martinsen
Rådgivning & Revision

CNC Onsite A/S

Nordskellet 4, 7100 Vejle

Annual report

1 October 2023 - 30 September 2024

Company reg. no. 34 70 29 34

The annual report was submitted and approved by the general meeting on the 26 November 2024.

Aage Dam
Chairman of the meeting

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Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the board of directors and the managing director have presented the annual report of CNC Onsite A/S for the financial year 1 October 2023 - 30 September 2024.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 September 2024 and of the company's results of activities in the financial year 1 October 2023 – 30 September 2024.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Vejle, 26 November 2024

Managing Director

Aage Dam

Board of directors

Claus Jørgen Søgaard Poulsen Søren Schmidt Kellenberger Aage Dam

Hans Løvlund Toft Lene Skovsgaard Sørensen

The independent practitioner's report

To the Shareholders of CNC Onsite A/S

Conclusion

We have performed an extended review of the financial statements of CNC Onsite A/S for the financial year 1 October 2023 - 30 September 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 30 September 2024 and of the results of the Company's operations for the financial year 1 October 2023 - 30 September 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

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

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

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

The independent practitioner's report

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

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

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

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

Based on the work we have performed, we conclude that the Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in the Management's Review.

Vejle, 26 November 2024

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

Michael Rechnagel
State Authorised Public Accountant
mne34140

Company information

The company	CNC Onsite A/S Nordskellet 4 7100 Vejle	
	Company reg. no.	34 70 29 34
	Established:	14 September 2012
	Domicile:	
	Financial year:	1 October - 30 September
Board of directors	Claus Jørgen Søgaard Poulsen Søren Schmidt Kellenberger Aage Dam Hans Løvlund Toft Lene Skovsgaard Sørensen	
Managing Director	Aage Dam	
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Dandyvej 3 B 7100 Vejle	

Management´s review

The principal activities of the company

At CNC Onsite A/S, we lead the way in on-site mobile machining services, specializing in precision operations tailored to the wind industry.

With a focus on custom solutions, we provide milling, drilling, threading, and more directly at the customer's location, saving time and costs.

We emphasize quick and excellent customer service, along with a commitment to developing special machines/solutions.

Significant changes in the company's activities and financial matters

The gross profit for the year totals DKK 33.716 thousand against DKK 38.080 thousand last year. Income or loss from ordinary activities after tax totals DKK 5.202 thousand against DKK 11.078 thousand last year.

Principal Activities:
Our core activities revolve around precision on-site machining, particularly in the wind turbine industry. We develop special machines for flange milling and offer tailored solutions for up-tower repairs.

CNC Onsite A/S provides full services including machining of parts, as well as customer training for machine operation.

Development in Activities:
While we anticipated increased activity in the market for flange machines for large flanges, shifts in demand due to delayed offshore projects have pushed this trend towards 2025.

There is a global rise in demand for up-tower repair solutions, especially for older onshore turbines but also for upgrades to newer ones, both onshore and offshore. Our investments in CNC-controlled machines with advanced designs have enhanced our precision and efficiency.

In the past fiscal year, we welcomed several new employees and invested significant resources in training them to keep up with the growing activities. This expansion underscores our commitment to meeting rising demand and maintaining our development and service offerings.

Business Relationships:
Our relationships with existing customers have grown over the years, based on developing customer-specific solutions. New partnerships and customers have developed globally over the past year.

Management´s review

Certifications, Infrastructure and Sustainability:
In August, CNC Onsite A/S achieved certification according to ISO14001, 45001, as well as recertification for ISO9001. This certification process marks a significant milestone in our commitment to excellence. These certifications not only enhance our sustainability efforts but also ensure compliance with health and safety regulations, supporting overall employee well-being. Our focus on repairing essential components rather than replacements aligns with environmentally conscious practices, reducing CO2 emissions and positively impacting the sustainability of the wind energy sector.

Financial Overview:
Despite a slight decline in our results compared to last year's record performance, this year marks a significant step forward in our long-term growth journey.

Our strong EBIT reflects our resilience and strategic financial management, highlighting our dedication to sustainable energy solutions.

Looking back on the past year, we acknowledge the unwavering support of our teams, partners, and customers, attributing our success to our collective efforts and shared vision of driving innovation in the wind energy sector.

Future Outlook:
Looking ahead, we are focused on driving progress and making a positive impact in the world of wind energy. By combining our technical expertise with a human touch, we are prepared for challenges and ready to embrace the opportunities ahead. With expectations of robust growth in the coming years, CNC Onsite A/S plans to concentrate on developing custom machines for on-site machining, leveraging our expertise and industry experience to innovate and lead.

For the fiscal year 2024/2025, strong growth is anticipated in both revenue and earnings, with a significant order volume already in place at the beginning of the fiscal year, including orders for special machines.

In conclusion, CNC Onsite A/S continues to lead in the on-site mobile machining industry, delivering not only precision and innovation but also high customer satisfaction. Our ongoing commitment to excellence and sustainability paves the way for our continued success in the ever-evolving landscape of renewable energy.

Accounting policies

The annual report for CNC Onsite A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C 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, writedowns 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 company 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 company 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.

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.

Accounting policies

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.

Contract work in progress comprises the sale of goods where the conditions for the sale of goods are considered met on a continuous basis and the hand-over of control to the buyer occurs in tandem with the work being carried out. Contract work in progress is recognised in the revenue in tandem with the work being carried out whereby the revenue will correspond to the selling price of the work carried out for the year (percentage of completion method). The revenue is recognised when the total income and costs and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

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

Own work capitalised
Own work capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible and tangible fixed assets.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, 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 writedown for impairment
Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of tangible assets.

Financial income and expenses
Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses as well as surcharges and reimbursements under the advance tax scheme, etc.

Accounting policies

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.

Statement of financial position

Plant, and equipment

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

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 and the residual value of the individual assets:

	Useful life	Residual value
Plant and machinery	5-10 years	0-40 %
Other fixtures and fittings, tools and equipment	5 years	0-15 %

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.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, concerning the construction of each individual asset.

Accounting policies

Property, plant, and equipment in progress

Property, plant, and equipment in progress are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Leases

Leases are recognized as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 10 years.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets 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. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

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

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.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Receivables

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

Accounting policies

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.

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.

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

Each individual item of contract work in progress is recognised in the statement of financial position under 'accounts receivable' or 'liabilities other than provision', depending on the net value of the selling price less invoicing on account and prepayments.

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

Prepayments and accrued income

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

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Dividend

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

Income tax and deferred tax

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.

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.

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.

Liabilities other than provisions

Other liabilities concerning payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement 1 October - 30 September

All amounts in DKK.

Note		2023/24	2022/23
	Gross profit	**33.716.079**	**38.079.954**
1	Staff costs	-25.524.273	-22.165.727
	Depreciation and impairment of property, plant, and equipment	-1.127.726	-1.210.249
	Operating profit	**7.064.080**	**14.703.978**
	Other financial income	9.314	12.640
	Other financial costs	-407.334	-508.252
	Pre-tax net profit or loss	**6.666.060**	**14.208.366**
	Tax on net profit or loss for the year	-1.464.526	-3.129.892
	Net profit or loss for the year	**5.201.534**	**11.078.474**
	Proposed distribution of net profit:		
	Dividend for the financial year	4.500.000	5.400.000
	Transferred to retained earnings	701.534	5.678.474
	Total allocations and transfers	**5.201.534**	**11.078.474**

Balance sheet at 30 September

All amounts in DKK.

Assets

Note		2024	2023
	Non-current assets		
	Production plant and machinery	11.407.727	9.256.005
	Other plants, operating assets, and fixtures and furniture	1.516.276	973.468
	Property, plant, and equipment under construction and prepayments for property, plant, and equipment	1.590.233	653.649
	Total property, plant, and equipment	14.514.236	10.883.122
	Deposits	1.925.000	1.925.000
	Total investments	1.925.000	1.925.000
	Total non-current assets	**16.439.236**	**12.808.122**
	Current assets		
	Raw materials and consumables	2.159.199	1.591.817
	Total inventories	2.159.199	1.591.817
	Trade receivables	16.078.593	11.755.637
2	Contract work in progress	2.567.535	4.290.221
	Other receivables	59.228	1.146.233
	Prepayments and accrued income	93.306	227.822
	Total receivables	18.798.662	17.419.913
	Cash on hand and demand deposits	44.850	135.850
	Total current assets	**21.002.711**	**19.147.580**
	Total assets	**37.441.947**	**31.955.702**

Balance sheet at 30 September

All amounts in DKK.

Equity and liabilities

Note		2024	2023
	Equity		
	Contributed capital	600.000	600.000
	Retained earnings	12.685.560	11.984.026
	Proposed dividend for the financial year	4.500.000	5.400.000
	Total equity	**17.785.560**	**17.984.026**
	Provisions		
	Provisions for deferred tax	1.452.000	1.284.000
	Total provisions	**1.452.000**	**1.284.000**
	Liabilities other than provisions		
	Bank loans	1.000.000	1.500.000
3	Total long term liabilities other than provisions	1.000.000	1.500.000
3	Current portion of long term liabilities	500.000	500.000
	Bank loans	6.318.802	2.206.958
2	Contract work in progress	2.504.189	0
	Trade payables	1.558.361	2.169.716
	Income tax payable	3.624.418	2.314.658
	Other payables	2.310.752	3.242.930
	Deferred income	387.865	753.414
	Total short term liabilities other than provisions	17.204.387	11.187.676
	Total liabilities other than provisions	**18.204.387**	**12.687.676**
	Total equity and liabilities	**37.441.947**	**31.955.702**

4 Charges and security

5 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 October 2022	600.000	6.305.552	0	6.905.552
Profit or loss for the year brought forward	0	5.678.474	5.400.000	11.078.474
Equity 1 October 2023	600.000	11.984.026	5.400.000	17.984.026
Distributed dividend	0	0	-5.400.000	-5.400.000
Profit or loss for the year brought forward	0	701.534	4.500.000	5.201.534
	600.000	**12.685.560**	**4.500.000**	**17.785.560**

Notes

All amounts in DKK.

		2023/24	2022/23
1.	**Staff costs**		
	Salaries and wages	22.438.633	19.743.580
	Pension costs	2.751.509	2.172.485
	Other staff costs	334.131	249.662
		25.524.273	**22.165.727**
	Average number of employees	36	28

		30/9 2024	30/9 2023
2.	**Contract work in progress**		
	Sales value of the production of the period	3.756.430	4.451.335
	Progress billings	-3.693.084	-161.114
	Contract work in progress, net	**63.346**	**4.290.221**
	The following is recognised:		
	Work in progress for the account of others (current assets)	2.567.535	4.290.221
	Work in progress for the account of others (short-term liabilities)	-2.504.189	0
		63.346	**4.290.221**

3. Long term labilities other than provisions

	Total payables 30 Sep 2024	Current portion of long term payables	Long term payables 30 Sep 2024	Outstanding payables after 5 years
Bank loans	1.500.000	500.000	1.000.000	0
	1.500.000	**500.000**	**1.000.000**	**0**

Notes

All amounts in DKK.

4. Charges and security

As security for debt to a bank, the company has pledged a corporate mortgage of a nominal DKK 2,000 thousand. The corporate mortgage comprises the following assets whose carrying amount at the balance sheet date is:

	DKK in thousands
Inventories	2.159
Trade receivables	16.079
Non-current assets	14.514

5. Contingencies

Contingent liabilities

The company has entered into leasing contracts for fixed assets and cars with an average annual lease payment of DKK 1,087 thousand. The leasing contracts have a residual term of 12 to 59 months and a total residual lease payment of DKK 4,891 thousand.

The company has entered into leases for the rental of premises. The leases are non-cancellable for 10 years valid from 1 March 2023, which corresponds to a residual obligation of DKK 16,523 thousand pr. September 30, 2024.