

Polytech
Wind for life™

Annual Report 2024

Polytech A/S · Industrivej 75 · 6740 Bramming
CVR No. 17736590

The Annual General Meeting adopted the annual report on 27.06.2025

Henrik Lykke Søberg · Chairman of the General Meeting

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BDO Statsautoriseret revisionsaktieselskab, a Danish limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Company Details

Company	Polytech A/S Industrivej 75 6740 Bramming	
	CVR No.:	17 73 65 90
	Established:	15 April 1994
	Municipality:	Esbjerg
	Financial Year:	1 January - 31 December
Board of Directors	Søren Friis Knudsen, chairman Eskil Gundersen Koffeld Arne Handeland	
Executive Board	Allan Jan Formann Kristensen	
Auditor	BDO Statsautoriseret revisionsaktieselskab Dokken 8 6700 Esbjerg	

Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Polytech A/S for the financial year 1 January - 31 December 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 Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Esbjerg, 16 May 2025

Executive Board

Allan Jan Formann Kristensen

Board of Directors

Søren Friis Knudsen Chairman	Eskil Gundersen Koffeld	Arne Handeland

Independent Auditor's Report

To the Shareholder of Polytech A/S

Opinion

We have audited the Financial Statements of Polytech A/S for the financial year 1 January - 31 December 2024, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

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

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

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.

Independent Auditor's Report

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Independent Auditor's Report

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management Commentary 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 Management Commentary.

Esbjerg, 16 May 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mikael Grosbøl
State Authorised Public Accountant
MNE no. mne33707

Kasper Ladefoged
State Authorised Public Accountant
MNE no. mne49042

Financial Highlights

	2024 EUR '000	2023 EUR '000	2022 EUR '000	2021 EUR '000	2020 EUR '000
Income statement					
Net revenue	82,171	70,019	84,753	0	0
Gross profit/loss	33,406	26,658	32,596	34,973	50,724
Operating profit/loss of main activities	7,931	1,648	866	20,559	36,653
Financial income and expenses, net	-388	-521	-621	-1,178	-1,523
Profit/loss for the year	5,937	790	-266	24,135	30,271
Balance sheet					
Total assets	43,129	43,345	44,636	19,797	19,123
Equity	29,273	23,359	22,579	11,546	944
Investment in property, plant and equipment	-1,339	-856	-33,384	-1,627	-7,717
Key ratios					
Equity ratio	67.9	53.9	50.6	58.3	4.9
Return on equity	22.6	3.4	-1.6	386.5	249.1

A horizontal merger has been made in 2022 without restatement of comparative figures (the book value method). The income statement and balance sheet includes production and test activities which are not included in comparative figures for the period 2020-2021.

The comparative figures have not been adjusted for the change of accounting policy for the years 2020-2023 regarding the implementation of IFRS 15 Revenue from Contracts with Customers and IFRS 16 leases.

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

Equity ratio: $\frac{\text{Equity, at year-end x 100}}{\text{Total assets, at year-end}}$

Return on equity: $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

Management Commentary

Principal activities
The Polytech Group's primary activities comprise the development and production of a wide portfolio of products supporting the wind industry. Products are delivered to wind turbine manufacturers (OEMs), Tier1 partners, and wind turbine asset owners and developers.

Polytech Group is offering unique value propositions within five business line areas: Lightning Protection Systems, Leading Edge Protection, Blade Monitoring & Optimization, Transport Equipment Solutions, Performance & Structural Components and future development areas such as subsea solutions.

Development in activities and financial and economic position
The income statement for 2024 shows a profit of TEUR 5,937 and the balance sheet shows an equity at TEUR 29,273. The development and result are in line with management's expectations.

Profit/loss for the year compared to the expected development
The revenue increased more than expected due to expansion of some of the activities within certain business lines, the transport solutions being one of them. Additionally, the close down of the activities in Germany had a full year impact on the revenue in 2024, which also is an explanation to the positive impact from 2023 to 2024. The increased revenue in Polytech A/S is the main driver for the improved result for the year.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

Financial risk
Due to Polytech Group's international operations, both earnings, cash flow, and equity are affected by the development in exchange rates and interest rates. The Group continuously monitors fluctuations in currencies and continuously evaluates those but has chosen not to enter forward exchange contracts to hedge currency risks. Additionally, the development of fluctuations in freight rates and raw materials can potentially create a specific risk, as price compensation from customers can only be obtained to a limited degree due to contractual obligations.

Knowledge resources
The knowledge resources within Polytech are key to maintaining a position in the market where new products are continuously being developed.

Research and development activities
Innovation and development are key to Polytech, and during 2024 further activities took place regarding both continuous improvements of existing products as well as new product solutions such as Elle Onshore which is a leading edge protection (LEP) optimized for onshore conditions. Consequently, high intellectual capital resources from employees are key to the performance of Polytech in the years to come.

Future expectations
The company expects the wind industry to be flat in 2025 and a smaller growth is expected for revenue along with slightly improved results.

Management Commentary

Corporate social responsibility (CSR) report

Polytech Group focuses on doing business with development, production, sale and marketing of wind powered sustainable and renewable energy solutions customized to the need of the customers and on meeting strategic challenges in a financially and socially responsible way. Polytech Group has a number of formal and informal policies and positions on how to live out its environmental and social responsibility.

Statement of corporate social responsibility:

Polytech is a global company and has manufacturing facilities in Denmark, China, and Mexico as well as sales departments in Denmark and China. Polytech's products are exported globally.

Polytech takes the ethical responsibility seriously and aims to act responsibly both in the financial, environmental, and social context. HSE and Sustainability are already top priorities at Polytech, which can be seen in the company's commitment to ISO 14001, ISO 45001, and Bureau Veritas' '17 Sustainable Developments Goals Certification'. Polytech currently focuses on 5 sustainability targets - with both an environmental and social focus. Polytech has identified four targets directly related to our environmental footprint, and one target related to our social responsibility:

- **Target 1:** 40 % recycled or renewable materials in 2030
- **Target 2:** 80 % reduction in CO2e in 2030 vs. 2022 in Scope 1 & 2 + 40 % reduction in CO2e in relation to turnover in 2030 vs 2022 in Scope 3
- **Target 3:** 100 % renewable energy use in 2030 at all global locations
- **Target 4:** Recycling 90 % of all production waste generated in 2030
- **Target 5:** TRIR <1 & eNPS >30

In 2024, Polytech's overall aim has been to introduce ISO 14001 and ISO 45001 at Polytech's productions sites in China and Mexico, meaning that Polytech have ensured that environmental and social working conditions are documented and met in accordance with the ISO-standards.
These certificates are now official, and Polytech has global (multi-site) ISO-certifications.

Human Rights:

It is important for Polytech that all human rights are respected and maintained. To mitigate the risk of violation of human rights, Polytech implemented a Supplier Code of Conduct (SCoC) during 2024. This Supplier Code of Conduct has already been distributed to top-spend suppliers in 2024, and in 2025 the Supplier Code of Conduct will be further rolled out to other relevant suppliers.
In 2024 Polytech has completed 12 external audits on suppliers which include investigation regarding underage labor and other human rights, thereby seeking to ensure prevention of violation. The Supplier Code of Conduct is a tool to focus on human rights within the supply chain. Polytech will continue to audit external suppliers in 2025, along with the signed Supplier Code of Conduct from suppliers.

In the Supplier Code of Conduct it is specified that Polytech conduct regular due diligence exercises on the supplier and the business partners to identify risks and implement appropriate measures to mitigate identified risks for purposes of safeguarding human rights. In 2024 Polytech has invested in EcoVadis, which is a supplier risk management system. This system will have a further roll out and onboarding of different business departments within the Polytech organization in 2025. EcoVadis will help Polytech to have a more sustainable supply chain and can be used in supplier selection phase (e.g., as a part of the RFI). Furthermore, Polytech can through EcoVadis track the relevant supplier's due diligence activities and/or for due diligence criteria for new suppliers.

At Polytech it is expected that the suppliers have processes in place to conduct due diligence activities in their operations and their entire supply chain, including business partners (financial, environmental and social activities). This must be done in accordance with international standards such as the OECD Guidelines for Multinational companies. The due diligence must as a minimum cover human rights, working conditions, environmental damage, corruption, and bribery.

Corporate social responsibility (CSR) report (continued)

Going forward Polytech expects to continue working with human rights and continue with audits for suppliers and potential suppliers.

In 2024 Polytech introduced an Employee Code of Conduct. In the Employee Code of Conduct it is specified that Polytech perform business in line with basic human rights enshrined in the UN Declaration of Human Rights. Polytech complies with the four conventions of the International Labour Organization (ILO) on the right to free organization, prohibition of child labor, prohibition of forced labor, and prohibition of discrimination (Employee – Code of Conduct, 2024). The Employee Code of Conduct has been signed by all Polytech employees in 2024, and every new Polytech employee will have to sign the Employee Code of Conduct.
Polytech introduced the Employee Code of Conduct to make sure we have the same standards and conventions within Polytech' employees, as we expect from our suppliers.

Staff and social responsibility:

At Polytech, personal development and safety of the individual employee has a high focus from the management – safety first. Polytech's production processes are complex and have potential risks related to cuts, heavy lifts etc. At Polytech we continuously strive to do our best according to safety and working conditions. Therefore, we have weekly safety meetings in our QHSE-department, and monthly safety meetings with multiple relevant departments. Safety and good working conditions are essential parameters in Polytech' values and overall targets.

In 2025 the mitigation actions will continue with the 'Safety-First'-campaign, which is also expected to expand even further, but also the mitigation of risk from heavy lifting will continue as per the mapping completed this year. In 2024 we have been certified in ISO 14001 and 45001 in Mexico and China. To prepare for these certifications a lot of procedures and habits are incorporated across the organization and the safety and working conditions have been optimized in different locations and in different working stations.

Polytech educates and trains the employees both in the production processes itself and safety along with this, but also in other important topics such as environmental sustainability and innovations in relevant industries.

Polytech monitor and follow up on occupational safety and sick leave on regular basis. It is important for Polytech to be aligned with legislation and requirements, both for Polytech's own agenda, but also to be able to continuously deliver to the customers in the wind industry.

Polytech strives to have a safe and healthy physical work environment and psychological health and safety at work for all employees. Polytech launches different safety campaigns each year under the motto "Safety First". At group level, Polytech monitors and follows up on work safety through the registration of the number of accidents and observations. In 2024 the work-related incidents have increased to 5 work-related incidents. (1 work-related incident in 2023). This development has increased the focus of the top management team, leading to the implementation of additional measures where necessary.

We continue this work due to continued efforts within operations and the 'Safety First' campaign, structured risk assessments, safety audits, comprehensive training, continually mitigating unsafe activities and unsafe conditions.

In 2024 we have increased the focus on psychological health at work as well. This work will continue in 2025. Our annual engagement survey Let's Lift Up drives activities to support motivation and engagement among our employees and serves the purpose of preventing stress and failure to thrive. In connections with sickness, the policy "From Absence to Presence" supports a quick recovering and return to work.

Polytech complies, as a minimum, with applicable legislation and collective agreements in the individual countries in relation to wages, working hours, rest, holidays, illness, maternity leave, and other terms of employment, including annual workplace assessment and well-being surveys.

Management Commentary

Corporate social responsibility (CSR) report (continued)

Employee Handbook and Employee Code of Conduct:

In Polytech's Employee Handbook, the employees will find relevant information about the company policies, guidelines, and rules according to being an employee at Polytech. The Employee Handbook also contains information about salary, driving allowance, rules about maternity leave, general ethics on the locations, etc.

Due to the potential risk of corruption, there is a significant focus on preventive action, such as whistleblower schemes. To mitigate the risk Polytech Group has during 2024 initiated increased internal communication around the existence of the whistleblower scheme to create awareness in the organization. Anti-corruption and bribery have always been a part of Polytech's ethical business foundation and therefore the whistleblower scheme is handled by an external party to ensure the possibility to safely report potential fraudulent behavior.

Whistleblower scheme:

Polytech is committed to ensuring a safe and respectful working environment for all the employees, and acting as a reliable and responsible business partner. As such, Polytech provides an independent whistleblower platform. 'Polytech Speak Up', where the employees and stakeholders can report suspected fraud and other misconducts. All reports are confidential and can be submitted anonymously. 'Polytech Speak Up' is an independent whistleblowing service managed by Deloitte on behalf of Polytech for all Polytech Group-companies. The Whistleblower scheme is available on Polytech's website (www.polytech.com).

'Polytech Speak Up' is designed to receive disclosures relating to e.g., bribery & corruption, discrimination, health/safety/environment, sexual harassment, policy/procedure breach etc.

In 2024 there have been two registrations (2 registrations in 2023 as well) through the whistleblower scheme – both have been investigated, handled and subsequently closed in time by Polytech's HR-department.

Sustainability:

Acknowledging that the manufacturing processes in Polytech represent a risk for the environment, a risk assessment is conducted every year in the factories in Denmark, China, and Mexico to enhance energy optimization when components and equipment needs to be replaced.

After the risk assessment and to mitigate the risks for the environment Polytech has in 2024 initiated efforts to reduce the carbon footprint on Polytech's products. Some of the projects and processes Polytech initiated in 2024 include for example:

- Trained employees in sustainability and environmental matters
- Started reducing landfill-waste by replacing and reducing the amount of PVC in the production.
- Monthly energy meetings – to optimize energy consumption in the production
- Weekly report from China with an overview of output and energy consumption.
- Monthly meeting in a Sustainability Solution Group – optimize and innovate production
- Full scope 1, 2 & 3 (upstream) GHG emissions.
- Different internships focusing on e.g., chemical recycling of PUR and Life Cycle Assessment on onshore ELLE

In 2025 Polytech will continue the effort and expects to work on e.g., mapping scope 3 GHG-emissions (downstream), initiate the onboarding of different departments into EcoVadis-platform (supplier risk management system), continue the previous work with chemical and mechanical recycling of PUR and integrate these projects in different production lines, collect primary data from suppliers to have a more accurate carbon footprint (instead of using generic data), report on CSRD (EU-legislation) and be compliant with all the other relevant EU legislations etc.

Management Commentary

Corporate social responsibility (CSR) report (continued)

Statement on gender composition:

Diversity among management and employees are important parameters both internally at Polytech and externally for Polytech's stakeholders. Polytech believes that diversity among employees, including gender distribution, contributes to a positive working environment and enhances Polytech's performance, robustness, and competitiveness.

Polytech strives to enhance diversity across the company. Polytech provides a workplace that is characterized by mutual respect, support and equal opportunities for all. Polytech are impartial towards all individuals, regardless of gender, nationality, religion, disability, age, sexual orientation or political opinion (ECoC).

The focus on diversity is a part of the evaluation during the recruitment process of new employees. When recruiting managers at all levels, Polytech aims to e.g., interview at least one person of each gender. This is also a requirement for agencies to present at least one of each gender among the qualified candidates. Polytech are focusing on supporting and increasing diversity when it comes to gender. However, just like other companies in the wind industry, Polytech are operating in an environment where most professions are engineers and craftsmen - professions still having a general overrepresentation of men, and the pool of female candidates can therefore be limited. Still, we have been successful in attracting women also to the male dominated positions. Polytech participate in fairs and educational initiatives to support and raise interest in the technical professions in general, but also with the focus on simulating the interest in these professions and trades for females.

Report of data ethics

Polytech Group has extensive procedures regarding compliance and GDPR, including process descriptions and incident reporting. Since Polytech does not work with machine learning, and operates within the B2B business, it is expected that data ethical risks have been sufficiently covered by GDPR processes, therefore no formal data ethics policy has been developed at this point in time.

Income Statement 1 January - 31 December

	Note	2024 EUR '000	2023 EUR '000
Net revenue	1	**82,171**	**70,019**
Change in inventories of finished goods and work in progress		-1,469	937
Work performed by the entity and capitalised		283	12
Other operating income		559	565
Costs of raw materials and consumables		-35,321	-32,184
Other external expenses	2	-12,817	-12,691
Gross profit/loss		**33,406**	**26,658**
Staff costs	3	-19,708	-18,481
Depreciation, amortisation and impairment losses for tangible and intangible assets		-5,700	-6,529
Other operating expenses		-67	0
Operating profit		**7,931**	**1,648**
Other financial income		1,100	436
Other financial expenses	4	-1,488	-957
Profit before tax		**7,543**	**1,127**
Tax on profit/loss for the year	5	-1,606	-246
Other taxes		0	-91
Profit for the year	6	**5,937**	**790**

Balance Sheet at 31 December

Assets

	Note	2024 EUR '000	2023 EUR '000
Completed development projects		526	764
Acquired concessions, patents and licences		1,476	1,664
Goodwill		479	1,112
Intangible assets	7	**2,481**	**3,540**
Production plant and machinery		4,000	6,524
Other plant, fixtures and equipment		2,306	3,765
Leasehold improvements		78	195
Tangible fixed assets in progress		927	244
Property, plant and equipment	8	**7,311**	**10,728**
Investments in subsidiaries		5,396	5,401
Other investments		3	2
Rent deposit and other receivables		98	158
Financial non-current assets	9	**5,497**	**5,561**
Non-current assets		**15,289**	**19,829**
Espenses for raw materials and consumables		3,644	7,333
Work in progress		61	110
Finished goods and goods for resale		6,272	7,692
Prepayments		70	206
Inventories		**10,047**	**15,341**
Trade receivables		8,923	0
Contract work in progress	10	148	94
Receivables from group enterprises		927	1,396
Deferred tax assets	11	538	115
Other receivables		908	2,126
Prepayments	12	38	89
Receivables		**11,482**	**3,820**
Cash and cash equivalents		**6,311**	**4,355**
Current assets		**27,840**	**23,516**
Assets		**43,129**	**43,345**

Balance Sheet at 31 December

Equity and liabilities

	Note	2024 EUR '000	2023 EUR '000
Share Capital	13	806	806
Reserve for development costs		410	593
Retained earnings		13,057	21,960
Proposed dividend		15,000	0
Equity		**29,273**	**23,359**
Other provisions		349	374
Provisions		**349**	**374**
Lease liabilities		154	0
Non-current liabilities	14	**154**	**0**
Lease liabilities		86	35
Trade payables		2,855	4,084
Debt to Group companies		6,737	13,547
Corporation tax payable		2,364	356
Other liabilities		1,311	1,590
Current liabilities		**13,353**	**19,612**
Liabilities		**13,507**	**19,612**
Equity and liabilities		**43,129**	**43,345**

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Equity

EUR '000	Share Capital	Reserve for development costs	Retained earnings	Proposed dividend	Total
Equity at 1 January 2024	806	593	21,960	0	23,359
Proposed profit allocation, see note 6			-9,063	15,000	5,937
Other legal bindings					
Foreign exchange adjustments			-23		-23
Transfers					
Allowed equalization		-183	183		0
Equity at 31 December 2024	**806**	**410**	**13,057**	**15,000**	**29,273**

Notes

	2024 EUR '000	2023 EUR '000
1 | Net revenue		
Revenue, Denmark	16,693	21,142
Revenue, Europe	21,995	18,604
Revenue, countries outside Europe	43,483	30,273
	82,171	**70,019**
Segment details (activities)		
Wind energy	82,171	70,019
	82,171	**70,019**

2 | Fee to statutory auditor

With reference to § 96, subsection 3 of the Danish Financial Statements Act, the information on fee to statutory auditor has been omitted in accordance with the company's accounts being fully consolidated in the consolidated Annual Report.

3 | Staff costs		
Average number of full-time employees	226	225
Wages and salaries	17,740	16,616
Pensions	1,680	1,561
Social security costs	288	304
	19,708	**18,481**
Remuneration of Management	0	576
Remuneration of Executive Board	620	0
Remuneration of Board of Directors	88	0
	708	**576**

	2024 EUR '000	2023 EUR '000
4 | Other financial expenses		
Interest expenses to group enterprises	153	202
Other interest expenses	1,335	755
	1,488	**957**

Notes

	2024 EUR '000	2023 EUR '000
5 | Tax on profit/loss for the year		
Calculated tax on taxable income of the year	2,181	356
Adjustment of tax in previous years	-151	0
Adjustment of deferred tax	-424	-110
	1,606	**246**
6 | Proposed distribution of profit		
Proposed dividend for the year	15,000	0
Retained earnings	-9,063	790
	5,937	**790**

7 | Intangible assets

EUR '000	Completed development projects	Acquired concessions, patents and licences	Goodwill
Cost at 1 January 2024	1,173	2,053	4,420
Exchange adjustment at closing rate	-1	-2	-6
Cost at 31 December 2024	**1,172**	**2,051**	**4,414**
Amortisation at 1 January 2024	409	389	3,308
Exchange adjustment at closing rate	0	0	-1
Amortisation for the year	237	186	628
Amortisation at 31 December 2024	**646**	**575**	**3,935**
Carrying amount at 31 December 2024	**526**	**1,476**	**479**

Development projects
Completed development projects relates to the development of a new software which gathers data on transport equipment which can be accessed through an online platform. There is no indication of impairment.

Notes

8 | Property, plant and equipment

EUR '000	Production plant and machinery	Other plant, fixtures and equipment
Cost at 1 January 2024	22,777	11,642
Change of policy	40	0
Exchange adjustment at closing rate	-22	-11
Transferred	158	56
Additions	301	29
Disposals	-107	-41
Cost at 31 December 2024	**23,147**	**11,675**
Depreciation and impairment losses at 1 January 2024	16,253	7,877
Exchange adjustment	-17	-9
Reversal of depreciation of assets disposed of	-105	-16
Depreciation for the year	3,016	1,517
Depreciation and impairment losses at 31 December 2024	**19,147**	**9,369**
Carrying amount at 31 December 2024	**4,000**	**2,306**
Finance lease assets	238	

EUR '000	Leasehold improvements	Tangible fixed assets in progress
Cost at 1 January 2024	1,222	244
Exchange adjustment at closing rate	-1	0
Transferred	0	-214
Additions	0	1,009
Disposals	0	-112
Cost at 31 December 2024	**1,221**	**927**
Depreciation and impairment losses at 1 January 2024	1,027	0
Depreciation for the year	116	
Depreciation and impairment losses at 31 December 2024	**1,143**	**0**
Carrying amount at 31 December 2024	**78**	**927**

Notes

9 | Financial non-current assets

EUR '000	Investments in subsidiaries	Other investments	Rent deposit and other receivables
Cost at 1 January 2024	5,401	2	158
Exchange adjustment at closing rate	-5	0	0
Additions	0	1	6
Disposals	0	0	-66
Cost at 31 December 2024	**5,396**	**3**	**98**
Carrying amount at 31 December 2024	**5,396**	**3**	**98**

Investments in subsidiaries

Name and domicil	Ownership
Polytech Wind Power Technology (Wuxi) Co., Ltd., China	100 %
PolyTech Wind Power Technology Inc., USA	100 %
Polytech Science and Technology Testing (Sheyang) Co., Ltd., China	100 %

10 | Contract work in progress

	2024 EUR '000	2023 EUR '000
Sales value of completed work	2,028	560
Progress invoicing/advances received	-1,880	-466
Contract work in progress, net	**148**	**94**
Recognised as follows		
Contract work in progress (asset)	148	94
	148	**94**

Notes

11 | Deferred tax assets

Deferred tax assets relates to intangible assets, property, plant and equipment, inventories, other provisions and tax loss carryforwards.

	2024 EUR '000	2023 EUR '000
Deferred tax assets, beginning of year	115	5
Deferred tax of the year, income statement	424	110
Foreign exchange adjustments	-1	0
Deferred tax assets 31 December 2024	**538**	**115**

Recognised deferred tax assets is the net amount of tax loss carryforwards and differences between the carrying amount and the tax base primarily on intangible assets and inventories. Tax loss carryforwards is recognised with the amount that is expected to be utilised by the company and jointly taxed companies for the following 3-4 years.

12 | Prepayments

Prepayments consists of prepaid rent and insurance etc.

	2024 EUR '000	2023 EUR '000
13 | Share Capital		
Allocation of share capital:		
Share capital, 6,000,000 unit in the denomination of 1 DKK	806	806
	806	**806**

14 | Long-term liabilities

EUR '000	31/12 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2023 total liabilities
Lease liabilities	240	86	0	0
	240	**86**	**0**	**0**

There's no outstanding debt after 5 years.

Notes

15 | Contingencies etc.

Contingent liabilities
Liabilities under rental or lease agreements until maturity constitutes of TEUR 371.

Joint liabilities
The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Polytech Group ApS, which serves as management Company for the joint taxation.

16 | Charges and securities

The entity has secured its parent company's commitment with GLAS Trust Corporation Limited through a registered company charge of TEUR 28.521. nominal. The registrered company charge includes goodwill, property, plant and equipment, inventories and trade receivables.

The carrying amount of pledged assets amounts to TEUR 22.627.

17 | Related parties

The Company's related parties include:

Controlling interest
Polytech Group ApS, Bramming, Denmark (Parent company)
Euros BidCo AB, Stockholm, Sweden (Parent company of Polytech Group ApS)
Euros HoldCo AB, Stockholm, Sweden (Parent company of Euros BidCo AB)

Transactions with related parties
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.

18 | Consolidated Financial Statements

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Euros HoldCo AB, Stockholm, Sweden.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Euros HoldCo AB, Stockholm, Sweden.

Copies of the consolidated financial statements of Euros HoldCo AB may be ordered at the following adress:
www.cvr.dk in addition to the financial statement of Polytech A/S, reg. no. 17736590.

Accounting Policies

The Annual Report of Polytech A/S for 2024 has been presented in accordance with the provisions of the Danish large-size Financial Statements Act for enterprises in reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year, except for the following changes.

Effects of new and amended accounting standards
IFRS 16 has been implemented as of 1 January 2024, and had a material effect on the balance sheet. Previously, lease contracts for a lessee were classified as either operating or finance leases. IFRS 16 requires the majority of operating leases to be recognized as lease assets with related lease liability, similar to the previous accounting of finance leases. The lease payments, previously accounted for as operating expenses, have been split into an interest expense and a repayment of the lease liability. The right-of-use assets are depreciated over the term of the lease contract. Reported operating profit has increased, as previous operating lease expenses included under cost have been replaced by depreciations and financial expenses. The impact on profit is neutral over time, but a minor timing effect does occur due to frontloading of interest expenses.

There is an impact on assets of 238 TEUR, liabilities of 239 TEUR, result of 1 TEUR and equity of 1 TEUR.

As a result of the implementation of IFRS 16, IFRS 15 has also been implemented in accordance with its requirements. The implementation of IFRS 15 has not had any financial impact in the financial year 2024.

Comparative figures
The comparative figures in the annual report are not comparable, as IFRS 16 has been implemented, and the comparative figures have not been adjusted in connection with the implementation.

As a result, the comparative figures in the annual report are not comparable.

Consolidated Financial Statements

Consolidated Financial Statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The Company is included in the consolidated Financial Statements of Euros HoldCo AB, Stockholm, Sweden.

Accounting policies and definitions for other key figures in the management summary

Scope 1, 2 and 3
Scope 1 includes the direct emissions from sources that we won or control. Our emissions here are related to the combustion of fossil fuuels at production sites, from cars, other vehicles, and production equipment. Scope 2 includes the indirect emissions from heating and electricity consumptions. Scope 3 includes indirect emissions from activites that we do not own or control ourselves, such as sourced raw materials, waste treatment, transportation of goods, and travel activities among others.

Tracking of energy consumptions and CO2 emissions
We use the calculation method defined in the Greenhouse Gas Protocol - Corporate Accounting and Reporting Standard. The GHG Protocol divides all emissions into three scopes. Scioe 1 includes direct emissions associated with combustion for energy and transport purposes. Scope 2 includes indirect emissions asssociated with energy consumption. Scope 3 includes indirect emissions associated with the procurement of products, materials, transport, and services. The total emissions will be the sum of Scope 1, 2 and 3.

Accounting Policies

Income Statement

Net revenue
Revenue is recognized in accordance with IFRS 15.

Net revenue from sale of goods and services is recognized in the income statement when control over the individual identifiable delivery obligation in the sales agreement transfers to the customer, which, according to the terms of sale, occurs at the time of delivery. Although a sales agreement for the sale of goods often contains multiple delivery obligations, they are treated as a single delivery obligation, as delivery typically occurs at the same time.

The portion of the total consideration that is variable, such as discounts, bonus payments, etc., is first recognized in revenue when it is reasonably certain that there will be no reversal in subsequent periods, for example, due to failure to meet targets, etc.

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).

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 ordinary writedowns of the relevant inventories.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Changes in inventories of finished goods and goods in process
Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

Work performed by the entity and capitalised
Work performed by entity and capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

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.

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement over the contract period. The Company’s total liability concerning operating and other lease agreements are stated under contingencies, etc.

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

Accounting Policies

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Income from investments in subsidiaries
Dividend from subsidiaries is recognised in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

Accounting Policies

Balance Sheet

Intangible fixed assets

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 separate assets. Useful lives are reassessed annually. The amortisation periods used are 7-10 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 and acquired intellectual property rights such as patents, licenses and software.

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.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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 period used is 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement. The amortisation periods used are 3-20 years. Software is amortised over 3-4 years.

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

Accounting Policies

Tangible fixed assets

Production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other investment assets	3-10 years	0-50 %
Other plant, fixtures and equipment	3-10 years	0-50 %
Leasehold improvements	5-7 years	0-50 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Accounting Policies

Lease contracts

Lease contracts effective from January 1, 2024.

A lease asset and a lease liability are recognized in the balance sheet when the group, under an entered lease agreement concerning a specific identifiable asset, is provided with the lease asset, and when the group obtains the right to substantially all the economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

Lease liabilities are initially measured at the present value of future lease payments discounted using an alternative borrowing rate.

The lease liability is measured at amortized cost using the effective interest method. The lease liability is remeasured when there are changes in the underlying contractual cash flows from changes in an index or a rate, if there are changes in the group's estimate of a residual value guarantee, or if the group changes its assessment of whether a purchase, extension, or termination option is reasonably certain to be exercised.

The lease asset is initially measured at cost, which corresponds to the value of the lease liability adjusted for prepaid lease payments, plus directly related costs and estimated costs for dismantling, restoration, or similar, and less any received discounts or other types of incentive payments from the lessor.

Subsequently, the asset is measured at cost less accumulated depreciation and impairments. The lease asset is depreciated over the shorter of the lease term and the useful life of the lease asset. Depreciation is recognized linearly in the income statement.

The lease asset is adjusted for changes in the lease liability due to changes in the terms of the lease agreement or changes in the contractual cash flows in line with changes in an index or a rate.

Lease agreements with a term of less than 12 months or of low value are not recognized in the balance sheet

Lease contracts effective before January 1, 2024.

Lease contracts relating to tangible fixed assets for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the Income Statement over the contract period. The Company's total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

Accounting Policies

Financial non-current assets
Investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Other receivables are measured at amortised cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Accounting Policies

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the Balance Sheet date and the total anticipated revenue related to the specific piece of work in progress. The stage of completion is determined based on an assessment of the work performed, usually calculated as the relation between the costs incurred and the total expected costs for the contract in question.

The specific piece of work in progress is recognised in the Balance Sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Costs relating to sales work and obtaining of contracts are recognised in the Income Statement as and when they are incurred.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Equity

Reserve for development costs

The reserve includes recognised post-tax development costs, which are capitalised as intangible assets. The reserve is reduced concurrently with depreciation of the intangible asset and is dissolved if the asset is discontinued from the operation of the company. Reduction of the reserve takes place via transferring directly to the distributable reserves of the equity.

Fair value reserve for foreign currency translation

The reserve includes a share of foreign currency translation adjustments arisen at translation of the financial statements of entities with another functional currency than Danish Kroner as well as foreign currency translation adjustments regarding assets and liabilities which constitute a share of the company's net investments in such entities. The reserve is dissolved by disposal of foreign entities. In the parent company where investments in subsidiaries, associates and equity investments are subject to the requirement of limitation of the reserve according to equity method, foreign currency translation adjustments will instead be included in the reserve according to the equity method.

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Accounting Policies

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

Cash Flow Statement

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.