Valcon A/S

Meldahlsgade 5, 2., DK-1613 København V

Annual Report for 2024

CVR No. 25 25 40 90

The Annual Report was presented and adopted at the Annual General Meeting of the company on 28/3 2025

Lars Kallestrup
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Valcon A/S for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations and cash flows for 2024.

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

Copenhagen, 28 March 2025

Executive Board

Thomas Nellemose Rosenlund

Board of Directors

Gerard Pieter Marie van den Goor Chairman	Maarten Anton Theodoor Icking	Thomas Arne Fischer

Independent Auditor's report

To the shareholder of Valcon A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company´s operations and cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Valcon A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies (”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 Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the 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 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 financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 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 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 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.

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.

Hellerup, 28 March 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob F Christiansen
State Authorised Public Accountant
mne18628

Kim Danstrup
State Authorised Public Accountant
mne32201

Company information

The Company	Valcon A/S Meldahlsgade 5, 2. DK-1613 København V CVR No: 25 25 40 90 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Gerard Pieter Marie van den Goor, chairman Maarten Anton Theodoor Icking Thomas Arne Fischer
Executive Board	Thomas Nellemose Rosenlund
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	2024	2023	2022	2021	2020/21
	TDKK	TDKK	TDKK	TDKK 6 months	TDKK
Key figures					
Profit/loss					
Revenue	260,687	257,358	248,799	90,418	226,008
Gross profit	198,112	183,429	154,813	52,444	159,138
Profit/loss of financial income and expenses	-381	-371	-304	-271	-242
Net profit/loss for the year	26,920	12,587	21,107	2,297	25,215
Balance sheet					
Balance sheet total	96,308	72,843	86,118	65,222	113,310
Investment in property, plant and equipment	729	1,437	1,687	56	0
Equity	51,711	24,791	36,204	30,097	59,821
Number of employees	151	158	117	109	109
Ratios					
Gross margin	76.0%	71.3%	62.2%	58.0%	70.4%
Profit margin	13.4%	6.3%	10.9%	3.6%	14.4%
Return on assets	36.4%	22.4%	31.6%	5.0%	28.6%
Solvency ratio	53.7%	34.0%	42.0%	46.1%	52.8%
Return on equity	70.4%	41.3%	63.7%	5.1%	39.7%

The ratios have been preprared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's review

Key activities

Valcon A/S is a subsidiary of Valcon Holding B.V. with activities across Europe. Valcon is an advisory business delivering consulting services to European clients. The group has more than 1600 advisors across Europe.

Our business model is a typical project delivery business with a mix of time and material and fixed price contracts. Clients are serviced on a project-to-project basis or through framework agreements enabling recurring work. Contracts are advisory in character with no extraordinary product or services risk included.

Development in the year

With a revenue of tDKK 260,687 Valcon A/S has had a revenue growth of 1% pct in 2024 (compared to 2023 tDKK 257,358), while profitability has grown to tDKK 34,676 (compared to 2023 tDKK 15,970). Growth is driven by underlying growth across services. Since joining forces in Valcon Group, we have expanded breath of services to Scandinavian clients now serving across transformations with both advisory and delivery services including technology services and data management.

The Company's knowledge resources

The Valcon team is the critical element of our business. During 2024 we have successfully adjusted the team and competence composition to better support our strategy. We continue to aspire to offer an industry best working experience for our people through a combination of exciting work for exciting clients, a deep focus on learning for all employees and creating an environment where everybody can be themselves.

Special risks

The Company's services are based within consulting, and the risks the Company may be exposed to are consequently in essence the same risks found within consulting in general. There are no special financial risks with respect to the development in interest rates or exchange rates.

Outlook

Valcon Group expects organic growth to continue into 2025. Our strengthened position in Scandinavia leads us to expect 5-15% organic growth in revenue, profitability and team size.

Statement of corporate social responsibility

Intro

Refer to above, there is a description of the business model.

As a consulting and knowledge company, it is essential for us at Valcon to be a role model for our clients and for society at large. We aim to act responsibly and share the knowledge we have to drive progress on one of the most pressing issues of our time: sustainability.

In terms of sustainability, our business is guided by our ambition statement: we live by our values integrity, together, joy, curious and can do. Our values make it our priority to support clients in their transformation towards sustainable business models.

Internally, we take steps to achieve gender equality, reduce our carbon footprint - ultimately to become carbon neutral - and being the happiest company in the world. We have continued to work in this direction in 2024.

Valcon joined the UN Global Compact (UNGC) in 2021 and has committed to the ten principles of the UNGC. This annual review broadly reflects the structure of Communication on Progress (COP) to UNGC.

Governance

Valcon's code of conduct is applicable to all employees across group. Valcon's Code of Conduct is actively shared with all new and existing employees of Valcon in all countries in which we operate. New employees receive a copy of it before or on their first day of work, and to ensure everyone understands its contents, we devote time to discussing it during the onboarding day. For existing employees, the Code of Conduct can be found on the Intranet, and the Group Board also hold regular surveys on the topic which are shared with all employees.

The managing partner is accountable for the activities and the progress in our work regarding corporate social and environmental sustainability.

For our sustainability efforts Valcon has appointed responsible employees to develop our capabilities in various service lines and internally the focus is on reporting, offsetting, and mobility. A partner has been appointed responsible for both internal and external sustainability efforts.

Human rights and anticorruption

UNGC Principle 1, 2 and 10
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
Principle 2: Make sure that they are not complicit in human rights abuses
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Our code of conduct provides a set of rules that guide us with respect to human rights, social conditions, as well as the fight against corruption.

Human rights are managed together with our Code of Conduct and with our work regarding diversity. The company works from the UN principles on human rights and believes it is the role of the State to protect, but the role as Employer to respect, human rights.

Relating to anti-corruption and bribery, Valcon does not accept any activity relating to this and actively informs all employees that any activities relating to this matter should be reported.

During the financial year 2024, we have not registered any cases of violation of human rights or anti-corruption.

We are aware that we play an important role as company, workplace and participant in society. Not only with respect to our role as advisors in relation to critical business decisions but also with respect to important global issues and challenges that we can only solve in cooperation as a society.

Valcon Group strives for a workplace with good work conditions and the industry's highest level of welfare among employees. Valcon therefore carries out a workplace evaluation of the physical and mental work environment as well as employee welfare survey/management evaluation every 6 weeks to follow up on our employees' welfare. Furthermore, an EDI survey is carried out twice a year.

At 2,59% the sick leave percentage is quite low, and we have only experienced one minor work-related injury during the year (it was 0 in 2023).

Education and training are important to Valcon. That is why every employee can sign up for a week of education and training per year. Some employee profiles, like new graduates, get 2-3 weeks additional education and training. In average 53 hours of education pr. employee is registered in 2024.

Valcon has not identified any risk associated with Human rights and Anti-corruption, considering the market in which we operate. Valcon also expects to operate in the same markets in the future years and hence do not expect any risks associated with Human rights and Anti-corruption going forward.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Principle 4: the elimination of all forms of forced and compulsory labour
Principle 5: the effective abolition of child labour
Principle 6: the elimination of discrimination in respect of employment and occupation.

Valcon supports free and protected labour both internally and externally.

Our employees are the heart of our business, and Valcon strives to support them in every aspect of their development, both personal and professional. In addition to the training Valcon supports individual team members in obtaining certifications and further development in specific areas and topics of interest, ranging from data to sustainability. Every employee has a mentor who provides coaching, sparring, and assistance in development and career advancement.

Valcon has also implemented a number of policies in 2022 and 2023 to support our colleagues in all aspects of their lives, including extended parental leave, flexible work set-ups with adequate technological support, and regular social events with colleagues to support physical and mental health. In 2024 we had mandatory safe work environment training for all employees at all levels of the company. The training was very well received on all levels, and we have continued with safe work environment training in the individual capability teams in 2024 and also in 2025.

The company continues the effort enforcing existing policies and continuously reviewing and implementing improvements if relevant. This includes the introduction of Unity at Valcon in 2024. Unity is a comprehensive initiative designed to strengthen our company culture, enhance employee engagement, and foster a deeper connection to Valcon.

At the heart of Unity at Valcon is a commitment to listening, informing, and caring for our colleagues. Through a combination of employee feedback, strategic communications, and targeted initiatives, we aim to create a more connected, informed, and valued team across the Valcon Group. Unity is centred around three key pillars:

Valcon Informs: corporate communications programme designed to inform about the business, communicate on performance and mark key milestones

Valcon Listens: ongoing employee feedback with analysis to help us create a better workplace for everyone

Valcon Cares: our EDI programme, CSR activities, and country-specific people initiatives are focused on enhancing the employees experience and well-being, with different events or initiatives every month such as Gender diversity, physical and mental wellbeing, corporate social responsibility, etc.

Valcon's main risks relating to social and employee related topics, remain the ability to attract well-educated and qualified employees. Going forward Valcon will continue the implementation of Unity to support our employees in their development, both personal and professional. We continue to review our current policies and implement new policies where relevant.

Management's review

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges
Principle 8: undertake initiatives to promote greater environmental responsibility
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

As a knowledge company, our direct climate footprint is relatively limited, but we nevertheless believe that caring for the environment is a natural part of running a business.

We are committed to minimizing our own environmental footprint while helping clients improve their environmental sustainability. We monitor our greenhouse gas (GHG) emissions and follow the GHG Protocol guidance and market best practices. To reflect best market practices and transparency, Valcon has employed the expertise of a specialised firm in carbon accounting practices aligned with the Greenhouse Gas Protocol (Climax) to help better the estimation of Valcon's GHG Emissions as GHG CO2 equivalents (CO2e).

Renewable energy

Valcon has requested the landlord to finish the use of fossil-fuelled energy for Valcon facilities and succeeded by changing electricity supply in July 2024 to renewable 'green' energy, which has been documented by certificate by the supplier.

Waste handling and the sorting of waste are currently being deployed in the office in Copenhagen.

Initiatives in 2024 to avoid and to reduce emissions

The cooperation with the food supplier showcases the small but important choices we make. Veggie Wednesday and occasionally displaying the differences in the emission of specific dishes have been part of the initiatives in 2024.

In addition, the travel Agency delivers detailed CO2 calculations to Valcon and to employees to encourage conscious choices in travelling.

Valcon is still committed to showing our clients and employees that we take climate change seriously. We have developed a tool to calculate emissions prior to the delivery of our services supporting the conscious choices of the delivery model – on-site, remotely or a combination.

Emissions are split over three scopes as defined by the GHG Protocol:

Scope 1: Valcon's direct emissions from sources it directly owns – such as heating in offices
Scope 2: Valcon's indirect emissions associated with the purchase of energy used in our offices
Scope 3: Valcon's indirect emissions result from activities from assets not owned or controlled by Valcon, but that directly impact our value chain. i.e. business travel

As a professional services company, Valcon's exposure to direct climate risks is limited, and our Scope 1 and 2 emissions are limited compared to the extent of Scope 3.

The emission levels from 2024 (and the previous years) are distributed as follows:
As a part of the carbon accounting for 2024 the numbers for 2023 has been adjusted by Climax.
The numbers reported in 2023 is shown in (..)

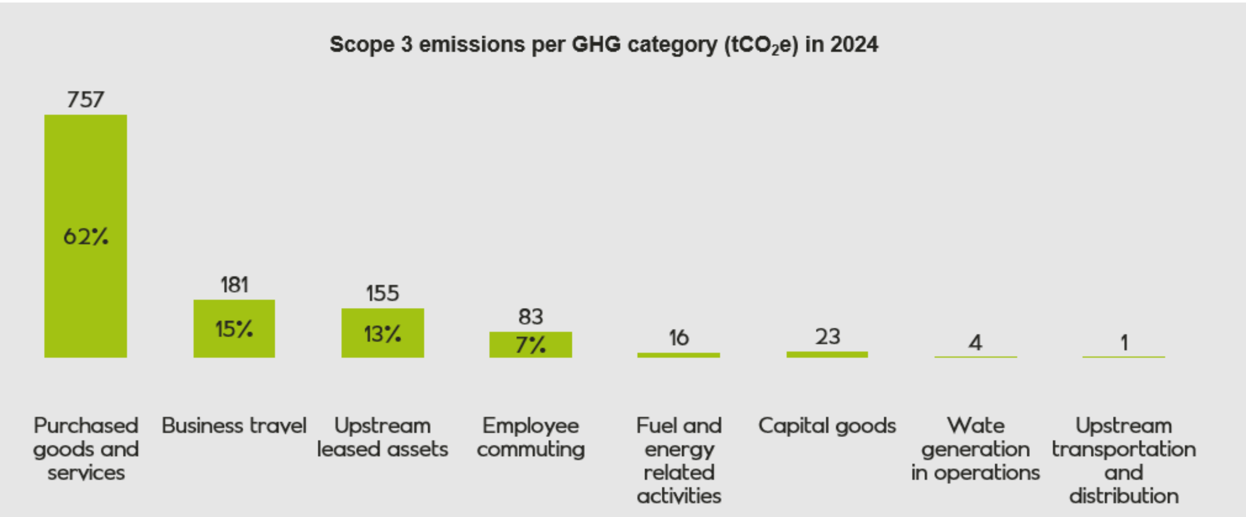
Overview of Valcon A/S GHG emissions (Ton Co2-e)

	2022	2023	2024
Scope 1	60	60	59
Scope 2	51	(51) 21	5
Scope 3	1,881	(1.138) 1,264	1,220
Total	**1,992**	**(1.249) 1,345**	**1,284**
Offset	**570**	**570**	**510**

Measured on emissions pr. FTE the emissions equal 8,3 tonnes CO2e pr. Employee – a 5% drop from 8,8 tonnes in 2023.

Valcon chose to offset emissions for 2024. 510 tonnes will be offset (and accounted for in 2025). Valcon will support a reforestation project in Indonesia by the offsetting company Regreener. The project provides significant benefits in terms of biodiversity and socio-economic impact. This high-quality project recently received an upgraded BeZero carbon rating from A to AA.

Comments to the result for Scope 3
As in 2023 a large part of the calculation has been done based on *activities* instead of *spending*. The accounting principles are based on the GHG protocol.



Purchased Goods and Services
Valcon's Scope 3 emissions are in 2024 predominantly attributed to procuring goods and services. Within this category, a significant portion—amounting to **62%** of the company's total greenhouse gas (GHG) emissions—is generated by purchased goods and services.

The primary contributors to emissions within this segment include food-related services (such as canteen operations and the provision of coffee and tea) alongside other factors like parking fees and the utilisation of IT equipment. Notably, the level of emissions in 2024 correlates with the level of revenue which is comparable with 2023.

Business travel
Business travel also in 2024 been another major factor in Scope 3 emissions, at the same level as in 2023 (189 tCO_2e).

Upstream leased assets
The operation of assets leased by Valcon in 2024 covered the lease of building as in the previous years. However, there is added leased vehicles and parking space in 2024.

Independent assessments

Valcon's work with ESG has been assessed by independent external organizations in 2024.
Ecovadis has assessed Valcon A/S effort as being 'Bronze' - Top 35% (higher or equal than 65% companies assessed by Ecovadis, improving scores from former evaluation due to implementation of additional policies (e.g. the including the new sustainable procurement policy), additional measures and sustainability reporting.

CDP – the Carbon Disclosure Project - has assessed Valcon A/S with the ranking 'B', which implies that Valcon

- demonstrates awareness of its environmental impacts and has implemented measures to manage them effectively
- has begun taking concrete actions to reduce its carbon footprint or address other environmental concerns.
- provides detailed disclosures about its environmental practices, risks, and opportunities.
- can improve further to elevate it to an A ranking.

How – initiatives going forward
On the pathway to become a more sustainable company, Valcon has committed to the following targets:

- Valcon will reduce emissions by 5% per FTE/p.a. and thereby be ahead of the 70% Danish national reduction goal by 2030
- Valcon will secure employee commitment to the sustainable agenda by ensuring conscious and well-informed behaviour through information and communication.

In the following years, Valcon will focus on the following key principles:

- Further target setting: As in 2024, we will improve our environmental performance and linking it to specific KPIs
- Sustainable Procurement: Supplier management according to the Group Sustainable Procurement Policy and Supplier Conduct, which was agreed in 2024
- Client-Centric Environmental Responsibility: Aligning with our clients' structured environmental efforts in our consultancy services, ensuring our operations complement their sustainability goals
- Employee Awareness: prioritising education and engagement of all Valcon employees about our environmental impact and strategies for minimisation.

Valcon will continue to embed these principles deeper into every aspect of our operations, reinforcing our commitment to environmental stewardship and sustainable business practices.

Valcon has the following initiatives planned:

- Initiate the process of alignment of Valcon's sustainability report with the CSRD, beginning with a gap analysis
- Yearly internal ideation workshops to keep the engagement and make use of the learnings gathered over time by all employees (also conducted in 2024).

Management's review

Data Ethics

Valcon complies with data legislation. Client Data is the property of the clients and Valcon handles the data with respect.

In 2023 new data ethical consideration has had to be taken due to the emerge of generative AI in our business with our clients. Hence a policy of gen AI has been installed and communicated. All employees are trained in handling, storage and usage of own and client data using the procedures we have in place at any time, and Valcon has implemented an internal GPT to ensure client data confidentiality and improve quality of work.

Currently the effort is considered sufficient. Management is constantly monitoring the need to protect client data and expecting to maintain the current level of engagement in data ethics.

Income statement 1 January - 31 December

	Note	2024	2023
		TDKK	TDKK
Revenue		260,687	257,358
Other external expenses		-62,575	-73,929
Gross profit		**198,112**	**183,429**
Staff expenses	1	-162,107	-165,923
Depreciation and impairment losses of property, plant and equipment		-940	-1,155
Other operating expenses		-8	-10
Profit/loss before financial income and expenses		**35,057**	**16,341**
Financial income	2	383	347
Financial expenses	3	-764	-718
Profit/loss before tax		**34,676**	**15,970**
Tax on profit/loss for the year	4	-7,756	-3,383
Net profit/loss for the year	5	**26,920**	**12,587**

Balance sheet 31 December

Assets

	Note	2024	2023
		TDKK	TDKK
Other fixtures and fittings, tools and equipment		1,747	2,046
Leasehold improvements		68	17
Property, plant and equipment	6	**1,815**	**2,063**
Deposits	7	2,252	2,479
Fixed asset investments		**2,252**	**2,479**
Fixed assets		**4,067**	**4,542**
Trade receivables		66,123	62,840
Contract work in progress	8	756	2,123
Receivables from group enterprises		20	0
Deferred tax asset	9	850	918
Prepayments	10	2,493	2,420
Receivables		**70,242**	**68,301**
Cash at bank and in hand		**21,999**	**0**
Current assets		**92,241**	**68,301**
Assets		**96,308**	**72,843**

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		TDKK	TDKK
Share capital		888	888
Retained earnings		50,823	23,903
Equity		**51,711**	**24,791**
Other payables		5,448	6,044
Long-term debt	11	**5,448**	**6,044**
Credit institutions		0	2,231
Trade payables		4,417	6,113
Contract work in progress	8	1,443	3,425
Payables to group enterprises		0	575
Corporation tax		4,933	1,074
Other payables	11	28,356	28,590
Short-term debt		**39,149**	**42,008**
Debt		**44,597**	**48,052**
Liabilities and equity		**96,308**	**72,843**
Contingent assets, liabilities and other financial obligations	14		
Related parties	15		
Accounting Policies	16		

Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	888	23,903	24,791
Net profit/loss for the year	0	26,920	26,920
Equity at 31 December	**888**	**50,823**	**51,711**

Cash flow statement 1 January - 31 December

	Note	2024	2023
		TDKK	TDKK
Result of the year		26,920	12,587
Adjustments	12	9,077	4,909
Change in working capital	13	-5,921	-2,421
Cash flow from operations before financial items		**30,076**	**15,075**
Financial income		383	347
Financial expenses		-764	-718
Cash flows from ordinary activities		**29,695**	**14,704**
Corporation tax paid		-3,829	-8,648
Cash flows from operating activities		**25,866**	**6,056**
Purchase of property, plant and equipment		-692	-1,347
Fixed asset investments made etc		0	-181
Changes in deposits		227	0
Cash flows from investing activities		**-465**	**-1,528**
Repayment of payables to group enterprises		-575	-225
Repayment of other long-term debt		-596	-190
Dividend paid		0	-24,000
Cash flows from financing activities		**-1,171**	**-24,415**
Change in cash and cash equivalents		**24,230**	**-19,887**
Cash and cash equivalents at 1 January		-2,231	17,656
Cash and cash equivalents at 31 December		**21,999**	**-2,231**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		21,999	0
Overdraft facility		0	-2,231
Cash and cash equivalents at 31 December		**21,999**	**-2,231**

Notes to the Financial Statements

1. Staff expenses

	2024	2023
	TDKK	TDKK
Wages and salaries	160,542	164,813
Other social security expenses	1,565	1,110
	162,107	**165,923**
Including remuneration to the Executive Board:		
Executive board	5,714	5,691
	5,714	**5,691**
Average number of employees	**151**	**158**

2. Financial income

	2024	2023
	TDKK	TDKK
Other financial income	383	347
	383	**347**

3. Financial expenses

	2024	2023
	TDKK	TDKK
Other financial expenses	592	334
Exchange adjustments, expenses	172	384
	764	**718**

4. Income tax expense

	2024	2023
	TDKK	TDKK
Current tax for the year	7,515	3,240
Deferred tax for the year	151	241
Adjustment of tax concerning previous years	173	0
Adjustment of deferred tax concerning previous years	-83	-98
	7,756	**3,383**

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK

5. Profit allocation

	2024	2023
	TDKK	TDKK
Extraordinary dividend paid	0	24,000
Retained earnings	26,920	-11,413
	26,920	**12,587**

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	TDKK	TDKK
Cost at 1 January	2,934	4,438
Additions for the year	652	78
Disposals for the year	-65	0
Cost at 31 December	3,521	4,516
Impairment losses and depreciation at 1 January	888	4,421
Depreciation for the year	923	27
Reversal of impairment and depreciation of sold assets	-37	0
Impairment losses and depreciation at 31 December	1,774	4,448
Carrying amount at 31 December	**1,747**	**68**
Amortised over	3 years	3-5 years

7. Other fixed asset investments

	Deposits
	TDKK
Cost at 1 January	2,479
Disposals for the year	-227
Cost at 31 December	2,252
Carrying amount at 31 December	**2,252**

	2024	2023
	TDKK	TDKK
8. Contract work in progress		
Selling price of work in progress	756	2,123
Payments received on account	-1,443	-3,425
	-687	**-1,302**
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	756	2,123
Prepayments received recognised in debt	-1,443	-3,425
	-687	**-1,302**

	2024	2023
	TDKK	TDKK
9. Deferred tax asset		
Deferred tax asset at 1 January	918	1,061
Amounts recognised in the income statement for the year	-68	-143
Deferred tax asset at 31 December	**850**	**918**

The recognised deferred tax asset comprises temporary differences relating to property, plant and equipment, and is expected to be utilised within a short timeframe.

10. Prepayments

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

Notes to the Financial Statements

11. Long-term debt

	2024	2023
	TDKK	TDKK

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:

	2024	2023
Other payables		
After 5 years	0	0
Between 1 and 5 years	5,448	6,044
Long-term part	5,448	6,044
Other short-term payables	28,356	28,590
	33,804	**34,634**

12. Cash flow statement - Adjustments

	2024 TDKK	2023 TDKK
Financial income	-383	-347
Financial expenses	764	718
Depreciation, amortisation and impairment losses, including losses and gains on sales	940	1,155
Tax on profit/loss for the year	7,756	3,383
	9,077	**4,909**

13. Cash flow statement - Change in working capital

	2024 TDKK	2023 TDKK
Change in receivables	-2,009	-4,154
Change in trade payables, etc	-3,912	1,733
	-5,921	**-2,421**

	2024	2023
	TDKK	TDKK
14. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	4,515	2,804
Between 1 and 5 years	5,821	0
	10,336	**2,804**

15. 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)(6) of the Danish Financial Statements Act.

Notes to the Financial Statements

16. Accounting policies

The Annual Report of Valcon A/S for 2024 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 Financial Statements for 2024 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.

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

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 Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

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

Other external expenses

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

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 Company, including gains and losses on the sale of property, plant and equipment.

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 changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

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 raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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 years
Leasehold improvements	3-5 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 are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation

If so, the asset is written down to its lower recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Notes to the Financial Statements

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.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

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 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

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

Cash Flow Statement

The cash flow statement shows the Company´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 Company´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	Gross profit x 100 / Revenue
Profit margin	Profit/loss of primary operations x 100 / Revenue
Return on assets	Profit/loss of primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity