optimization in operations across the group companies.

8 Property, plant and equipment

	Leasehold improvements DKK
Cost beginning of year	83,493
Cost end of year	83,493
Depreciation and impairment losses beginning of year	(83,493)
Depreciation and impairment losses end of year	(83,493)
Carrying amount end of year	0

9 Financial assets

	Investments in group enterprises DKK	Investments in participating interests DKK	Other receivables DKK
Cost beginning of year	35,358,408	0	194,366
Transfers	(4,932,261)	4,932,261	0
Additions	33,922,729	0	6,633
Cost end of year	64,348,876	4,932,261	200,999
Revaluations beginning of year	249,858,304	0	0
Exchange rate adjustments	3,996,110	0	0
Transfers	4,466,541	(4,466,541)	0
Share of profit/loss for the year	(35,450,151)	0	0
Dividend	(32,195,159)	0	0
Investments with negative equity value depreciated over receivables	(17,538,678)	0	0
Investments with negative equity value transferred to provisions	11,557,841	0	0
Revaluations end of year	184,694,808	(4,466,541)	0
Carrying amount end of year	249,043,684	465,720	200,999

A specification of investments in subsidiaries and investments in participating interests is evident from the notes to the consolidated financial statements.

10 Deferred tax

	2024 DKK	2023 DKK
Intangible assets	(97,000)	(173,000)
Property, plant and equipment	3,000	5,000
Tax losses carried forward	2,418,000	935,000
Deferred tax	2,324,000	767,000

	2024	2023
Changes during the year	DKK	DKK
Beginning of year	767,000	(111,000)
Recognised in the income statement	1,557,000	878,000
End of year	2,324,000	767,000

Deferred tax assets

The tax losses carried forward is expected to be used within the next 3-5 years.

11 Prepayments

Prepayments under current assets relate to costs in subsequent periods.

12 Provisions for investments in group enterprises

Other provisions comprise value of negative equity in investments in group enterprises.

13 Contingent liabilities

Liabilities under rental or lease agreements until maturity in total 518.922 DKK.

14 Assets charged and collateral

The Entity has guaranteed the subsidiaries' debt to Sydbank. The subsidiaries' bank debt amounts to DKK 0 as of 31.12.2024.

15 Related parties with controlling interest

The Entity did not carry out any substantial transactions with related parties that were not concluded on market conditions. According to Section 98c (7) of the Danish Financial Statements Act, information is provided only about transactions that have not been concluded on common market conditions.

Accounting policies

Reporting class

The consolidated financial statements have been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large). The parent financial statements have been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Material errors in previous years

In connection with the preparation of the financial statements for 2024, significant errors from previous years have been identified. For the Group, these errors relate to insufficient provisions for accrued pension liabilities. Specifically, an additional provision of DKK 1,476K for accrued pension liabilities was required for the year 2023.

As a result, the comparative figures have been adjusted accordingly. The figures for 2023 have been adjusted as follows: liabilities increased by DKK 1,476K, net income decreased by DKK 1,476K, and equity decreased by DKK 1,476K.

Furthermore, these adjustments have a similar effect on the parent company, where assets in the form of investments in group enterprises have been reduced by DKK 1,476K, net income decreased by DKK 1,476K, and equity decreased by DKK 1,476K.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the

Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc. in which the enterprises concerned are controlled by the Parent. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity. The comparative figures are restated.

Profit or loss from divestment of enterprises

Profits or losses from divestment or winding-up of enterprises are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment and winding-up, respectively.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange

differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rent of premises.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible

assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and

indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the manufacturing process are recognised in cost based on time spent on each asset.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	10-20 years
Plant and machinery	2-10 years
Leasehold improvements	2-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the group financial statement at written-down value. This approach ensures that the carrying amount of these investments does not exceed their market value. During the year 2024, the investments were initially recognised at their written-down value, rather than at cost price, to reflect their actual economic conditions and expected recoverable amount.

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in participating interests

Investments in participating interests are recognised and measured in the group financial statement at written-down value. This approach ensures that the carrying amount of these investments does not exceed their market value. During the year 2024, the investments were initially recognised at their written-down value, rather than at cost price, to reflect their actual economic conditions and expected recoverable amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other provisions

Other provisions comprise value of negative equity in investments in group enterprises etc.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Operating leases

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

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, short-term bank loans, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.