Lynxeo Systems Denmark A/S

Livøvej 37 B
8800 Viborg
CVR No. 27985378

Annual report 2024

The Annual General Meeting adopted the annual report on 03.07.2025

Asuman Kubra Cetinel
Chairman of the General Meeting

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Entity details

Entity

Lynxeo Systems Denmark A/S
Livøvej 37 B
8800 Viborg

Business Registration No.: 27985378
Registered office: Viborg
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Serafim Serafimov Ognyanov
Magdalena Raczyńska
Asuman Kubra Cetinel

Executive Board

Serafim Serafimov Ognyanov

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Herredsvej 32
7100 Vejle
CVR No.: 33771231

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Lynxeo Systems Denmark 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.

Viborg, 03.07.2025

Executive Board

Serafim Serafimov Ognyanov

Board of Directors

Serafim Serafimov Ognyanov

Magdalena Raczyńska

Asuman Kubra Cetinel

Independent auditor's report

To the shareholders of Lynxeo Systems Denmark A/S

Opinion

We have audited the financial statements of Lynxeo Systems Denmark 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.

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 under the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Trekantområdet, 03.07.2025

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
CVR No. 33771231

Lars Almskou Ohmeyer
State Authorised Public Accountant
Identification No (MNE) mne24817

Management commentary

Financial highlights

	2024 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000
Key figures					
Gross profit/loss	54,699	41,986	51,399	48,208	69,725
Operating profit/loss	34,203	20,567	25,191	13,277	36,621
Net financials	(4,624)	1,245	(479)	(258)	(1,317)
Profit/loss for the year	23,242	17,173	19,551	10,155	27,618
Total assets	160,242	196,632	166,658	167,077	180,106
Investments in property, plant and equipment	404	691	418	1,059	2,153
Equity	117,285	146,542	133,120	117,318	122,163
Ratios					
Return on equity (%)	17.62	12.28	15.61	8.48	25.49
Equity ratio (%)	73.19	74.53	79.88	70.22	67.83

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

Return on equity (%):
Profit/loss for the year * 100
Average equity

Equity ratio (%):
Equity * 100
Total assets

Primary activities

Lynxeo Systems Denmark A/S is part of the global Nexans Group, whose head office is situated in Paris. Nexans is one of the largest cable manufacturers in the world – with production in more than 30 countries and commercial activities worldwide. Nexans employs about 25,000 people worldwide. Nexans is listed on the Stock Exchange in Paris.

Lynxeo Systems Denmark A/S mainly confects cables by request from the customers.

Development in activities and finances

The company's operations during the current financial year, shows a profit of DKK 23.242 k after tax, which is characterized as a satisfactory result.

Profit/loss for the year in relation to expected developments

An increase in overall Lynxeo activity was expected for 2024 due to 24/42 kV medium voltage harnessing however the actual production starts only in the beginning of 2025. This growth is expected to come from Polish facility where Lynxeo had already started producing 6/10 kV medium voltage harnesses. We have also seen that the expected growth in European Wind market is still not there, especially in offshore.

Outlook

Lynxeo Systems Denmark A/S activity is to be expected to increase in the coming year. Volume should increase compared previous years. The result is expected to be a profit in the range of 20 MDKK to 25 MDKK.

One of the critical targets is 24/42 kV medium voltage harnessing in Szczecin, Poland facility. On the other hand, we expect a slight decrease in low voltage harnessing.

Environmental performance

Lynxeo Systems Denmark A/S has made a policy regarding environmental performance to keep focus and reduce the environmental impact – primarily caused by consumption of electricity, heat and waste from the production. The policy will contain targets to be able to measure the performance. Lynxeo Systems Denmark A/S has obtained certification, according to DS/ ISO 9001, and environmental certification, according to DS/ISO 14001. Through these certifications we expect to obtain a strengthened position to meet new challenges and to be better prepared to face existing and future demands from our customers with regards to quality and environment.

Research and development activities

Research is mainly carried out by other companies in the Nexans Group, whereas development concerning the company's line of business is made internally.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		**54,698,560**	**41,986,138**
Staff costs	1	(19,831,651)	(20,534,241)
Depreciation, amortisation and impairment losses	2	(663,837)	(885,305)
Operating profit/loss		**34,203,072**	**20,566,592**
Other financial income from group enterprises		248,959	619,695
Other financial income		1,082,662	1,402,274
Impairment losses on financial assets		(5,379,068)	0
Other financial expenses		(576,226)	(776,934)
Profit/loss before tax		**29,579,399**	**21,811,627**
Tax on profit/loss for the year	3	(6,336,998)	(4,639,010)
Profit/loss for the year	4	**23,242,401**	**17,172,617**

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Plant and machinery		778,800	890,211
Other fixtures and fittings, tools and equipment		183,345	331,771
Property, plant and equipment	5	**962,145**	**1,221,982**
Investments in group enterprises		10,229,932	15,609,000
Receivables from group enterprises		17,040,280	9,226,210
Financial assets	6	**27,270,212**	**24,835,210**
Fixed assets		**28,232,357**	**26,057,192**
Raw materials and consumables		44,413,047	39,327,196
Work in progress		4,575,649	875,999
Manufactured goods and goods for resale		1,771,077	266,388
Inventories		**50,759,773**	**40,469,583**
Trade receivables		55,333,561	35,879,670
Receivables from group enterprises		9,793,880	12,920,299
Deferred tax	7	1,920,000	2,659,000
Other receivables		1,478,071	476,366
Prepayments	8	264,147	264,147
Receivables		**68,789,659**	**52,199,482**
Cash		**12,460,082**	**77,906,096**
Current assets		**132,009,514**	**170,575,161**
Assets		**160,241,871**	**196,632,353**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		3,694,000	3,694,000
Retained earnings		113,590,555	139,098,154
Proposed dividend		0	3,750,000
Equity		**117,284,555**	**146,542,154**
Trade payables		9,614,820	8,360,388
Payables to group enterprises		28,814,238	31,093,784
Tax payable		3,311,883	4,313,829
Other payables		1,216,375	6,322,198
Current liabilities other than provisions		**42,957,316**	**50,090,199**
Liabilities other than provisions		**42,957,316**	**50,090,199**
Equity and liabilities		**160,241,871**	**196,632,353**
Related parties with controlling interest	9		
Transactions with related parties	10		
Group relations	11		

Statement of changes in equity for 2024

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	3,694,000	139,098,154	3,750,000	146,542,154
Ordinary dividend paid	0	0	(3,750,000)	(3,750,000)
Extraordinary dividend paid	0	(48,750,000)	0	(48,750,000)
Profit/loss for the year	0	23,242,401	0	23,242,401
Equity end of year	**3,694,000**	**113,590,555**	**0**	**117,284,555**

The Company has distributed an extraordinary dividend of DKK 22,500,000 in accordance with the interim balance sheet dated 25th June 2025.

Notes

1 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	17,471,883	17,921,891
Pension costs	1,871,553	2,198,361
Other social security costs	488,215	413,989
	19,831,651	**20,534,241**

Average number of full-time employees	33	41

The company only remunerate one executive board member and for 2024 the board of directors has not received remuneration. Referring to §98 b of the Danish Financial Statements Act, remuneration to Management is not disclosed.

2 Depreciation, amortisation and impairment losses

	2024 DKK	2023 DKK
Depreciation of property, plant and equipment	663,837	885,305
	663,837	**885,305**

3 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	5,769,471	6,501,135
Change in deferred tax	739,000	(1,746,000)
Adjustment concerning previous years	(171,473)	(116,125)
	6,336,998	**4,639,010**

4 Proposed distribution of profit and loss

	2024 DKK	2023 DKK
Ordinary dividend for the financial year	0	3,750,000
Retained earnings	23,242,401	13,422,617
	23,242,401	**17,172,617**

5 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	7,392,235	1,803,592
Additions	404,000	0
Cost end of year	**7,796,235**	**1,803,592**
Depreciation and impairment losses beginning of year	(6,502,024)	(1,471,821)
Depreciation for the year	(515,411)	(148,426)
Depreciation and impairment losses end of year	**(7,017,435)**	**(1,620,247)**
Carrying amount end of year	**778,800**	**183,345**

6 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK
Cost beginning of year	15,698,000	9,226,210
Additions	0	7,814,070
Cost end of year	**15,698,000**	**17,040,280**
Revaluations beginning of year	(89,000)	0
Impairment losses for the year	(5,379,068)	0
Revaluations end of year	**(5,468,068)**	**0**
Carrying amount end of year	**10,229,932**	**17,040,280**

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
Lynxeo Systems Poland Sp z.o.o.	Poland	sp. z o.o.	100.00	(202,391)	(1,683,821)
Lynxeo Cable (Tianjin) Co., Ltd.	China	Ltd	100.00	10,935,236	(1,831,898)

7 Deferred tax

	2024 DKK	2023 DKK
Property, plant and equipment	276,000	292,000
Inventories	1,702,100	2,425,100
Receivables	(58,100)	(58,100)
Deferred tax	**1,920,000**	**2,659,000**

Changes during the year	2024 DKK	2023 DKK
Beginning of year	2,659,000	913,000
Recognised in the income statement	(739,000)	1,746,000
End of year	**1,920,000**	**2,659,000**

Deferred tax assets

Deferred tax asset is related to property, plant and equipment and inventories, which is expected to equalize within a period of three years.

8 Prepayments

Prepayments consist of prepaid expenses.

9 Related parties with controlling interest

Nexans Participations SA, Courbevoie, France owns all shares in the company and therefore has a controlling interest.

10 Transactions with related parties

Transactions with related parties, is only mentioned in the annual report if the transactions are not performed at arm's length. There is no such transaction in the financial year 2024.

11 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Nexans SA, Paris La Défense Cedex, France
Registration number: 393 525 852

Accounting policies

Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

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

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

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

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

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

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 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.

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.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

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

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

Other financial income from group enterprises
Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

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 as well as tax relief under the Danish Tax Prepayment Scheme etc.

Impairment losses on financial assets
Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

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

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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 self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. 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	Residual value
Plant and machinery	2-5 year	0%
Other fixtures and fittings, tools and equipment	5 years	0%

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 measured at cost. Investments 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.

Inventories

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

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 and impairment losses relating to 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.

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.

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

Cash
Cash comprises 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.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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.

Cash flow statement

In accordance with section 86.4 of the Danish Financial Statements Act, the company has not prepared a cash flow statement.