
Primodan Holding ApS

Skimmedevej 10, DK-4390 Vipperød

Annual Report for 1 July 2023 - 30 June 2024

CVR No. 31 86 50 26

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 12/11 2024

Hasse Bjørn
Rasmussen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Primodan Holding ApS for the financial year 1 July 2023 - 30 June 2024.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023/24.

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

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

Vipperød, 12 November 2024

Executive Board

Lars Henriksen

Board of Directors

Hasse Bjørn Rasmussen
Chairman

Henning Hein

Klaus Rasmussen

Lars Henriksen

Claus Kjær Poulsen

Ulrich Alexander Krasilnikoff

Independent Auditor's report

To the shareholder of Primodan Holding ApS

Opinion

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Primodan Holding ApS for the financial year 1 July 2023 - 30 June 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

Independent Auditor's report

Hillerød, 12 November 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Aslund Pedersen

State Authorised Public Accountant

mne17120

Company information

The Company	Primodan Holding ApS Skimmedevej 10 DK-4390 Vipperød CVR No: 31 86 50 26 Financial period: 1 July 2023 - 30 June 2024 Municipality of reg. office: Holbæk
Board of Directors	Hasse Bjørn Rasmussen, chairman Henning Hein Klaus Rasmussen Lars Henriksen Claus Kjær Poulsen Ulrich Alexander Krasilnikoff
Executive Board	Lars Henriksen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Milnersvej 43 DK-3400 Hillerød

Financial Highlights

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

	Group				
	2023/24	2022/23	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
EBITDA	1,300	5,475	5,779	7,888	-6,900
Profit/loss of primary operations	-4,438	304	1,358	3,533	-10,369
Profit/loss of financial income and expenses	-1,767	-1,471	-1,516	-830	-1,287
Net profit/loss for the year	-5,339	-1,295	-703	2,253	-10,191
Balance sheet					
Balance sheet total	60,761	65,242	77,059	63,685	54,476
Investment in property, plant and equipment	45	308	1,988	197	888
Equity	18,128	22,928	25,910	26,184	15,042
Cash flows					
Cash flows from:					
- operating activities	-1,470	6,792	-2,533	10,532	-9,728
- investing activities	-1,559	-3,091	-5,069	-1,489	-9,389
- financing activities	1,160	-1,951	2,388	23,960	733
Change in cash and cash equivalents for the year	-1,869	1,750	-3,722	33,003	-18,344
Number of employees	61	64	67	67	61
Ratios					
Return on assets	-7.3%	0.5%	1.8%	5.5%	-19.0%
Solvency ratio	29.8%	35.1%	33.6%	41.1%	27.6%
Return on equity	-26.0%	-5.3%	-2.7%	10.9%	-56.4%

Management's review

Key activities

The Group designs and manufactures hygienic machines and process plants for the food industry - primarily for export markets in the dairy sector. More than 90% of the company's products are exported from DK.

The core business is within process plants for cheese production, this within yellow cheese and UF white cheese, as well as within filling machines for yoghurt, salads and similar products. Primodan A/S is owned by Primodan Holding ApS.

Primodan A/S headquarters is in Denmark with production facilities in Holbaek. Primodan also has a subsidiary in Turkey and a branch office in Sweden.

Development in the year

The income statement of the Group for 2023/24 shows a loss of DKK 5,339,316, and at 30 June 2024 the balance sheet of the Group shows a positive equity of DKK 18,128,465.

The result is significantly below budget and expectations. The geopolitical turmoil caused by the war between Russia and Ukraine has led Primodan to exit the Russian market, along with rising energy and commodity prices customers in general has been hesitant to initiate new investment in equipment. Additionally, customers in the middle east region have postponed new projects, negatively impacting the past year. There has been a significant growth in the Aftermarket business, which has thus accounted for a substantial portion of the overall business.

During the year, adjustments were made to reduce fixed costs to better align with the current business environment.

These adjustments have not managed to affect the result significantly in 2023/24 but will have full effect in 2024/25.

New technology and efficiency

The Group continues the development of technology within the existing business areas, especially within the yellow cheese segment, new elements have been continuously updated and developed for a number of customers.

The Group continuously works to streamline all internal processes, just as work is being done to expand cooperation with a number of sub-suppliers, nationally as well as internationally.

Goals and expectations for the coming year

A continued high level of Aftermarket revenue is expected this year, with the aim of making it account for more than 50% of the Group's total revenue going forward.

This strong performance in the Aftermarket provides a solid foundation for the Group's ongoing business operations.

Several of the projects that were postponed last year have now become firm orders for delivery in the new year. During the first four months of the new financial year, new project sales have already surpassed the total project sales from the previous year and the orderbook now amounts to 90% of the budget for the new year.

The war between Russia and Ukraine as well as the conflict in the Middle East has led to a changed market orientation. It is worth highlighting that the Group's pipeline in Scandinavia has been significantly strengthened, and new orders have already been secured in both the Far East and South America. The European market also remains a key focus area for Primodan.

The customers are all large international and regional dairy groups with substantial financial strength. On the sales side, we have intensified our collaboration this year with a couple of the largest suppliers of complete dairy solutions, a partnership that is expected to boost sales of solutions for the production of both white and yellow cheese.

The new year has started well, and based on a strong orderbook and pipeline, plus a reduced cost structure, we expect to achieve a EBITDA between DKK 6-7 million and result before tax between DKK 2 - 3 million.

Management's review

Special risks - operating risks and financial risks

The Group trades internationally in Euros. There is therefore minimal price risk on concluded contracts.

Uncertainty relating to recognition and measurement

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

Unusual events

The financial position at 30 June 2024 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023/24 have not been affected by any unusual events.

Subsequent events

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

Income statement 1 July 2023 - 30 June 2024

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		DKK	DKK	DKK	DKK
Gross profit		33,082,267	40,100,282	-34,125	-32,125
Staff expenses	1	-31,781,951	-34,625,093	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-5,738,545	-5,170,892	0	0
Profit/loss before financial income and expenses		-4,438,229	304,297	-34,125	-32,125
Income from investments in subsidiaries		0	0	-5,312,724	-1,265,257
Financial income	3	660,071	95,040	336	0
Financial expenses	4	-2,427,241	-1,566,132	-1,000	-6,435
Profit/loss before tax		-6,205,399	-1,166,795	-5,347,513	-1,303,817
Tax on profit/loss for the year	5	866,083	-128,539	8,197	8,483
Net profit/loss for the year	6	-5,339,316	-1,295,334	-5,339,316	-1,295,334

Balance sheet 30 June 2024

Assets

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		DKK	DKK	DKK	DKK
Completed development projects		7,164,111	6,765,627	0	0
Acquired licenses		3,751,053	4,564,699	0	0
Goodwill		0	2,397,169	0	0
Development projects in progress		310,054	442,647	0	0
Intangible assets	7	11,225,218	14,170,142	0	0
Other fixtures and fittings, tools and equipment		2,912,337	3,964,505	0	0
Leasehold improvements		268,870	451,304	0	0
Property, plant and equipment	8	3,181,207	4,415,809	0	0
Investments in subsidiaries	9	0	0	17,808,799	22,582,039
Fixed asset investments		0	0	17,808,799	22,582,039
Fixed assets		14,406,425	18,585,951	17,808,799	22,582,039
Finished goods and goods for resale		7,012,563	9,626,635	0	0
Inventories		7,012,563	9,626,635	0	0
Trade receivables		18,012,733	16,466,523	0	0
Contract work in progress	10	4,670,748	2,639,211	0	0
Receivables from group enterprises		0	0	1,403	35,528
Other receivables		708,050	1,280,605	0	0
Deferred tax asset	11	3,258,666	2,162,850	288,197	280,000
Corporation tax		0	0	8,483	8,483
Prepayments	12	1,581,021	1,499,527	0	0
Receivables		28,231,218	24,048,716	298,083	324,011

Balance sheet 30 June 2024

Assets

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		DKK	DKK	DKK	DKK
Cash at bank and in hand		11,111,126	12,980,381	61,583	62,247
Current assets		46,354,907	46,655,732	359,666	386,258
Assets		60,761,332	65,241,683	18,168,465	22,968,297

Balance sheet 30 June 2024

Liabilities and equity

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		DKK	DKK	DKK	DKK
Share capital		2,000,000	2,000,000	2,000,000	2,000,000
Reserve for exchange rate conversion		-274,976	-814,460	0	0
Retained earnings		16,403,441	21,742,757	16,128,465	20,928,297
Equity		18,128,465	22,928,297	18,128,465	22,928,297
Credit institutions		6,482,000	9,778,603	0	0
Lease obligations		1,231,253	1,560,171	0	0
Other payables		1,914,059	1,737,289	0	0
Long-term debt	13	9,627,312	13,076,063	0	0
Credit institutions	13	13,482,699	8,885,296	0	0
Lease obligations	13	328,918	317,767	0	0
Trade payables		9,204,803	12,475,637	40,000	40,000
Contract work in progress	10	6,326,943	4,192,575	0	0
Corporation tax		619,872	611,389	0	0
Other payables	13	3,042,320	2,754,659	0	0
Short-term debt		33,005,555	29,237,323	40,000	40,000
Debt		42,632,867	42,313,386	40,000	40,000
Liabilities and equity		60,761,332	65,241,683	18,168,465	22,968,297
Contingent assets, liabilities and other financial obligations	16				
Related parties	17				
Subsequent events	18				
Accounting Policies	19				

Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 July	2,000,000	-814,460	21,742,757	22,928,297
Exchange adjustments	0	539,484	0	539,484
Net profit/loss for the year	0	0	-5,339,316	-5,339,316
Equity at 30 June	2,000,000	-274,976	16,403,441	18,128,465

Parent company

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 July	2,000,000	20,928,297	22,928,297
Exchange adjustments	0	539,484	539,484
Net profit/loss for the year	0	-5,339,316	-5,339,316
Equity at 30 June	2,000,000	16,128,465	18,128,465

Cash flow statement 1 July 2023 - 30 June 2024

	Note	Group	
		2023/24	2022/23
		DKK	DKK
Result of the year		-5,339,316	-1,295,334
Adjustments	14	7,179,116	5,084,127
Change in working capital	15	-1,321,419	4,474,358
Cash flow from operations before financial items		518,381	8,263,151
Financial income		660,071	95,040
Financial expenses		-2,427,241	-1,566,132
Cash flows from ordinary activities		-1,248,789	6,792,059
Corporation tax paid		-221,250	0
Cash flows from operating activities		-1,470,039	6,792,059
Purchase of intangible assets		-1,514,329	-2,772,261
Purchase of property, plant and equipment		-44,690	-318,453
Cash flows from investing activities		-1,559,019	-3,090,714
Repayment of loans from credit institutions		0	-1,644,303
Reduction of lease obligations		-317,767	-307,064
Raising of loans from credit institutions		1,300,800	0
Raising of other long-term debt		176,770	0
Cash flows from financing activities		1,159,803	-1,951,367
Change in cash and cash equivalents		-1,869,255	1,749,978
Cash and cash equivalents at 1 July		12,980,381	11,230,403
Cash and cash equivalents at 30 June		11,111,126	12,980,381
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		11,111,126	12,980,381
Cash and cash equivalents at 30 June		11,111,126	12,980,381

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
1. Staff Expenses				
Wages and salaries	28,258,703	30,899,390	0	0
Pensions	2,758,923	2,885,726	0	0
Other social security expenses	652,398	745,343	0	0
Other staff expenses	111,927	94,634	0	0
	31,781,951	34,625,093	0	0
 Including remuneration to the Executive Board and Board of Directors	 1,892,697	 1,866,701	 0	 0
 Average number of employees	 61	 64	 0	 0
	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	4,459,253	3,834,259	0	0
Depreciation of property, plant and equipment	1,279,292	1,336,633	0	0
	5,738,545	5,170,892	0	0
	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
3. Financial income				
Other financial income	99,971	2,845	336	0
Exchange adjustments	560,100	92,195	0	0
	660,071	95,040	336	0

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
4. Financial expenses				
Other financial expenses	2,040,873	1,566,132	1,000	6,435
Exchange adjustments, expenses	75,983	0	0	0
Exchange loss	310,385	0	0	0
	2,427,241	1,566,132	1,000	6,435

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
5. Income tax expense				
Current tax for the year	229,733	611,389	0	-8,483
Deferred tax for the year	-1,095,816	-482,850	-8,197	0
	-866,083	128,539	-8,197	-8,483

	Parent company	
	2023/24	2022/23
	DKK	DKK
6. Profit allocation		
Retained earnings	-5,339,316	-1,295,334
	-5,339,316	-1,295,334

Notes to the Financial Statements

7. Intangible fixed assets

Group

	Completed development projects	Acquired licenses	Goodwill	Develop- ment projects in progress
	DKK	DKK	DKK	DKK
Cost at 1 July	8,342,624	9,289,600	24,366,664	442,647
Additions for the year	533,809	0	0	980,521
Transfers for the year	1,113,114	0	0	-1,113,114
Cost at 30 June	9,989,547	9,289,600	24,366,664	310,054
Impairment losses and amortisation at 1 July	1,576,997	4,724,901	21,969,495	0
Amortisation for the year	1,248,439	813,646	2,397,169	0
Impairment losses and amortisation at 30 June	2,825,436	5,538,547	24,366,664	0
Carrying amount at 30 June	7,164,111	3,751,053	0	310,054

Development projects relate to product maturation of the yellow cheese product range, including optimizations and technology improvements. In addition, the development of the line filling machine, Moduline, as well as optimized filling technologies.

Management evaluates a great market potential for the products under development

8. Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	DKK	DKK
Cost at 1 July	8,947,801	2,801,936
Additions for the year	44,690	0
Cost at 30 June	8,992,491	2,801,936
Impairment losses and depreciation at 1 July	4,983,296	2,350,632
Depreciation for the year	1,096,858	182,434
Impairment losses and depreciation at 30 June	6,080,154	2,533,066
Carrying amount at 30 June	2,912,337	268,870
Including assets under finance leases amounting to	1,699,819	0

Notes to the Financial Statements

9. Investments in subsidiaries

	Parent company	
	2023/24	2022/23
	DKK	DKK
Cost at 1 July	43,964,664	43,964,664
Cost at 30 June	43,964,664	43,964,664
Value adjustments at 1 July	-21,382,625	-18,430,972
Exchange adjustment	539,484	-1,686,396
Net profit/loss for the year	-2,915,555	1,131,910
Amortisation of goodwill	-2,397,169	-2,397,167
Value adjustments at 30 June	-26,155,865	-21,382,625
Carrying amount at 30 June	17,808,799	22,582,039
Remaining positive difference included in the above carrying amount at	0	2,397,170

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Owner-ship	Equity	Net profit/loss for the year
Primodan A/S	Holbæk	1,000,000	100%	17,808,798	-2,915,555
Primodan TR	Tyrkiet	16,130	100%	-296,411	941,867
				17,512,387	-1,973,688

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
10. Contract work in progress				
Selling price of work in progress	8,418,569	38,041,931	0	0
Payments received on account	-11,952,534	-39,595,295	0	0
	-3,533,965	-1,553,364	0	0

Recognised in the balance sheet as follows:

Contract work in progress recognised in assets	4,670,748	2,639,211	0	0
Prepayments received recognised in debt	-6,326,943	-4,192,575	0	0
	-1,656,195	-1,553,364	0	0

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
11. Deferred tax asset				
Deferred tax asset at 1 July	2,162,850	1,680,000	280,000	280,000
Amounts recognised in the income statement for the year	1,095,816	482,850	8,197	0
Deferred tax asset at 30 June	3,258,666	2,162,850	288,197	280,000

12. Prepayments

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

Notes to the Financial Statements

Group		Parent company	
2023/24	2022/23	2023/24	2022/23
DKK	DKK	DKK	DKK

13. Long-term debt

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

The debt falls due for payment as specified below:

Credit institutions

After 5 years	0	0	0	0
Between 1 and 5 years	6,482,000	9,778,603	0	0
Long-term part	6,482,000	9,778,603	0	0
Within 1 year	3,295,801	3,294,912	0	0
Other short-term debt to credit institutions	10,186,898	5,590,384	0	0
	19,964,699	18,663,899	0	0

Lease obligations

After 5 years	131,500	243,492	0	0
Between 1 and 5 years	1,099,753	1,316,679	0	0
Long-term part	1,231,253	1,560,171	0	0
Within 1 year	328,918	317,767	0	0
	1,560,171	1,877,938	0	0

Other payables

After 5 years	0	1,491,534	0	0
Between 1 and 5 years	1,914,059	245,755	0	0
Long-term part	1,914,059	1,737,289	0	0
Other short-term payables	3,042,320	2,754,659	0	0
	4,956,379	4,491,948	0	0

Notes to the Financial Statements

	Group	
	2023/24	2022/23
	DKK	DKK
14. Cash flow statement - Adjustments		
Financial income	-660,071	-95,040
Financial expenses	2,427,241	1,566,132
Depreciation, amortisation and impairment losses, including losses and gains on sales	5,738,545	5,170,892
Tax on profit/loss for the year	-866,083	128,539
Exchange adjustments	539,484	-1,686,396
	7,179,116	5,084,127

	Group	
	2023/24	2022/23
	DKK	DKK
15. Cash flow statement - Change in working capital		
Change in inventories	2,614,072	4,464,719
Change in receivables	-3,086,686	7,505,517
Change in trade payables, etc	-848,805	-7,495,878
	-1,321,419	4,474,358

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
16. Contingent assets, liabilities and other financial obligations				
Charges and security				
The following assets have been placed as security with bankers:				
Corporate pledge with security in fixed assets and inventories	5,500,000	5,500,000	0	0
Liquid funds, security account	10,000,000	10,000,000	0	0

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
16. Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	3,907	38,112	0	0
Between 1 and 5 years	0	3,907	0	0
	3,907	42,019	0	0
Lease obligations, period of non-terminability 12 months	1,256,871	1,226,216	0	0

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 619,872. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.

Work guarantees totaling TDKK 279 have been provided.

17. Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

18. Subsequent events

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

Notes to the Financial Statements

19. Accounting policies

The Annual Report of Primodan Holding ApS for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023/24 are presented in DKK.

Recognition and measurement

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

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

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

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

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Primodan Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Leases

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

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

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

Translation policies

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

Notes to the Financial Statements

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

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

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

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

Income statement

Revenue

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

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

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

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

Expenses for raw materials and consumables

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

Other external expenses

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

Notes to the Financial Statements

Gross profit

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

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

Income from investments in subsidiaries

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

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

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

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 5 years, determined on the basis of Management's experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3 - 10 year.

Other intangible fixed assets

Property, plant and equipment

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

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

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

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

Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Notes to the Financial Statements

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

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

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

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

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

Inventories

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

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

The cost of goods for resale equals landed cost.

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

Receivables

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

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

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

Notes to the Financial Statements

Deferred tax assets and liabilities

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

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

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

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

Current tax receivables and liabilities

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

Financial liabilities

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

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

Cash Flow Statement

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

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Notes to the Financial Statements

Cash flows from financing activities

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

Cash and cash equivalents

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

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

Financial Highlights

Explanation of financial ratios

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