
INPS A/S

Ellegårdvej 7, DK-6400 Sønderborg

Annual Report for 2024

CVR No. 34 73 32 28

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 13/3 2025

Claus Berner Nielsen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of INPS A/S for the financial year 1 January - 31 December 2024.

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

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

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

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

Sønderborg, 13 March 2025

Executive Board

Jens Rom
CEO

Board of Directors

Jan C. von Backhaus
Chairman

Bent Kristensen
Vice chairman

Peter M. Clausen

Allan Krogsgaard Jacobsen

Erik Balck Sørensen

Independent Auditor's report

To the shareholder of INPS A/S

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

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

Independent Auditor's report

Aarhus C, 13 March 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Kragh

State Authorised Public Accountant

mne26783

Jeppe Smed Sørensen

State Authorised Public Accountant

mne40041

Company information

The Company	INPS A/S Ellegårdvej 7 DK-6400 Sønderborg CVR No: 34 73 32 28 Financial period: 1 January - 31 December Incorporated: 2 November 2012 Financial year: 12th financial year Municipality of reg. office: Sønderborg
Board of Directors	Jan C. von Backhaus, chairman Bent Kristensen, vice chairman Peter M. Clausen Allan Krogsgaard Jacobsen Erik Balck Sørensen
Executive Board	Jens Rom
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Financial Highlights

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

	Group				
	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	119,204	102,317	137,427	101,703	31,585
Profit/loss of primary operations	53,359	44,815	79,787	54,520	-11,334
Profit/loss of financial income and expenses	1,798	1,283	-923	21,724	-7,874
Net profit/loss for the year	42,375	35,759	67,078	88,225	-18,969
Balance sheet					
Balance sheet total	228,115	160,874	183,832	169,135	65,641
Investment in property, plant and equipment	1,741	5,237	4,767	515	156
Equity	136,915	119,392	114,405	105,245	16,976
Cash flows					
Cash flows from:					
- operating activities	70,396	65,691	27,331	44,265	2,008
- investing activities	-1,741	-5,237	-10,423	36,204	-10,296
- financing activities	-25,000	-30,000	-58,000	-30,949	9,655
Change in cash and cash equivalents for the year	43,655	30,454	-41,092	49,520	1,447
Number of employees	87	119	138	102	96
Ratios					
Return on assets	23.4%	27.9%	43.4%	32.2%	-17.3%
Solvency ratio	60.0%	74.2%	62.2%	62.2%	25.9%
Return on equity	33.1%	30.6%	61.1%	144.4%	-91.1%

Management's review

Key activities

The purpose of the Company is to be the holding company of the INPS Group. The purpose of the Company is to develop and sell innovative last mile technology, in particular parcel locker systems and related software-based solutions, to logistics providers globally.

Development in the year

The income statement of the Group for 2024 shows a profit before tax of TDKK 55,157, and at 31 December 2024 the balance sheet of the Group shows a positive equity of TDKK 136,915.

The result for 2024 was affected by the macroeconomic development with high inflation and high interest rates which, together with general uncertainties in the world, has slowed-down the decision-making of our customers. Consequently, demand was slow at the beginning of the year but was speeding up towards the end. The year resulted in an improved realized result compared to 2023 which, except for one-off extraordinary costs, met our expectations for the full year. The continued growth in online shopping and increased focus on sustainable first and last mile solutions is still expected to boost demand for parcel locker systems, where the group continues to focus on delivering parcel locker network technology rather than operating distribution networks ourselves.

There is still good traction on the roll-out of parcel locker networks to strategic customers. During 2024 new pilots have been successfully implemented and resulted in new customers in the roll-out phase.

During 2024 the Company paid dividends of MDKK 25 to its shareholders

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

The result for 2024 is below the expectations at the beginning of the year where a profit before tax was expected to be MDKK 60 to 90. The Group experienced growth in both turnover and profit compared to 2023. In accordance with expectations the group managed to secure new pilots and customers in new markets. Also, a market study performed by external partners in the beginning of the year, showed a positive development in the Group's position in the market and a gain in market share.

Targets and expectations for the year ahead

The Group expects further growth in 2025 and will continue to roll out the Infinity solution in both existing and new markets around the world. The expected profit before tax for 2025 is in the interval MDKK 80 to 100.

Research and development

In 2024 no research and development costs have been capitalized.

External environment

The Group works towards reducing its environmental footprint through an ongoing optimization of the energy and resources used for the daily operation and in the products.

Intellectual capital resources

To offer innovative solutions, the Group is dependent on both human and technological resources. Thus, the ability to recruit and retain highly qualified employees remains a key priority.

Management's review

Branches abroad

SwipBox Polska sp. z o.o. is a 100% owned subsidiary based in Warsaw, Poland. Sales and customer service for Polish customers is handled through this company.

SwipBox Pakistan Ltd is a 99.8% owned subsidiary based in Islamabad, Pakistan. Software development and parts of IT for the Group is handled through this company.

SwipBox Pty Ltd is a 100% owned subsidiary based in Brisbane, Australia. Sales and customer service for Australian customers is handled through this company.

Uncertainty relating to recognition and measurement

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

Unusual events

The financial position at 31 December 2024 of the Group and the results of the activities and cash flows of the Group for the financial year for 2024 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 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Gross profit		119,204	102,317	-226	-1,870
Staff expenses	2	-58,478	-51,066	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-7,367	-6,436	0	0
Profit/loss before financial income and expenses		53,359	44,815	-226	-1,870
Income from investments in subsidiaries		0	0	43,588	38,411
Financial income	3	2,121	2,196	12	21
Financial expenses	4	-323	-913	-1,294	-1,089
Profit/loss before tax		55,157	46,098	42,080	35,473
Tax on profit/loss for the year	5	-12,782	-10,339	295	286
Net profit/loss for the year	6	42,375	35,759	42,375	35,759

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Completed development projects		4,138	6,183	0	0
Development projects in progress		6,012	6,790	0	0
Intangible assets	7	10,150	12,973	0	0
Other fixtures and fittings, tools and equipment		6,690	9,392	0	0
Property, plant and equipment	8	6,690	9,392	0	0
Investments in subsidiaries	9	0	0	149,295	155,559
Fixed asset investments		0	0	149,295	155,559
Fixed assets		16,840	22,365	149,295	155,559
Raw materials and consumables		14,408	15,811	0	0
Work in progress		824	0	0	0
Finished goods and goods for resale		5,650	18,300	0	0
Prepayments for goods		8,957	3,205	0	0
Inventories		29,839	37,316	0	0
Trade receivables		41,131	29,620	0	0
Receivables from group enterprises		0	0	887	0
Other receivables		37,025	10,096	0	0
Deferred tax asset	10	5,869	8,255	24	32
Corporation tax		1,030	132	1,890	132
Corporation tax receivable from group enterprises		0	0	8,163	7,709
Prepayments	11	489	853	0	0
Receivables		85,544	48,956	10,964	7,873

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Cash at bank and in hand		95,892	52,237	403	934
Current assets		211,275	138,509	11,367	8,807
Assets		228,115	160,874	160,662	164,366

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Share capital	12	17,690	17,690	17,690	17,690
Reserve for net revaluation under the equity method		0	0	30,296	36,560
Reserve for exchange rate conversion		-231	-379	0	0
Retained earnings		119,456	102,081	88,929	65,142
Equity		136,915	119,392	136,915	119,392
Other provisions	13	5,240	7,163	0	0
Provisions		5,240	7,163	0	0
Prepayments received from customers		42,722	5,719	0	0
Trade payables		10,439	12,383	0	56
Payables to group enterprises		0	0	23,678	44,343
Corporation tax		0	615	0	0
Other payables		32,799	15,602	69	575
Short-term debt		85,960	34,319	23,747	44,974
Debt		85,960	34,319	23,747	44,974
Liabilities and equity		228,115	160,874	160,662	164,366
Contingent assets, liabilities and other financial obligations	16				
Related parties	17				
Subsequent events	18				
Accounting Policies	19				

Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	17,690	-379	102,081	119,392
Exchange adjustments	0	148	0	148
Extraordinary dividend paid	0	0	-25,000	-25,000
Net profit/loss for the year	0	0	42,375	42,375
Equity at 31 December	17,690	-231	119,456	136,915

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	17,690	36,560	65,142	119,392
Exchange adjustments	0	148	0	148
Extraordinary dividend paid	0	0	-25,000	-25,000
Net profit/loss for the year	0	-6,412	48,787	42,375
Equity at 31 December	17,690	30,296	88,929	136,915

Cash flow statement 1 January - 31 December

	Note	Group	
		2024	2023
		TDKK	TDKK
Result of the year		42,375	35,759
Adjustments	14	18,398	16,003
Change in working capital	15	19,734	20,995
Cash flow from operations before financial items		80,507	72,757
Financial income		2,121	1,179
Financial expenses		-323	-913
Cash flows from ordinary activities		82,305	73,023
Corporation tax paid		-11,909	-7,332
Cash flows from operating activities		70,396	65,691
Purchase of property, plant and equipment		-1,741	-5,237
Cash flows from investing activities		-1,741	-5,237
Dividend paid		-25,000	-30,000
Cash flows from financing activities		-25,000	-30,000
Change in cash and cash equivalents		43,655	30,454
Cash and cash equivalents at 1 January		52,237	21,783
Cash and cash equivalents at 31 December		95,892	52,237
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		95,892	52,237
Cash and cash equivalents at 31 December		95,892	52,237

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
1. Other operating income				
Other income	0	28	0	0
	0	28	0	0

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
2. Staff expenses				
Wages and salaries	53,967	46,624	0	0
Pensions	2,852	2,736	0	0
Other social security expenses	863	777	0	0
Other staff expenses	796	929	0	0
	58,478	51,066	0	0
Including remuneration to the Executive Board and Board of Directors	4,440	3,944	0	0
Average number of employees	87	119	0	0

Salaries to the executive board has not been disclosed separately and is included in the salaries for the board of directors in accordance with section 98 B(3) of the Danish Financial Statements Act.

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
3. Financial income				
Interest received from group enterprises	0	0	3	0
Other financial income	2,121	2,196	9	21
	2,121	2,196	12	21

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
4. Financial expenses				
Interest paid to group enterprises	0	0	1,210	1,002
Other financial expenses	323	913	84	87
	323	913	1,294	1,089

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
5. Income tax expense				
Current tax for the year	9,723	8,020	-303	-289
Deferred tax for the year	2,395	2,328	8	3
Adjustment of tax concerning previous years	664	-9	0	0
	12,782	10,339	-295	-286

	Parent company	
	2024	2023
	TDKK	TDKK
6. Profit allocation		
Extraordinary dividend paid	25,000	30,000
Reserve for net revaluation under the equity method	-6,412	411
Retained earnings	23,787	5,348
	42,375	35,759

Notes to the Financial Statements

7. Intangible fixed assets

Group

	Completed development projects	Develop- ment projects in progress
	TDKK	TDKK
Cost at 1 January	21,887	6,790
Disposals for the year	0	-778
Cost at 31 December	21,887	6,012
Impairment losses and amortisation at 1 January	15,704	0
Amortisation for the year	2,045	0
Impairment losses and amortisation at 31 December	17,749	0
Carrying amount at 31 December	4,138	6,012

Completed development projects consists of developed software related to the SwipBox concept which includes Infinity and Classic parcel lockers systems and related software-based solutions to logistics providers.

Development projects in progress consist of the development of a digital label solution that supports circular packaging. It's expected that the development of the solution will be finalized over the next 5 years, and when completed, it will positively impact Swipbox's activities.

8. Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	24,278
Exchange adjustment	215
Additions for the year	1,741
Cost at 31 December	26,234
Impairment losses and depreciation at 1 January	14,886
Exchange adjustment	113
Depreciation for the year	4,545
Impairment losses and depreciation at 31 December	19,544
Carrying amount at 31 December	6,690

Notes to the Financial Statements

9. Investments in subsidiaries

	Parent company	
	2024	2023
	TDKK	TDKK
Cost at 1 January	118,999	118,999
Cost at 31 December	118,999	118,999
Value adjustments at 1 January	36,560	36,921
Exchange adjustment	148	-772
Net profit/loss for the year	43,588	38,411
Dividend to the Parent Company	-50,000	-38,000
Value adjustments at 31 December	30,296	36,560
Carrying amount at 31 December	149,295	155,559

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
SwipBox International A/S	Denmark	DKK 500k	100%
SwipBox Development ApS [^]	Denmark	DKK 2.300k	100%
SwipBox Pakistan Pvt. Ltd. ^{^^}	Pakistan	RS 500K	99,8%
SwipBox Pty. Ltd. [^]	Australia	AUD 1	100%
SwipBox Polska sp. z o.o. [^]	Poland	PLN 65k	100%
PERO Solutions ApS [^]	Denmark	DKK 71k	100%

[^]) Subsidiary of SwipBox International A/S

^{^^}) Subsidiary of SwipBox Development ApS

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
10. Deferred tax asset				
Deferred tax asset at 1 January	8,255	11,512	32	43
Amounts recognised in the income statement for the year	-2,386	-3,257	-8	-11
Deferred tax asset at 31 December	5,869	8,255	24	32

The recognised tax asset comprises tax loss carry-forwards and tax depreciationsbased assets expected to be utilised within the next three to four years. In connection with the assessment of the utilisation of the tax asset, special emphasis has been placed on the Groups expected growth the coming years and expected profit before tax.

11. Prepayments

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

12. Share capital

	Number	Nominal value
		TDKK
A-shares	398,775	399
B-shares	17,290,747	17,291
		17,690

The company has issued warrants of total 518.701. Each warrant entitles the warrantholder to subscribe for A-class shares in the company of a nominal value of DKK 1 without preemption right for the shareholders of the company. The warrant agreement expires 1st January 2030 and the exercise price is determined in the warrantagreement.

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
13. Other provisions				
Other provisions	5,240	7,163	0	0
	5,240	7,163	0	0

The provisions are expected to mature as follows:

After 5 years	2,247	450	0	0
	2,247	450	0	0

The Company provides warranties on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of TDKK 5,240 (2023: TDKK 7,163) have been recognised for expected warranty claims.

	Group	
	2024	2023
	TDKK	TDKK
14. Cash flow statement - Adjustments		
Financial income	-2,121	-2,196
Financial expenses	323	913
Depreciation, amortisation and impairment losses, including losses and gains on sales	7,367	6,436
Tax on profit/loss for the year	12,782	10,339
Other adjustments	47	511
	18,398	16,003

	Group	
	2024	2023
	TDKK	TDKK
15. Cash flow statement - Change in working capital		
Change in inventories	7,477	-699
Change in receivables	-38,076	48,345
Change in other provisions	-1,923	-5,883
Change in trade payables, etc	52,256	-20,768
	19,734	20,995

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
16. Contingent assets, liabilities and other financial obligations				
Contingent assets				
The group has a not recognized deferred tax asset per. 31 December 2024 at TDKK 699 (2023: TDKK 699). The amount is not recognized in the balance sheet, as there is uncertainty about the time of its utilization.				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	1,035	1,041	0	0
Between 1 and 5 years	388	244	0	0
	1,423	1,285	0	0

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 0. 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.

The parent company is guarantor with primary liability in respect of all balances with the subsidiary SwipBox International A/S.

17. Related parties

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)(6) of the Danish Financial Statements Act.

18. Subsequent events

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

Notes to the Financial Statements

19. Accounting policies

The Annual Report of INPS A/S for 2024 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. There have been a reclassification in the comparison figures of TDKK 6.519 in the income statement between gross profit and staff expenses. The reclassifications have not affected last year's net profit, balance sheet, equity or cash flow.

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

Recognition and measurement

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

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

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

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

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, INPS A/S, 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.

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.

Notes to the Financial Statements

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.

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

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

Expenses for raw materials and consumables

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

Other external expenses

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

Gross profit

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Notes to the Financial Statements

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 danish subsidiaries. The tax effect of the joint taxation with the danish subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

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 8-10 year.

Property, plant and equipment

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

Notes to the Financial Statements

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:

Other fixtures and fittings, tools and equipment	3-8 years
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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.

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.

Notes to the Financial Statements

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.

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 1-10 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

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

Cash Flow Statement

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

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

Notes to the Financial Statements

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

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

Financial Highlights

Explanation of financial ratios

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