SonFlow A/S

Nordager 25
6000 Kolding
CVR No. 35469605

Annual report 2024

The Annual General Meeting adopted the annual report on 26.06.2025

Aage Søndergaard Nielsen
Chairman of the General Meeting

Contents

Entity details

Entity

SonFlow A/S
Nordager 25
6000 Kolding

Business Registration No.: 35469605
Registered office: Kolding
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Aage Søndergaard Nielsen
Mikkel Søndergaard Nielsen
Louise Søndergaard Andersen

Executive Board

Aage Søndergaard Nielsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of SonFlow 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.

Kolding, 26.06.2025

Executive Board

Aage Søndergaard Nielsen

Board of Directors

Aage Søndergaard Nielsen

Mikkel Søndergaard Nielsen

Louise Søndergaard Andersen

Independent auditor's report

To the shareholders of SonFlow A/S

Opinion

We have audited the financial statements of SonFlow 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.

Other matter

Effective from this financial year, the Entity has opted to have its financial statements audited under the International Standards on Auditing. We point out that, as disclosed in the financial statements, the comparative figures in the financial statements have not been audited but subjected to extended review.

Management's responsibilities for the financial statements

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

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

Kolding, 26.06.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Bjerregaard Nielsen
State Authorised Public Accountant
Identification No (MNE) mne29393

Allan Trolle Pedersen
State Authorised Public Accountant
Identification No (MNE) mne34339

Management commentary

Primary activities

The company's primary activity is the production and sale of flow systems in both the Danish and international markets.

Description of material changes in activities and finances

The company's income statement for 2024 shows a profit after tax of DKK 2.5 million, which is considered satisfactory and in line with the expected level. The company has experienced significant revenue growth in line with expectations.

The activities in the subsidiary Danpumps A/S was also carried out in line with expectations.

From this financial year the financial statement have been audited under the International Standards on Auditing. The comparative figures in the financial statements have not been audited but subjected to extended review.

Outlook

For 2024, a continued positive development in activities is expected, with an after tax profit around 3-5 million DKK.

Research and development activities

During the year, the company has continued the development of new high-tech products, which are expected to have significant market potential. The company has the necessary resources to complete the development projects and a clear plan for the development and marketing of the products.

Events after the balance sheet date

From the balance sheet date until today, no circumstances have arisen that alter the assessment of the annual report

Income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Gross profit/loss		**32,720**	**19,161**
Staff costs	1	(26,917)	(27,588)
Depreciation, amortisation and impairment losses	2	(6,815)	(6,307)
Other operating expenses		(68)	0
Operating profit/loss		**(1,080)**	**(14,734)**
Income from investments in group enterprises		2,296	(347)
Other financial income	3	2,133	439
Other financial expenses	4	(849)	(105)
Profit/loss before tax		**2,500**	**(14,747)**
Tax on profit/loss for the year	5	30	3,163
Profit/loss for the year		**2,530**	**(11,584)**
Proposed distribution of profit and loss			
Retained earnings		2,530	(11,584)
Proposed distribution of profit and loss		**2,530**	**(11,584)**

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Completed development projects	7	18,668	17,779
Acquired patents		0	0
Acquired rights		0	0
Development projects in progress	7	1,632	3,458
Intangible assets	6	**20,300**	**21,237**
Land and buildings		37,803	38,183
Other fixtures and fittings, tools and equipment		31,433	34,273
Property, plant and equipment in progress		4,600	435
Property, plant and equipment	8	**73,836**	**72,891**
Investments in group enterprises		5,949	3,653
Financial assets	9	**5,949**	**3,653**
Fixed assets		**100,085**	**97,781**
Raw materials and consumables		19,053	22,084
Work in progress		7,228	8,113
Manufactured goods and goods for resale		33,652	27,043
Prepayments for goods		9,500	1,858
Inventories		**69,433**	**59,098**
Trade receivables		13,883	13,016
Receivables from group enterprises		61,963	36,220
Deferred tax		0	83
Other receivables		2,552	2,190
Joint taxation contribution receivable		8,761	0
Prepayments		492	705
Receivables		**87,651**	**52,214**
Cash		**763**	**2,266**
Current assets		**157,847**	**113,578**

Assets	**257,932**	**211,359**

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		1,500	1,500
Reserve for net revaluation according to the equity method		1,949	0
Reserve for development expenditure		15,834	16,565
Retained earnings		221,932	179,620
Equity		**241,215**	**197,685**
Deferred tax		8,648	0
Provisions		**8,648**	**0**
Bank loans		1,059	1,319
Prepayments received from customers		1,194	0
Trade payables		3,235	9,235
Payables to group enterprises		1,783	1,164
Other payables		798	1,956
Current liabilities other than provisions		**8,069**	**13,674**
Liabilities other than provisions		**8,069**	**13,674**
Equity and liabilities		**257,932**	**211,359**
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		

Statement of changes in equity for 2024

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1,500	0	16,565	179,620	197,685
Group contributions etc.	0	0	0	41,000	41,000
Transfer to reserves	0	0	(731)	731	0
Profit/loss for the year	0	1,949	0	581	2,530
Equity end of year	**1,500**	**1,949**	**15,834**	**221,932**	**241,215**

Notes

1 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	23,357	24,209
Pension costs	3,192	3,033
Other social security costs	368	346
	26,917	**27,588**
Average number of full-time employees	46	47

2 Depreciation, amortisation and impairment losses

	2024 DKK'000	2023 DKK'000
Amortisation of intangible assets	2,568	2,222
Depreciation of property, plant and equipment	4,247	4,085
	6,815	**6,307**

3 Other financial income

	2024 DKK'000	2023 DKK'000
Financial income from group enterprises	719	141
Other interest income	2	0
Exchange rate adjustments	1,172	298
Other financial income	240	0
	2,133	**439**

4 Other financial expenses

	2024 DKK'000	2023 DKK'000
Other interest expenses	62	104
Exchange rate adjustments	787	1
	849	**105**

5 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Change in deferred tax	8,731	(3,163)
Refund in joint taxation arrangement	(8,761)	0
	(30)	**(3,163)**

6 Intangible assets

	Completed development projects DKK'000	Acquired patents DKK'000	Acquired rights DKK'000	Development projects in progress DKK'000
Cost beginning of year	22,224	500	234	3,458
Additions	3,457	0	0	1,632
Disposals	0	0	0	(3,458)
Cost end of year	**25,681**	**500**	**234**	**1,632**
Amortisation and impairment losses beginning of year	(4,445)	(500)	(234)	0
Amortisation for the year	(2,568)	0	0	0
Amortisation and impairment losses end of year	**(7,013)**	**(500)**	**(234)**	**0**
Carrying amount end of year	**18,668**	**0**	**0**	**1,632**

7 Development projects

The Company develops techonogical products with a large marketpotential. The Company has the needed ressources to complete the development as well as a clear plan for development and marketing of the products.

8 Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	40,352	46,436	435
Additions	0	2,773	4,165
Disposals	0	(2,142)	0
Cost end of year	**40,352**	**47,067**	**4,600**
Depreciation and impairment losses beginning of year	(2,169)	(12,163)	0
Depreciation for the year	(380)	(3,867)	0
Reversal regarding disposals	0	396	0
Depreciation and impairment losses end of year	**(2,549)**	**(15,634)**	**0**
Carrying amount end of year	**37,803**	**31,433**	**4,600**

9 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	4,000
Cost end of year	**4,000**
Transfers	(347)
Share of profit/loss for the year	2,296
Revaluations end of year	**1,949**
Impairment losses beginning of year	(347)
Transfers	347
Impairment losses end of year	**0**
Carrying amount end of year	**5,949**

Investments in subsidiaries	**Registered in**	**Corporate form**	**Equity interest %**
DanPumps A/S	Haderslev	A/S	80.00

10 Unrecognised rental and lease commitments

	2024 DKK'000	2023 DKK'000
Liabilities under rental or lease agreements until maturity in total	628	0

11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where AASN Holding A/S serves as the administration company. 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 the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

12 Assets charged and collateral

A work guarantee has been issued, amounting to DKK 71,000 as of 31 December 2024.

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 its accounting policies with regard to the presentation of capitalised salery from staff cost to gross profit/loss.

The change in accounting policies has led to no change in this year's profit, and no change to either the balance sheet total or equity at 31.12.2024.

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.

Consolidated financial statements
Referring to section 112(1) 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.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

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 is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work 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 operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and 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 normal 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 salaries and wages, 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.

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 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, 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 Entity is jointly taxed with all 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

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

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. The depreciation period is 10 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.

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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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	50 years
Other fixtures and fittings, tools and equipment	3-5 years

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.

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.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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

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

doubtful debts.

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.

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.

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

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.