

TSFJ Holding ApS
Kornmarken 7, 7190 Billund

Annual report
1 July 2023 - 30 June 2024

Company reg. no. 35 63 45 76

The annual report was submitted and approved by the general meeting on the 6 December 2024.

Frank Buhl Madsen
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of TSFJ Holding ApS for the financial year 1 July 2023 - 30 June 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2024, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 July 2023 - 30 June 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Billund, 18 September 2024

Managing Director

Jan Ethelberg Hjort

Board of directors

Souheil Maamari

Frank Buhl Madsen

Jan Ethelberg Hjort

Kim Ove bæk

Independent auditor's report

To the Shareholders of TSFJ Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of TSFJ Holding ApS for the financial year 1 July 2023 to 30 June 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2024, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 July 2023 - 30 June 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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 Consolidated Financial Statements and the Parent Company 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.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the 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 Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the consolidated financial statements and the parent company 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, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Vejle, 18 September 2024

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Brian Christensen
State Authorised Public Accountant
mne24854

Jesper Hørby Jensen
State Authorised Public Accountant
mne34103

Company information

The company	TSFJ Holding ApS Kornmarken 7 7190 Billund
	Company reg. no. 35 63 45 76
	Established: 9 January 2014
	Domicile:
	Financial year: 1 July 2023 - 30 June 2024 10th financial year
Board of directors	Souheil Maamari Frank Buhl Madsen Jan Ethelberg Hjort Kim Ove bæk
Managing Director	Jan Ethelberg Hjort
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Dandyvej 3 B 7100 Vejle
Subsidiary	Lesni A/S, Billund

Consolidated financial highlights

DKK in thousands.

	<u>2023/24</u>	<u>2022/23</u>	<u>2021/22</u>
Income statement:			
Gross profit	71.354	45.744	29.011
Profit from operating activities	44.738	17.664	5.680
Net financials	7.468	1.083	6.861
Net profit or loss for the year	40.631	14.355	9.736
Statement of financial position:			
Balance sheet total	231.530	160.823	138.505
Equity	44.685	17.030	12.923
Employees:			
Average number of full-time employees	26	24	22
Key figures in %:			
Acid test ratio	131,1	118,2	114,9
Solvency ratio	19,3	10,6	9,3
Return on equity	131,7	95,9	150,7

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

Comparison figures for 2nd-4th are omitted. previous financial year, since the company has changed accounting practices in the year. The company has moved from accounting class B to accounting class C in the present financial year.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Acid test ratio	$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$
Solvency ratio	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$
Return on equity	$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$

Management´s review

Description of key activities of the company

The activity of the group and TSFJ Holding ApS, as in previous years, has consisted of selling, developing, projecting, and servicing high-technology air purification solutions for the industry at home and abroad. All production is undertaken by subcontractors, and the company has only very limited own production.

Development in activities and financial matters

The gross loss for the parent compagny for the year totals DKK -64.000 against DKK -959.000 last year. Income or loss from ordinary activities after tax totals DKK 40.631.000 against DKK 14.355.000 last year. Management considers the net profit for the year satisfactory.

The gross profit for the group for the year totals DKK 71.354.000 against DKK 45.744.000 last year. Income or loss from ordinary activities after tax totals DKK 40.631.000 against DKK 14.355.000 last year. Management considers the net profit for the year satisfactory.

The group is exposed to currency risks from primarily GBP and USD due to purchase and sales transactions settled in a different currency than DKK. No speculative currency positions are entered into.

The group is exposed to material price risks as a number of materials and components with fluctuating prices, mainly electrical-technical, stainless steel, and catalysts, are included in the company's products. Material price risks are not hedged. The impact on the company's result has so far been limited, as price fluctuations on the most significant materials are predominantly passed on to the company's sales prices; in 2023/24, the fluctuation has been less than the year before but is a factor we have dealt with continuously.

The group's result and financial development are better than expected and are considered by management to be satisfactory.

The accounts have been characterized by generally increasing costs.

Expected developments

The group expects a positive development in the level of activity in 2023/24. A continued high level of activity is expected.

One of our markets has, starting from 2024, increased its attention to Lesni solutions, as our solution has been able to meet very high demands, there is heightened interest in this segment and potential for increased activity. However, there might be significant uncertainties given that general unrest is expected in the industry, due to turmoil and ongoing geopolitical tensions.

Management´s review

Knowledge resources

As an engineering company, it is crucial that the company has the right competencies in the form of the right employees. Historically, the company has been good at retaining employees, and most of the employees have over 5 years of seniority, which has a positive impact on the company's result.

Environmental issues

The group has started ESG reporting in 2024 and is continuously working to reduce the environmental impact from the company's operations to the best of its ability. Our commitment and solutions for the industry additionally help to reduce emissions through environmental protection reflected in our development and refined technological solutions. Our commitment to sustainability and responsible practice is embedded in our corporate strategy.

Regarding policies for human rights, social and employee matters, as well as anticorruption, no significant risks have been identified following a risk assessment.

Targeted efforts are being made to maintain and develop a safe and healthy working environment. Through investments in the working environment, the company is working to be an attractive workplace, both now and in the future.

Research and development activities

No actual research is conducted within the group. Ongoing development and optimization of the efficiency of the purification degree in the projected solutions are carried out.

The costs thereof are recognized in the income statement.

Treasury shares

The enterprise's holding of treasury shares is 6.745 DKK, corresponding to 13,5 % of the contributed capital.

Events occurring after the end of the financial year

After the end of the financial year, no events have occurred which could change the company's position financial position significantly.

Accounting policies

The annual report for TSFJ Holding ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

The consolidated financial statements

The consolidated income statements comprise the parent company TSFJ Holding ApS and those group enterprises of which TSFJ Holding ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

Accounting policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income includes accounting items of a secondary nature in relation to the business's main activities, including profits earned from the sale of material fixed assets, as well as received wage subsidies. Compensations are recognized when it is more likely than not that the business will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Accounting policies

Financial income and expenses

Financial income and expenses are recognized in the income statement with the amounts that relate to the financial year. Financial items include interest income and expenses, as well as realized and unrealized gains and losses on transactions in foreign currency.

Results from investment in group enterprise

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the entity is recognised in the income statement of the parent as a proportional share of the entity's post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Land and buildings is measured at cost plus revaluations and less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

Land and buildings is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

Accounting policies

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	10-33 years
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investment in group enterprise are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Accounting policies

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in group enterprise

Investments in group enterprise is recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprise is recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprise but are not represented in the parent, the following accounting policies have been applied.

Property, plant, and equipment:

- Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.
- Property is measured at cost plus revaluations and less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

Inventories:

- Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Contract work in progress:

- Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress.

Accounting policies

To the extent the equity exceeds the cost, the net revaluation of equity investment in group enterprise transferred to the reserve under equity for net revaluation according to the equity method. Dividend from group enterprise expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprise.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Accounting policies

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

As administration company, TSFJ Holding ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Accounting policies

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the group has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the group.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

Liabilities other than provisions

Debt obligations are measured at amortized cost, which usually corresponds to nominal value.

Statement of cash flows

The cash flow statement shows the cash flows of the group for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and group' cash and cash equivalents at the beginning and the end of the year, respectively.

A cash flow statement for the parent has not been prepared as the cash flows of the enterprise are included in the consolidated cash flow statement, cf. section 86, subsection 4, of the Danish Financial Statements Act.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Accounting policies

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under "Interest income and dividend received".

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and short-term financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.

Income statement 1 July - 30 June

All amounts in DKK.

Note	Group		Parent		
	2023/24	2022/23	2023/24	2022/23	
	Gross profit	71.354.259	45.744.495	-64.250	-958.873
1	Staff costs	-25.555.083	-27.137.982	0	0
	Depreciation and impairment of property, land, and equipment	-1.060.960	-942.950	0	0
	Operating profit	44.738.216	17.663.563	-64.250	-958.873
	Income from investment in group enterprise	0	0	40.790.009	15.380.379
	Other financial income	7.610.430	1.835.007	49.871	1.448
2	Other financial expenses	-142.409	-751.673	-177.016	-89.546
	Pre-tax net profit or loss	52.206.237	18.746.897	40.598.614	14.333.408
	Tax on net profit or loss for the year	-11.574.821	-4.391.819	32.802	21.670
3	Net profit or loss for the year	40.631.416	14.355.078	40.631.416	14.355.078

Balance sheet at 30 June

All amounts in DKK.

Assets				
<u>Note</u>	<u>Group</u>		<u>Parent</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Non-current assets				
4 Land and buildings	8.451.426	5.549.438	0	0
5 Other fixtures, fittings, tools and equipment	1.465.543	1.512.030	0	0
Total property, plant, and equipment	9.916.969	7.061.468	0	0
6 Investment in group enterprise	0	0	43.697.094	17.907.082
Total investments	0	0	43.697.094	17.907.082
Total non-current assets	9.916.969	7.061.468	43.697.094	17.907.082
Current assets				
7 Raw materials and consumables	10.386.931	9.561.022	0	0
Total inventories	10.386.931	9.561.022	0	0
8 Trade receivables	40.994.811	30.900.041	0	0
9 Contract work in progress	4.201.065	2.985.938	0	0
Tax receivables from group enterprises	0	0	12.104.906	4.309.338
Other receivables	7.086.559	2.897.690	20.640	0
Receivables from owners and management	0	140.778	0	140.778
10 Prepayments	510.868	320.273	0	0
Total receivables	52.793.303	37.244.720	12.125.546	4.450.116
Cash and cash equivalents	158.432.758	106.955.616	3.571.143	1.378.886
Total current assets	221.612.992	153.761.358	15.696.689	5.829.002
Total assets	231.529.961	160.822.826	59.393.783	23.736.084

Balance sheet at 30 June

All amounts in DKK.

Equity and liabilities				
<u>Note</u>	<u>Group</u>		<u>Parent</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Equity				
11 Contributed capital	50.000	50.000	50.000	50.000
Reserves for net revaluation as per the equity method	0	0	1.077.091	287.082
Retained earnings	1.077.093	1.980.177	2	1.693.095
Proposed dividend for the financial year	43.558.000	15.000.000	43.558.000	15.000.000
Total equity	44.685.093	17.030.177	44.685.093	17.030.177
Provisions				
12 Provisions for deferred tax	9.576.624	6.799.293	0	0
13 Other provisions	8.285.000	6.881.000	0	0
Total provisions	17.861.624	13.680.293	0	0
Liabilities other than provisions				
9 Contract work in progress	139.981.662	106.767.626	0	0
Trade payables	11.569.333	10.048.849	31.250	9.500
Payables to group enterprises	0	0	2.807.982	2.650.225
Income tax payable	11.869.434	4.006.154	11.869.434	4.006.154
Other payables	5.562.815	9.289.727	24	40.028
Total short term liabilities other than provisions	168.983.244	130.112.356	14.708.690	6.705.907
Total liabilities other than provisions	168.983.244	130.112.356	14.708.690	6.705.907
Total equity and liabilities	231.529.961	160.822.826	59.393.783	23.736.084
14 Charges and security				
15 Contingencies				

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 July 2022	50.000	6.173.022	6.700.000	12.923.022
Distributed dividend	0	0	-6.700.000	-6.700.000
Profit or loss for the year brought forward	0	-644.922	15.000.000	14.355.078
Purchase of non-controlling interests	0	-4.451.700	0	-4.451.700
Equity adjustments in subsidiaries	0	903.777	0	903.777
Equity 1 2023	50.000	1.980.177	15.000.000	17.030.177
Distributed dividend	0	0	-15.000.000	-15.000.000
Profit or loss for the year brought forward	0	-2.926.584	43.558.000	40.631.416
Equity adjustments in subsidiaries	0	2.023.500	0	2.023.500
	50.000	1.077.093	43.558.000	44.685.093

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 July 2022	50.000	0	6.173.019	6.700.000	12.923.019
Distributed dividend	0	0	0	-6.700.000	-6.700.000
Share of results	0	15.380.379	-16.025.301	15.000.000	14.355.078
Transferred to free reserves	0	-15.000.000	15.000.000	0	0
Correction reserve	0	-93.297	93.297	0	0
Equity adjustments in subsidiaries	0	0	903.780	0	903.780
Own capital shares	0	0	-4.451.700	0	-4.451.700
Equity 1 July 2023	50.000	287.082	1.693.095	15.000.000	17.030.177
Distributed dividend	0	0	0	-12.976.500	-12.976.500
Equity adjustments in subsidiaries	0	0	2.023.500	-2.023.500	0
Share of results	0	40.790.009	-43.716.593	43.558.000	40.631.416
Transferred to free reserves	0	-40.000.000	40.000.000	0	0
	50.000	1.077.091	2	43.558.000	44.685.093

Statement of cash flows 1 July - 30 June

All amounts in DKK.

Note	Group	
	2023/24	2022/23
Net profit or loss for the year	38.418.931	14.355.078
16 Adjustments	7.084.042	3.754.772
17 Change in working capital	18.873.651	42.015.013
Cash flows from operating activities before net financials	64.376.624	60.124.863
Interest received, etc.	4.773.898	1.835.007
Interest paid, etc.	-142.412	-751.673
Cash flows from ordinary activities	69.008.110	61.208.197
Income tax paid	-864.824	562.000
Cash flows from operating activities	68.143.286	61.770.197
Purchase of property, plant, and equipment	-3.689.644	-1.436.862
Sale of property, plant, and equipment	0	194.600
Cash flows from investment activities	-3.689.644	-1.242.262
Purchase of treasury shares	0	-4.451.700
Cash capital reduction	2.023.500	903.780
Dividends distributed	-15.000.000	-6.700.000
Cash flows from financing activities	-12.976.500	-10.247.920
Change in cash and cash equivalents	51.477.142	50.280.015
Cash and cash equivalents at opening balance	106.955.616	56.675.601
Cash and cash equivalents at end of period	158.432.758	106.955.616
Cash and cash equivalents		
Cash and cash equivalents	158.432.758	106.955.616
Cash and cash equivalents at end of period	158.432.758	106.955.616

Notes

All amounts in DKK.

	Group	
	2023/24	2022/23
1. Staff costs		
Salaries and wages	22.257.555	23.792.877
Pension costs	2.926.289	3.022.529
Other costs for social security	371.239	322.576
	25.555.083	27.137.982
Average number of employees	26	24

No remuneration is paid to the board of directors, which is why the remuneration to the executive board is not disclosed, as this only consists of one person. In accordance with ÅRL §98B, stk. 3.

	Group		Parent	
	2023/24	2022/23	2023/24	2022/23
2. Other financial expenses				
Financial costs, group enterprises	0	0	144.660	88.337
Other financial costs	142.409	751.673	32.356	1.209
	142.409	751.673	177.016	89.546

	Parent	
	2023/24	2022/23
3. Proposed distribution of net profit		
Reserves for net revaluation according to the equity method	40.790.009	15.380.379
Dividend for the financial year	43.558.000	15.000.000
Allocated from retained earnings	-43.716.593	-16.025.301
Total allocations and transfers	40.631.416	14.355.078

Notes

All amounts in DKK.

	Group	
	30/6 2024	30/6 2023
4. Land and buildings		
Cost opening balance	10.836.553	10.593.571
Additions during the year	3.246.716	242.982
Cost end of period	14.083.269	10.836.553
Revaluation opening balance	2.500.000	2.500.000
Revaluation end of period	2.500.000	2.500.000
Depreciation and write-down opening balance	-7.787.115	-7.468.418
Depreciation for the year	-344.728	-318.697
Depreciation and write-down end of period	-8.131.843	-7.787.115
Carrying amount, end of period	8.451.426	5.549.438
	Group	
	30/6 2024	30/6 2023
5. Other fixtures, fittings, tools and equipment		
Cost opening balance	5.825.272	4.707.631
Additions during the year	442.928	1.193.880
Disposals during the year	-509.759	-76.239
Cost end of period	5.758.441	5.825.272
Depreciation and write-down opening balance	-4.313.242	-4.030.048
Depreciation for the year	-489.415	-336.671
Depreciation, amortisation and writedown for the year, assets disposed of	509.759	53.477
Depreciation and write-down end of period	-4.292.898	-4.313.242
Carrying amount, end of period	1.465.543	1.512.030

Notes

All amounts in DKK.

		Parent	
		30/6 2024	30/6 2023
6.	Investment in group enterprise		
	Acquisition sum, opening balance opening balance	2.620.000	2.620.000
	Cost end of period	2.620.000	2.620.000
	Revaluations, opening balance opening balance	21.651.457	16.271.075
	Results for the year before goodwill amortisation	40.790.009	15.380.379
	Dividend	-15.000.000	-10.000.000
	Revaluation end of period	47.441.466	21.651.454
	Amortisation of goodwill, opening balance opening balance	-6.364.372	-6.364.372
	Depreciation on goodwill end of period	-6.364.372	-6.364.372
	Carrying amount, end of period	43.697.094	17.907.082
	Group enterprise:		
		Domicile	Equity interest
	Lesni A/S	Billund	100 %
		Group	
		30/6 2024	30/6 2023
7.	Raw materials and consumables		
	Raw materials and consumables	10.386.931	9.561.022
		10.386.931	9.561.022
8.	Trade receivables		
	Trade debtors	40.994.811	30.900.041
		40.994.811	30.900.041

Notes

All amounts in DKK.

	Group	
	30/6 2024	30/6 2023
9. Contract work in progress		
Sales value of the production of the period	297.384.048	243.917.936
Progress billings	-433.164.645	-347.699.624
Contract work in progress, net	-135.780.597	-103.781.688
The following is recognised:		
Work in progress for the account of others (Current assets)	4.201.065	2.985.938
Work in progress for the account of others (Short-term liabilities)	-139.981.662	-106.767.626
	-135.780.597	-103.781.688
10. Prepayments		
Period accruals	510.868	320.273
	510.868	320.273

	Group		Parent	
	30/6 2024	30/6 2023	30/6 2024	30/6 2023
11. Contributed capital				
Contributed capital opening balance	50.000	50.000	50.000	50.000
	50.000	50.000	50.000	50.000

The total holding of own capital shares amounts to 30 June 2024 nominally DKK 6.745 corresponding to 13.5% of the total share capital, with an acquisition sum of DKK 4.451.700.

	Group	
	30/6 2024	30/6 2023
12. Provisions for deferred tax		
Provisions for deferred tax opening balance	6.799.293	5.767.045
Deferred tax of the results for the year	2.777.331	1.032.248
	9.576.624	6.799.293

Notes

All amounts in DKK.

	Group 30/6 2024	30/6 2023
13. Other provisions		
Provisions for group enterprises	8.285.000	6.881.000
	8.285.000	6.881.000

14. Charges and security

The subsidiary has, through a financial institution, hedged a prepayment guarantee towards a third party amounting to a total of 5,101 thousand DKK. As security for this, the company has pledged two bank accounts in Danske Bank with a total balance as of June 30, 2024, of 7,503 thousand DKK.

As security for the outstanding balance with the financial institution, the company has provided a corporate mortgage of nominally 10,000 thousand DKK. The corporate mortgage includes the following assets, whose accounting value on the balance sheet date amounts to:

	DKK in thousands
Inventories	10.387
Trade receivables	40.995
Operating funds	1.466

15. Contingencies

Contingent liabilities

Lease liabilities

The subsidiary has entered into operational leasing contracts with an average annual lease payment of 23.000 DKK. The leasing contracts have a remaining term of up to 3 months and a total residual lease payment of DKK 6.000 DKK

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

TheThe company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Notes

All amounts in DKK.

15. Contingencies (continued)

Joint taxation (continued)

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Notes

All amounts in DKK.

	Group	
	2023/24	2022/23
16. Adjustments		
Depreciation, amortisation, and impairment	834.143	655.368
Profit from disposal of non-current assets	0	-171.840
Other financial income	-4.773.898	-1.835.007
Other financial expenses	142.410	751.673
Tax on net profit or loss for the year	8.101.082	3.322.330
Deferred tax	2.780.305	1.032.248
	7.084.042	3.754.772
17. Change in working capital		
Change in inventories	-825.909	15.967.184
Change in receivables	-12.712.050	12.754.103
Change in trade payables and other payables	-2.206.426	4.084.489
Other changes in working capital	34.618.036	9.209.237
	18.873.651	42.015.013