



## AE2017 Bidco ApS

Bjørnkærvej 3  
8783 Hornsyld  
CVR No. 42462594

## Annual report 2024

The Annual General Meeting adopted the  
annual report on 25.06.2025

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**Benny Zakrisson**

Chairman of the General Meeting

# Contents

|                                                      |    |
|------------------------------------------------------|----|
| Entity details                                       | 2  |
| Statement by Management on the annual report         | 3  |
| Independent auditor's report                         | 4  |
| Management commentary                                | 7  |
| Consolidated income statement for 2024               | 11 |
| Consolidated balance sheet at 31.12.2024             | 12 |
| Consolidated statement of changes in equity for 2024 | 14 |
| Consolidated cash flow statement for 2024            | 15 |
| Notes to consolidated financial statements           | 16 |
| Parent income statement for 2024                     | 21 |
| Parent balance sheet at 31.12.2024                   | 22 |
| Parent statement of changes in equity for 2024       | 24 |
| Notes to parent financial statements                 | 25 |
| Accounting policies                                  | 27 |

# Entity details

## Entity

AE2017 Bidco ApS

Bjørnkærvej 3

8783 Hornsyld

Business Registration No.: 42462594

Registered office: Hedensted

Financial year: 01.01.2024 - 31.12.2024

## Board of Directors

Hans Simon Joel Ahlin

Caroline Brandt Lilja

Jacob Klein

Henrik Ringmar

Benny Zakrisson

Susanne Helmer Nielsen

## Executive Board

Lars Prisak

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of AE2017 Bidco ApS for the financial year 01.01.2024 - 31.12.2024.

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

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

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

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

Hornsyld, 21.05.2025

## Executive Board

**Lars Prisak**

## Board of Directors

**Hans Simon Joel Ahlin**

**Caroline Brandt Lilja**

**Jacob Klein**

**Henrik Ringmar**

**Benny Zakrisson**

**Susanne Helmer Nielsen**

# Independent auditor's report

## To the shareholders of AE2017 Bidco ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of AE2017 Bidco ApS for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

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

### Basis for opinion

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

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

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

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

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

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

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

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

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

**Statement on the management commentary**

Management is responsible for the management commentary.

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

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

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

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

Aarhus, 21.05.2025

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Jacob Tækker Nørgaard**

State Authorised Public Accountant  
Identification No (MNE) mne40049

# Management commentary

## Financial highlights

|                                      | 2024<br>DKK'000 | 2023<br>DKK'000 | 2022<br>DKK'000 | 2021/22<br>DKK'000 |
|--------------------------------------|-----------------|-----------------|-----------------|--------------------|
| <b>Key figures</b>                   |                 |                 |                 |                    |
| Gross profit/loss                    | 57,324          | 52,696          | 28,517          | 41,815             |
| Operating profit/loss                | 9,871           | 8,071           | 7,433           | 5,940              |
| Net financials                       | (7,472)         | (8,136)         | (2,897)         | (4,516)            |
| Profit/loss for the year             | (1,170)         | (1,751)         | 2,396           | (2,576)            |
| Balance sheet total                  | 248,855         | 219,536         | 243,983         | 261,615            |
| Equity                               | 118,230         | 93,774          | 95,526          | 93,130             |
| Cash flows from operating activities | 24,063          | 12,421          | 22,488          | (2,963)            |
| Cash flows from investing activities | (35,572)        | (5,210)         | (2,519)         | (195,104)          |
| Cash flows from financing activities | 23,315          | (12,500)        | (10,000)        | 202,666            |
| <b>Ratios</b>                        |                 |                 |                 |                    |
| Return on assets (%)                 | 4.22            | 3.39            | 2.94            | 2.27               |
| Return on equity (%)                 | (1.10)          | (2.06)          | 2.54            | (2.77)             |
| Equity ratio (%)                     | 47.51           | 42.71           | 39.15           | 35.60              |

2021/22 includes 11 months P&L, 2022 includes 8 months P&L and 2023 includes 12 months P&L. Which is why there is non-comperability between the years. In 2024 Stitec became part of the Group the Incomestatement is effected by the inclusion of 5 months income derived from Stitec and the balance as of 31. December 2024 is also effected by the acquisition of Stitec.

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

### Return on assets (%):

Profit/loss from operating activities \* 100

Average assets

### Return on equity (%):

Profit/loss for the year \* 100

Average equity

### Equity ratio (%):

Equity \* 100

Balance sheet total

### Primary activities

The objectives of AE2017 Bidco ApS business are to provide management services, to own shares and other financial instruments and any other activities which, in the discretion of the board of directors, are directly or indirectly related thereto. AE2017 Bidco ApS owns Triarca A/S, which since July 2023 also includes a German sales subsidiary, Triarca GmbH, and since August 2024 also Stitec AB.

Triarca's business is manufacturing and selling of fuse lists, circuit breakers and enclosure products primarily for low voltage electrical distribution, e-mobility, and communication, but also for other segments where outdoor climate enclosures are needed, in mainly Denmark, Sweden, Norway, Finland, Germany and France.

Stitec is a well-established high-quality supplier of solutions in Sweden for the low-voltage grid. Stitec develops, manufactures and delivers a diverse range of low voltage solutions for cable switchboard cabinets, power measuring, EV charging, street light controls and fiber roll-out cabinets.

Together, the combined group will strengthen its ability to deliver top-tier solutions across the low-voltage grid, eMobility sector and FTTH.

### Corporate Governance

AE2017 Bidco ApS was established in June 2021 and acquired 100% of Triarca Holding ApS in July 2021. The two companies were merged in January 2024. The majority owner of AE2017 Bidco ApS is Accent Equity 2017 AB. For additional information regarding Accent Equity 2017 AB go to [www.accentequity.com](http://www.accentequity.com). The remaining shares are owned by key employees and board members of AE2017 Bidco ApS.

The Board of Directors consists of:

Benny Zakrisson, Chairman

Caroline Brandt Lilja

Simon Ahlin

Henrik Ringmar

Jacob Klein, Employee representative

Susanne Helmer Nielsen, Employee representative

Benny Zakrisson, Caroline Brandt Lilja, Simon Ahlin and Henrik Ringmar have been appointed to the Board of Directors by the General Assembly. Jacob Klein and Susanne Helmer Nielsen have been appointed to the board as employee representatives.

### Development in activities and finances

The income statement for 2024 shows a loss of DKK 1,170 thousand and the balance sheet on December 31st, 2024, shows equity of DKK 118,230 thousand. The loss for the year was mainly due to the purchase of Stitec AB which affected the year end result with DKK 2.5m this however was caught up by increased profitability and an increased turnover in Triarca A/S. Stitec AB added a total increase in assets of DKK 24,973 thousand.

The number of employees in the group has been rising over the period and was at YE 119 employees with 25 of those employees in Stitec AB. Management expected to increase the number of employees with the expected increase in activity in 2024.

**Business risk**

The Board of Directors has assigned a committee for questions relating to risk assessment, internal control, financial reporting, and auditing (the Audit Committee). The Audit Committee shall form an opinion regarding the risk situation in the Group and assess whether the applied policies for internal control and governance are appropriate and efficient. The assessment of risk situation and internal control including recommendations shall be presented to the Board of Directors for consideration and approval. The Board of Directors is responsible for setting overall policies, procedures, and controls of important areas in the day-to-day operation of the Group.

The assessments of significant risks and internal controls in connection with the Group's activities are done on an annual basis (at least). On this basis, ongoing actions are evaluated and adopted to eliminate and/or reduce risks, including business and financial risks.

The most important business risk is the ability to be strongly positioned in the markets the Group operates in. It is important for the Group to be at the forefront of technological development to maintain the Group's market shares.

The Group is exposed to several financial risks, including market risks (currency and interest rate risks) as well as liquidity and financing risks. During Covid-19 and the war in Ukraine, the dependencies on good supplier relations and exposure to raw material prices have been emphasized. The Groups production relies on sufficient available energy, mainly natural gas, and electricity.

**Profit/loss for the year in relation to expected developments**

The profit for 2024 was below expectations even though we exceeded 2023 in like-for-like numbers when excluding the acquisition of Stitec.

**Outlook**

The activity level for the coming period is expected to gradually increase, and the Group plans to market new products. We expect the gross profit to increase with 5-15% and net profit before tax with 10-20%.

The Group will continue to be focused on executing internal process improvements and increasing activities to ensure profitability and growth in the coming years.

**Use of financial instruments****Financial exposure**

As the main markets are Denmark and the Nordic Countries the Group's main currency exposure is towards DKK, NOK and SEK as well as EUR with some exposure to USD and CNY due to non-EU suppliers.

It is the Group's policy not to engage in speculation of financial risks. The Group's finance policy focuses only on the management and reduction of the financial risks that are a direct consequence of the Group's operations, investments, and financing.

**Knowledge resources**

The Group is committed to be attractive to key employees and currently faces no challenges with intellectual capital resources.

## **Environmental performance**

### **Impact on the external environment**

The wholly owned subsidiary Triarca A/S holds an ISO14001 certificate concerning environmental issues which is yearly approved by the local authorities. The audits during the period have resulted in no special activities.

### **Sustainability**

The Group believes that the incorporation of environmental, social, and corporate governance (ESG) aspects into the business model and a focus on sustainability issues are significant components to build lasting values and mitigating risks. Hence, the Group strives to incorporate ESG factors in the business activities and incorporate responsible investment aspects into the investment practices and business processes.

### **Research and development activities**

The activities have increased during the period and new products and services have been offered with success to the market.

### **Events after the balance sheet date**

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

# Consolidated income statement for 2024

|                                 | Notes | 2024<br>DKK'000 | 2023<br>DKK'000 |
|---------------------------------|-------|-----------------|-----------------|
| <b>Gross profit/loss</b>        |       | <b>57,324</b>   | <b>52,696</b>   |
| Distribution costs              |       | (13,109)        | (15,837)        |
| Administrative expenses         |       | (34,344)        | (28,788)        |
| <b>Operating profit/loss</b>    |       | <b>9,871</b>    | <b>8,071</b>    |
| Other financial income          | 3     | 649             | 811             |
| Other financial expenses        | 4     | (8,121)         | (8,947)         |
| <b>Profit/loss before tax</b>   |       | <b>2,399</b>    | <b>(65)</b>     |
| Tax on profit/loss for the year | 5     | (3,569)         | (1,686)         |
| <b>Profit/loss for the year</b> | 6     | <b>(1,170)</b>  | <b>(1,751)</b>  |

# Consolidated balance sheet at 31.12.2024

## Assets

|                                                  | Notes | 2024<br>DKK'000 | 2023<br>DKK'000 |
|--------------------------------------------------|-------|-----------------|-----------------|
| Completed development projects                   | 8     | 3,796           | 0               |
| Acquired intangible assets                       |       | 2,925           | 3,821           |
| Goodwill                                         |       | 142,415         | 135,555         |
| Development projects in progress                 | 8     | 3,444           | 4,361           |
| <b>Intangible assets</b>                         | 7     | <b>152,580</b>  | <b>143,737</b>  |
| Plant and machinery                              |       | 6,265           | 6,356           |
| Other fixtures and fittings, tools and equipment |       | 1,265           | 1,190           |
| Leasehold improvements                           |       | 1,299           | 1,746           |
| Property, plant and equipment in progress        |       | 612             | 423             |
| <b>Property, plant and equipment</b>             | 9     | <b>9,441</b>    | <b>9,715</b>    |
| <b>Fixed assets</b>                              |       | <b>162,021</b>  | <b>153,452</b>  |
| Raw materials and consumables                    |       | 23,894          | 20,352          |
| Manufactured goods and goods for resale          |       | 15,892          | 11,506          |
| Prepayments for goods                            |       | 921             | 0               |
| <b>Inventories</b>                               |       | <b>40,707</b>   | <b>31,858</b>   |
| Trade receivables                                |       | 22,536          | 21,619          |
| Other receivables                                |       | 38              | 0               |
| Joint taxation contribution receivable           |       | 1,178           | 2,390           |
| Prepayments                                      | 10    | 1,290           | 938             |
| <b>Receivables</b>                               |       | <b>25,042</b>   | <b>24,947</b>   |
| <b>Cash</b>                                      |       | <b>21,085</b>   | <b>9,279</b>    |
| <b>Current assets</b>                            |       | <b>86,834</b>   | <b>66,084</b>   |
| <b>Assets</b>                                    |       | <b>248,855</b>  | <b>219,536</b>  |

**Equity and liabilities**

|                                                                  |              | <b>2024</b>    | <b>2023</b>    |
|------------------------------------------------------------------|--------------|----------------|----------------|
|                                                                  | <b>Notes</b> | <b>DKK'000</b> | <b>DKK'000</b> |
| Contributed capital                                              |              | 17,196         | 10,001         |
| Reserve for development costs                                    |              | 5,647          | 3,402          |
| Retained earnings                                                |              | 95,387         | 80,371         |
| <b>Equity</b>                                                    |              | <b>118,230</b> | <b>93,774</b>  |
| Deferred tax                                                     | 11           | 5,353          | 2,048          |
| <b>Provisions</b>                                                |              | <b>5,353</b>   | <b>2,048</b>   |
| Bank loans                                                       |              | 72,884         | 0              |
| Other payables                                                   |              | 3,342          | 3,451          |
| <b>Non-current liabilities other than provisions</b>             | 12           | <b>76,226</b>  | <b>3,451</b>   |
| Current portion of non-current liabilities other than provisions | 12           | 16,819         | 0              |
| Bank loans                                                       |              | 0              | 91,592         |
| Trade payables                                                   |              | 21,646         | 11,670         |
| Tax payable                                                      |              | 884            | 11             |
| Joint taxation contribution payable                              |              | 0              | 3,590          |
| Other payables                                                   |              | 9,697          | 13,400         |
| <b>Current liabilities other than provisions</b>                 |              | <b>49,046</b>  | <b>120,263</b> |
| <b>Liabilities other than provisions</b>                         |              | <b>125,272</b> | <b>123,714</b> |
| <b>Equity and liabilities</b>                                    |              | <b>248,855</b> | <b>219,536</b> |
| Staff costs                                                      | 1            |                |                |
| Amortisation, depreciation and impairment losses                 | 2            |                |                |
| Unrecognised rental and lease commitments                        | 14           |                |                |
| Contingent liabilities                                           | 15           |                |                |
| Non-arm's length related party transactions                      | 16           |                |                |
| Subsidiaries                                                     | 17           |                |                |

# Consolidated statement of changes in equity for 2024

|                                   | Contributed<br>capital<br>DKK'000 | Share<br>premium<br>DKK'000 | Reserve for<br>development<br>costs<br>DKK'000 | Retained<br>earnings<br>DKK'000 | Total<br>DKK'000 |
|-----------------------------------|-----------------------------------|-----------------------------|------------------------------------------------|---------------------------------|------------------|
| Equity beginning of year          | 10,001                            | 0                           | 3,402                                          | 80,382                          | 93,785           |
| Increase of capital               | 7,195                             | 18,420                      | 0                                              | 0                               | 25,615           |
| Transferred from share<br>premium | 0                                 | (18,420)                    | 0                                              | 18,420                          | 0                |
| Transfer to reserves              | 0                                 | 0                           | 2,245                                          | (2,245)                         | 0                |
| Profit/loss for the year          | 0                                 | 0                           | 0                                              | (1,170)                         | (1,170)          |
| <b>Equity end of year</b>         | <b>17,196</b>                     | <b>0</b>                    | <b>5,647</b>                                   | <b>95,387</b>                   | <b>118,230</b>   |

# Consolidated cash flow statement for 2024

|                                                                                   | Notes | 2024<br>DKK'000 | 2023<br>DKK'000 |
|-----------------------------------------------------------------------------------|-------|-----------------|-----------------|
| Operating profit/loss                                                             |       | 9,871           | 8,071           |
| Amortisation, depreciation and impairment losses                                  |       | 14,415          | 12,016          |
| Working capital changes                                                           | 13    | 9,580           | 27              |
| Other adjustments                                                                 |       | 85              | (194)           |
| <b>Cash flow from ordinary operating activities</b>                               |       | <b>33,951</b>   | <b>19,920</b>   |
| Financial income received                                                         |       | 654             | 147             |
| Financial expenses paid                                                           |       | (8,018)         | (7,955)         |
| Taxes refunded/(paid)                                                             |       | (2,524)         | 309             |
| <b>Cash flows from operating activities</b>                                       |       | <b>24,063</b>   | <b>12,421</b>   |
| Acquisition etc. of intangible assets                                             |       | (3,104)         | (3,279)         |
| Acquisition etc. of property, plant and equipment                                 |       | (1,251)         | (1,931)         |
| Acquisition of enterprises                                                        |       | (31,217)        | 0               |
| <b>Cash flows from investing activities</b>                                       |       | <b>(35,572)</b> | <b>(5,210)</b>  |
| <b>Free cash flows generated from operations and investments before financing</b> |       | <b>(11,509)</b> | <b>7,211</b>    |
| Loans raised                                                                      |       | 10,200          | 0               |
| Repayments of loans etc.                                                          |       | (12,500)        | (12,500)        |
| Cash capital increase                                                             |       | 25,615          | 0               |
| <b>Cash flows from financing activities</b>                                       |       | <b>23,315</b>   | <b>(12,500)</b> |
| <b>Increase/decrease in cash and cash equivalents</b>                             |       | <b>11,806</b>   | <b>(5,289)</b>  |
| Cash and cash equivalents beginning of year                                       |       | 9,279           | 14,568          |
| <b>Cash and cash equivalents end of year</b>                                      |       | <b>21,085</b>   | <b>9,279</b>    |
| Cash and cash equivalents at year-end are composed of:                            |       |                 |                 |
| Cash                                                                              |       | 21,085          | 9,279           |
| <b>Cash and cash equivalents end of year</b>                                      |       | <b>21,085</b>   | <b>9,279</b>    |

# Notes to consolidated financial statements

## 1 Staff costs

|                                           | 2024<br>DKK'000 | 2023<br>DKK'000 |
|-------------------------------------------|-----------------|-----------------|
| Wages and salaries                        | 49,836          | 42,752          |
| Pension costs                             | 4,331           | 3,751           |
| Other social security costs               | 1,080           | 326             |
|                                           | <b>55,247</b>   | <b>46,829</b>   |
| Staff costs classified as assets          | (25,479)        | (21,412)        |
|                                           | <b>29,768</b>   | <b>25,417</b>   |
| Number of employees at balance sheet date | 119             | 88              |
| Average number of full-time employees     | 106             | 84              |

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

## 2 Depreciation, amortisation and impairment losses

|                                               | 2024<br>DKK'000 | 2023<br>DKK'000 |
|-----------------------------------------------|-----------------|-----------------|
| Amortisation of intangible assets             | 12,341          | 9,363           |
| Depreciation on property, plant and equipment | 2,075           | 2,664           |
|                                               | <b>14,416</b>   | <b>12,027</b>   |

## 3 Other financial income

|                           | 2024<br>DKK'000 | 2023<br>DKK'000 |
|---------------------------|-----------------|-----------------|
| Exchange rate adjustments | 153             | 664             |
| Other financial income    | 496             | 147             |
|                           | <b>649</b>      | <b>811</b>      |

#### 4 Other financial expenses

|                                           | 2024<br>DKK'000 | 2023<br>DKK'000 |
|-------------------------------------------|-----------------|-----------------|
| Financial expenses from group enterprises | 27              | 0               |
| Exchange rate adjustments                 | 391             | 748             |
| Other financial expenses                  | 7,703           | 8,199           |
|                                           | <b>8,121</b>    | <b>8,947</b>    |

#### 5 Tax on profit/loss for the year

|                                      | 2024<br>DKK'000 | 2023<br>DKK'000 |
|--------------------------------------|-----------------|-----------------|
| Current tax                          | 2,236           | 11              |
| Change in deferred tax               | 1,294           | 816             |
| Adjustment concerning previous years | 39              | 58              |
| Refund in joint taxation arrangement | 0               | 801             |
|                                      | <b>3,569</b>    | <b>1,686</b>    |

#### 6 Proposed distribution of profit/loss

|                   | 2024<br>DKK'000 | 2023<br>DKK'000 |
|-------------------|-----------------|-----------------|
| Retained earnings | (1,170)         | (1,751)         |
|                   | <b>(1,170)</b>  | <b>(1,751)</b>  |

#### 7 Intangible assets

|                                                           | Completed<br>development<br>projects<br>DKK'000 | Acquired<br>intangible<br>assets<br>DKK'000 | Goodwill<br>DKK'000 | Development<br>projects in<br>progress<br>DKK'000 |
|-----------------------------------------------------------|-------------------------------------------------|---------------------------------------------|---------------------|---------------------------------------------------|
| Cost beginning of year                                    | 0                                               | 5,069                                       | 176,537             | 4,360                                             |
| Addition through business combinations etc                | 0                                               | 0                                           | 18,080              | 0                                                 |
| Transfers                                                 | 4,020                                           | 0                                           | 0                   | (4,020)                                           |
| Additions                                                 | 0                                               | 0                                           | 0                   | 3,104                                             |
| <b>Cost end of year</b>                                   | <b>4,020</b>                                    | <b>5,069</b>                                | <b>194,617</b>      | <b>3,444</b>                                      |
| Amortisation and impairment losses<br>beginning of year   | 0                                               | (1,247)                                     | (40,982)            | 0                                                 |
| Amortisation for the year                                 | (224)                                           | (897)                                       | (11,220)            | 0                                                 |
| <b>Amortisation and impairment losses end<br/>of year</b> | <b>(224)</b>                                    | <b>(2,144)</b>                              | <b>(52,202)</b>     | <b>0</b>                                          |
| <b>Carrying amount end of year</b>                        | <b>3,796</b>                                    | <b>2,925</b>                                | <b>142,415</b>      | <b>3,444</b>                                      |

#### 8 Development projects

Triarca develops and delivers solutions within areas such as electrical distribution, e-mobility, communication, and automation. We continuously develop new solutions in response to the evolving needs of our customers and,

ultimately, consumers. Additionally, we actively contribute to the green transition, which significantly drives the demand for innovative solutions.

Our ongoing development projects serve to enhance and expand our company's product range. Regularly, we introduce new products and upgraded solutions. Our assessment of these projects is based on their ability to enhance the application value of existing products and to introduce new products to the B2B market, thereby driving future sales.

We anticipate completing the currently ongoing development projects within the next 1-3 years.

## 9 Property, plant and equipment

|                                                           | Plant and<br>machinery<br>DKK'000 | Other fixtures<br>and fittings,<br>tools and<br>equipment<br>DKK'000 | Leasehold<br>improvements<br>DKK'000 | Property,<br>plant and<br>equipment in<br>progress<br>DKK'000 |
|-----------------------------------------------------------|-----------------------------------|----------------------------------------------------------------------|--------------------------------------|---------------------------------------------------------------|
| Cost beginning of year                                    | 20,140                            | 2,659                                                                | 4,089                                | 424                                                           |
| Addition through business combinations etc                | 2,856                             | 500                                                                  | 0                                    | 0                                                             |
| Transfers                                                 | 861                               | 202                                                                  | 0                                    | (1,063)                                                       |
| Additions                                                 | 0                                 | 0                                                                    | 0                                    | 1,251                                                         |
| <b>Cost end of year</b>                                   | <b>23,857</b>                     | <b>3,361</b>                                                         | <b>4,089</b>                         | <b>612</b>                                                    |
| Depreciation and impairment losses<br>beginning of year   | (13,785)                          | (1,468)                                                              | (2,343)                              | 0                                                             |
| Addition through business combinations etc                | (2,469)                           | (339)                                                                | 0                                    | 0                                                             |
| Depreciation for the year                                 | (1,338)                           | (289)                                                                | (447)                                | 0                                                             |
| <b>Depreciation and impairment losses end of<br/>year</b> | <b>(17,592)</b>                   | <b>(2,096)</b>                                                       | <b>(2,790)</b>                       | <b>0</b>                                                      |
| <b>Carrying amount end of year</b>                        | <b>6,265</b>                      | <b>1,265</b>                                                         | <b>1,299</b>                         | <b>612</b>                                                    |

## 10 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

## 11 Deferred tax

|                                        | 2024<br>DKK'000 | 2023<br>DKK'000 |
|----------------------------------------|-----------------|-----------------|
| Intangible assets                      | 2,283           | 1,176           |
| Property, plant and equipment          | 628             | 664             |
| Inventories                            | 344             | 414             |
| Provisions                             | 195             | (206)           |
| Other deductible temporary differences | 1,903           | 0               |
| <b>Deferred tax</b>                    | <b>5,353</b>    | <b>2,048</b>    |

|                                      | 2024         | 2023         |
|--------------------------------------|--------------|--------------|
| Changes during the year              | DKK'000      | DKK'000      |
| Beginning of year                    | 2,048        | 1,232        |
| Recognised in the income statement   | 1,464        | 816          |
| Deferred tax from Stitec acquisition | 1,841        | 0            |
| <b>End of year</b>                   | <b>5,353</b> | <b>2,048</b> |

## 12 Non-current liabilities other than provisions

|                | Due within 12 months | Due after more than 12 months | Outstanding after 5 years |
|----------------|----------------------|-------------------------------|---------------------------|
|                | 2024                 | 2024                          | 2024                      |
|                | DKK'000              | DKK'000                       | DKK'000                   |
| Bank loans     | 16,700               | 72,884                        | 0                         |
| Other payables | 119                  | 3,342                         | 2,682                     |
|                | <b>16,819</b>        | <b>76,226</b>                 | <b>2,682</b>              |

Non-current other payables consists of accruals regarding holiday according to Danish law. Outstanding after 5 years is estimated based on the age of the workforce and the expected retirement age.

## 13 Changes in working capital

|                                          | 2024         | 2023      |
|------------------------------------------|--------------|-----------|
|                                          | DKK'000      | DKK'000   |
| Increase/decrease in inventories         | 6,240        | 8,624     |
| Increase/decrease in receivables         | 3,079        | 3,864     |
| Increase/decrease in trade payables etc. | 261          | (12,461)  |
|                                          | <b>9,580</b> | <b>27</b> |

## 14 Unrecognised rental and lease commitments

|                                                                   | 2024    | 2023    |
|-------------------------------------------------------------------|---------|---------|
|                                                                   | DKK'000 | DKK'000 |
| Total liabilities under rental or lease agreements until maturity | 40,930  | 23,666  |

Rent and lease liabilities includes rent obligations totalling DKK 39,223 thousand in interminable rent agreements with remaining contract terms of up to 9 years and 7 months. Furthermore, the Company has liabilities under operating leases, totalling DKK 1,707 thousand, with remaining contract terms of 1-5 years. The change from 2023 to 2024 is due to the acquisition of Stitec.

## 15 Contingent liabilities

The Company has entered into contractual commitments regarding purchase of inventory of a total of DKK 4,415 thousand.

The Entity participates in a Danish joint taxation arrangement where AE 2017 Admin ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity

is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

#### 16 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

#### 17 Subsidiaries

|              | <b>Ownership<br/>%</b> |
|--------------|------------------------|
| Stitec AB    | 100.00                 |
| Triarca A/S  | 100.00                 |
| Triarca GmbH | 100.00                 |

# Parent income statement for 2024

|                                              | Notes | 2024<br>DKK'000 | 2023<br>DKK'000 |
|----------------------------------------------|-------|-----------------|-----------------|
| <b>Gross profit/loss</b>                     |       | <b>7,227</b>    | <b>7,271</b>    |
| Administrative expenses                      |       | (8,022)         | (7,150)         |
| <b>Operating profit/loss</b>                 |       | <b>(795)</b>    | <b>121</b>      |
| Income from investments in group enterprises |       | 5,843           | 3,889           |
| Other financial income                       |       | 86              | 5               |
| Other financial expenses                     |       | (6,923)         | (7,355)         |
| <b>Profit/loss before tax</b>                |       | <b>(1,789)</b>  | <b>(3,340)</b>  |
| Tax on profit/loss for the year              |       | 619             | 1,590           |
| <b>Profit/loss for the year</b>              | 2     | <b>(1,170)</b>  | <b>(1,750)</b>  |

# Parent balance sheet at 31.12.2024

## Assets

|                                        |       | 2024           | 2023           |
|----------------------------------------|-------|----------------|----------------|
|                                        | Notes | DKK'000        | DKK'000        |
| Investments in group enterprises       |       | 201,896        | 182,176        |
| <b>Financial assets</b>                | 3     | <b>201,896</b> | <b>182,176</b> |
| <b>Fixed assets</b>                    |       | <b>201,896</b> | <b>182,176</b> |
| Receivables from group enterprises     |       | 6,307          | 6,351          |
| Joint taxation contribution receivable |       | 1,038          | 2,294          |
| <b>Receivables</b>                     |       | <b>7,345</b>   | <b>8,645</b>   |
| <b>Cash</b>                            |       | <b>96</b>      | <b>77</b>      |
| <b>Current assets</b>                  |       | <b>7,441</b>   | <b>8,722</b>   |
| <b>Assets</b>                          |       | <b>209,337</b> | <b>190,898</b> |

**Equity and liabilities**

|                                                                  |              | <b>2024</b>    | <b>2023</b>    |
|------------------------------------------------------------------|--------------|----------------|----------------|
|                                                                  | <b>Notes</b> | <b>DKK'000</b> | <b>DKK'000</b> |
| Contributed capital                                              |              | 17,197         | 10,001         |
| Reserve for net revaluation according to equity method           |              | 673            | 0              |
| Retained earnings                                                |              | 100,351        | 83,774         |
| <b>Equity</b>                                                    |              | <b>118,221</b> | <b>93,775</b>  |
| Bank loans                                                       |              | 72,884         | 0              |
| Other payables                                                   |              | 414            | 403            |
| <b>Non-current liabilities other than provisions</b>             | <b>4</b>     | <b>73,298</b>  | <b>403</b>     |
| Current portion of non-current liabilities other than provisions | 4            | 16,700         | 0              |
| Bank loans                                                       |              | 0              | 91,592         |
| Trade payables                                                   |              | 88             | 65             |
| Payables to group enterprises                                    |              | 0              | 3,481          |
| Other payables                                                   |              | 1,030          | 1,582          |
| <b>Current liabilities other than provisions</b>                 |              | <b>17,818</b>  | <b>96,720</b>  |
| <b>Liabilities other than provisions</b>                         |              | <b>91,116</b>  | <b>97,123</b>  |
| <b>Equity and liabilities</b>                                    |              | <b>209,337</b> | <b>190,898</b> |
| Staff costs                                                      | 1            |                |                |
| Contingent liabilities                                           | 5            |                |                |
| Assets charged and collateral                                    | 6            |                |                |
| Related parties with controlling interest                        | 7            |                |                |
| Non-arm's length related party transactions                      | 8            |                |                |

# Parent statement of changes in equity for 2024

|                                     | Contributed<br>capital<br>DKK'000 | Share<br>premium<br>DKK'000 | Reserve for<br>net<br>revaluation<br>according to<br>the equity<br>method<br>DKK'000 | Retained<br>earnings<br>DKK'000 | Total<br>DKK'000 |
|-------------------------------------|-----------------------------------|-----------------------------|--------------------------------------------------------------------------------------|---------------------------------|------------------|
| Equity beginning of year            | 10,001                            | 0                           | 0                                                                                    | 83,774                          | 93,775           |
| Increase of capital                 | 7,196                             | 18,420                      | 0                                                                                    | 0                               | 25,616           |
| Transferred from share<br>premium   | 0                                 | (18,420)                    | 0                                                                                    | 18,420                          | 0                |
| Other entries on equity             | 0                                 | 0                           | 13,409                                                                               | (13,409)                        | 0                |
| Dividends from group<br>enterprises | 0                                 | 0                           | (19,500)                                                                             | 19,500                          | 0                |
| Profit/loss for the year            | 0                                 | 0                           | 6,764                                                                                | (7,934)                         | (1,170)          |
| <b>Equity end of year</b>           | <b>17,197</b>                     | <b>0</b>                    | <b>673</b>                                                                           | <b>100,351</b>                  | <b>118,221</b>   |

# Notes to parent financial statements

## 1 Staff costs

|                                           | 2024<br>DKK'000 | 2023<br>DKK'000 |
|-------------------------------------------|-----------------|-----------------|
| Wages and salaries                        | 5,971           | 6,317           |
| Pension costs                             | 617             | 568             |
| Other social security costs               | 35              | 76              |
|                                           | <b>6,623</b>    | <b>6,961</b>    |
| Number of employees at balance sheet date | 10              | 10              |
| Average number of full-time employees     | 9               | 9               |

## 2 Proposed distribution of profit and loss

|                   | 2024<br>DKK'000 | 2023<br>DKK'000 |
|-------------------|-----------------|-----------------|
| Retained earnings | (1,170)         | (1,750)         |
|                   | <b>(1,170)</b>  | <b>(1,750)</b>  |

## 3 Financial assets

|                                                                    | Investments<br>in group<br>enterprises<br>DKK'000 |
|--------------------------------------------------------------------|---------------------------------------------------|
| Cost beginning of year                                             | 189,821                                           |
| Addition through business combinations etc                         | 75,312                                            |
| Disposals on divestments etc.                                      | (97,250)                                          |
| Additions                                                          | 34,371                                            |
| <b>Cost end of year</b>                                            | <b>202,254</b>                                    |
| Revaluations beginning of year                                     | (7,536)                                           |
| Addition through business combinations etc                         | 28,367                                            |
| Disposals on divestments etc.                                      | (7,423)                                           |
| Amortisation of goodwill                                           | (10,230)                                          |
| Share of profit/loss for the year                                  | 15,964                                            |
| Dividend                                                           | (19,500)                                          |
| <b>Revaluations end of year</b>                                    | <b>(358)</b>                                      |
| <b>Carrying amount end of year</b>                                 | <b>201,896</b>                                    |
| Goodwill or negative goodwill recognised during the financial year | 131,943                                           |

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

#### 4 Non-current liabilities other than provisions

|                | Due within 12<br>months<br>2024<br>DKK'000 | Due after<br>more than 12<br>months<br>2024<br>DKK'000 | Outstanding<br>after 5 years<br>2024<br>DKK'000 |
|----------------|--------------------------------------------|--------------------------------------------------------|-------------------------------------------------|
| Bank loans     | 16,700                                     | 72,884                                                 | 0                                               |
| Other payables | 0                                          | 414                                                    | 403                                             |
|                | <b>16,700</b>                              | <b>73,298</b>                                          | <b>403</b>                                      |

#### 5 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which AE 2017 Admin ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

#### 6 Assets charged and collateral

As security for the Group's total bank debt to Jyske Bank A/S, the Parent Company has provided collateral secured on the Company's shares in Triarca ApS and Stitec AB.

Furthermore, the Parent Company guarantees all outstanding accounts with Triarca A/S.

#### 7 Related parties with controlling interest

AE2017 Bidco ApS' related parties comprise the following:

Triarca A/S, Hornsyld, Denmark

Triarca GmbH, Munich, Germany

Stitec AB, Anderstorp, Sweden

Accent Equity 2017 AB holds the majority of the share capital in the Company.

#### 8 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

## Recognition and measurement

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

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

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

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

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

## Consolidated financial statements

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

## Basis of consolidation

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

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

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

## Business combinations

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

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

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. Useful life is reassessed annually.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, etc. in which the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

The modified uniting-of-interests method is applied to vertical mergers in which the participating entities are subject to the Parent's control. Under this method, assets and liabilities of the participating entities are recognised at the amounts at which they are recognised in the consolidated financial statements of the parent forming part of the merger.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

### Revenue

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

### Production costs

Production: Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes normal writedown of inventories.

### Cost of sales

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

**Distribution costs**

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc., and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

**Administrative expenses**

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

**Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

**Income from investments in group enterprises**

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

**Other financial income**

Other financial income comprises interest expenses, including interest income on receivables from group enterprises.

**Other financial expenses**

Other financial expenses comprise interest expenses.

**Tax on profit/loss for the year**

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

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Balance sheet

### Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For the amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 20 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

### Intellectual property rights etc.

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

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

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

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

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5-10 years.

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

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

### Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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

|                                                  | Useful life |
|--------------------------------------------------|-------------|
| Plant and machinery                              | 5-15        |
| Other fixtures and fittings, tools and equipment | 3-10        |
| Leasehold improvements                           | 5-15        |

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

Estimated useful lives and residual values are reassessed annually.

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

### Investments in group enterprises

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

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

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

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

**Inventories**

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

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

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

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

**Receivables**

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

**Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

**Operating leases**

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

**Other financial liabilities**

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

**Tax payable or receivable**

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

**Cash flow statement**

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

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

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

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.