estron a/s

Industrivej 5, DK-8653 Silkeborg

Annual Report for 2024

CVR No. 18 21 20 99

The Annual Report was presented and adopted at the Annual General Meeting of the company on 28/3 2025

Kasper Sandø Jensen
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of estron 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.

Them, 28 March 2025

Executive Board

Peter Lyhne Uhrenholt
CEO

Board of Directors

Anders Schnettler Kristensen Chairman	Thomas Marstrand Vice chairman	Allan Sørrig Dodt
Sune Lilbæk	Kasper Sandø Jensen	

Independent Auditor's report

To the shareholder of estron 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 estron 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

Trekantområdet, 28 March 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Forthoft Lind	Henrik Skriver Lykke
State Authorised Public Accountant	State Authorised Public Accountant
mne34169	mne15094

Company information

The Company	estron a/s Industrivej 5 DK-8653 Silkeborg Telephone: 86848877 Email: info@estron.dk Website: www.estron.dk CVR No: 18 21 20 99 Financial period: 1 January - 31 December Municipality of reg. office: Silkeborg
Board of Directors	Anders Schnettler Kristensen, chairman Thomas Marstrand, vice chairman Allan Sørrig Dodt Sune Lilbæk Kasper Sandø Jensen
Executive Board	Peter Lyhne Uhrenholt
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Group Chart

Company	Residence	Ownership
estron a/s	**Silkeborg**	
Vietnam Estron Company Ltd	Ho Chi Minh City	100%

Financial Highlights

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

	Group				
	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Profit/loss of primary operations	46,959	18,153	30,338	18,623	1,776
Profit/loss of financial income and expenses	-447	-646	803	-704	-1,055
Net profit/loss for the year	36,274	14,435	22,877	15,374	5
Balance sheet					
Balance sheet total	81,600	65,377	74,367	67,206	66,596
Investment in property, plant and equipment	5,180	1,482	17,159	8,761	6,850
Equity	60,357	53,416	47,824	35,369	27,777
Number of employees	563	336	412	339	232
Ratios					
Return on assets	57.5%	27.8%	40.8%	27.7%	2.7%
Solvency ratio	74.0%	81.7%	64.3%	52.6%	41.7%
Return on equity	63.8%	28.5%	55.0%	48.7%	0.0%

See the description under accounting policies.

Management's review

Key activities

The Group's main activity consists of design, development and production of wire solutions and connectors for the hearing aid industry as well as cables and sockets for the worldwide audio and security industries.

Business model

At the headquarter in Denmark all activities regarding sales, product development, purchasing and production planning are carried out with a close involvement of key employees in Vietnam. All corporate support activities like marketing, finance, quality and IT are placed in Denmark as well as a part of the production activities. All customer activities are managed from estron Denmark.

The subsidiary, estron Vietnam, is operating as a standalone production facility delivering only to estron Denmark.

Development in the year

The income statement of the Group for 2024 shows a profit of DKK 36,273,964, and at 31 December 2024 the balance sheet of the Group shows a positive equity of DKK 60,357,303.

The results and profit for the year are considered satisfactory and above expectations, which were in the range of MDKK 22-30.

In 2024 the focus of the global supply chain has been relatively stable and the various markets of estron have developed positively. Despite this, the markets have been affected negatively by the generally high inflation in both North America as well as Europe starting in 2023 and carried forward into 2024. As a consequence, estron has had a focus on minimizing the cost of raw material as well as implementing production improvements to secure the customers a minimal impact from the inflation driven increase in cost.

At the production site in Vietnam investments have continued in tools and production machinery. Due to the capacity expansion made in Vietnam in 2023 as well as investments in organization and processes, it has been possible to increase the number of employees by 227 to 536 end 2024.

estron has continued an unchanged level of investments in product development, production facilities and machinery to support all customers with the needed production capacity.

Targets and expectations for the year ahead

In 2025, estron expects the revenue to grow compared to 2024, which is due to expansion of customer base as well as implementing new product into production.

Demand for the Group's products and solutions is expected to grow steadily in the years to come. This applies to all the Group's segments/industries.

As a consequence of the anticipated revenue growth, the profit in 2025 is expected to be in the range of MDKK 40-45. The result is especially exposed to changes in product mix as well as an increase in cost due to risk of high inflation.

Special risks - operating risks and financial risks

Financial risks

Since most of the Group's revenue and internal business are generated in foreign currencies, the Group is exposed to foreign exchange risks. The primary currencies used are EUR and USD which are well balanced. The Management have evaluated the risk to be low.

Special risks

In Management's opinion, the Group has not assumed any special risks, besides ordinary business risks and loss of key customers.

Market risk

The global trade patterns seems to be challenged, imposing uncertainty about trade agreements and derived development of inflation. In addition, with the war between Ukraine and Russia there are still significant uncertainties in 2025.

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
		DKK	DKK	DKK	DKK
Gross profit		**87,823,498**	**57,298,209**	**62,654,764**	**39,865,703**
Staff expenses	1	-38,392,303	-35,231,908	-20,006,563	-23,367,666
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-2,472,318	-3,294,142	-1,091,533	-1,952,533
Other operating expenses		0	-619,547	0	-619,547
Profit/loss before financial income and expenses		**46,958,877**	**18,152,612**	**41,556,668**	**13,925,957**
Income from investments in subsidiaries		0	0	4,611,690	3,885,386
Financial income	2	2,154,151	4,187,207	1,606,895	3,277,849
Financial expenses	3	-2,601,459	-4,833,187	-2,488,721	-4,309,160
Profit/loss before tax		**46,511,569**	**17,506,632**	**45,286,532**	**16,780,032**
Tax on profit/loss for the year	4	-10,237,605	-3,071,984	-9,012,568	-2,345,384
Net profit/loss for the year	5	**36,273,964**	**14,434,648**	**36,273,964**	**14,434,648**

Balance sheet 31 December

Assets

	Note	Group 2024	Group 2023	Parent company 2024	Parent company 2023
		DKK	DKK	DKK	DKK
Acquired patents		591,110	1,230,413	591,110	1,230,413
Development projects in progress		2,703,343	0	2,703,343	0
Intangible assets	6	**3,294,453**	**1,230,413**	**3,294,453**	**1,230,413**
Plant and machinery		4,925,362	5,709,727	655,313	1,467,973
Other fixtures and fittings, tools and equipment		0	0	0	0
Leasehold improvements		37,504	78,430	0	12,905
Property, plant and equipment in progress		5,935,441	1,985,966	5,935,441	1,985,966
Property, plant and equipment	7	**10,898,307**	**7,774,123**	**6,590,754**	**3,466,844**
Investments in subsidiaries	8	0	0	15,823,481	14,759,726
Other receivables	9	450,575	432,296	22,500	22,500
Fixed asset investments		**450,575**	**432,296**	**15,845,981**	**14,782,226**
Fixed assets		**14,643,335**	**9,436,832**	**25,731,188**	**19,479,483**
Raw materials and consumables		18,999,865	13,967,470	18,999,494	12,443,414
Work in progress		3,487,035	8,079,049	3,487,035	8,079,049
Finished goods and goods for resale		5,738,483	7,293,702	5,738,483	9,153,755
Inventories		**28,225,383**	**29,340,221**	**28,225,012**	**29,676,218**
Trade receivables		21,959,428	11,493,042	21,959,428	11,493,406
Receivables from group enterprises		0	0	0	10,623
Other receivables		1,744,448	655,755	451,258	24,615
Deferred tax asset	11	0	321,471	0	321,471
Prepayments	10	3,171,157	2,088,523	569,041	462,693
Receivables		**26,875,033**	**14,558,791**	**22,979,727**	**12,312,808**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Cash at bank and in hand		**11,855,964**	**12,041,650**	**10,297,567**	**8,188,555**
Current assets		**66,956,380**	**55,940,662**	**61,502,306**	**50,177,581**
Assets		**81,599,715**	**65,377,494**	**87,233,494**	**69,657,064**

Balance sheet 31 December

Liabilities and equity

		Group		Parent company	
	Note	2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Share capital		500,000	500,000	500,000	500,000
Reserve for net revaluation under the equity method		0	0	11,181,986	10,136,923
Reserve for development costs		0	0	2,108,608	0
Reserve for exchange rate conversion		587,565	0	0	0
Retained earnings		59,269,738	52,916,399	46,566,709	42,779,476
Equity		**60,357,303**	**53,416,399**	**60,357,303**	**53,416,399**
Provision for deferred tax	11	546,936	1,176,927	546,936	1,176,927
Provisions		**546,936**	**1,176,927**	**546,936**	**1,176,927**
Other payables		1,306,286	1,260,492	1,306,286	1,260,492
Long-term debt	12	**1,306,286**	**1,260,492**	**1,306,286**	**1,260,492**
Credit institutions		842,198	45,465	842,198	45,465
Trade payables		6,383,800	3,323,182	6,278,529	3,242,309
Payables to group enterprises		2,778,217	43,835	10,054,988	5,719,461
Corporation tax		6,559,116	2,930,757	5,772,697	2,930,757
Other payables	12	2,825,859	3,180,437	2,074,557	1,865,254
Short-term debt		**19,389,190**	**9,523,676**	**25,022,969**	**13,803,246**
Debt		**20,695,476**	**10,784,168**	**26,329,255**	**15,063,738**
Liabilities and equity		**81,599,715**	**65,377,494**	**87,233,494**	**69,657,064**

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Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	500,000	0	52,916,399	53,416,399
Extraordinary dividend paid	0	0	-30,500,000	-30,500,000
Exchange adjustments relating to foreign entities	0	587,565	579,375	1,166,940
Net profit/loss for the year	0	0	36,273,964	36,273,964
Equity at 31 December	**500,000**	**587,565**	**59,269,738**	**60,357,303**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	500,000	10,118,231	0	42,798,168	53,416,399
Extraordinary dividend paid	0	0	0	-30,500,000	-30,500,000
Exchange adjustments relating to foreign entities	0	1,166,940	0	0	1,166,940
Development costs for the year	0	0	2,108,608	-2,108,608	0
Net profit/loss for the year	0	-103,185	0	36,377,149	36,273,964
Equity at 31 December	**500,000**	**11,181,986**	**2,108,608**	**46,566,709**	**60,357,303**

Cash flow statement 1 January - 31 December

		Group	
	Note	2024	2023
		DKK	DKK
Result of the year		36,273,964	14,434,648
Adjustments	13	14,324,171	6,289,633
Change in working capital	14	-8,816,835	1,262,291
Cash flow from operations before financial items		**41,781,300**	**21,986,572**
Financial income		2,154,151	4,187,207
Financial expenses		-2,601,459	-4,833,187
Cash flows from ordinary activities		**41,333,992**	**21,340,592**
Corporation tax paid		-6,917,766	-741,069
Cash flows from operating activities		**34,416,226**	**20,599,523**
Purchase of intangible assets		-2,329,975	-214,343
Purchase of property, plant and equipment		-5,330,567	-975,389
Fixed asset investments made etc		-18,279	71,507
Cash flows from investing activities		**-7,678,821**	**-1,118,225**
Repayment of loans from credit institutions		796,733	-12,966,535
Repayment of payables to group enterprises		2,734,382	-985,284
Repayment of other long-term debt		45,794	-99,086
Dividend paid		-30,500,000	-7,500,000
Cash flows from financing activities		**-26,923,091**	**-21,550,905**
Change in cash and cash equivalents		**-185,686**	**-2,069,607**
Cash and cash equivalents at 1 January		12,041,650	14,111,257
Cash and cash equivalents at 31 December		**11,855,964**	**12,041,650**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		11,855,964	12,041,650
Cash and cash equivalents at 31 December		**11,855,964**	**12,041,650**

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
1. Staff expenses				
Wages and salaries	35,139,383	31,527,764	16,753,643	19,663,522
Pensions	2,912,570	3,311,856	2,912,570	3,311,856
Other social security expenses	340,350	392,288	340,350	392,288
	38,392,303	**35,231,908**	**20,006,563**	**23,367,666**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	**563**	**336**	**27**	**33**

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
2. Financial income				
Interest received from group enterprises	1,410	0	1,410	0
Other financial income	219,898	177,110	199,303	174,209
Exchange adjustments	1,932,843	4,010,097	1,406,182	3,103,640
	2,154,151	**4,187,207**	**1,606,895**	**3,277,849**

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
3. Financial expenses				
Interest paid to group enterprises	450,000	436,338	450,000	436,338
Other financial expenses	598,361	524,038	485,623	501,706
Exchange adjustments, expenses	1,553,098	3,872,811	1,553,098	3,371,116
	2,601,459	**4,833,187**	**2,488,721**	**4,309,160**

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
4. Income tax expense				
Current tax for the year	9,419,348	4,050,431	8,194,311	2,930,757
Deferred tax for the year	776,304	-463,887	776,304	-70,813
Adjustment of tax concerning previous years	1,126,777	-514,560	1,126,777	-514,560
Adjustment of deferred tax concerning previous years	-1,084,824	0	-1,084,824	0
	10,237,605	**3,071,984**	**9,012,568**	**2,345,384**

	Parent company	
	2024	2023
	DKK	DKK
5. Profit allocation		
Extraordinary dividend paid	30,500,000	7,500,000
Reserve for net revaluation under the equity method	-103,185	-9,835,546
Transfer for the year to other reserves	0	0
Retained earnings	5,877,149	16,770,194
	36,273,964	**14,434,648**

Notes to the Financial Statements

6. Intangible fixed assets

	Group		Parent company	
	Acquired patents	Development projects in progress	Acquired patents	Development projects in progress
	DKK	DKK	DKK	DKK
Cost at 1 January	5,188,439	0	5,188,439	0
Additions for the year	0	2,330,007	0	2,330,007
Transfers for the year	-373,336	373,336	-373,336	373,336
Cost at 31 December	4,815,103	2,703,343	4,815,103	2,703,343
Impairment losses and amortisation at 1 January	3,958,058	0	3,958,058	0
Amortisation for the year	265,935	0	265,935	0
Impairment losses and amortisation at 31 December	4,223,993	0	4,223,993	0
Carrying amount at 31 December	**591,110**	**2,703,343**	**591,110**	**2,703,343**
Amortised over	7 years		7 years	

Development projects concern the development of new versions of the company's existing components for production. The projects are expected to be completed in 2025. The projects are progressing as planned using the resources that management has allocated for development. It is expected that the components will be sold to the company's existing customers. Prior to the initiation of the projects, the company has ensured that the projects meet the needs of the customers.

Notes to the Financial Statements

7. Property, plant and equipment

	Group			Parent company		
	Plant and machinery	Leasehold improve-ments	Property, plant and equipment in progress	Plant and machinery	Leasehold improve-ments	Property, plant and equipment in progress
	DKK	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	28,793,486	1,188,308	1,985,966	14,967,085	764,640	1,985,966
Additions for the year	1,230,676	0	3,949,475	0	0	3,949,475
Disposals for the year	-134,699	0	0	-134,699	0	0
Cost at 31 December	29,889,463	1,188,308	5,935,441	14,832,386	764,640	5,935,441
Impairment losses and depreciation at 1 January	23,083,759	1,109,878	0	13,499,081	751,735	0
Depreciation for the year	2,015,041	40,926	0	812,691	12,905	0
Reversal of impairment and depreciation of sold assets	-134,699	0	0	-134,699	0	0
Impairment losses and depreciation at 31 December	24,964,101	1,150,804	0	14,177,073	764,640	0
Carrying amount at 31 December	**4,925,362**	**37,504**	**5,935,441**	**655,313**	**0**	**5,935,441**

8. Investments in subsidiaries

	Parent company	
	2024	2023
	DKK	DKK
Cost at 1 January	4,641,495	4,641,495
Cost at 31 December	4,641,495	4,641,495
Value adjustments at 1 January	10,118,231	21,295,796
Exchange adjustment	1,166,940	-1,342,019
Net profit/loss for the year	4,611,690	3,885,386
Dividend to the Parent Company	-4,714,875	-13,407,655
Other adjustments	0	-313,277
Value adjustments at 31 December	11,181,986	10,118,231
Carrying amount at 31 December	**15,823,481**	**14,759,726**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Vietnam Estron Company Ltd	Ho Chi Minh City	VNDk 16,068,855	100%

Notes to the Financial Statements

9. Other fixed asset investments

	Group	Parent company
	Other receivables	Other receivables
	DKK	DKK
Cost at 1 January	432,296	22,500
Additions for the year	18,279	0
Cost at 31 December	450,575	22,500
Carrying amount at 31 December	**450,575**	**22,500**

10. Prepayments

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

11. Provision for deferred tax

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
Deferred tax liabilities at 1 January	885,456	1,319,343	855,456	926,269
Amounts recognised in the income statement for the year	-338,520	-463,887	-308,520	-70,813
Deferred tax liabilities at 31 December	**546,936**	**855,456**	**546,936**	**855,456**
Recognised in the balance sheet as follows:				
Assets	0	321,471	0	321,471
Provisions	-546,936	-1,176,927	-546,936	-1,176,927
	546,936	**855,456**	**546,936**	**855,456**

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK

12. Long-term debt

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

The debt falls due for payment as specified below:

	Group 2024 DKK	Group 2023 DKK	Parent company 2024 DKK	Parent company 2023 DKK
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	1,306,286	1,260,492	1,306,286	1,260,492
Long-term part	1,306,286	1,260,492	1,306,286	1,260,492
Other short-term payables	2,825,859	3,180,437	2,074,557	1,865,254
	4,132,145	**4,440,929**	**3,380,843**	**3,125,746**

13. Cash flow statement - Adjustments

	Group 2024 DKK	Group 2023 DKK
Financial income	-2,154,151	-4,187,207
Financial expenses	2,601,459	4,833,187
Depreciation, amortisation and impairment losses, including losses and gains on sales	2,472,318	3,913,689
Tax on profit/loss for the year	10,237,605	3,071,984
Exchange adjustments	1,166,940	-1,342,020
	14,324,171	**6,289,633**

14. Cash flow statement - Change in working capital

	Group 2024 DKK	Group 2023 DKK
Change in inventories	1,114,838	3,822,027
Change in receivables	-12,637,713	-579,186
Change in trade payables, etc	2,706,040	-1,980,550
	-8,816,835	**1,262,291**

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
15. Contingent assets, liabilities and other financial obligations				
Charges and security				
The following assets have been placed as security with bankers:				
Company charge provided as security for balance with a credit institution with a charge on ordinary claims relating to trade receivables, inventories, intellectual property rights as well as operating fixtures and equipment and machinery and equipment	1,000,000	1,000,000	1,000,000	1,000,000
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	47,565	55,156	47,565	55,156
Between 1 and 5 years	126,963	15,978	126,963	15,978
	174,528	**71,134**	**174,528**	**71,134**

The Parent Company has entered into tenancy agreements with a period of notice of up to 6 months. The obligation amounts to DKK 249,122 (2023: DKK 247.646)

The Group has entered into tenancy agreements with a period of notice of up to 6 months. The obligation amounts to DKK 920.738 (2023: DKK 861.468)

Other contingent liabilities

The Danish 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 is disclosed in the Annual Report of Estron Investment A/S, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

16. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Estron Investment A/S	Charlottenlund

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.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Estron Investment A/S	Charlottenlund

17. Subsequent events

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

Notes to the Financial Statements

18. Accounting policies

The Annual Report of estron 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.

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

Correction of material misstatements

Due to misclassified inventory in the parent entity last year the following reclassifications have been made to the 2023 comparative figures:
Investment in subsidiaries credit TDKK 4.617.
Inventory debit TDKK 5.794.
Deferred tax credit TDKK 1.177.

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, estron 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.

Leases

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

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

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

Translation policies

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

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

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

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

Income statement

Revenue

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

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.

Notes to the Financial Statements

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

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

Income from investments in subsidiaries

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

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and 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 the Parent Company. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

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 7 year.

Other intangible fixed assets

Patents, licences and rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

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

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 7 years. Software licences are amortised over the period of the agreements, which is 7 years.

Property, plant and equipment

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

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

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

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

Plant and machinery	3-5 years
Leasehold improvements	4-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

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

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

Investments in subsidiaries

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

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

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

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

Other fixed asset investments

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

Inventories

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

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

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

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

Receivables

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

Prepayments

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

Equity

Dividend distribution proposed by Management for the year is disclosed as a seperate Dividend item.

Notes to the Financial Statements

Deferred tax assets and liabilities

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

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

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

Current tax receivables and liabilities

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

Financial liabilities

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

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

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

Cash Flow Statement

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

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

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.

Notes to the Financial Statements

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

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

Financial Highlights

Explanation of financial ratios

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