Svanehøj Group A/S

Fabriksparken 6
9230 Svenstrup J
CVR No. 39962349

Annual report 2024

The Annual General Meeting adopted the annual report on 30.06.2025

Christina Borin
Chairman of the General Meeting

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Entity details

Entity

Svanehøj Group A/S
Fabriksparken 6
9230 Svenstrup J

Business Registration No.: 39962349
Registered office: Aalborg
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Bartlomiej Makowiecki, Chair
Michael John Savinelli
Lori Beth Marino

Executive Board

Søren Kringelholt Nielsen, CEO
Christina Margareta Borin, CFO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Østre Havnepromenade 26, 4th floor
9000 Aalborg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Svanehøj Group A/S 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 financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations 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.

Svenstrup, 30.06.2025

Executive Board

Søren Kringelholt Nielsen
CEO

Christina Margareta Borin
CFO

Board of Directors

Bartlomiej Makowiecki
Chair

Michael John Savinelli

Lori Beth Marino

Independent auditor's report

To the shareholders of Svanehøj Group A/S

Opinion

We have audited the financial statements of Svanehøj Group A/S 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. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations 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 financial statements" section of this auditor's report. We are independent of the Entity 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 financial statements

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

In preparing the financial statements, Management is responsible for assessing the 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 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 financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. 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 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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.

Aalborg, 30.06.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jakob Olesen
State Authorised Public Accountant
Identification No (MNE) mne34492

Thomas Simoni
State Authorised Public Accountant
Identification No (MNE) mne45826

Management commentary

Primary activities

The Company engages in trade, industry, and investment activities directly or through shareholdings in other companies and related activities.

Development in activities and finances

The 2024 financial result is a profit of DKK 109 million, which is deemed satisfactory by Management.

A consolidated financial statement for 2024 is not represented as the Svanehøj Group's consolidated financial statements will be included in the consolidated annual financial report of ITT Inc.

Income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Gross profit/loss		**26,248**	**25,390**
Administrative expenses		(27,278)	(38,370)
Operating profit/loss		**(1,030)**	**(12,980)**
Income from investments in group enterprises		111,058	128,877
Other financial income	2	5,780	1,496
Other financial expenses	3	(7,359)	(3,751)
Profit/loss before tax		**108,449**	**113,642**
Tax on profit/loss for the year	4	51	1,898
Profit/loss for the year		**108,500**	**115,540**
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		100,000	100,000
Retained earnings		8,500	15,540
Proposed distribution of profit and loss		**108,500**	**115,540**

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Investments in group enterprises		599,307	585,917
Financial assets	5	**599,307**	**585,917**
Fixed assets		**599,307**	**585,917**
Receivables from group enterprises		99,144	64,875
Joint taxation contribution receivable		17,163	5,112
Prepayments		0	210
Receivables		**116,307**	**70,197**
Cash		**1,107**	**1,000**
Current assets		**117,414**	**71,197**
Assets		**716,721**	**657,114**

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		36,136	35,553
Reserve for net revaluation according to the equity method		259,477	246,087
Retained earnings		194,572	189,022
Proposed dividend		100,000	100,000
Equity		**590,185**	**570,662**
Trade payables		2,577	1,667
Payables to group enterprises		109,666	78,627
Income tax payable		10,648	0
Other payables		3,645	6,158
Current liabilities other than provisions		**126,536**	**86,452**
Liabilities other than provisions		**126,536**	**86,452**
Equity and liabilities		**716,721**	**657,114**

Staff costs	1
Contingent liabilities	6
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Non-arm's length-related party transactions	8
Group relations	9

Statement of changes in equity for 2024

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	35,553	246,087	189,022	100,000	570,662
Increase of capital	583	0	8,108	0	8,691
Ordinary dividend paid	0	0	0	(100,000)	(100,000)
Exchange rate adjustments	0	2,332	0	0	2,332
Transfer to reserves	0	11,058	(11,058)	0	0
Profit/loss for the year	0	0	8,500	100,000	108,500
Equity end of year	**36,136**	**259,477**	**194,572**	**100,000**	**590,185**

Notes

1 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	10,581	12,876
Pension costs	988	1,085
Other social security costs	23	26
	11,592	**13,987**
Number of employees at balance sheet date	7	8

2 Other financial income

	2024 DKK'000	2023 DKK'000
Financial income from group enterprises	5,750	1,480
Other interest income	30	0
Exchange rate adjustments	0	16
	5,780	**1,496**

3 Other financial expenses

	2024 DKK'000	2023 DKK'000
Financial expenses from group enterprises	7,335	2,615
Other interest expenses	7	1,136
Exchange rate adjustments	17	0
	7,359	**3,751**

4 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Change in deferred tax	0	(42)
Refund in joint taxation arrangement	(51)	(1,856)
	(51)	**(1,898)**

5 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	339,830
Cost end of year	**339,830**
Revaluations beginning of year	246,087
Exchange rate adjustments	2,332
Share of profit/loss for the year	111,058
Dividend	(100,000)
Revaluations end of year	**259,477**
Carrying amount end of year	**599,307**

6 Contingent liabilities

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 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

7 Assets charged and collateral

Collateral provided for group enterprises

The Company has provided a guarantee to Svanehøj Danmark A/S for all bank debt to Sydbank. Bank loans of Svanehøj Danmark A/S amount to DKK 7 thousand at 31 December 2024.

8 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

9 Group relations

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. Name, registered office and identification number of the Parent preparing consolidated financial statements for the largest group is:

- ITT Inc.
- Based in Stamford CT 06902, United States of America
- Entity ID-number: 81-1197930

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: ITT Italia s.r.l., based in Barge CN 12032, Italy.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Changes in accounting policies

The Entity has changed it's accounting policies with regard to the reporting class in 2024 as the Company went from reporting class C (large) to reporting class B. The change of reporting class in 2024 is due to the omission of a consolidated financial statement for Svanehøj Group A/S in 2024 referring to section 112(2) of the Financial Statements Act.

The change in accounting policies has not led to any changes in the reported figures for the Company in 2024 or previous years. However, the financial statements notes for 2024 has been prepared in accordance with the requirements for reporting class B and certain notes has been omitted in the 2024 financial statement compared to previous years.

The change of reporting class has not led to a restatement of comparative figures.

Apart from the change in reporting class, the annual report has been presented applying the accounting policies consistently with last year.

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and administrative expenses.

Revenue

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.

Administrative expenses

Administrative costs comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

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 as well as 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.

Balance sheet

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.

The accounting policies applied to material financial statement items of group enterprises are:

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.

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 other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as a separate asset. Useful lives are reassessed annually. The amortisation period used are 20 years.

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

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

Joint taxation contributions receivable or payable
Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

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

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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

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