Q Invest 2021 ApS

Morsøgade 10, 6700 Esbjerg

CVR no. 42 50 18 32

Annual report
for the financial year 01.06.23 - 31.05.24

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 24.10.24

Axel Manøe Jepsen
Dirigent

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Group information etc.

The company

Q Invest 2021 ApS
Morsøgade 10
6700 Esbjerg
Registered office: Esbjerg
CVR no.: 42 50 18 32
Financial year: 01.06 - 31.05

Executive Board

Esben Bay Jørgensen

Board of Directors

Axel Manøe Jepsen
Jesper Hilarius Kalko
Claus Peter Skov

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.06.23 - 31.05.24 for Q Invest 2021 ApS.

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

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.05.24 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.06.23 - 31.05.24.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Esbjerg, October 24, 2024

Executive Board

Esben Bay Jørgensen

Board of Directors

Axel Manøe Jepsen Chairman	Jesper Hilarius Kalko	Claus Peter Skov

Independent auditor's report

To the shareholder of Q Invest 2021 ApS

Opinion

We have audited the consolidated financial statements and financial statements of Q Invest 2021 ApS for the financial year 01.06.23 - 31.05.24, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including material accounting policy information for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31.05.24 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.06.23 - 31.05.24 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 consolidated financial statements and financial statements" section of our report. We are independent of the group and the company 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.

Statement on the management's review

Management is responsible for the management's review.

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

In connection with our audit of the consolidated financial statements and financial statements, it is our responsibility to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or parent company 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's review provides the information required by law and regulations.

Based on the work we have performed, we conclude that the management's review is in accordance with the consolidated financial statements and financial statements and has been prepared in accordance with the requirements of Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

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

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

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and 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 consolidated financial statements and financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the 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 consolidated financial statements and financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the 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 consolidated financial statements and financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Aarhus, October 24, 2024

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Flemming Laigaard

State Authorised Public Accountant
MNE-no. mne29497

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2023/24	2022/23	29.06.21 31.05.22
Profit/loss			
Gross result	206,453	148,058	84,016
Index	246	176	100
Profit/loss before depreciation, amortisation, write-downs and impairment losses	55,409	51,384	25,530
Index	217	201	100
Operating profit/loss	41,522	41,081	17,751
Total net financials	-11,068	-6,365	-5,302
Profit for the year	21,583	26,416	9,988
Balance			
Total assets	370,984	319,516	255,686
Investments in property, plant and equipment	22,693	3,360	3,212
Equity	102,958	57,029	29,934

Ratios

	2023/24	2022/23	29.06.21 31.05.22
Profitability			
Return on equity	27%	60%	40%
Equity ratio			
Solvency ratio	28%	18%	12%

Ratios definitions

Return on equity: $\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

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

Primary activities

The Group's activities comprise of supplying intelligent logistics solutions; customized to the specific demands of the individual customer. We are especially strong on solutions for the handling of products such as insulation boards/rolls, ceiling boards, roof tiles, kitchen elements, biomass etc.

With more than 45 years of experience we supply our customers with every aspect of the internal logistics; from the development of new machines and systems to implementation and aftersales services. We handle design and programming; manufacturing and testing and deliver the installation as a turnkey solution.

Development in activities and financial affairs

The income statement for the period 01.06.23 - 31.05.24 shows a profit/loss of DKK 21,583k against DKK 26,416k for the period 01.06.22 - 31.05.23. The balance sheet shows equity of DKK 102,958k.

During the fiscal year, the group has continued its trend of rising EBITDA, which has reached a record level of 55 MDKK, mainly due to the high order backlog that Qubiqa A/S started the year with. Depreciation and financial expenses have increased, as C&H System A/S is now included in the group's financial figures. As a result of these increased costs, profit before tax fell from 39.8 MDKK to 34 MDKK. This also contributed to a decrease in return on equity.
Solvency for the year has increased from 18% to 28%, despite taking on additional debt due to the acquisition of C&H.

The year has been marked by various integration activities following the acquisition of C&H System, including the replacement of the IT platform and implementation of the Group ERP system in C&H.

The earnings expectations for the financial year 01.06.23 - 31.05.24 were an EBITDA of DKK 60.000-65.000k. The resultat was DKK 9 mio. worse than expected due to lower activity in C & H Systems.

Outlook

In FY24, the group successfully navigated a challenging market environment, largely due to the high order backlog at the beginning of the year.

Order intake was below expectations in FY24 and has continued to be lower in the first months of FY25. However, there is an increasing trend in activities within our core segments, including a pickup in order intake in Q3, which is a positive sign for future development. Despite this encouraging trend, we expect the group to experience a lower EBITDA in the range of 5-10 MDKK in FY25

Financial risks

We do not foresee any risks unique to Q Invest in getting the results. While the component shortage-situation and longer delivery times remain challenging, our solid project pipeline should bridge the gap in the current instability within the supply chain.

The political turmoil could affect us. As things are now, however, we expect the unrest to further underline the importance of minimizing energy consumption, strengthening the value of our product to our customers.

Interest rate risks

The group has a proportion of variable-rate assets and liabilities and is therefore exposed to interest rate risks.

Income statement

Note		Group 2023/24 DKK '000	Group 2022/23 DKK '000	Parent 2023/24 DKK '000	Parent 2022/23 DKK '000
	Gross result	**206,453**	**148,058**	**-138**	**-50**
1	Staff costs	-151,044	-96,674	-760	-760
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	**55,409**	**51,384**	**-898**	**-810**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-13,176	-10,290	0	0
	Other operating expenses	-711	-13	-233	0
	Operating profit/loss	**41,522**	**41,081**	**-1,131**	**-810**
2	Income from equity investments in group enterprises	0	0	23,172	28,926
3	Financial income	3,719	3,522	6,905	270
4	Financial expenses	-14,787	-9,887	-7,745	-2,678
	Profit before tax	**30,454**	**34,716**	**21,201**	**25,708**
	Tax on profit for the year	-8,871	-8,300	382	708
	Profit for the year	**21,583**	**26,416**	**21,583**	**26,416**

5 Proposed appropriation account

Balance sheet

ASSETS

Note		Group 31.05.24 DKK '000	Group 31.05.23 DKK '000	Parent 31.05.24 DKK '000	Parent 31.05.23 DKK '000
	Completed development projects	508	705	0	0
	Acquired rights	2,745	0	0	0
	Goodwill	101,440	48,497	0	0
6	**Total intangible assets**	**104,693**	**49,202**	**0**	**0**
	Land and buildings	66,585	54,420	0	0
	Leasehold improvements	19	0	0	0
	Plant and machinery	576	623	0	0
	Other fixtures and fittings, tools and equipment	13,199	8,999	0	0
7	**Total property, plant and equipment**	**80,379**	**64,042**	**0**	**0**
8	Equity investments in group enterprises	0	0	116,393	100,823
8	Other investments	133	112	0	0
9	Deposits	796	0	0	0
9	Other receivables	304	1,128	0	0
	Total investments	**1,233**	**1,240**	**116,393**	**100,823**
	Total non-current assets	**186,305**	**114,484**	**116,393**	**100,823**
	Raw materials and consumables	7,833	8,246	0	0
	Work in progress	3,605	7,255	0	0
	Total inventories	**11,438**	**15,501**	**0**	**0**
10	Work in progress for third parties	60,380	36,483	0	0
	Trade receivables	28,823	12,482	0	0
	Receivables from group enterprises	0	0	97,758	3,394
	Deferred tax asset	781	382	22	0
	Income tax receivable	62	91	3,028	1,409
	Other receivables	6,245	10,175	0	0
	Prepayments	979	595	0	0
	Total receivables	**97,270**	**60,208**	**100,808**	**4,803**
	Cash	**75,971**	**129,323**	**165**	**331**
	Total current assets	**184,679**	**205,032**	**100,973**	**5,134**
	Total assets	**370,984**	**319,516**	**217,366**	**105,957**

Balance sheet

EQUITY AND LIABILITIES

Note		Group 31.05.24 DKK '000	Group 31.05.23 DKK '000	Parent 31.05.24 DKK '000	Parent 31.05.23 DKK '000
11	Share capital	538	500	538	500
	Reserve for net revaluation according to the equity method	0	0	21,855	6,286
	Foreign currency translation reserve	2,401	674	0	0
	Cash flow hedging reserve	0	258	0	0
	Retained earnings	100,019	55,597	80,565	50,243
	Total equity	**102,958**	**57,029**	**102,958**	**57,029**
12	Provisions for deferred tax	29,786	13,036	0	0
13	Other provisions	6,881	5,364	0	0
	Total provisions	**36,667**	**18,400**	**0**	**0**
14	Subordinate loan capital	29,454	0	29,454	0
14	Mortgage debt	28,461	21,592	0	0
14	Payables to other credit institutions	63,152	37,651	63,152	37,651
14	Lease commitments	6,453	1,638	0	0
14	Income taxes	341	2,295	0	0
14	Other payables	2,463	27	0	0
	Total long-term payables	**130,324**	**63,203**	**92,606**	**37,651**
14	Short-term part of long-term payables	23,996	12,678	20,500	10,500
	Payables to other credit institutions	3,629	4,831	0	0
10	Prepayments received from work in progress for third parties	16,406	99,184	0	0
	Trade payables	27,392	39,097	0	0
	Income taxes	297	1,096	0	0
	Other payables	29,315	23,998	1,302	777
	Total short-term payables	**101,035**	**180,884**	**21,802**	**11,277**
	Total payables	**231,359**	**244,087**	**114,408**	**48,928**
	Total equity and liabilities	**370,984**	**319,516**	**217,366**	**105,957**

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17 Contingent liabilities
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Statement of changes in equity

Figures in DKK '000	Share capital	Share premium	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Cash flow hedging reserve	Retained earnings	Total equity
Group:							
Statement of changes in equity for 01.06.22 - 31.05.23							
Balance as at 01.06.22	500	0	0	-505	0	29,102	29,097
Fair value adjustment of hedging instruments	0	0	0	0	331	0	331
Other changes in equity	0	0	0	0	0	420	420
Tax on changes in equity	0	0	0	0	-73	0	-73
Transfers to/from other reserves	0	0	0	1,179	0	-341	838
Net profit/loss for the year	0	0	0	0	0	26,416	26,416
Balance as at 31.05.23	500	0	0	674	258	55,597	57,029
Statement of changes in equity for 01.06.23 - 31.05.24							
Balance as at 01.06.23	500	0	0	674	258	55,597	57,029
Foreign currency translation adjustment of foreign enterprises	0	0	0	1,727	0	0	1,727
Capital increase	38	22,910	0	0	0	0	22,948
Fair value adjustment of hedging instruments	0	0	0	0	-258	0	-258
Other changes in equity	0	0	0	0	0	-71	-71
Transfers to/from other reserves	0	-22,910	0	0	0	22,910	0
Net profit/loss for the year	0	0	0	0	0	21,583	21,583
Balance as at 31.05.24	538	0	0	2,401	0	100,019	102,958

Statement of changes in equity

Figures in DKK '000	Share capital	Share premium	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Cash flow hedging reserve	Retained earnings	Total equity
Parent:							
Statement of changes in equity for 01.06.22 - 31.05.23							
Balance as at 01.06.22	500	0	0	0	0	29,434	29,934
Other changes in equity	0	0	0	0	0	679	679
Transfers to/from other reserves	0	0	6,286	0	0	-6,286	0
Net profit/loss for the year	0	0	0	0	0	26,416	26,416
Balance as at 31.05.23	500	0	6,286	0	0	50,243	57,029
Statement of changes in equity for 01.06.23 - 31.05.24							
Balance as at 01.06.23	500	0	6,286	0	0	50,243	57,029
Capital increase	38	22,910	0	0	0	0	22,948
Other changes in equity	0	0	0	0	0	1,398	1,398
Transfers to/from other reserves	0	-22,910	15,569	0	0	7,341	0
Net profit/loss for the year	0	0	0	0	0	21,583	21,583
Balance as at 31.05.24	538	0	21,855	0	0	80,565	102,958

Consolidated cash flow statement

Note		Group 2023/24 DKK '000	2022/23 DKK '000
	Profit for the year	**21,583**	**26,416**
20	Adjustments	42,736	24,968
	Change in working capital:		
	Inventories	4,063	5,670
	Receivables	-36,693	-18,234
	Trade payables	-11,705	6,032
	Other payables relating to operating activities	-77,297	51,350
	Other provisions	1,517	-2,350
	Cash flows from operating activities before net financials	**-55,796**	**93,852**
	Interest income and similar income received	3,716	3,522
	Interest expenses and similar expenses paid	-14,787	-9,887
	Income tax paid	-989	-1,275
	Cash flows from operating activities	**-67,856**	**86,212**
	Purchase of intangible assets	-62,873	0
	Purchase of property, plant and equipment	-22,493	-3,360
	Cash flows from investing activities	**-85,366**	**-3,360**
	Raising of additional capital	22,948	0
	Arrangement of other long-term payables	72,756	12,501
	Arrangement of subordinated loan	29,454	0
	Repayment of other long-term payables	-25,288	-36,318
	Cash flows from financing activities	**99,870**	**-23,817**
	Total cash flows for the year	**-53,352**	**59,035**
	Cash, beginning of year	129,323	70,288
	Cash, end of year	**75,971**	**129,323**
	Cash, end of year, comprises:		
	Cash	75,971	129,323
	Total	**75,971**	**129,323**

	Group		Parent	
	2023/24 DKK '000	2022/23 DKK '000	2023/24 DKK '000	2022/23 DKK '000

1. Staff costs

Wages and salaries	135,753	86,949	760	760
Pensions	10,343	5,328	0	0
Other social security costs	1,347	1,023	0	0
Other staff costs	3,601	3,374	0	0
Total	151,044	96,674	760	760
Average number of employees during the year	284	211	0	0

Remuneration for the management:

Remuneration for the Executive Board and Board of Directors	1,259	1,387	760	760

2. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	23,172	28,926
Total	0	0	23,172	28,926

3. Financial income

Interest, group enterprises	0	0	6,901	270
Foreign currency translation adjustments	1,757	2,516	0	0
Other financial income	1,962	1,006	4	0
Total	3,719	3,522	6,905	270

	Group		Parent	
	2023/24 DKK '000	2022/23 DKK '000	2023/24 DKK '000	2022/23 DKK '000

4. Financial expenses

	2023/24 DKK '000	2022/23 DKK '000	2023/24 DKK '000	2022/23 DKK '000
Interest, associates	97	0	0	0
Other interest expenses	7,493	0	7,644	2,678
Foreign exchange losses	1,915	3,039	0	0
Other financial expenses	5,282	6,848	101	0
Total	14,787	9,887	7,745	2,678

5. Proposed appropriation account

	2023/24 DKK '000	2022/23 DKK '000	2023/24 DKK '000	2022/23 DKK '000
Retained earnings	21,583	26,416	21,583	26,416

6. Intangible assets

Figures in DKK '000	Completed development projects	Acquired rights	Goodwill	Total
Group:				
Cost as at 01.06.23	39,297	0	79,652	118,949
Additions relating to mergers and acquisition of enterprises	7,653	1,771	0	9,424
Additions during the year	0	2,745	58,962	61,707
Cost as at 31.05.24	46,950	4,516	138,614	190,080
Amortisation and impairment losses as at 01.06.23	-38,592	0	-31,155	-69,747
Additions relating to mergers and acquisition of enterprises	-6,565	-1,771	0	-8,336
Foreign currency translation adjustment of foreign enterprises	0	0	78	78
Amortisation during the year	-1,285	0	-6,097	-7,382
Amortisation and impairment losses as at 31.05.24	-46,442	-1,771	-37,174	-85,387
Carrying amount as at 31.05.24	508	2,745	101,440	104,693

Completed development projects include the development of machines for automation within packaging and stacking of insulation material

Costs consist of costs in the form of materials, personnel costs (own and hired employees) and indirect production costs

Incurred development costs mainly relate to the development of new machine types aimed for the American market.

The newly developed machines are expected to bring competitive advantages, and there is a significant potential in the sale of these machines in the American market.

It is assessed here whether the recovery value in the form of the useful value exceeds the book value.

The recovery value is calculated on the basis of expected realized contribution margin on the basis of expected sales in the years 2024/25 - 2027/28.

7. Property, plant and equipment

Figures in DKK '000	Land and buildings	Leasehold improvements	Plant and machinery	Other fixtures and fittings, tools and equipment
Group:				
Cost as at 01.06.23	103,329	0	6,940	39,393
Additions relating to mergers and acquisition of enterprises	24,452	457	0	0
Foreign currency translation adjustment of foreign enterprises	-243	0	0	0
Additions during the year	36	0	126	5,235
Disposals during the year	0	0	-282	-4,426
Cost as at 31.05.24	127,574	457	6,784	40,202
Depreciation and impairment losses as at 01.06.23	-48,591	0	-6,316	-28,356
Additions relating to mergers and acquisition of enterprises	-9,952	0	0	0
Depreciation during the year	-2,446	-438	-174	-3,049
Reversal of depreciation of and impairment losses on disposed assets	0	0	282	4,402
Depreciation and impairment losses as at 31.05.24	-60,989	-438	-6,208	-27,003
Carrying amount as at 31.05.24	66,585	19	576	13,199
Carrying amount in the balance sheet if revaluation to fair value had not been carried out as at 31.05.24	42,996	0	0	0
Parent:				
Carrying amount of assets held under finance leases as at 31.05.24	0	0	0	1,620

8. Investments

Figures in DKK '000	Equity investments in group enterprises	Other investments
Group:		
Cost as at 01.06.23	0	54
Cost as at 31.05.24	0	54
Depreciation and impairment losses as at 01.06.23	0	59
Impairment losses during the year	0	20
Depreciation and impairment losses as at 31.05.24	0	79
Carrying amount as at 31.05.24	0	133
Parent:		
Cost as at 01.06.23	94,538	0
Cost as at 31.05.24	94,538	0
Depreciation and impairment losses as at 01.06.23	6,285	0
Foreign currency translation adjustment of foreign enterprises	1,728	0
Net profit/loss from equity investments	23,172	0
Dividend relating to equity investments	-9,000	0
Other equity adjustments relating to equity investments	-330	0
Depreciation and impairment losses as at 31.05.24	21,855	0
Carrying amount as at 31.05.24	116,393	0

Name and registered office:	Ownership interest
Subsidiaries:	
Qubiqa Holding A/S, Esbjerg	100%

9. Other non-current financial assets

Figures in DKK '000	Deposits	Other receivables
Group:		
Cost as at 01.06.23	0	1,127
Additions relating to mergers and acquisition of enterprises	760	0
Additions during the year	46	0
Disposals during the year	-10	-823
Cost as at 31.05.24	796	304
Carrying amount as at 31.05.24	796	304

	Group		Parent	
	31.05.24 DKK '000	31.05.23 DKK '000	31.05.24 DKK '000	31.05.23 DKK '000

10. Work in progress for third parties

Work in progress for third parties	612,643	270,342	0	0
On-account invoicing	-568,669	-333,043	0	0
Total work in progress for third parties	43,974	-62,701	0	0
Work in progress for third parties	60,380	36,483	0	0
Prepayments received from work in progress for third parties, short-term payables	-16,406	-99,184	0	0
Total	43,974	-62,701	0	0

11. Share capital

The share capital consists of:

	Quantity	Total nominal value
Share capital	500	500,000
Capital increase during the financial year	38	38,000

	Group		Parent	
	31.05.24 DKK '000	31.05.23 DKK '000	31.05.24 DKK '000	31.05.23 DKK '000
12. Deferred tax				
Deferred tax as at 01.06.23	12,654	8,303	0	0
Additions relating to mergers and acquisition of enterprises	8,342	0	0	0
Deferred tax recognised in the income statement	8,009	4,351	-22	0
Deferred tax as at 31.05.24	29,005	12,654	-22	0
Deferred tax is recognized in the balance sheet as:				
Deferred tax asset	-781	-382	-22	0
Provisions for deferred tax	29,786	13,036	0	0
Total	29,005	12,654	-22	0

As at 31.05.24, the company has recognised a deferred tax asset of DKK 759k. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years.

13. Other provisions

Figures in DKK '000	Warranty commitments
Group:	
Provisions as at 01.06.23	5,364
Additions relating to mergers and acquisition of enterprises	1,381
Provisions during the year	136
Provisions as at 31.05.24	6,881

	31.05.24 DKK '000	31.05.23 DKK '000	31.05.24 DKK '000	31.05.23 DKK '000
Other provisions are expected to be distributed as follows:				
Current liabilities	6,881	5,364	0	0

14. Long-term payables

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 31.05.24	Total payables at 31.05.23
Group:				
Subordinate loan capital	0	0	29,454	0
Mortgage debt	1,613	22,853	30,074	22,878
Payables to other credit institutions	20,500	0	83,652	48,151
Lease commitments	1,883	29	8,336	2,530
Income taxes	0	0	341	2,295
Other payables	0	0	2,463	27
Total	23,996	22,882	154,320	75,881
Parent:				
Subordinate loan capital	0	0	29,454	0
Payables to other credit institutions	20,500	0	83,652	48,151
Total	20,500	0	113,106	48,151

15. Fair value information

Figures in DKK '000	Derivative financial instruments	Total
Group:		
Fair value as at 31.05.24	-31	-31

16. Derivative financial instruments

Group:

The board determines the framework for entering into contracts on derivattive financial intruments. The company only enters project contracts with the aim of hedging the exchange rate risk on future sales of goods in foreign currency.

17. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with total lease payments of DKK 13.275k.

The company has concluded rent agreements with terms to maturity of 6-24 months and total lease payments of DKK 2.598k.

Parent:

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The total known tax liability for the jointly taxed companies is stated in the management company. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

The company has no contingent liabilities as at 31.05.24.

18. Charges and security

Group:

Land and buildings with a book value of DKK 53.279k have been provided as security for mortgage debt of DKK 30.074k.

To ensure the Group's involvement with Jyske Bank, owner mortgages of nom. 9,200 t.kr have been deposited. with mortgages on properties and related production plants and machinery. The carrying amount of pledged properties amounts to DKK 53.279k.

Property located abroad with a book value of 11.882k. is pledged as securrity for debt to financial institions.

To ensure the Group's involvement with Jyske Bank, indemnification letter nom. DKK 20,000k has been deposited. receivables arising from the sale of goods and services, as well as inventory.

The carrying amount of pledged receivables and inventory amounts to DKK 35.657k.

Parent:

As security for the group's bank debt, a pledge has been given in capital shares in affiliated companies. The accounting value of the capital shares amounts to DKK 116,393 thousand. per 31.05.2024.

19. Related parties

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

Remuneration for the management is specified in note 1. Staff costs.

20. Adjustments for the cash flow statement

	Group 2023/24 DKK '000	Group 2022/23 DKK '000
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	13,176	10,290
Other operating expenses	0	12
Provision in acquired companies	8,342	0
Financial income	-3,719	-3,522
Financial expenses	14,788	9,888
Tax on profit or loss for the year	8,871	8,300
Other adjustments	1,278	0
Total	42,736	24,968

21. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for medium-sized groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

21. Accounting policies - continued -

BUSINESS COMBINATIONS

Newly acquired or newly founded enterprises are recognised as from the date of acquisition and the date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained. Divested or discontinued enterprises are recognised until the date of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Acquired enterprises are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

The goodwill (positive difference) determined at the date of acquisition is recognised under intangible assets. Goodwill from acquired enterprises is adjusted until 12 months after the acquisition date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On recognition of integrated foreign entities, monetary items are translated using the exchange rates applicable at the balance sheet date. Non-monetary items are translated using the exchange rates applicable at the date of acquisition or the date of subsequent revaluation or impairment of the asset. The items in the income statement are translated at the exchange rates applicable at the transaction date, while items derived from non-monetary items are translated at the historical exchange rates for such non-monetary items.

DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition, derivative financial instruments are measured at cost. Subsequently, they are measured at fair value and recognised under other receivables and other payables, respectively.

Fair value adjustment of derivative financial instruments classified as and meeting the criteria for hedging future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. In the event that the hedged transaction results in the recognition of an asset or a liability, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be included in the cost of the asset or the liability. In the event that the hedged transaction results in the recognition of an income or an expense, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be recognised together with the hedged income or expense.

21. Accounting policies - continued -

If the hedged transaction is no longer expected to occur, the cash flow hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument is transferred to other net financials in the income statement. If the hedged transaction is still expected to occur, but the criteria for cash flow hedging are no longer met, the hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument remains in equity until the transaction occurs.

Fair value adjustments of derivative financial instruments that do not meet the criteria for hedge accounting treatment are recognised under other net financials in the income statement on an ongoing basis.

LEASES

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

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

INCOME STATEMENT

Gross result

Gross result comprises revenue, other operating income, raw materials and consumables and cost of sales and other external expenses.

21. Accounting policies - continued -

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as revenue according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

21. Accounting policies - continued -

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK '000
Completed development projects	3-10	
Acquired rights	3-5	0
Goodwill	20	0
Buildings	10-40	10,000
Leasehold improvements	3-7	0
Plant and machinery	3-7	0
Other plant, fixtures and fittings, tools and equipment	3-7	0

Goodwill is amortised over 20 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

Land is not depreciated.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the ‘Impairment losses on fixed assets’ section.

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise’s activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

21. Accounting policies - continued -

Income from equity investments in group entreprises

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses, the interest element of finance lease payments etc. are recognised in other net financials.

Amortisation of capital losses and borrowing costs relating to financial liabilities is recognised on an ongoing basis as financial expenses.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

21. Accounting policies - continued -

BALANCE SHEET

Intangible assets

Completed development projects

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

21. Accounting policies - continued -

Property, plant and equipment

Property, plant and equipment comprise land and buildings, leasehold improvements, plant and machinery as well as other fixtures and fittings, tools and equipment.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the ‘Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at years for equity investments in subsidiaries. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

21. Accounting policies - continued -

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The cost of manufactured finished goods and work in progress is determined as the value of direct and indirect material and labour costs. Production overheads include indirect material and labour costs as well as maintenance and depreciation of machinery, buildings and equipment used in the production process as well as the costs of factory administration and management. Interest on loans arranged to finance production is not included in the cost.

21. Accounting policies - continued -

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on-account invoicing made for each piece of work in progress.

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

21. Accounting policies - continued -

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Other investments

Other securities are measured at fair value, equivalent to the market value at the balance sheet date.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

Unrealised gains and losses on financial instruments classified as and meeting the criteria for hedging of future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. The reserve is measured less deferred tax. The reserve is dissolved when the hedged transaction occurs, or it is no longer expected to occur.

Provisions

Other provisions comprise expected expenses incidental to warranty commitments, loss on work in progress, restructuring etc. and are recognised when the company has a legal or constructive obligation at the balance sheet date and it is probable that such obligation will draw on the financial resources of the company. Provisions are measured at net realisable value or fair value if the provision is expected to be settled over the longer term.

Warranty commitments comprise the obligation to repair defective work within the warranty period of 1-5 years. Warranty commitments are measured at net realisable value and recognised based on previous years' experience with warranty work.

21. Accounting policies - continued -

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management’s intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

With subordinate loan capital, the creditor has subordinated its claim to those of all other creditors of the company.

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.

21. Accounting policies - continued -

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables. Cash flows from financing activities also comprise finance lease payments.

Cash and cash equivalents at the beginning and end of the year comprise cash and short-term payables to credit institutions.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.