



Baldo Acquisition ApS

Levysgade 14, st.
8700 Horsens
CVR No. 38640569

Annual report 2024

The Annual General Meeting adopted the
annual report on 20.06.2025

Henning Aabo Jørgensen
Chairman of the General Meeting

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Entity details

Entity

Baldo Acquisition ApS

Levysgade 14, st.

8700 Horsens

Business Registration No.: 38640569

Registered office: Horsens

Financial year: 01.01.2024 - 31.12.2024

Supervisory Board

Nicolai Bloch Tobiesen

Wolfgang Ziegler

Excecutive Board

Hans Henrik Nielsen

Henning Aabo Jørgensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management on the annual report

The Supervisory Board and the Executive Board have today considered and approved the annual report of Baldo Acquisition ApS for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Horsens, 20.06.2025

Executive Board

Hans Henrik Nielsen

Henning Aabo Jørgensen

Supervisory Board

Nicolai Bloch Tobiesen

Wolfgang Ziegler

Independent auditor's report

To the shareholders of Baldo Acquisition ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Baldo Acquisition ApS for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 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 financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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 commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Kolding, 20.06.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Morten Almtoft Lund

State Authorised Public Accountant
Identification No (MNE) mne41365

Management commentary

Financial highlights

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	298,862	318,383	350,660	455,064	440,889
Gross profit/loss	26,890	28,323	19,375	69,178	74,971
Operating profit/loss	(51,707)	(35,953)	(43,805)	(1,579)	10,869
Net financials	(8,728)	(9,501)	(10,775)	(7,872)	(10,802)
Profit/loss for the year	(52,507)	(42,524)	(48,030)	(12,350)	(5,000)
Balance sheet total	236,367	243,121	282,752	330,206	366,468
Investments in property, plant and equipment	5,063	1,861	7,518	6,084	5,086
Equity	47,219	54,268	64,224	105,702	120,269
Cash flows from operating activities	(39,576)	10,340	3,791	32,459	23,548
Cash flows from investing activities	(193)	(869)	(3,530)	(4,597)	(5,764)
Cash flows from financing activities	31,839	4,283	(1,026)	(31,015)	(20,179)
Average number of employees	162	142	162	161	102
Ratios					
Gross margin (%)	9.00	8.90	5.53	15.20	17.00
Net margin (%)	(17.57)	(13.36)	(13.70)	(2.71)	(1.13)
Equity ratio (%)	19.98	22.32	22.71	32.01	32.82

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

Gross profit/loss * 100
Revenue

Net margin (%):

Profit/loss for the year * 100
Revenue

Equity ratio (%):

Equity * 100
Balance sheet total

Primary activities

Key activities consist of advisory in connection to selling and producing prefabricated bathroom pods, shafts and related activities.

Development in activities and finances

The income statement of the Group for 2024 shows a result of TDKK (52,507) and at 31 December 2024 the balance sheet of the Group shows equity of TDKK 47,219.

Profit/loss for the year in relation to expected developments

The expectations for the year 2024 were to increase sales in existing markets in Norway and Denmark. Further expectations were to penetrate the German and Swedish market and receive the first orders. In general, the markets have been characterized by continued low building activity due to uncertainties in the building sector and high interest rates. Looking into periods of 2024, the order intake has increased throughout the year and earnings went upwards from the lowest point in the beginning of 2024. Second half-year shows earnings from operation being balanced. In total, the Group experienced a further drop in sales compared to 2023.

The expected 20% year on year revenue growth did not materialize. In 2024, the Group experienced a continual tough sales price competition, stable purchase prices and flows in the supply chain. Internal improvements in the utilization of the Group's ERP system, transparency in supply prices, inventory, projekt calculations, improved internal processes in production planning and operation are contributors to higher efficiency in the Group.

The Group realized an unsatisfactory result in 2024. Thus, the shareholder provided a capital increase of 49 mDKK to strengthen the equity by the end of the year. To further support the ongoing business by the end of the year and onwards, the Group assured the required performance bonds and prepayment guarantees for the continuance of ongoing orders and projects. Also, the Group has continued joint credit facility together with the subsidiary Badelement A/S, which secures the necessary available liquidity.

Due to complicated market conditions and decline in sales the Group has continued strict cost awareness.

In means of supporting growth plans, the Group has invested in developing a lightweight bathroom pod, which in 2024 resulted in a 20% share of total sold pods. The new product installation Shafts has also shown good development with a 20% share of total sales. The Shafts can be mounted to both the existing Bathroom pods and the newly developed lightweight bathroom pods in all current markets.

Further, the Group accessed the neighbouring markets Sweden and Germany via local establishment and sales representatives. Several orders were received from the German market, while the Swedish market awaits the first order from a developed quotation portfolio. In 2024, both markets were in general characterized by low activity.

Special risks

The Group's special risks relate to competing companies on the market.

The Group is not directly exposed to material risk coming from changes in interest rates due to its operations, investments and financing. It is the Group policy not to speculate in financial movements.

The Group has substantial trading in EUR, NOK and mainly PLN which exposes the Group to currency exchange risks. The Group hedges currency risks through forward exchange contracts covering the coming year. Credit risk primarily relates to the customers' ability to pay. Advance payments from customers and payment plans are made to mitigate the risk.

Outlook

Expectations for 2025 are to develop and significantly increase sales within the new products lightweight bathroom pods and installation shafts taking outset in the increased order intake during 2024 and the orderbook end of the year. Further, the Group expects a moderate growth on existing products and markets partly due to expectation of a modest Danish market growth coming from stable to slight declining interest rates. Further, growth is expected in all export markets.

The budget for 2025 including earnings, working capital and cashflow is subject to usual uncertainties regarding the occurrence and timing of future transactions. The budget is also influenced by market activity, interest rate, macroeconomic tendencies in general, etc. In the past 1-2 years the Company has lowered risk of significant negative impact from unforeseen events through enhanced product programme from 1 to 4 product lines and market presence from 2 to 5 countries.

The budgeted total revenue growth is approximately 40% compared to 2024 and a solid 76% share is already secured in the 2024 end of year orderbook. The order intake in the beginning of 2025 shows continued promising and budget supportive signs. Compared to activity level in the 2nd half of 2024, the production is planned to increase by 13% in average in 1st half of 2025 and a further 24% in 2nd half of 2025. In late 2024, the production capacity is assured to cover 2025 demands.

Consequently, the Company expects significant improvement in earnings in 2025 mainly due to volume growth in new markets and from new products but also improved per unit earnings.

From current standing, the Management considers the budgeted earnings, working capital and cashflow for 2025 to be attainable and well founded. Further, the Management confirms that the existing credit and performance bond facilities are in line with the budget and business growth requirements. Reference is made to note 1 in the financial statements.

Group relations

The Group has subsidiaries in Poland, Badelement Poland Sp. Z.o.o., Norway, Badelement Norge AS, Sweden, Badelement Sverige AB and Germany, Badelement Deutschland GmbH.

Events after the balance sheet date

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

Consolidated income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Revenue		298,862	318,383
Other operating income		553	0
Costs of raw materials and consumables		(256,587)	(261,585)
Other external expenses		(15,938)	(28,475)
Gross profit/loss		26,890	28,323
Staff costs	3	(42,689)	(29,870)
Depreciation, amortisation and impairment losses		(29,521)	(29,464)
Other operating expenses		(6,387)	(4,942)
Operating profit/loss		(51,707)	(35,953)
Other financial income		1,346	7,563
Other financial expenses		(10,074)	(17,064)
Profit/loss before tax		(60,435)	(45,454)
Tax on profit/loss for the year		7,928	2,930
Profit/loss for the year	4	(52,507)	(42,524)

Consolidated balance sheet at 31.12.2024

Assets

		2024	2023
	Notes	DKK'000	DKK'000
Completed development projects	6	316	1,400
Goodwill		57,287	80,987
Intangible assets	5	57,603	82,387
Land and buildings		10,691	12,229
Plant and machinery		12,035	13,118
Other fixtures and fittings, tools and equipment		816	826
Prepayments for property, plant and equipment		27	689
Property, plant and equipment	7	23,569	26,862
Deposits		407	420
Financial assets	8	407	420
Fixed assets		81,579	109,669
Raw materials and consumables		37,209	30,407
Prepayments for goods		0	788
Inventories		37,209	31,195
Trade receivables		47,526	49,585
Contract work in progress	9	27,823	12,656
Deferred tax	10	20,476	10,206
Other receivables		12,863	13,189
Tax receivable		1,874	1,180
Prepayments	11	400	894
Receivables		110,962	87,710
Cash		6,617	14,547
Current assets		154,788	133,452
Assets		236,367	243,121

Equity and liabilities

		2024	2023
	Notes	DKK'000	DKK'000
Contributed capital		263	99
Translation reserve		7,120	11,355
Reserve for fair value adjustments of hedging instruments		(2,120)	(3,158)
Reserve for development costs		247	1,091
Retained earnings		41,709	44,881
Equity		47,219	54,268
Deferred tax	10	1,356	1,183
Other provisions	12	14,108	11,697
Provisions		15,464	12,880
Lease liabilities		1,195	534
Debt to other credit institutions		61,733	53,579
Payables to group enterprises		0	13,600
Other payables		0	3,403
Non-current liabilities other than provisions	13	62,928	71,116
Current portion of non-current liabilities other than provisions	13	3,540	10,558
Payables to other credit institutions		23,691	23,576
Contract work in progress	9	39,006	36,951
Trade payables		25,634	17,981
Payables to group enterprises		0	712
Tax payable		79	67
Other payables		18,806	15,012
Current liabilities other than provisions		110,756	104,857
Liabilities other than provisions		173,684	175,973
Equity and liabilities		236,367	243,121
Uncertainty related to going concern	1		
Uncertainty relating to recognition and measurement	2		
Financial instruments	15		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2024

	Contributed capital DKK'000	Share premium DKK'000	Translation reserve DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Reserve for development costs DKK'000
Equity beginning of year	99	0	11,355	(3,158)	1,091
Capital increase by debt conversion	164	48,491	0	0	
Transferred from share premium	0	(48,491)	0	0	0
Exchange rate adjustments	0	0	435	0	0
Value adjustments	0	0	0	(4,656)	0
Tax of entries on equity	0	0	0	1,024	0
Transfer to reserves	0	0	(4,670)	4,670	0
Dissolution of reserves	0	0	0	0	(844)
Profit/loss for the year	0	0	0	0	0
Equity end of year	263	0	7,120	(2,120)	247

	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	44,881	54,268
Capital increase by debt conversion	0	48,655
Transferred from share premium	48,491	0
Exchange rate adjustments	0	435
Value adjustments	0	(4,656)
Tax of entries on equity	0	1,024
Transfer to reserves	0	0
Dissolution of reserves	844	0
Profit/loss for the year	(52,507)	(52,507)
Equity end of year	41,709	47,219

Consolidated cash flow statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Operating profit/loss		(51,707)	(35,953)
Amortisation, depreciation and impairment losses		29,521	29,630
Other provisions		2,411	0
Working capital changes	14	(9,457)	23,891
Cash flow from ordinary operating activities		(29,232)	17,568
Financial income received		1,346	11,206
Financial expenses paid		(10,074)	(20,707)
Taxes refunded/(paid)		(1,827)	(4,925)
Other cash flows from operating activities		211	7,198
Cash flows from operating activities		(39,576)	10,340
Acquisition etc. of intangible assets		0	(19)
Acquisition etc. of property, plant and equipment		(282)	(1,861)
Sale of property, plant and equipment		76	839
Sale of fixed asset investments		13	172
Cash flows from investing activities		(193)	(869)
Free cash flows generated from operations and investments before financing		(39,769)	9,471
Loans raised		1,249	17,000
Repayments of loans etc.		0	(12,717)
Repayment of lease liabilities		(353)	0
Cash capital increase		30,943	0
Cash flows from financing activities		31,839	4,283
Increase/decrease in cash and cash equivalents		(7,930)	13,754

Cash and cash equivalents beginning of year	14,547	793
Cash and cash equivalents end of year	6,617	14,547
Cash and cash equivalents at year-end are composed of:		
Cash	6,617	14,547
Cash and cash equivalents end of year	6,617	14,547

Notes to consolidated financial statements

1 Uncertainty related to going concern

The Group realized an unsatisfactory result in 2024. Thus, the shareholder provided a capital increase of 49 mDKK to strengthen the equity by the end of the year. To further support the ongoing business by the end of the year and onwards, the Group assured the required performance bonds and prepayment guarantees for the continuance of ongoing orders and projects. Also, the Group has a continued joint credit facility, which secures the necessary available liquidity.

Consequently, the Group expects significant improvement in earnings in 2025 of approx. 20 mioDKK mainly due to volume growth in new markets and from new products but also improved per unit earnings.

The budget for 2025 including earnings, working capital and cashflow is subject to usual uncertainties regarding the occurrence and timing of future transactions.

Until April 2025 the Group has been on or above expectations for 2025 and thus within existing credit facilities and required covenants. From current standing the Management thus considers the budgeted earnings, working capital and cashflow for the remaining of 2025 to be attainable and well founded. Further, the Management confirms that the existing credit and performance bond facilities are in line with budget and business growth requirements.

2 Uncertainty relating to recognition and measurement

The carrying amount of goodwill and deferred tax assets has been tested for impairment by use of a discounted cash flow model (DCF-model) or expectation of future usage. This test is based on the Company's budget and forecasts as well as on a projection thereof in the subsequent years. The test does not show any need of impairment. The recognition and measurement of goodwill and deferred tax assets is thus depending on the company's ability to reach the budgeted and projected earnings going forward.

3 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	36,343	23,667
Pension costs	5,368	5,271
Other social security costs	978	932
	42,689	29,870
Average number of full-time employees	162	142

	Remuneration of management 2024 DKK'000	Remuneration of management 2023 DKK'000
Executive Board	3,122	3,028
	3,122	3,028

4 Proposed distribution of profit/loss

	2024 DKK'000	2023 DKK'000
Retained earnings	(52,507)	(42,524)
	(52,507)	(42,524)

5 Intangible assets

	Completed development projects DKK'000	Goodwill DKK'000
Cost beginning of year	7,561	237,018
Exchange rate adjustments	55	0
Cost end of year	7,616	237,018
Amortisation and impairment losses beginning of year	(6,161)	(156,031)
Exchange rate adjustments	(45)	0
Amortisation for the year	(1,094)	(23,700)
Amortisation and impairment losses end of year	(7,300)	(179,731)
Carrying amount end of year	316	57,287

6 Development projects

Development projects relates to the development and implementation of an ERP system.

7 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Prepayments for property, plant and equipment DKK'000
Cost beginning of year	20,490	43,107	4,185	689
Exchange rate adjustments	349	733	42	13
Additions	105	1,689	177	3,092
Disposals	(1,541)	(29)	(307)	(3,767)
Cost end of year	19,403	45,500	4,097	27
Depreciation and impairment losses beginning of year	(8,261)	(29,989)	(3,359)	0
Exchange rate adjustments	(139)	(518)	(32)	0
Depreciation for the year	(1,556)	(2,974)	(197)	0
Reversal regarding disposals	1,244	16	307	0
Depreciation and impairment losses end of year	(8,712)	(33,465)	(3,281)	0
Carrying amount end of year	10,691	12,035	816	27
Recognised assets not owned by Entity	0	1,725	0	0

8 Financial assets

	Deposits DKK'000
Cost beginning of year	420
Exchange rate adjustments	(13)
Cost end of year	407
Carrying amount end of year	407

9 Contract work in progress

	2024 DKK'000	2023 DKK'000
Contract work in progress	206,448	125,027
Progress billings	(217,631)	(149,322)
Transferred to liabilities other than provisions	39,006	36,951
	27,823	12,656

10 Deferred tax

	2024	2023
	DKK'000	DKK'000
Changes during the year		
Beginning of year	9,023	3,745
Recognised in the income statement	9,055	5,263
Recognised directly in equity	1,024	15
Exchange rate adjustment	18	0
End of year	19,120	9,023

	2024	2023
	DKK'000	DKK'000
Deferred tax has been recognised in the balance sheet as follows		
Deferred tax assets	20,476	10,206
Deferred tax liabilities	(1,356)	(1,183)
	19,120	9,023

Deferred tax assets

Tax assets relates to differences between accounting and tax values and tax losses carried forward. Reference is made to note 2.

11 Prepayments

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

12 Other provisions

The Company provides warranty of 5 years on finished and delivered bathroom pods. Based on previous experience in respect of the level of repairs and returns, other provisions have been recognised for expected warranty claims. Other provisions mainly consists of warranty claims.

13 Non-current liabilities other than provisions

	Due within 12 months	Due within 12 months	Due after more than 12 months
	2024	2023	2024
	DKK'000	DKK'000	DKK'000
Lease liabilities	790	58	1,195
Debt to other credit institutions	2,750	10,500	61,733
	3,540	10,558	62,928

14 Changes in working capital

	2024 DKK'000	2023 DKK'000
Increase/decrease in inventories	(6,015)	8,062
Increase/decrease in receivables	(16,944)	25,028
Increase/decrease in trade payables etc.	13,502	(9,199)
	(9,457)	23,891

15 Derivative financial instruments

Other receivables include the fair value of foreign exchange forward transactions of kDKK. 2,109. The foreign exchange forward transactions have been entered to secure the company's purchases of goods against unexpected exchange rate adjustment. The foreign exchange forward transactions secure the exchange rate of PLN for the coming eighteen months after year end, which in a total amounts to mPLN 77.45. The adjustment of the year is kDKK. 4,656 before tax, which is recognized directly on the equity.

The financial instruments are entered with the company's bank.

16 Unrecognised rental and lease commitments

	2024 DKK'000	2023 DKK'000
Total liabilities under rental or lease agreements until maturity	6,640	9,078

17 Contingent liabilities

Following assets provide security for banks:

- Company charge of nominally kDKK 5,000 provide security in property, plant and equipment, inventories and trade receivables with a carrying value of kDKK 112,308.

18 Subsidiaries

	Registered in	Corporate form	Ownership %
Badelement A/S	Denmark	A/S	100.00
Badelement Polska Sp. z o.o.	Poland	Sp. z o.o.	100.00
Badelement Norge AS	Norge	AS	100.00
Badelement Deutschland GmbH	Germany	GmbH	100.00
Badelement Sverige AS	Sweden	AS	100.00

Parent income statement for 2024

		2024	2023
	Notes	DKK'000	DKK'000
Revenue		8,250	8,310
Other operating income		0	35
Other external expenses		(1,667)	(1,889)
Gross profit/loss		6,583	6,456
Staff costs	3	(5,886)	(5,643)
Operating profit/loss		697	813
Income from investments in group enterprises		(48,641)	(30,610)
Other financial expenses	4	(5,647)	(6,181)
Profit/loss before tax		(53,591)	(35,978)
Tax on profit/loss for the year	5	1,084	1,271
Profit/loss for the year	6	(52,507)	(34,707)

Parent balance sheet at 31.12.2024

Assets

		2024	2023
	Notes	DKK'000	DKK'000
Investments in group enterprises		103,028	114,866
Financial assets	7	103,028	114,866
Fixed assets		103,028	114,866
Receivables from group enterprises		5,587	20,014
Deferred tax	8	3,860	2,776
Prepayments	9	6	84
Receivables		9,453	22,874
Cash		322	78
Current assets		9,775	22,952
Assets		112,803	137,818

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		263	99
Retained earnings		46,956	54,169
Equity		47,219	54,268
Debt to other credit institutions		61,736	53,582
Payables to group enterprises		0	13,600
Other payables		0	3,400
Non-current liabilities other than provisions	10	61,736	70,582
Current portion of non-current liabilities other than provisions	10	2,750	10,500
Trade payables		97	269
Payables to group enterprises		0	712
Other payables	11	1,001	1,487
Current liabilities other than provisions		3,848	12,968
Liabilities other than provisions		65,584	83,550
Equity and liabilities		112,803	137,818
Uncertainty related to going concern	1		
Uncertainty relating to recognition and measurement	2		
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Related parties with controlling interest	14		
Transactions with related parties	15		

Parent statement of changes in equity for 2024

	Contributed capital DKK'000	Share premium DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	99	0	235,132	235,231
Changes in accounting policies	0	0	(180,963)	(180,963)
Adjusted equity, beginning of year	99	0	54,169	54,268
Capital increase by debt conversion	164	48,491	0	48,655
Transferred from share premium	0	(48,491)	48,491	0
Other entries on equity	0	0	(3,197)	(3,197)
Profit/loss for the year	0	0	(52,507)	(52,507)
Equity end of year	263	0	46,956	47,219

Notes to parent financial statements

1 Uncertainty related to going concern

The Group realized an unsatisfactory result in 2024. Thus, the shareholder provided a capital increase of 40 mDKK to strengthen the equity by the end of the year. To further support the ongoing business by the end of the year and onwards, the Group assured the required performance bonds and prepayment guarantees for the continuance of ongoing orders and projects. Also, the Group has a continued joint credit facility, which secures the necessary available liquidity.

Consequently, the Group expects significant improvement in earnings in 2025 of approx. 20 mioDKK mainly due to volume growth in new markets and from new products but also improved per unit earnings.

The budget for 2025 including earnings, working capital and cashflow is subject to usual uncertainties regarding the occurrence and timing of future transactions.

Until April 2025 the Group has been on or above expectations for 2025 and thus within existing credit facilities and required covenants. From current standing the Management thus considers the budgeted earnings, working capital and cashflow for the remaining of 2025 to be attainable and well founded. Further, the Management confirms that the existing credit and performance bond facilities are in line with budget and business growth requirements.

2 Uncertainty relating to recognition and measurement

The carrying amount of investments including goodwill and deferred tax assets has been tested for impairment by use of a discounted cash flow model (DCF-model) or expectation of future usage. This test is based on the Group's budget and forecasts as well as on a projection thereof in the subsequent years. The test does not show any need of impairment. The recognition and measurement of investments including goodwill and deferred tax assets is thus depending on the Group's ability to reach the budgeted and projected earnings going forward.

3 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	4,667	4,515
Pension costs	1,187	1,093
Other social security costs	32	35
	5,886	5,643
Average number of full-time employees	4	4

	Remuneration of Manage- ment 2024 DKK'000	Remuneration of Manage- ment 2023 DKK'000
Executive Board	3,122	3,028
	3,122	3,028

4 Other financial expenses

	2024 DKK'000	2023 DKK'000
Financial expenses from group enterprises	612	712
Other interest expenses	4,626	4,864
Exchange rate adjustments	3	21
Other financial expenses	406	584
	5,647	6,181

5 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Change in deferred tax	(1,084)	(1,271)
	(1,084)	(1,271)

6 Proposed distribution of profit and loss

	2024 DKK'000	2023 DKK'000
Retained earnings	(52,507)	(34,707)
	(52,507)	(34,707)

7 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	295,831
Additions	40,000
Cost end of year	335,831
Changes in accounting policies	(180,965)
Exchange rate adjustments	435
Adjustments on equity	(3,632)
Amortisation of goodwill	(23,700)
Share of profit/loss for the year	(24,941)
Impairment losses end of year	(232,803)
Carrying amount end of year	103,028
Goodwill or negative goodwill recognised during the financial year	57,287

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

8 Deferred tax

	2024 DKK'000	2023 DKK'000
Tax losses carried forward	3,768	2,773
Other deductible temporary differences	92	3
Deferred tax	3,860	2,776

	2024 DKK'000	2023 DKK'000
Changes during the year		
Beginning of year	2,776	1,505
Recognised in the income statement	1,084	1,271
End of year	3,860	2,776

Deferred tax assets

Tax assets is expected to be utilized from positive results in the coming 3-5 years. Reference is made to note 2.

9 Prepayments

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

10 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK'000	Due within 12 months 2023 DKK'000	Due after more than 12 months 2024 DKK'000
Debt to other credit institutions	2,750	10,500	61,736
	2,750	10,500	61,736

11 Other payables

	2024 DKK'000	2023 DKK'000
VAT and duties	641	722
Wages and salaries, personal income taxes, social security costs, etc. payable	0	182
Holiday pay obligation	141	88
Other costs payable	219	495
	1,001	1,487

12 Unrecognised rental and lease commitments

	2024 DKK'000	2023 DKK'000
Total liabilities under rental or lease agreements until maturity	60	461

13 Contingent liabilities

Following assets provide security for banks:

Investments in group enterprises and receivables from group enterprises with a total book value of kDKK 108,655 as per 31 December 2024 have been provided as security for the total bank debt of both the parent company and its subsidiary Badelement A/S. Total bank debt has a carrying amount of kDKK 88,748 as per 31 December 2024.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

14 Related parties with controlling interest

Baldo Zehn Holding GmbH, Germany owns the majority of shares in the Entity, thus exercising control.

15 Transactions with related parties

	Subsidiaries DKK'000
Sales	8,250
Receivables	5,587

For transactions regarding remuneration of management we refer to note 3.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Changes in accounting policies

The Parent have changed accounting policies with regard to Investments in group enterprises that are now recognized using the equity method.

For the Parent, the change in accounting policies has led to a decrease in value of investments in group enterprises and income from investments in group enterprises for the year of kDKK -232,803 and kDKK -48,641, respectively. Consequently, for the Parent, the total effect of the change in accounting policies is a decrease in this year's net profit or loss by kDKK -48,641 thousand. The Parent's balance sheet total decreases by kDKK -232,803, while its equity decreases by kDKK -232,803 at 31 December 2024.

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.s financial income or financial expenses.

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are recognised directly in the translation reserve in equity.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including salary refunds .

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and normal writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods

used are 5 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	30 years
Plant and machinery	10 years
Other fixtures and fittings, tools and equipment	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Inventories

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

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

The cost of raw materials and consumables equals landed cost.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a contract in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.