

Elcor Group ApS

C/O Elcor Skovlunde Randers A/S

Meterbuen 15, 2740 Skovlunde

CVR no. 44 25 58 55

Annual report 2024

Approved at the Company's annual general meeting on 28 May 2025

Chair of the meeting:

.....
Peter Flemming Sørensen

The Elcor logo consists of the word "elcor." in a bold, lowercase, sans-serif font. The "e" is a light blue color, while the rest of the letters are dark blue. A small registered trademark symbol (®) is located at the top right of the period.

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Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Company C group A/S for the financial year 24 August 2023 - 31 December 2024.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024 and of the results of their operations and consolidated cash flows for the financial year 24 August 2023 - 31 December 2024.

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

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 28 May 2025
Executive Board:

Peter Flemming Sørensen

Board of Directors:

Morten Østergaard
Chair

Louise Wenche Koch

Christian Gymos Schmidt-
Jacobsen

Christoffer Arthur Müller

Åge Engelstrand Westbø

Independent auditor's report

To the shareholders of Elcor Group ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Elcor Group ApS for the financial year 24 August 2023 - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 24 August 2023 - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements and the parent company financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Independent auditor's report

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

Copenhagen, 28 May 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised Public Accountant
mne31450

Kasper Kortegaard
State Authorised Public Accountant
mne47798

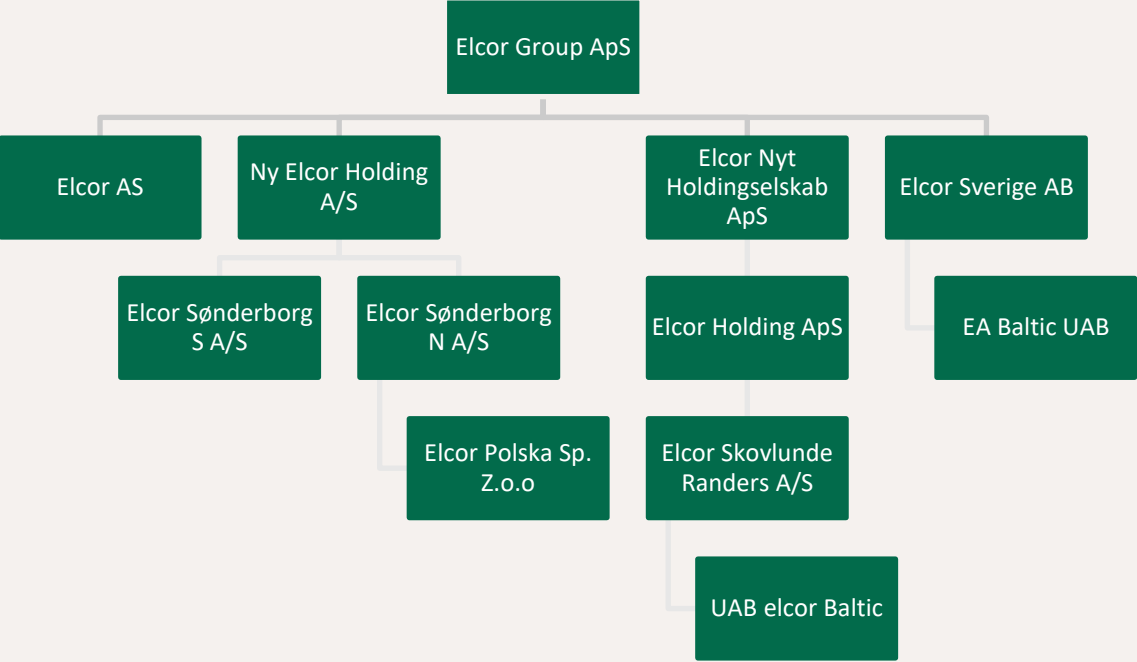
Management's review

Company details

Name	Elcor Group ApS
Address, postal code, city	C/O Elcor Skovlunde Randers A/S, Meterbuen 15, 2740 Skovlunde
CVR no.	44 25 58 55
Established	24 August 2023
Financial year	1 January - 31 December
Board of Directors	Morten Østergaard, Chairman Louise Wenche Koch Christian Gymos Schmidt-Jacobsen Christoffer Arthur Müller Åge Engelstrand Westbø
Executive Board	Peter Flemming Sørensen, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, DK-2000 Frederiksberg

Management's review

Group chart



Management's review

Financial highlights for the Group

DKKkm	2024
Key figures	
Revenue	883
Gross profit/loss	328
Operating profit/loss	-25
EBITDA	25
Profit/loss from net financials	-21
Profit/loss for the year	-47
Fixed assets	581
Non-fixed assets	507
Balance sheet total	1.088
Investments in property, plant and equipment	7
Equity	412
Financial ratios	
Operating margin	-2,8
Gross margin	37,2
Current ratio	187,3
Equity ratio	37,8
Adj. EBITDA (ex. non-recurring cost)	66
Average number of full-time employees	817

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit/loss (EBIT)} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$

Management's review

Operating review

Principal activities

Elcor is a Northern European provider of electrical panels and related solutions, with operations across Denmark, Norway, Sweden, Poland, and Lithuania. The company specializes in the design, development, and assembly of electrical panels.

With more than 800 employees and a combined heritage of over 100 years through the consolidation of five Nordic manufacturers, Elcor draws on deep industry experience to deliver reliable and efficient solutions tailored to customer needs.

Elcor delivers end-to-end solutions, covering everything from initial design and specification to hardware and software production, installation, and service. The company maintains a strong focus on operational efficiency, workforce development, and the integration of new technologies to meet evolving industry demands.

In line with broader market trends, Elcor supports the transition to energy-efficient and more sustainable operations by continuously working to improve resource efficiency and reduce environmental impact in both its solutions and internal processes.

Electrical panels are a critical component in industrial automation and control systems. As industrial sectors modernize and adopt more complex technologies, Elcor remains focused on delivering dependable, scalable solutions that support long-term operational performance.

Development in activities and financial matters

Unified under one brand: The launch of Elcor

As part of a strategic rebranding initiative, tic elkas, Eegholm, Elektro Aros Elautomation and Elcor this year consolidated under a single, unified brand - Elcor. This transformation represented a significant milestone in the groups journey, bringing together the collective expertise, market presence, and capabilities of these entities.

The launch of Elcor marks a significant step in strengthening the company's position as one of the leading providers of electrical panels and automation solutions in the Nordic region. By bringing together extensive expertise and capabilities, Elcor can deliver greater value to its clients through high-quality, end-to-end solutions.

Financial matters

Elcor Group ApS was established end of 2023 hence this is the first financial year of the company. Elcor's revenue amounted to DKK 883 million for the year ending 31 December 2024.

The 2023/24 EBITDA, adjusted for non-recurring costs, was DKK 66 million. Elcor's 2023/24 income before tax came in at DKK -47 million. As of 31 December 2024 equity amounts to DKK 412 million.

Investments

Acquisition of Eegholm Group & tic elkas

In September 2023, it was announced that the private equity firm Axcel had acquired Eegholm Group and tic elkas, with the ambition to create a leading player in the Nordic market for electrical panels and automation solutions. Both companies bring decades of experience and strong positions within the Danish industry.

Eegholm Group, headquartered in Sønderborg, employed approximately 230 people. The company specialized in the design and production of electrical panels, advanced automation solutions, and technical services for industrial customers. With a strong focus on quality, innovation, and customer-specific solutions, Eegholm built a solid reputation both in Denmark and internationally.

Tic elkas, based in Skovlunde with additional operations in Randers and Kaunas (Lithuania), was one of Denmark's largest suppliers of electrical panels and installation-related services. The company employed around 250 people. With strong competencies in design, production, and energy optimization, tic elkas served both industrial and construction sectors across the country.

Management's review

Acquisition of ELCOR AS in Norway

In June 2024, tic elkas/Eegholm Group, backed by Axcel, completed the strategic acquisition of ELCOR AS, a leading Norwegian manufacturer of electrical panels for automation and industrial applications.

Headquartered in Stavanger, ELCOR AS has employed more than 190 skilled professionals. This acquisition marks a significant milestone in strengthening tic elkas/Eegholm Group's presence in the Nordic market and aligns with the group's ambition to become a dominant player in the Northern European electrical control panel industry.

The integration of ELCOR AS enhances the group's capabilities, expands its product portfolio, and reinforces its ability to serve key industrial sectors with high-quality electrical solutions. The combined expertise and synergies between the companies will drive operational efficiency, innovation, and sustained growth.

Acquisition of Elektro Aros Elautomation (EA) in Sweden

As part of its continued expansion strategy, the Axcel-backed tic elkas/Eegholm/Elcor Group in August also acquired the Swedish manufacturer Elektro Aros Elautomation (EA), a leading provider of electrical and automation cabinets.

This acquisition marks the group's official entry into the Swedish market, further solidifying its position as the largest Nordic provider of advanced electrical panel solutions. EA brings with it a strong reputation for high-quality production and technical excellence, which complements the group's existing expertise and enhances its capacity to deliver comprehensive solutions across multiple industries.

This strategic investment reinforces the group's long-term growth objectives, unlocking new opportunities for innovation and enabling it to meet the increasing demand for automation and electrical engineering solutions.

Outlook

For the financial year 2025, the Company expects a revenue in the range of DKK 1.250-1.300 million including the acquisition of Titech but excluding revenue from potential acquisitions in the year. The Company expects a reported EBITDA in the range of DKK 85-95 million including the acquisition of Titech but excluding EBITDA from potential acquisitions in the year.

Risks

General business risks

Due to the nature of its operations, the company is exposed to changes in legislation, regulations, and policy frameworks across its markets. In addition, customer demand is closely linked to continued investment in infrastructure, digitalization, automation, and energy efficiency. Fluctuations or delays in such investments may impact business activity and growth opportunities.

Financial risks and use of financial instruments

The Company is exposed to financial risks related to changes in interest rates and foreign currency. The Company partly uses interest rate swaps to manage its exposure of changes in interest rates. Foreign currency exposures are mainly related to investment in subsidiaries in Norway and Sweden and the Company manages this risk by funding a part of the investments in local currency.

The Company is also exposed to credit risk from its clients. The Company partly manages this risk through credit insurance combined with internal processes with credit rating.

Management's review

Corporate Social Responsibility cf. section 99a in the Danish Financial Act

Business Model

Elcor is a Northern European provider of electrical panels and related solutions, with operations in Denmark, Norway, Sweden, Poland, and Lithuania. The company specializes in the design, development, and assembly of electrical panels used in industrial automation and infrastructure.

Elcor operates across the full value chain - from initial design and specification to hardware and software production, installation, and service. The company places strong emphasis on operational efficiency, workforce development, and the integration of new technologies to meet evolving industry needs.

Production is carried out by Elcor's own workforce at facilities in all five countries, ensuring quality control and operational continuity. The majority of raw materials and components are sourced from suppliers within Europe, supporting supply chain reliability and responsible procurement practices.

Environment and Climate

Elcor is committed to supporting the transition toward more sustainable industrial practices. We aim to contribute positively by aligning our operations with our customers' environmental goals and by encouraging responsible practices throughout our supply chain in collaboration with our suppliers.

We focus on delivering products, automation solutions, and services that meet high quality standards while considering environmental impacts. Our goal is to support long-term customer relationships and business development in a way that benefits our stakeholders – including employees, suppliers, shareholders, and the broader society in which we operate.

Quality, environmental considerations, and employee safety are integrated into our internal policies and work processes. We work continuously to improve operational performance, identify areas for efficiency, and reduce our environmental footprint where possible.

In 2024, following a period of significant growth and integration of multiple companies, Elcor established an ESG function at Group level. This included the implementation of a consolidated Sustainability Policy and a Quality & Environmental Policy. A Double Materiality Analysis (DMA) was initiated to help identify key focus areas and potential risks, including climate- and environment-related factors such as facility exposure to flooding.

As part of responding to increasing customer interest in environmental transparency, a project was launched to prepare for future reporting on CO₂ emissions and Environmental Product Declarations (EPDs) for selected products. The Group is working toward establishing a CO₂ baseline in the first quarter of 2025.

Social Conditions and Employee Relations

Elcor places strong emphasis on contributing to the local community and supporting educational ecosystems. In response to the growing shortage of skilled labour, the company strengthened its collaboration with educational institutions and labour market partners in 2024.

Demonstrating its commitment to local business development, Elcor co-founded Denmark's first international automation technician training program, set to launch in August 2025. This initiative aims to broaden the recruitment base and foster a more international professional profile.

In addition, Elcor has actively participated in career and recruitment fairs. Elcor Sønderborg has been awarded the 'Sønderborg i Arbejde Mærket 2025' in recognition of its strong commitment to social responsibility. The award acknowledges the company's dedicated efforts to promote employee well-being, foster inclusion, and support personal and professional development in the workplace.

Elcor is committed to providing a professional and secure working environment that prioritizes employee well-being, safety, and skill development.

In 2024, the company implemented the following key initiatives:

- A systematic onboarding process with dedicated mentoring in selected departments.
- Structured interviews conducted at 3-month intervals, along with senior and exit interview frameworks.
- Development of competence plans tailored to key professional roles.

Management's review

- Introduction of a company-wide intranet to enhance communication.
- A workplace assessment following relocation, resulting in an action plan with specific improvement areas.

Elcor acknowledges that high activity levels have occasionally impacted on some teams' ability to participate in planned training and courses. Addressing this challenge will remain a focus area in the coming year.

Human Rights & Anti-corruption

At Elcor, we are committed to implement operational due diligence to identify, prevent, or mitigate risks of adverse impacts in relation to human rights (as stated in the International Bill of Human Rights including the core labour rights from the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work), and anti-corruption (as related to the scope outlined by the United Nations Convention against Corruption).

As a result of this commitment, a consolidated [Code of Conduct](#) for employees and a [Code of Conduct for Business Relationships](#) were issued in 2024 and implemented to address the standpoint of Human rights and Anti-Corruption. We do not tolerate bribery and facilitation payments, and we expect our Business Relationships to demonstrate responsible business conduct by implementing the UNGPs/OECD Guidelines.

In 2025 the focus will be to further anchor the Code of Conduct for business relationships in support our strategy of working closely with our suppliers and set requirements through the supply chain. The partnership approach with the large serious suppliers in the market furthermore mitigates risks related to human rights and anti-corruption.

Report on Gender Composition of Management cf. section 99b in the Danish Financial Act

Elcor is committed to promoting gender diversity within its management team and ensuring equal access to leadership roles, regardless of gender. The company's recruitment processes are firmly rooted in the principles of equal opportunity, objective evaluation, and transparency. Elcor has set a target that no gender should make up less than 30 % of the total management team by the end of 2027.

To support this goal, several initiatives have been implemented. These include active participation in networks that promote gender equality and inclusion in the business sector, as well as a strengthened focus on gender balance through continuous analysis of gender representation in both recruitment and internal promotions.

Elcor remains dedicated to recruitment and leadership development practices that embrace the full talent pool across all genders and backgrounds.

Other levels of management

Other levels of management consist of people with personnel responsibility who report directly to the Executive Boards within the Group.

5 years overview	2024
Supreme governing body	
Total number of member	6
Underrepresented gender in %	16,7
Target figure in %	30
Year in which the target figure is expected to be met	2027
Other levels of management	
Total number of members	69
Underrepresented gender in %	23
Target figure in %	30
Year in which the target figure is expected to be met	2027

Management's review

Report on data ethics cf. section 99d in the Danish Financial Act

Since the Company is a newly established group, we are currently in the process of implementing an overarching data ethics policy.

As a part of our IT-strategy we are also assessing our overall information architecture along with establishing a roadmap for digitalization in the Group.

Uncertainty relating to recognition and measurement

During the financial year, there has been no significant deviation by recognition and measurement of account entries in either the group account or the financial report respectively. Goodwill and intangibles assets recognized in connection with the acquisitions have been assessed and there are no indications for impairment.

Subsequent events

Acquisition of Titech Electric A/S

In January 2025, Elcor entered into an agreement to acquire Titech Electric A/S (Titech), further solidifying its position as the Nordic region's largest manufacturer of electrical panels for industrial automation and the electrification of society.

The acquisition will enhance Elcor's capabilities, expand its customer service offerings, and drive growth in new market segments across the Nordics and Europe. It also strengthens Elcor's business, particularly in distribution boards for the installer segment and datacentre solutions, while providing Titech with access to Elcor's extensive expertise and resources.

The transaction was finalised in March 2025.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Income statement

Note	DKK'000	Group		Parent Company	
		2024		2024	2023
3	Revenue	883.113	0	0	0
	Cost of goods sold	-422.671	0	0	0
	Change in inventories	0	0	0	0
	Other operating income	189	0	3.820	0
4	Other external expenses	-132.216	0	-37.492	0
	Gross profit/loss	328.415	0	-33.672	0
5	Staff costs	-303.669		-4.563	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-49.623	0	0	0
	Profit/loss before net financials	-24.877	0	-38.235	0
	Profit/loss from investments in group entities	0	0	-3.342	0
6	Financial income	5.998	0	14.620	0
	Financial expenses	-27.208	0	-24.007	0
	Profit/loss before tax	-46.087	0	-50.964	0
7	Tax for the year	-523	0	4.585	0
	Profit/loss for the year	-46.610	0	-46.379	0
	Breakdown of the consolidated results of operations				
	Shareholders, Elcor Group ApS	-46.379	0	-46.379	0
	Minority shareholders	-231	0	0	0
		-46.610	0	-46.379	0

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Balance sheet

Note	DKK'000	Group		Parent Company	
		2024	24 August 2023	2024	24 August 2023
	ASSETS				
	Fixed assets				
9	Intangible assets				
	Software	5.183	0	0	0
	Customer relationships	219.917	0	0	0
	Acquired other similar rights	21.180	0	0	0
	Goodwill	299.814	0	0	0
		546.094	0	0	0
10	Property, plant and equipment				
	Plant and machinery	11.553	0	0	0
	Fixtures and fittings, tools and equipment	8.828	0	0	0
	Leasehold improvements	11.990	0	0	0
		32.371	0	0	0
11	Financial assets				
	Investments in group entities	0	0	644.568	0
	Securities	397	0	0	0
	Deposits	1.864	0	0	0
		2.261	0	644.568	0
	Total fixed assets	580.726	0	644.568	0
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	122.977	0	0	0
	Prepayments for goods	148	0	0	0
		123.125	0	0	0
	Receivables				
	Trade receivables	195.631	0	0	0
12	Contract assets	134.215	0	0	0
	Receivables from group entities	3.000	0	96.952	0
16	Deferred tax	0	0	411	0
	Joint taxation contribution receivable	0	0	3.374	0
	Other receivables	5.999	0	3.868	0
13	Prepayments	4.709	0	0	0
		343.554	0	104.605	0
	Cash	40.383	40	7.230	40
	Total non-fixed assets	507.062	40	111.835	40
	TOTAL ASSETS	1.087.788	40	756.403	40

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Balance sheet

Note	DKK'000	Group		Parent Company	
		2024	24 August 2023	2024	24 August 2023
	EQUITY AND LIABILITIES				
	Equity				
15	Share capital	40	40	40	40
	Foreign currency translation reserve	-4.039	0	0	0
	Hedging reserve	2.836	0	2.836	0
	Retained earnings	412.314	0	408.275	0
	Elcor Group ApS' shareholders' share of equity	411.151	40	411.151	40
	Non-controlling interests	359	0	0	0
	Total equity	411.510	40	411.151	40
	Provisions				
16	Deferred tax	70.755	0	0	0
17	Other provisions	1.930	0	0	0
	Total provisions	72.685	0	0	0
	Liabilities other than provisions				
	Non-current liabilities other than provisions				
18	Credit institutions	322.750	0	322.750	0
	Other payables	9.723	0	0	0
	Financial lease liabilities	349	0	0	0
		332.822	0	322.750	0
	Current liabilities other than provisions				
	Short-term part of long-term liabilities other than provisions	1.778	0	1.349	0
	Bank debt	8.033	0	6.910	0
12	Contract liabilities	44.936	0	0	0
	Trade payables	102.790	0	479	0
	Payables to group entities	0	0	169	0
	Corporation tax	12.384	0	0	0
19	Other payables	100.850	0	13.595	0
		270.771	0	22.502	0
	Total liabilities other than provisions	603.593	0	345.252	0
	TOTAL EQUITY AND LIABILITIES	1.087.788	40	756.403	40

- 1 Accounting policies
- 2 Events after the balance sheet date
- 8 Distribution of profit/loss
- 20 Contractual obligations and contingencies, etc.
- 21 Related parties

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Statement of changes in equity

		Group						
Note	DKK'000	Share capital	Hedging reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Equity at 24 August 2023	40	0	0	0	40	0	40
	Contribution from group	0	0	0	458.693	458.693	0	458.693
	Addition through acquisition	0	0	0	0	0	590	590
8	Transferred; see distribution of profit/loss	0	0	0	-46.379	-46.379	-231	-46.610
	Currency translation of foreign entity	0	0	-4.039	0	-4.039	0	-4.039
	Value adjustment of hedging transactions	0	3.636	0	0	3.636	0	3.636
	Tax on equity transactions	0	-800	0	0	-800	0	-800
	Equity at 31 December 2024	40	2.836	-4.039	412.314	411.151	359	411.510

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Statement of changes in equity

Note	DKK'000	Parent Company		
		Share capital	Hedging reserve	Retained earnings
				Total
	Equity at 24 August 2023	40	0	0
	Contribution from group	0	0	458.693
8	Transferred; see distribution of profit/loss	0	0	-46.379
	Currency translation of foreign entity	0	0	-4.039
	Value adjustment of hedging transactions	0	3.636	0
	Tax on equity transactions	0	-800	0
	Equity at 31 December 2024	40	2.836	408.275

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Cash flow statement

Note	DKK'000	Group	
			2024
	Profit/loss before net financials		-24.877
	Depreciation and amortisation		49.623
	Other adjustments of non-cash operating items		0
	Cash generated from operations before changes in working capital		24.746
23	Changes in working capital		-49.774
	Cash generated from operations		-25.028
	Interest received		5.998
	Interest paid		-23.352
	Cash flows from operating activities before tax		-42.382
	Corporation tax paid		-4.454
	Cash flows from operating activities		-46.836
9	Acquisition of intangible assets		-1.424
10	Acquisition of property, plant and equipment		-6.550
	Disposal of property, plant and equipment		189
24	Acquisition of group entities		-617.694
	Cash flows from investing activities		-625.479
	Repayment of non-current liabilities other than provisions from acquisition		-72.715
	Proceeds from incurring debt		322.750
	Changes in payables related to operating credits		4.033
	Repayment of lease liabilities		-102
	Proceeds from group contribution		458.693
	Cash flows from financing activities		712.659
	Cash flows for the year		40.343
	Cash and cash equivalents, beginning of year		40
25	Cash and cash equivalents, year end		40.383

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

1 Accounting policies

The annual report of Elcor Group ApS for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Presentation currency

The financial statements are presented in Danish Kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company Elcor Group ApS and group entities controlled by Elcor Group ApS (control).

Control means the power to exercise decisive influence over a group entity's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating decisions the Group can exercise significant influence are classified as associates. Significant influence is deemed to exist when the Parent Company holds or controls, directly or indirectly, more than 20% of the voting rights of an entity but does not control it.

The existence of potential voting rights that may currently be exercised or converted into voting rights is considered when assessing whether significant influence exists.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual group entities' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates and equity interests are eliminated in proportion to the Group's ownership interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

1 Accounting policies (continued)

The group entities' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

Acquisitions and disposals of non-controlling interests that are still controlled are recognised directly in equity as a transaction between shareholders.

Equity investments in associates, participating interests and joint ventures are recognised in the consolidated financial statements using the equity method.

The Group's activities in joint operations are recognised in the consolidated financial statements on a line-by-line basis.

External business combinations

Newly acquired entities are recognised in the consolidated financial statements from the acquisition date. Entities sold or otherwise disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinuing operations are presented separately.

The acquisition date is the date when the Group actually obtains control of the acquiree.

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill in intangible assets. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the acquisition date.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the Group's presentation currency are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed, and equity instruments issued. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognised at fair value at the acquisition date. Subsequent adjustments of contingent purchase considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments are recognised as errors.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

1 Accounting policies (continued)

Gains or losses from the divestment of group entities that implies that control is no longer maintained are calculated as the difference between, on the one hand, the net selling price and, on the other hand, the proportionate share of the carrying amount of net assets. If the Parent Company still holds equity investments in the divested group entity, the remaining proportionate share of the carrying amount forms the basis for the measurement of equity investments in associates, participating interests or securities and equity investments.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Foreign group entities, associates and equity interests are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences are recognised directly in equity when they have arisen on translation of the opening equity of foreign group entities at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date.

Foreign exchange adjustments of balances with independent foreign group entities that are considered part of the total net investment in the group entity are recognised directly in the translation reserve under equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments hedging net investments in foreign group entities are recognised directly in the translation reserve under equity.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

1 Accounting policies (continued)

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of the fair value of a recognised asset or liability are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments held to hedge net investments in independent foreign group entities, associates or equity interests are recognised directly in the hedging reserve under equity.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on an ongoing basis.

Income statement

Revenue

The Group and the Parent Company have chosen IAS 11 *Construction contracts*/IAS 18 *Revenue* as interpretation for revenue recognition.

On the conclusion of sales contracts that consist of several separate sales transactions, the contract price is split up into the individual sales transactions based on the relative fair value approach. The separate sales transactions are recognised as revenue when the criteria for sale of goods and services are met.

A contract is split up into individual transactions when the fair value of each individual sales transaction can be estimated reliably and when each individual sales transaction represents a stand-alone value for the buyer. Sales transactions are deemed to have a stand-alone value for the buyer when the transaction is individually identifiable and usually sold separately.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

1 Accounting policies (continued)

Revenue from the sale of goods

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer, the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery. Where goods sold are supplied on an ongoing basis and integrated with the purchaser's property, the income is recognised in revenue as the goods are supplied, meaning that revenue corresponds to the selling price of work performed during the year.

Revenue from the sale of services

Income from the sale of services, which include service contracts and extended warranty commitments relating to products and services sold, is recognised on a straight-line basis as the services are rendered because the services are rendered in the form of an indefinite number of actions over a specified period of time. Revenue corresponds to the selling price of the services rendered in the year (percentage of completion method).

Revenue from construction contracts

Revenue from construction contracts concerning electrical panels subject to a high degree of individual adaptation is recognised as revenue by reference to the stage of completion, which means that revenue corresponds to the selling price of work performed during the year (the percentage of completion method). When income and expenses of a construction contract cannot be estimated reliably, revenue is recognised solely at the costs incurred in so far as they are likely to be recovered.

The stage of completion is determined by reference to the proportion of costs incurred relative to the latest cost estimate.

Cost of goods sold

Cost of goods sold comprises the consumption of finished goods and goods for resale used in generating net revenue of the year.

Other operating income

Other operating income comprise items secondary to the principal activities of the Group and the Parent Company, including rental income from the temporary lease out of production facilities, compensation, government grants, refund of wages and salaries, gains on the disposal of property, plant and equipment, etc.

Other external expenses

Other external costs comprise costs for distribution, sale, advertising, administration, premises, bad debt losses, operating leases etc.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

1 Accounting policies (continued)

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc. for the Company's employees.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Software	3-5 years
Customer relationships	5-20 years
Acquired other similar rights	1-20 years
Goodwill	10-20 years
Plant and machinery	5-10 years
Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-10 years

Profit/loss from equity investments in group entities

The proportionate share of the results of the underlying entities is recognised in the income statement after elimination of intra-group profit/loss and after tax. Group entities (solely in the Parent Company) are subject to full elimination of intra-group profit/loss and ownership interests are not considered.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and expenses, including from group entities (solely in the Parent Company), declared dividends from other securities and equity investments, charges in respect of finance leases, realised and unrealised gains and losses on other securities and equity investments, transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statements, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Amortisation is made over the estimated economic life without the determination of a residual value.

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 10 and 20 years. The amortisation period is fixed on the basis of the expected repayment horizon and is longest for strategically acquired entities with strong market positions and long-term earnings profiles.

Other intangible assets

Other intangible assets include software, customer relationships and acquired other similar rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the disposal of intangible assets are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Leases (Group as lessee)

The Group and the Parent Company have chosen IAS 17 *Leases* as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Group or the Parent Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for as the Group's or the Parent Company's other assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to ownership to the entity are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Group's or the Parent Company's total liabilities relating to operating leases and other leases are disclosed under contingencies.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

1 Accounting policies (continued)

Equity investments in group entities

Equity investments in group entities (solely in the parent company) are measured according to the equity method. The Group and the Parent Company have chosen to consider the equity method a consolidation method.

On initial recognition, equity investments in group entities are measured at cost. Expenses incurred in connection with the acquisition are recognised in the income statement in the year in which they are incurred. The cost is allocated in accordance with the acquisition method.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified excess values and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement. Dividend received is deducted from the carrying amount.

Equity investments in group entities measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Net revaluation of equity investments is recognised under equity in the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds cost.

Securities

Securities are measured at cost price.

Deposits

Deposits are measured at cost price.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and equity investments in group entities (solely in the parent company) and associates and participating interests is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation made.

Impairment tests are conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the recoverable amount and carrying amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is determined as the selling price less any discounts, costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs and other costs directly related to the purchase.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

1 Accounting policies (continued)

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production overheads. Production overheads comprise costs of material and labour as well as maintenance of and depreciation on production machinery, buildings and equipment as well as costs relating to plant administration and management.

Borrowing costs are not recognised in the cost.

Receivables

The Group and the Parent Company have chosen IAS 39 *Financial instruments* as interpretation for impairment write-down of financial receivables: *Recognition and measurement*.

Receivables are measured at amortised cost.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate of the individual receivable is used as discount rate.

Contract assets and contract liabilities

The Group and the Parent Company have chosen IAS 11 *Construction contracts* as interpretation for contract assets and contract liabilities.

Construction contracts are measured at the selling price of the work performed less payments received on account and anticipated losses. Construction contracts entail a significant degree of design customisation of produced goods. Moreover, before any work is commenced, a binding agreement must have been entered into, which will imply a penalty or damages on subsequent unjustified termination of the agreement.

The selling price is measured by reference to the percentage of completion at the end of the reporting period and the total expected income from the contract. The percentage of completion is determined on the basis of an assessment of the work performed, which is usually measured as the proportion of contract costs incurred for work performed to date relative to the total estimated contract costs.

When it is probable that the total contract costs will exceed the total contract revenue, the anticipated loss on the contract is immediately recognised as an expense and a provision.

When income and expenses on a construction contract cannot be determined reliably, the selling price is measured solely at the costs incurred in so far as they are likely to be recovered.

Where the selling price of work performed exceeds payments received on account and anticipated losses, the excess amount is recognised in contract assets. If payments received on account and anticipated losses exceed the selling price of a construction contract, the deficit is recognised in contract liabilities.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

1 Accounting policies (continued)

Prepayments received from customers are recognised in contract liabilities.

Where payment has been received for later sales of goods but delivery has not yet taken place, deferred revenue is also recognised in contract liabilities.

Deferred income

Prepayments comprise prepaid costs concerning subsequent financial years.

Equity

Net revaluation reserve according to the equity method in the parent company financial statements

The net revaluation reserve according to the equity method comprises net revaluations of equity investments in group entities compared to cost comprising i.a. recognised shares of profit/loss and foreign exchange adjustments less dividends.

The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates.

The reserve cannot be recognised at a negative amount. In periods during which the net revaluation reserve is negative and up to the reserve is positive again, the entries are recognised according to the equity method in the distributable reserves (retained earnings).

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Group's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Group's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist.

The foreign currency translation reserve does not represent a limitation under company law and may therefore be negative.

When equity investments in group entities and associates and participating interests in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Hedging reserve

The hedging reserve comprises the cumulative net change after tax in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The hedging reserve does not represent a limitation under company law and may therefore be negative.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

1 Accounting policies (continued)

Provisions

Provisions comprise anticipated costs related to warranties. Provisions are recognised when the Group or the Parent Company has a legal or constructive obligation as a result of a past event at the balance sheet date, and it is probable that an outflow of the Group's or the Parent Company's resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Warranty commitments include expenses for remedial action in respect of the contract work within the warranty period of 1-2 years. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience.

When it is probable that the total contract expenses will exceed the total contract revenue, a provision is made for the total anticipated loss on the contract. Total costs comprise costs directly related to the fulfilment of the contract, e.g. depreciation on property, plant and equipment and unavoidable costs of meeting the obligations under the contract, e.g. wages and salaries and materials as well as allocation of other costs. The provision is recognised in production costs.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to non-deductible goodwill and on office premises and other items where temporary differences - apart from acquisitions - arise at the acquisition date without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Dependent on type, uncertain tax positions are measured either as a probability-weighted average of possible outcome or as the most likely outcome. Uncertain tax positions are recognised in the tax items to which they relate, i.e. as current tax payable/receivable and/or deferred tax liability/asset.

As administration company in the joint taxation group liability for the group entities' corporation tax to the tax authorities is taken over as the group entities pay their joint taxation contribution. Joint taxation contributions payable or receivable are recognised in the balance sheet as joint taxation contribution receivable or payable.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

1 Accounting policies (continued)

Liabilities other than provisions

The Group and the Parent Company have chosen IAS 39 *Financial instruments: Recognition and measurement* as interpretation for recognition and measurement of liabilities.

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

The frozen holiday allowance liability, which comprises frozen holiday funds, is measured at net realisable value, including indexation. Indexation is recognised in the income statement as interest expenses.

Other liabilities are measured at net realisable value.

Fair value

Fair value is determined based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

1 Accounting policies (continued)

Cash flow statement

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

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquisitions of entities are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal. Total payments made and received on companies acquired or disposed are presented net in the cash flow statement, i.e. excluding cash and cash equivalents.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital, interest received and paid regarding operations as well as corporation tax paid. Interest received is classified as cash flows from operating activities. Furthermore, dividends received are classified as operating activity.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividend to shareholders.

Transactions with no cash flow effect

Transactions with no cash flow effect, such as e.g. the entering into finance leases, are not included in the cash flow statement. Significant transactions with no cash flow effect are disclosed in the notes.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a remaining term of three months or less that are subject to only minor risks of changes in value.

Segment information

Information is disclosed by activities and geographical markets if the markets diverge significantly with regard to the planning of sales of goods and services. Segment information is based on the Group's accounting policies, risks and management control.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

2 Events after the balance sheet date

No significant events have occurred subsequent to the financial year.

3 Revenue

Geographical - secondary segment

DKK'000	Group			Total
	Denmark	Norway	Rest of Europe	
2024				
Revenue	692.318	136.821	53.974	883.113

The Group's activities diverge significantly with regard to sale of panels and services, but given that revenue related to sale of panels is above 90 % of the total sales, revenue segmentation on activities is not disclosed.

4 Fees paid to auditor appointed at the annual general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act, as audit fees are disclosed for the group as such in the consolidated financial statements for Elcor Holding III ApS.

5 Staff costs

DKK'000	Group		Parent Company	
	2024	2023	2024	2023
Wages and salaries	267.593	0	4.188	0
Pensions	19.038	0	371	0
Other social security costs	17.038	0	4	0
	<u>303.669</u>	<u>0</u>	<u>4.563</u>	<u>0</u>
Average number of full-time employees	817		3	
Remuneration to members of Management:				
Executive Board	3.587	0	2.532	0
Board of Directors	733	0	608	0
	<u>4.320</u>	<u>0</u>	<u>3.140</u>	<u>0</u>

Parent company

Part of the remuneration to the Company's Executive Board and Board of Directors is paid by other group companies. A total of DKK 1.180 thousand have been re-invoiced and is included in other operating income.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

DKK'000	Group		Parent Company	
	2024	2023	2024	2023
6 Financial income				
Interest income from group entities	0	0	9.295	0
Other interest income	5.998	0	5.325	0
	<u>5.998</u>	<u>0</u>	<u>14.620</u>	<u>0</u>
7 Tax for the year				
Current tax for the year	6.774	0	-4.174	0
Deferred tax adjustment for the year	-6.251	0	-411	0
	<u>523</u>	<u>0</u>	<u>-4.585</u>	<u>0</u>
8 Distribution of profit/loss				
Proposed distribution of profit/loss				
Proposed dividend	0	0	0	0
Shareholders in Elcor Group ApS' share	-46.379	0	-46.379	0
Non-controlling interest's share	-231	0	0	0
	<u>-46.610</u>	<u>0</u>	<u>-46.379</u>	<u>0</u>

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

Notes

9 Intangible assets

DKK'000	Group				Total
	Software	Customer relationships	Acquired other similar rights	Goodwill	
Cost at 24 August 2023	0	0	0	0	0
Additions on acquisition of group entities	4.581	233.512	36.521	316.505	591.119
Additions	1.424	0	0	0	0
Disposals	-273	0	0	0	0
Cost at 31 December 2024	5.732	233.512	36.521	316.505	591.119
Amortisation and impairment losses at 24 August 2023	0	0	0	0	0
Foreign exchange adjustments relating to foreign entities	94	1.753	1.261	418	3.526
Amortisation	470	11.842	14.080	16.273	42.665
Disposals	-15	0	0	0	-15
Amortisation and impairment losses at 31 December 2024	549	13.595	15.341	16.691	46.176
Carrying amount at 31 December 2024	5.183	219.917	21.180	299.814	546.094

Rationale for choice of goodwill amortisation periods

The Company's investment in the group entities is considered to be strategically important to the Group. Taking into consideration the Group's expected plans to increase the level of activity and earnings, the economic life of goodwill has been set at 20 years.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

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10 Property, plant and equipment

	Group			
	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
DKK'000				
Cost at 24 August 2023	0	0	0	0
Additions on acquisition of group entities	12.647	9.281	11.436	33.364
Additions	1.789	2.130	2.631	6.550
Disposals	-201	-1.217	0	-1.418
Cost at 31 December 2024	14.235	10.194	14.067	38.496
Depreciation and impairment losses at 24 August 2023	0	0	0	0
Foreign exchange adjustments relating to foreign entities	144	9	-17	136
Depreciation	2.739	2.125	2.094	6.958
Disposals	-201	-768	0	-969
Depreciation and impairment losses at 31 December 2024	2.682	1.366	2.077	6.125
Carrying amount at 31 December 2024	11.553	8.828	11.990	32.371
Property, plant and equipment include assets held under finance leases with a carrying amount totalling	0	536	0	0

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11 Financial assets

DKK'000	Parent Company Investments in group entities	
	2024	2023
Cost at 24 August 2023	0	0
Additions	651.949	0
Cost at 31 December	651.949	0
Value adjustments at 24 August 2023	0	0
Foreign exchange adjustment	-4.039	0
Profit/loss for the year	27.090	0
Amortisation of excess values	-30.432	0
Value adjustments at 31 December	-7.381	0
Carrying amount at 31 December	644.568	0

On initial recognition of the group entities excess values total DKK 478.195 thousand, including goodwill of DKK 283.287 thousand. The book value of excess values as at 31 December 2024 amounts to DKK 444.706.

Name and registered office	Domicile	Interest
Ny Elcor Holding A/S,	Sønderborg, DK	100 %
Elcor Sønderborg S A/S	Sønderborg, DK	100 %
Elcor Sønderborg N A/S	Sønderborg, DK	100 %
Elcor Nyt Holdingselskab ApS	Skovlunde, DK	100 %
Elcor Holding ApS	Skovlunde, DK	100 %
Elcor Skovlunde Randers A/S	Skovlunde, DK	100 %
Elcor AS	Stavanger, NO	100 %
Elcor Sverige AB	Västerås, SE	100 %
Elcor Polska Sp. Z.o.o	Stettin, PL	100 %
UAB elcor Baltic	Kaunas, LT	100 %
EA Baltic UAB	Kaunas, LT	56 %

DKK'000	Group		
	Securities	Deposits	Total
Cost at 24 August 2023	0	0	0
Additions on acquisition of group entities	397	1.864	2.261
Cost at 31 December 2024	397	1.864	2.261
Carrying amount at 31 December 2024	397	1.864	2.261

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	Group		Parent Company	
	2024	2023	2024	2023
DKK'000				
12 Contract assets and contract liabilities				
Selling price of work performed	308.730	0	0	0
Deferred revenue from the sale of goods	-219.086	0	0	0
Prepayment from customers	-365			
	<u>89.279</u>	<u>0</u>	<u>0</u>	<u>0</u>
recognised as follows:				
Contract assets, selling price of contracts	134.215	0	0	0
Contract liabilities, deferred revenue	-44.936	0	0	0
	<u>89.279</u>	<u>0</u>	<u>0</u>	<u>0</u>

13 Prepayments

Prepayments contain prepaid costs relating to the following financial year.

14 Derivative financial instruments

The fair value of the below financial instruments deviates from the value recognised in the Group's balance sheet at 31 December 2024.

The Group has the following assets and liabilities measured at fair value:

DKK'000	Interest swaps
Group	
Fair value at year end	3.636
Unrealised fair value adjustments for the year, recognised in the income statement	0
Unrealised fair value adjustments for the year, recognised in hedging reserve	3.636
Fair value level	2
Parent Company	
Fair value at year end	3.636
Unrealised fair value adjustments for the year, recognised in the income statement	0
Unrealised fair value adjustments for the year, recognised in hedging reserve	3.636
Fair value level	2

The derivative financial instruments are categorised in level 2 in the fair value hierarchy and no significant unobservable input is included in the valuation.

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15 Share capital

The parent's share capital has remained DKK 40 thousand since the establishment.

DKK'000	Group		Parent Company	
	2024	2023	2024	2023
16 Deferred tax				
Deferred tax at 24 August 2023	0	0	0	0
Acquisition of group entities	77.006	0	0	0
Deferred tax adjustment for the year	-6.251	0	-411	0
Deferred tax at 31 December	70.755	0	-411	0
17 Other provisions				
Other provisions at 24 August 2023	0	0	0	0
Additions on acquisition of group entities	3.613	0	0	0
Utilised during the year	-1.683	0	0	0
Other provisions at 31 December	1.930	0	0	0
Other provisions are expected to mature within:				
0-1 years	965	0	0	0
> 1 years	965	0	0	0
	1.930	0	0	0

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

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DKK'000	Group		Parent Company	
	2024	2023	2024	2023
18 Non-current liabilities				
Non-current liabilities are specified as follows:				
Lease commitments				
> 1 years	162	0	0	0
1-5 years	349	0	0	0
> 5 years	0	0	0	0
	<u>511</u>	<u>0</u>	<u>0</u>	<u>0</u>
Credit institutions				
> 1 years	1.349	0	1.349	0
1-5 years	0	0	0	0
> 5 years	322.750	0	322.750	0
	<u>324.099</u>	<u>0</u>	<u>324.099</u>	<u>0</u>
Other payables				
> 1 years	267	0	0	0
1-5 years	0	0	0	0
> 5 years	9.723	0	0	0
Total non-current liabilities	<u>9.990</u>	<u>0</u>	<u>0</u>	<u>0</u>
The liabilities are recognised in the balance sheet as follows:				
Non-current liabilities other than provisions	332.822	0	322.750	0
Current portion of non-current liabilities other than provisions	1.778	0	1.349	0
	<u>334.600</u>	<u>0</u>	<u>324.099</u>	<u>0</u>

19 Other payables

Group

Other short-term payables consist of VAT, Holiday liabilities, salaries including salary taxes and deferred payment from acquisitions.

Parent Company

Other short-term payables consist of deferred payment from acquisitions.

Consolidated financial statements and parent company financial statements 24 August 2023 - 31 December 2024

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20 Contractual obligations and contingencies, etc.

Contingent liabilities

Group

The Group's bank has provided guarantees for a total of DKK 37,2 million.

The Danish companies within Elcor Group is jointly taxed with its parent company, Elcor Holding III ApS (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2024 onwards as well as for payment of withholding taxes on dividends, interest and royalties.

Operating lease commitments

The Group has entered into operating leases with remaining term of the leases of 1-49 months, and the total nominal residual lease payment amounts to DKK 8.425 thousand.

The Group has entered into tenancy agreements. The total tenancy commitment is computed at DKK 102.175 thousand. The tenancy agreements can be terminated in 1-111 months.

Parent

The Parent Company's bank has given guarantees for a total of DKK 5,2 million.

21 Related parties

Related party transactions

DKK'000	2024	2023
Group		
Received capital contribution	458.693	0
Receivables from group entities (incl. joint taxation contribution)	3.000	
Parent Company		
Management fee to group entities	3.820	0
Interest income from group entities	9.295	0
Receivables from group entities (incl. joint taxation contribution)	100.829	0
Payables to group entities	169	0
Received capital contribution	458.693	0

Remuneration of the Parent Company's Executive Board and the Board of Directors is disclosed in note 5.

Parent Company

Parties exercising control

Related party	Domicile	Basis for control
Elcor Holding I ApS	Copenhagen	Participating interest
Elcor Holding II ApS	Copenhagen	Participating interest
Elcor Holding III ApS	Copenhagen	Participating interest

Information about consolidated financial statements

Parent	Domicile
Elcor Holding III ApS	Copenhagen

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DKK'000	Group	
	2024	2023
22 Changes in working capital		
Changes in inventories	7.288	0
Changes in receivables	-10.172	0
Changes in trade and other payables	-42.697	0
Foreign exchange adjustment	-4.193	0
	<u>-49.774</u>	<u>0</u>

23 Acquisition of group entities and activities

DKK'000	Group	
	2024	2023
Intangible assets	274.614	0
Property, plant and equipment	33.364	0
Financial assets	2.261	0
Inventories	130.413	0
Receivables	333.382	0
Cash	21.350	0
Bank debt	-4.000	0
Long-term debt	-72.715	0
Deferred tax and tax payable	-92.587	0
Trade payables	-121.351	0
Other payables	-169.922	0
	<u>334.809</u>	<u>0</u>
Goodwill	316.505	0
Cost	651.314	0
Amount relating to cash	-21.350	0
Deferred payment	-12.270	0
Cash cost	<u>617.694</u>	<u>0</u>

DKK'000	Group	
	2024	2023
24 Cash and cash equivalents		
Cash and cash equivalents at 31 December comprise:		
Cash	40.383	40
	<u>40.383</u>	<u>40</u>

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Westbø, Åge Engelstrand

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Dirigent

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Christoffer Arthur Müller

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