
Eltronic Group A/S

Kilde Alle 4, DK-8722 Hedensted

Annual Report for 1 November 2023 - 31 October 2024

CVR No. 35 48 04 63

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 15/1 2025

Jens Jørgen Madsen
Chair 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 Eltronic Group A/S for the financial year 1 November 2023 - 31 October 2024.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 October 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.

Hedensted, 15 January 2025

Executive Board

Lars Jensen
CEO

Board of Directors

Jens Jørgen Madsen
Chair

Carl Sinnerup Jensen

Lars Tveen

Mari-Louise Kahr Andreasen

Hans-Christian Ellegård
Employee representative

Claus Norring Jensen
Employee representative

Jeppe Kiilerich Østerlund
Employee representative

Independent Auditor's report

To the shareholders of Eltronic Group A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 October 2024 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 November 2023 - 31 October 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Eltronic Group A/S for the financial year 1 November 2023 - 31 October 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

Trekantområdet, 15 January 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Lars Almskou Ohmeyer

State Authorised Public Accountant

mne24817

Heidi Bonde

State Authorised Public Accountant

mne42815

Company information

The Company	Eltronic Group A/S Kilde Alle 4 DK-8722 Hedensted CVR No: 35 48 04 63 Financial period: 1 November 2023 - 31 October 2024 Municipality of reg. office: Hedensted
Board of Directors	Jens Jørgen Madsen, chair Carl Sinnerup Jensen Lars Tveen Mari-Louise Kahr Andreassen Hans-Christian Ellegård, employee representative Claus Norring Jensen, employee representative Jeppe Kiilerich Østerlund, employee representative
Executive Board	Lars Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Group Chart

Company	Residence	Ownership
Eltronic Group A/S	Hedensted	
DataIntelligence A/S	Hedensted	100%
Eltronic FuelTech A/S	Hedensted	96,7%
Eltronic FuelTech Korea Yuhanhoesa	South Korea	96,7%
Eltronic A/S	Hedensted	100%
Udlejningsselskabet af 4. januar 2024 A/S	Hedensted	100%
Dynatest A/S	Hedensted	100%
Dynatest US Inc	United States	100%
ENABL A/S	Hedensted	94,1%
Eltronic Global ApS	Hedensted	94,1%
ENABL (Taicang) Co Ltd	China	94,1%
ENABL A/S Taiwan Branch	Taiwan	94,1%
ENABL Engineering Private Limited	India	94,1%
ENABL Bulgaria EOOD	Bulgaria	94,1%
ENABL Ukraina LLC	Ukraine	94,1%
ENABL-Wind UK Ltd	United Kingdom	94,1%
ENABL Inc	United States	94,1%
ENABL Hungary Kft	Hungary	94,1%
EPCIDO Holding A/S	Herning	50%
EPCIDO US Inc	United States	50%
EPCIDO Sp. Z.o.o.	Poland	50%
EPCIDO A/S	Herning	50%
EPCIDO Ltd	United Kingdom	50%
EPCIDO GmbH	Germany	50%
Eltronic PTX A/S	Hedensted	100%
MME Nordic A/S	Thisted	70%
MME Nordic Hungary Kft.	Hungary	70%

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					
Revenue	2,066,740	1,983,916	1,663,233	1,040,632	718,449
Gross profit	924,297	815,565	651,757	536,468	362,943
EBITDA	153,607	151,211	119,381	136,358	61,267
Depreciation, amortisation and impairment	-46,216	-55,340	-37,732	-24,840	-23,009
Profit/loss of primary operations	107,391	95,870	81,649	111,518	38,258
Profit/loss of financial income and expenses	-19,444	-29,893	10,377	-16,171	-4,161
Profit/loss before tax	87,947	65,977	92,025	95,347	34,097
Tax on profit/loss for the year	-29,457	-22,085	-20,862	-28,643	-11,317
Net profit/loss for the year	58,490	43,892	71,163	66,704	22,780
Balance sheet					
Balance sheet total	1,016,813	1,057,675	1,134,749	612,111	515,438
Investment in property, plant and equipment	32,508	22,633	75,988	11,367	6,253
Equity	391,917	336,613	282,396	210,085	141,484
Cash flows					
Cash flows from:					
- operating activities	102,558	88,804	-2,547	8,738	95,826
- investing activities	175,803	-22,891	-214,228	-17,815	-21,196
- financing activities	-240,787	-100,839	264,864	-17,924	-39,502
Change in cash and cash equivalents for the year	37,574	-34,926	48,089	-27,002	35,128
Number of employees	1,273	1,217	999	704	609
Ratios					
Gross margin	44.7%	41.1%	39.2%	51.6%	50.5%
Profit margin	5.2%	4.8%	4.9%	10.7%	5.3%
Return on assets	10.6%	9.1%	7.2%	18.2%	7.4%
Solvency ratio	38.5%	31.8%	24.9%	34.3%	27.4%
Return on equity	16.1%	14.2%	28.9%	37.9%	17.7%

The key figures have been prepared in accordance with the recommendations and key figures of the Finance Association. Please refer to the definitions in the section on accounting policies

Management's review

Key activities

The Company's key activities are:

- 1.to invest in small and medium-sized enterprises or parts of such enterprises
- 2.to develop the enterprises mentioned in paragraph 1, including participation in strategic management of such enterprises
- 3.to complete sales of the enterprises mentioned in paragraph 1
- 4.to carry out other activities which the Executive Board considers to be related to the activities mentioned in paragraphs 1-3.

Eltronic A/S

Eltronic A/S is a knowledge-based company developing, manufacturing and servicing production technology and platforms globally for the manufacturing industry.

Eltronic FuelTech A/S

Eltronic FuelTech A/S is a knowledge-based company developing, manufacturing and servicing process platforms for fuel gas supply systems and platforms globally for the maritime industry.

ENABL A/S

ENABL A/S is a knowledge-based company developing, manufacturing and servicing production technology and platforms globally for the wind energy industry.

Eltronic PtX A/S

Eltronic PtX A/S is a knowledge-based company that develops, manufactures, and services modular process platforms for balance of stack PtX systems. Primarily focusing on electrolysis and synthesis for scaling PtX capacity globally for the energy sector.

Dynatest A/S

Dynatest A/S is a knowledge-based business which develops, manufactures, and services pavement test systems. The company is world-leading within evaluation of road and runway pavements.

Epcido A/S

Epcido A/S is a knowledge- and project company which installs and services equipment for logistics and distribution centers globally.

MME Nordic A/S

MME Nordic A/S is a knowledge-based company which develops, manufactures, and services production platforms globally for the medico industry.

Development in the year

The income statement of the Group for 2023/24 shows a profit of DKK 58,490k, and at 31 October 2024 the balance sheet of the Group shows a positive equity of DKK 391,917k.

Management's review

The past year and follow-up on development expectations from last year

In the fiscal year, the Group has continued to focus on developing, manufacturing, delivering, and servicing advanced production facilities, products, processes, and digitalization for its Danish and international customers.

In 2023/24 Eltronic Group delivered a performance on a satisfactory level.

We continued to deliver top line growth and revenue increased with 4,2% to DKK 2,066,740k, slightly above our target. Profit on primary operations was DKK 107,391k, an increase of DKK 11,521k compared to 2022/23. Profit before tax was DKK 87,947, an increase of 33% compared to 2022/23, slightly below our target.

The year's financial results were influenced by challenges faced by the PtX and wind power industry, particularly towards the end of the year. Several projects were cancelled as national governments and developers reacted late to inflationary pressures and interest rate developments. In ENABL, the second half of the year was affected by significant costs related to two projects. Those projects and market postponed planned projects from our customers will affect the outlook for 2025. We believe that our customers' projects will start again in the second half of 2025.

Furthermore, the financial results were impacted by a gain from sales of land and buildings and expenses related to market research, business development and transactions.

The Group's management tools are being strengthened and adjusted and have been integrated into the IT management platform, which extensively digitizes the company. The goal is to enhance the performance culture throughout the organization, creating the greatest possible value for customers in the future. Significant investments have been made in expanding and upgrading the company's business platforms and processes to anchor standardized business systems. These investments will continue in 2025 to support increased activity, with a specific focus on AI and ongoing efforts to strengthen and expand cyber security.

Additionally, there has been a focus on the company's sustainability strategy, reflected in a new ESG report. Several initiatives have been introduced to minimize the company's own environmental footprint and, in particular, to minimize customers' footprints in their product manufacturing processes.

Special risks - operating risks and financial risks

Operating risks

The Group's activities cover development, manufacturing, and delivery of large and complex production solutions to the industry sector, which imply both technical and contractual risks.

However, in Management's assessment, the Group currently has internal systems and procedures to ensure that the activities for the year may be carried out without any significant technical and contractual risks.

Foreign exchange risks

Most of the revenue is generated in DKK and EUR. As a result, the Group is exposed to a lesser extent to risks related to currency fluctuations. The uncertainties in other currencies are attempted to be mitigated through the reduction of net positions or the use of financial instruments in significant risk situations.

Credit risks

The Group's customer portfolio primarily consists of large, well-reputed companies, assessed to have a good financial standing. Customers are subject to regular credit ratings, and risks are minimized through payment terms that reduce exposure.

Management's review

Targets and expectations for the year ahead

Next year, we will focus on consolidation and optimization of the Group's activities.

The company expects demand within its core business and anticipates achieving a financially satisfactory result for 2024/25 with approximately DKK 2,000m in revenue and an EBT of approximately DKK 100m.

Research and development

Eltronic A/S

Development activities include product maturing of supply platforms for increased recycling, development, and integration of the Company's processes for managing all tasks across the Company.

Eltronic Fueltech A/S

Development activities include the development of product families that ensure new alternative, fossil free, and more environmentally friendly energy and fuel solutions for the maritime industry.

ENABL A/S

The financial year has been a re prioritization year for ENABL and the development curve for ENABL in the Tower and Monopile market segment has continued. The company has built capacity and has allocated funding in the budget in the coming year for the development of new products and competences expected to support a significant growth and market position in the years to come. The solutions support the development of the offshore wind turbines as well as our consulting business allowing ENABL to take a larger share of the global market. The planned investments contains both competences and automated product solutions.

Dynatest A/S

In the coming years, we expect to invest substantially in the development of digital solutions and new products which can be applied globally across the company.

Our collaboration with universities entails a steady pipeline of qualified resources. We continuously execute 4-5 projects with students at multiple levels through a controlled process. This has already resulted in subsequent solutions and employment.

External environment

The Group is aware of its responsibilities in relation to both the external and the internal environment and shows the necessary consideration when performing individual assignments and with respect to the environment in its services and supplies to customers. Thus, the UN Sustainable Development Goals (SDG) form the basis for the Company's strategic direction, with the clear objective of contributing with technological solutions which reduce the environmental impact. The Group has obtained the ISO 14001 environmental certification, and its environmental impact is considered to be low.

Intellectual capital resources

The Group is a knowledge-based business whose key resources are the competencies and knowledge possessed by its employees.

Competence development and knowledge sharing are keywords. Initiatives for the retention of employees are given high priority.

Statement of corporate social responsibility, cf. section 99a of the Financial Statements Act

The statutory statement is available on the Company's website cf. <https://catalog.eltronic.dk/esg-report-2023-2024/esg-report-2023-2024/>

Statement on data ethics, cf. section 99d of the Financial Statements Act

The statutory statement is available on the Company's website cf. <https://catalog.eltronic.dk/esg-report-2023-2024/esg-report-2023-2024/>

Management's review

Uncertainty relating to recognition and measurement

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

Unusual events

The property company Techno Ejendomme ApS has been sold.

Besides that, the financial position on 31 October 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

In December 2024, an extraordinary dividend of DKK 125.000k was approved in Eltronic Group A/S.

After the balance sheet date, there has been a merger in the ownership between Techno Vision ApS and Eltronic Finans A/S, with Techno Vision ApS as the future owner of Eltronic Group A/S.

No further events have occurred since the balance sheet date, which could materially impact the Group's or the Parent Company's financial position.

Income statement 1 November 2023 - 31 October 2024

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		TDKK	TDKK	TDKK	TDKK
Revenue	1	2,066,740	1,983,916	54,818	62,344
Other operating income	2	86,958	1,956	21,032	16,315
Expenses for raw materials and consumables		-1,013,955	-1,027,087	0	0
Other external expenses	2	-215,446	-143,220	-75,410	-40,998
Gross profit		924,297	815,565	440	37,661
Staff expenses	3	-770,313	-663,602	-16,666	-23,546
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	4	-46,216	-55,340	-1,303	-647
Other operating expenses		-377	-753	-20,880	-15,566
Profit/loss before financial income and expenses		107,391	95,870	-38,409	-2,098
Income from investments in subsidiaries	2	0	0	89,923	41,244
Income from investments in associates	5	-650	-409	-650	-409
Financial income	6	9,580	7,280	7,755	8,396
Financial expenses	7	-28,374	-36,764	-2,859	-12,227
Profit/loss before tax		87,947	65,977	55,760	34,906
Tax on profit/loss for the year	8	-29,457	-22,085	2,848	1,298
Net profit/loss for the year	9	58,490	43,892	58,608	36,204

Balance sheet 31 October 2024

Assets

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		TDKK	TDKK	TDKK	TDKK
Completed development projects		47,842	50,547	0	0
Acquired licenses		3,891	5,089	0	0
Goodwill		45,148	66,451	0	0
Development projects in progress		23,529	25,725	0	0
Intangible assets	10	120,410	147,812	0	0
Land and buildings		968	158,763	1,592	1,644
Plant and machinery		3,064	2,437	0	0
Other fixtures and fittings, tools and equipment		21,103	8,260	8,132	2,378
Leasehold improvements		9,600	2,359	4,456	0
Property, plant and equipment in progress		206	7,770	0	0
Property, plant and equipment	11	34,941	179,589	14,180	4,022
Investments in subsidiaries	12	0	0	321,738	324,889
Investments in associates	13	87	737	87	737
Deposits	14	18,758	1,844	16,876	0
Fixed asset investments		18,845	2,581	338,701	325,626
Fixed assets		174,196	329,982	352,881	329,648
Inventories	15	157,288	152,365	0	0
Trade receivables		324,428	330,165	0	0
Contract work in progress	16	217,198	156,715	0	0
Receivables from group enterprises		0	0	154,649	158,097
Other receivables		44,497	31,830	26,621	15,748
Deferred tax asset	18	98	0	0	323
Corporation tax		1,701	2,777	4,708	9,537
Prepayments	17	15,265	9,273	3,950	400
Receivables		603,187	530,760	189,928	184,105

Balance sheet 31 October 2024

Assets

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		TDKK	TDKK	TDKK	TDKK
Cash at bank and in hand		82,142	44,568	11,043	42
Current assets		842,617	727,693	200,971	184,147
Assets		1,016,813	1,057,675	553,852	513,795

Balance sheet 31 October 2024

Liabilities and equity

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		TDKK	TDKK	TDKK	TDKK
Share capital		1,311	1,311	1,311	1,311
Reserve for net revaluation under the equity method		0	0	86,388	82,118
Reserve for hedging transactions		0	-974	0	-974
Reserve for exchange rate conversion		1,220	1,359	0	0
Retained earnings		352,242	296,056	267,074	215,297
Equity attributable to shareholders of the Parent Company		354,773	297,752	354,773	297,752
Minority interests		37,144	38,861	0	0
Equity		391,917	336,613	354,773	297,752
Provision for deferred tax	18	29,251	39,201	23	0
Other provisions	19	20,530	13,922	0	0
Provisions		49,781	53,123	23	0
Mortgage loans		0	70,778	0	0
Credit institutions		0	13,500	0	13,500
Lease obligations		1,502	750	938	0
Other payables		18,710	17,824	2,430	2,300
Long-term debt	20	20,212	102,852	3,368	15,800

Balance sheet 31 October 2024

Liabilities and equity

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		TDKK	TDKK	TDKK	TDKK
Mortgage loans	20	0	3,892	0	0
Credit institutions	20	2,730	152,708	111	150,745
Lease obligations	20	459	175	274	0
Prepayments received from customers		47,479	48,281	0	0
Trade payables		195,550	155,101	16,057	4,817
Contract work in progress	16	162,478	56,403	0	0
Payables to group enterprises		0	0	174,651	39,503
Corporation tax		5,737	5,714	0	0
Other payables	20	124,628	130,452	4,595	5,178
Deferred income	21	15,842	12,361	0	0
Short-term debt		554,903	565,087	195,688	200,243
Debt		575,115	667,939	199,056	216,043
Liabilities and equity		1,016,813	1,057,675	553,852	513,795
Contingent assets, liabilities and other financial obligations	24				
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Accounting Policies	28				

Statement of changes in equity

Group

	Share capital	Reserve for hedging transactions	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 November	1,311	-974	1,359	296,056	297,752	38,861	336,613
Ordinary dividend paid	0	0	0	0	0	-4,561	-4,561
Exchange adjustments relating to foreign entities	0	0	-139	0	-139	83	-56
Fair value adjustment of hedging instruments, beginning of year	0	974	0	0	974	0	974
Addition of minority interests	0	0	0	279	279	1,765	2,044
Other equity movements	0	0	0	-2,701	-2,701	1,114	-1,587
Net profit/loss for the year	0	0	0	58,608	58,608	-118	58,490
Equity at 31 October	1,311	0	1,220	352,242	354,773	37,144	391,917

Statement of changes in equity

Parent company

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 November	1,311	82,118	-974	215,297	297,752
Dissolution of previous years' revaluation	0	-13,031	0	13,031	0
Exchange adjustments relating to foreign entities	0	-139	0	0	-139
Dividend from group enterprises	0	-4,500	0	4,500	0
Fair value adjustment of hedging instruments, beginning of year	0	0	974	0	974
Other equity movements	0	-2,422	0	0	-2,422
Net profit/loss for the year	0	24,362	0	34,246	58,608
Equity at 31 October	1,311	86,388	0	267,074	354,773

Cash flow statement 1 November 2023 - 31 October 2024

	Note	Group	
		2023/24	2022/23
		TDKK	TDKK
Result of the year		58,490	43,892
Adjustments	22	10,376	102,327
Change in working capital	23	72,633	-17,990
Cash flow from operations before financial items		141,499	128,229
Financial income		9,580	7,280
Financial expenses		-28,374	-36,764
Cash flows from ordinary activities		122,705	98,745
Corporation tax paid		-20,147	-9,941
Cash flows from operating activities		102,558	88,804
Purchase of intangible assets		-12,818	-18,765
Purchase of property, plant and equipment		-32,508	-22,634
Fixed asset investments made etc		-17,229	-1,459
Sale of property, plant and equipment		237,870	3,579
Sale of fixed asset investments made etc		497	375
Business acquisition		0	-2,873
Sale of minority interests		-9	18,886
Cash flows from investing activities		175,803	-22,891
Repayment of mortgage loans		-74,670	-3,937
Repayment of loans from credit institutions		-163,478	-94,037
Reduction of lease obligations		-415	-74
Repayment of other long-term debt		0	-789
Lease obligations incurred		1,451	998
Raising of other long-term debt		886	0
Dividend paid		-4,561	-3,000
Cash flows from financing activities		-240,787	-100,839
Change in cash and cash equivalents		37,574	-34,926
Cash and cash equivalents at 1 November		44,568	79,494
Cash and cash equivalents at 31 October		82,142	44,568

Cash flow statement 1 November 2023 - 31 October 2024

Note	Group	
	2023/24	2022/23
	TDKK	TDKK
Cash and cash equivalents are specified as follows:		
Cash at bank and in hand	82,142	44,568
Cash and cash equivalents at 31 October	82,142	44,568

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Revenue, Denmark	668,739	614,708	54,818	62,344
Export sales, EU	677,208	764,655	0	0
Export sales, non-EU	720,793	604,553	0	0
	2,066,740	1,983,916	54,818	62,344
Business segments				
Wind	872,216	982,351	0	0
Production systems	631,296	458,464	0	0
Electrical installations	2,638	22,632	0	0
Fuel systems	312,024	252,849	0	0
Installation	149,886	173,693	0	0
Road surface	98,680	93,927	0	0
Management fee	0	0	54,818	62,344
	2,066,740	1,983,916	54,818	62,344

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
2. Special items				
Gain from sales of land and buildings	82,994	0	0	0
Expenses related to market research, business development and transactions.	-25,354	0	-25,354	0
Gain from sales of subsidiaries	0	0	64,735	0
	57,640	0	39,381	0

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
3. Staff expenses				
Wages and salaries	687,654	587,627	14,843	20,705
Pensions	66,035	62,570	1,693	2,612
Other social security expenses	16,624	13,405	130	229
	770,313	663,602	16,666	23,546
Including remuneration to the Executive Board and Board of Directors:				
Executive board	1,764	2,473	1,764	2,473
Board of directors	238	213	200	175
	2,002	2,686	1,964	2,648
Average number of employees	1,273	1,217	22	37

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
4. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	40,083	44,393	0	0
Depreciation of property, plant and equipment	6,133	10,521	1,303	647
Impairment of intangible assets	0	426	0	0
	46,216	55,340	1,303	647

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
5. Income from investments in associates				
Share of profits	-650	-409	-650	-409
	-650	-409	-650	-409

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
6. Financial income				
Interest received from group enterprises	0	0	6,888	7,991
Other financial income	6,258	2,023	867	405
Exchange adjustments	3,322	5,257	0	0
	9,580	7,280	7,755	8,396

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
7. Financial expenses				
Other financial expenses	22,377	29,907	2,859	12,227
Exchange adjustments, expenses	5,997	6,857	0	0
	28,374	36,764	2,859	12,227

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
8. Income tax expense				
Current tax for the year	12,878	16,096	-3,198	-1,322
Deferred tax for the year	16,928	7,316	346	24
Adjustment of tax concerning previous years	-344	-6,985	4	0
Adjustment of deferred tax concerning previous years	-5	5,658	0	0
	29,457	22,085	-2,848	-1,298

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
9. Profit allocation				
Reserve for net revaluation under the equity method	0	0	24,362	5,565
Minority interests' share of net profit/loss of subsidiaries	-118	7,688	0	0
Retained earnings	58,608	36,204	34,246	30,639
	58,490	43,892	58,608	36,204
Extraordinary dividend after year end	125,000	0	125,000	0

Notes to the Financial Statements

10. Intangible fixed assets

	Group				Parent company
	Completed development projects	Acquired licenses	Goodwill	Development projects in progress	Completed development projects
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 November	79,076	7,658	184,973	25,725	1,124
Exchange adjustment	-68	-85	0	0	0
Additions for the year	211	70	0	12,537	0
Disposals for the year	-1,613	-1,357	-1,780	0	0
Transfers for the year	14,733	0	0	-14,733	0
Cost at 31 October	92,339	6,286	183,193	23,529	1,124
Impairment losses and amortisation at 1 November	28,529	2,569	118,522	0	1,124
Exchange adjustment	-11	-5	0	0	0
Amortisation for the year	17,592	1,188	21,303	0	0
Reversal of impairment and amortisation of sold assets	-1,613	-1,357	-1,780	0	0
Impairment losses and amortisation at 31 October	44,497	2,395	138,045	0	1,124
Carrying amount at 31 October	47,842	3,891	45,148	23,529	0
Amortised over	5 years	3-8 years	3-10 years		5 years

Notes to the Financial Statements

Some of the development projects involve the further development of equipment within the company's existing product range whereas some of the products are already on the market. The equipment is sold in both current and new markets to the company's existing customers as well as new ones. There is, and is expected to be, a high demand for these products in the coming years.

Larger development projects within the Group consists of the following.

A project concerning the Tower and Foundation segment where the products are used to facilitate the entire production of Monopiles – to the offshore wind industry. The products are already on the market. The equipment is sold in both current and new markets to the groups' existing customers as well as new ones. There is, and is expected to be, a high demand for these products in the coming years. There is a known need to increase the production capacity within offshore wind – and this is directly related to production of Monopiles and foundations. We serve the monopile production with the equipment related to the development project.

The Aengine project; development of a complete fuel supply system for future ammonia-powered marine engines. This project is expected to be completed in 2025 and the relevant resources in the development department have been budgeted to carry out the planned activities. The solution can be marketed and sold the same year. There is great interest in the market for this future solution of carbon-free fuels.

A project concerning a Fuel Supply System for Methanol-powered engines and is a supplement to our Gas Valve Train to deliver the full system from tank to engine. The project has been finished in 2023-24 and the product is ready for the market.

A project concerning a product for use with low pressure LNG-powered engines in a new variant on the existing market. The project is finalized and has had a relatively short development period, and was thus fully developed in 2022, when both marketing and sales have begun. There has thus been no capitalized cost in 2022-23 or 2023-24.

A development of robot-cells regarding the handling of sustainable packaging alternatives in the product environment.

Notes to the Financial Statements

11. Property, plant and equipment Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve- ments	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 November	181,038	2,973	14,870	2,878	7,770
Exchange adjustment	0	0	-103	0	0
Additions for the year	115	1,500	17,150	7,946	5,797
Disposals for the year	-180,089	0	-3,040	0	-13,361
Cost at 31 October	1,064	4,473	28,877	10,824	206
Impairment losses and depreciation at 1 November	22,275	536	6,610	519	0
Exchange adjustment	0	0	-23	0	0
Depreciation for the year	904	873	3,651	705	0
Reversal of impairment and depreciation of sold assets	-23,083	0	-2,464	0	0
Impairment losses and depreciation at 31 October	96	1,409	7,774	1,224	0
Carrying amount at 31 October	968	3,064	21,103	9,600	206
Amortised over	20-50 years	3-5 years	3-5 years	5-20 years	
Including assets under finance leases amounting to	0	561	1,351	0	0

Notes to the Financial Statements

Parent company

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	TDKK	TDKK	TDKK
Cost at 1 November	1,688	3,156	0
Additions for the year	0	6,875	4,586
Cost at 31 October	1,688	10,031	4,586
Impairment losses and depreciation at 1 November	44	778	0
Depreciation for the year	52	1,121	130
Impairment losses and depreciation at 31 October	96	1,899	130
Carrying amount at 31 October	1,592	8,132	4,456
Amortised over	20-50 years	3-5 years	5-20 years

Notes to the Financial Statements

12. Investments in subsidiaries

	Parent company	
	2023/24	2022/23
	TDKK	TDKK
Cost at 1 November	242,772	280,774
Additions for the year	27,899	400
Disposals for the year	-35,321	-37,395
Transfers for the year	0	-1,007
Cost at 31 October	235,350	242,772
Value adjustments at 1 November	82,117	81,056
Disposals for the year	-13,031	28,259
Exchange adjustment	-138	-2,503
Net profit/loss for the year	40,759	63,464
Dividend to the Parent Company	-4,500	-64,000
Other equity movements, net	-4,213	-1,938
Amortisation of goodwill	-14,606	-21,735
Change in intercompany profit on inventories	0	-486
Value adjustments at 31 October	86,388	82,117
Carrying amount at 31 October	321,738	324,889
Remaining positive difference included in the above carrying amount at	30,857	45,463

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
DataIntelligence A/S	Denmark	100%
Eltronic FuelTech A/S	Denmark	96,7%
- Eltronic Fueltech Korea Yuhanhoesa	South Korea	96,7%
Eltronic A/S	Denmark	100%
Udlejningsselskabet af 4. januar 2024 A/S	Denmark	100%
ENABL A/S	Denmark	94,1%
- Eltronic Global ApS	Denmark	94,1%
- ENABL (Taicang) Co Ltd	China	94,1%
- ENABL A/S Taiwan Branch	Taiwan	94,1%
- ENABL Engineering Private Limited	India	94,1%
- ENABL Bulgaria EOOD	Bulgaria	94,1%
- ENABL Ukraina LLC	Ukraine	94,1%
- ENABL-Wind UK Ltd	United Kingdom	94,1%
- ENABL Inc	USA	94,1%

Notes to the Financial Statements

Name	Place of registered office	Ownership
- ENABL Hungary Kft	Hungary	94,1%
Dynatest A/S	Denmark	100%
- Dynatest US Inc	USA	100%
- Dynatest North America Inc	USA	100%
EPCIDO Holding A/S	Denmark	50%
- EPCIDO US Inc	USA	50%
- EPCIDO Sp. Z.o.o.	Poland	50%
- EPCIDO A/S	Denmark	50%
- EPCIDO Ltd	United Kingdom	50%
- EPCIDO GmbH	Germany	50%
MME Nordic A/S	Denmark	70%
- MME Nordic Hungary Kft.	Hungary	70%
Eltronic PTX A/S	Denmark	100%

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
13. Investments in associates				
Cost at 1 November	1,146	535	1,146	0
Additions for the year	0	1,007	0	139
Disposals for the year	0	-396	0	0
Transfers for the year	0	0	0	1,007
Cost at 31 October	1,146	1,146	1,146	1,146
Value adjustments at 1 November	-409	-21	-409	0
Net profit/loss for the year	-343	-102	-343	-102
Other equity movements, net	0	21	0	0
Amortisation of goodwill	-307	-307	-307	-307
Value adjustments at 31 October	-1,059	-409	-1,059	-409
Carrying amount at 31 October	87	737	87	737
Remaining positive difference included in the above carrying amount at	794	1,101	794	1,101

Investments in associates are specified as follows:

Name	Place of registered office	Ownership
Sonne Management Invest ApS	Denmark	33,33%
MME Management Invest ApS	Denmark	11,67%

Notes to the Financial Statements

14. Other fixed asset investments

	Group	Parent company
	Deposits	Deposits
	TDKK	TDKK
Cost at 1 November	1,844	0
Additions for the year	17,229	16,876
Disposals for the year	-315	0
Cost at 31 October	<u>18,758</u>	<u>16,876</u>
 Carrying amount at 31 October	 <u>18,758</u>	 <u>16,876</u>

15. Inventories

	Group	Parent company
	2023/24	2022/23
	TDKK	TDKK
Raw materials and consumables	87,773	84,937
Work in progress	50,193	50,400
Finished goods and goods for resale	17,548	16,336
Prepayments for goods	1,774	692
	<u>157,288</u>	<u>152,365</u>

16. Contract work in progress

	Group	Parent company
	2023/24	2022/23
	TDKK	TDKK
Selling price of work in progress	1,103,842	849,723
Payments received on account	-1,049,122	-749,411
	<u>54,720</u>	<u>100,312</u>
 Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	217,198	156,715
Prepayments received recognised in debt	-162,478	-56,403
	<u>54,720</u>	<u>100,312</u>

Notes to the Financial Statements

17. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and other costs as well.

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
18. Provision for deferred tax				
Deferred tax liabilities at 1 November	39,201	26,228	-323	-347
Disposals due to business transactions	-26,971	0	0	0
Amounts recognised in the income statement for the year	16,923	12,973	346	24
Deferred tax liabilities at 31 October	29,153	39,201	23	-323
Recognised in the balance sheet as follows:				
Assets	98	0	0	323
Provisions	-29,251	-39,201	-23	0
	29,153	39,201	23	-323

The provision for deferred tax is mainly attributed to temporary differences between the accounting value and the tax value of development projects, lease obligations, machinery and equipment, leasehold improvements, work in progress and other provisions.

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
19. Other provisions				
The Group have recognized provisions which primarily relates to loss-making agreements.				
Other provisions	20,530	13,922	0	0
	20,530	13,922	0	0
The provisions are expected to mature as follows:				
Within 1 year	20,530	13,922	0	0
After 5 years	0	0	0	0
	20,530	13,922	0	0

Notes to the Financial Statements

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

20. 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:

Mortgage loans

After 5 years	0	54,328	0	0
Between 1 and 5 years	0	16,450	0	0
Long-term part	0	70,778	0	0
Within 1 year	0	3,892	0	0
	0	74,670	0	0

Credit institutions

After 5 years	0	0	0	0
Between 1 and 5 years	0	13,500	0	13,500
Long-term part	0	13,500	0	13,500
Within 1 year	0	4,761	0	4,500
Other short-term debt to credit institutions	2,730	147,947	111	146,245
	2,730	166,208	111	164,245

Lease obligations

After 5 years	0	0	0	0
Between 1 and 5 years	1,502	750	938	0
Long-term part	1,502	750	938	0
Within 1 year	459	175	274	0
	1,961	925	1,212	0

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
20. Long-term debt				
Other payables				
After 5 years	15,671	14,939	0	0
Between 1 and 5 years	3,039	2,885	2,430	2,300
Long-term part	18,710	17,824	2,430	2,300
Other short-term payables	124,628	130,452	4,595	5,178
	143,338	148,276	7,025	7,478

21. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

	Group	
	2023/24	2022/23
	TDKK	TDKK
22. Cash flow statement - Adjustments		
Financial income	-9,580	-7,280
Financial expenses	28,374	36,764
Depreciation, amortisation and impairment losses, including losses and gains on sales	-38,675	52,424
Income from investments in associates	650	409
Tax on profit/loss for the year	29,457	22,085
Other adjustments	150	-2,075
	10,376	102,327

Notes to the Financial Statements

	Group	
	2023/24	2022/23
	TDKK	TDKK
23. Cash flow statement - Change in working capital		
Change in inventories	-4,923	-6,224
Change in receivables	-73,405	31,009
Change in other provisions	6,608	-396
Change in trade payables, etc	143,379	-42,442
Fair value adjustments of hedging instruments	974	63
	72,633	-17,990

24. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

A company charge of DKK 113,600k has been created on trade receivables, inventories, fixtures and fittings, tools and equipment as well as goodwill and other intangible rights at a total carrying amount of DKK 467,895k.

The Group and the Parent Company have provided security for balances with credit institutions through a charge on shares in group enterprises with a carrying amount of DKK 109,210k.

Rental and lease obligations

The Group has assumed lease commitments amounting to DKK 21,793k as at the balance sheet date. The Group has assumed obligation to designate buyer, operating leases. Expected residual value on expiry agreement DKK 309k.

The Parent company has assumed lease commitments amounting to DKK 1,030k as at the balance sheet date.

The Group has has assumed rent obligations amounting to DKK 487,971k as at the balance sheet date.

The Parent Company has has assumed rent obligations amounting to DKK 463,795k as at the balance sheet date.

Guarantee obligations

The Parent Company has provided security in respect of subsidiaries balances with credit institutions to DKK 1,312k at the balance sheet date.

The Parent Company has issued a letter of support in respect of the subsidiaries Udlejningsselskabet af 4. januar 2024 A/S, Dataintelligence A/S, Eltronic PTX A/S and ENABL A/S.

Notes to the Financial Statements

24. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

In connection with the sale of a capital share, the group has undertaken, if certain circumstances arise in the future until April 2027, to repay a share of the sale price to the buyer.

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 3,872k. 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.

25. 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.

All transactions have been conducted on an arm's length basis.

26. Fee to auditors appointed at the general meeting

PricewaterhouseCoopers

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
Audit fee	1,385	1,557	88	85
Other assurance engagements	29	149	0	0
Tax advisory services	1,514	903	845	576
Non-audit services	7,448	1,344	6,544	744
	10,376	3,953	7,477	1,405

27. Subsequent events

In December 2024, an extraordinary dividend of DKK 125.000k was approved in Eltronic Group A/S.

After the balance sheet date, there has been a merge in the ownership between Techno Vision ApS and Eltronic Finans A/S, with Techno Vision ApS as the future owner of Eltronic Group A/S.

No further events have occurred since the balance sheet date which could materially impact the Group's or the Parent Company's financial position.

Notes to the Financial Statements

28. Accounting policies

The Annual Report of Eltronic Group A/S for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large 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 TDKK.

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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of consolidation

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

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

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

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Notes to the Financial Statements

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

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

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.

Notes to the Financial Statements

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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Segment information on revenue

Information on business segments and geographical segments is based on the Group's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

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.

Notes to the Financial Statements

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 expenses for premises, sales as well as office expenses, etc.

Other external expenses also include research and development costs that do not qualify for capitalisation.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

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 and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

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

Tax on profit/loss for the year

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

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

The Company is jointly taxed with Danish subsidiaries. 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 3-10 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.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

Other intangible fixed assets

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

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 3-8 years. Software licences are amortised over the period of the agreements, which is 3-8 years.

Property, plant and equipment

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

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

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

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

Other buildings	20-50 years
Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-20 years

Notes to the Financial Statements

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.

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 and associates

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

The items "Investments in subsidiaries" and "Investments in associates" 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 and associates 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 and the associates.

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

Other fixed asset investments

Other fixed asset investments consist of security deposits etc. measured at cost.

Inventories

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

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

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

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

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.

Notes to the Financial Statements

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.

Prepayments

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

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include loss-making agreements and warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes 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 within the same legal tax entity.

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. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as mortgage loans and 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.

Notes to the Financial Statements

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

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

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.

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

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