BEIERHOLM
VI SKABER BALANCE

NOVENCO Building & Industry A/S

Øverup Erhvervsvej 52, 4700 Næstved

CVR no. 16 92 66 47

Annual report for 2024

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 09.04.25

Lars Erik Knaack
Dirigent

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Group information etc.

The company

NOVENCO Building & Industry A/S
Øverup Erhvervsvej 52
4700 Næstved
Tel.: 70 77 88 99
Website: www.novenco-building.com
Registered office: Næstved
CVR no.: 16 92 66 47
Financial year: 01.01 - 31.12

Executive Board

Lars Erik Knaack

Board of Directors

Ira Margarete Alber
Rainer Ferdinand Müller
Lars Erik Knaack
Kristina Mortensen
Lotte Zoëga

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 01.01.24 - 31.12.24 for NOVENCO Building & Industry A/S.

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 31.12.24 and of the results of the group’s and parent’s activities and of the group's cash flows for the financial year 01.01.24 - 31.12.24.

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.

Næstved, April 9, 2025

Executive Board

Lars Erik Knaack

Board of Directors

Ira Margarete Alber Chairman	Rainer Ferdinand Müller	Lars Erik Knaack
Kristina Mortensen	Lotte Zoëga	

Independent auditor's report

To the Shareholder of NOVENCO Building & Industry A/S

Opinion

We have audited the consolidated financial statements and financial statements of NOVENCO Building & Industry A/S for the financial year 01.01.24 - 31.12.24, 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 31.12.24 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.01.24 - 31.12.24 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for expressing an opinion on the consolidated financial statements and financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Næstved, April 9, 2025

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Lars Pedersen

State Authorised Public Accountant
MNE-no. mne33284

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2024	2023	2022	2021	2020
Profit/loss					
Revenue	755,273	443,965	397,493	369,484	230,675
Index	327	192	172	160	100
Operating profit	9,713	11,818	11,449	29,516	-4,170
Index	-233	-283	-275	-708	100
Total net financials	5,393	1,931	-716	-910	-802
Index	-672	-241	89	113	100
Profit for the year	13,880	13,098	9,762	27,485	-5,111
Index	-272	-256	-191	-538	100
Balance					
Total assets	942,784	485,186	459,155	203,227	141,891
Index	664	342	324	143	100
Investments in property, plant and equipment	28,982	48,470	2,815	3,150	1,113
Index	2,604	4,355	253	283	100
Equity	101,357	88,983	77,167	67,807	39,914
Index	254	223	193	170	100
Cashflow					
Net cash flow:					
Operating activities	386,979	36,855	186,413	34,429	20,802
Investing activities	-157,957	-71,452	-11,422	-11,678	-5,924
Financing activities	-2,011	-1,811	-200	-9,990	-6,545
Cash flows for the year	227,011	-36,408	174,791	12,761	8,333

Ratios

	2024	2023	2022	2021	2020
Profitability					
Return on equity	14.6%	15.8%	3.4%	47.0%	-12.0%
Gross margin	16.5%	21.5%	23.3%	29.9%	27.1%
Profit margin	1.3%	2.7%	2.9%	8.0%	-1.8%
Equity ratio					
Solvency ratio	10.8%	18.3%	16.8%	33.4%	28.1%
Others					
Number of employees (average)	273	218	204	190	162

Ratios definitions

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

Gross margin: $\frac{\text{Gross result x 100}}{\text{Revenue}}$

Profit margin: $\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$

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

Primary activities

NOVENCO Building & Industry A/S and its subsidaries (The Group), are global suppliers with own development, production and sale of ventilation fans and fan systems for industrial and building purposes.

The Group has +75 years of experience within the ventilation industry.

Development in activities and financial affairs

The income statement for the period 01.01.24 - 31.12.24 shows a profit of DKK 13,880k against DKK 13,098k for the period 01.01.23 - 31.12.23. The balance sheet shows equity of DKK 101,357k.

The earnings expectations for 2024 were a net profit before tax of DKK 20,000k - 30,000k.

The objective was not met due to delays in our factory relocation from Ydernæs to Øverup Erhvervsvej in early 2024. These delays also had an impact on our production capacity which resulted in lower-than-expected performance in HY1, 2024. As the relocation of the factory was completed our financial performance throughout HY2, 2024 did improve and set a strong finish for the year.

The management team have evaluated the result for the year as satisfying when considering the circumstances arising in HY1, 2024.

Outlook

The company expects a profit before tax at the level of DKK 25,000k - 30,000k for 2025.

In 2025 we expect to further build on the strong finish of 2024 with full production capacity in our new factory.

Financial risks

Price risks

The group is exposed to commodity price risks, as the group's products consist of various raw materials which are tied directly to inflation and fluctuating prices, primarily on steel and aluminum.

Commodity price risks are not hedged. Previously, the impact on the group's results has been limited due to volumes used in our production, and consumed by projects, are secured when a project order is finalized.

Foreign currency risks

The general risks are tied to the global world economy as the Company has activities in large parts of Northern Europe, USA and Southeast Asia.

A significant part of the income consists of exports; therefore, the company is sensitive to changes in exchange rates. Items are purchased primarily in DKK and EUR. Currency risks in connection with sales in foreign currency primarily relate to EUR, USD and the Scandinavian currencies.

It is the company's policy to hedge the risk by immediately converting foreign currency to DKK.

It has been assessed by the management that the company's risk is low in relation to the realization of significant exchange rate losses and that the company do not use financial instruments such as forward contracts for risk hedging.

Credit risks

It is the Group's policy to secure payment from external customers via prepayment, bank guarantee or letter of credit. In addition, an ongoing credit assessment is made of each individual customer.

Subsequent events

No important events have occurred after the end of the financial year.

Corporate social responsibility

We take responsibility for our actions and impact on our customers, suppliers, staff, environment, and society in which we operate.

The company has started to work with the formulation of specific and measurable environmental, social and governance targets.

Furthermore, we have firm policies covering environment, health and safety, human rights, anti-corruption and bribery and employment for the NOVENCO Building & Industry Group.

Business model

NOVENCO is a strong and renowned brand. The NOVENCO company was established in 1947 as Nordisk Ventilator Co. A/S in Denmark. Our products reflect our long experience with and professional knowledge of design, development and operation of ventilation products and systems. At NOVENCO® Building & Industry, we are highly aware of the need to protect and preserve the global ecosystem, which is why energy efficiency, sustainability and recycling are natural and inherent parts of our designs and business.

Our resource-friendly products reflect this with long life spans and environmentally safe production processes. A choice of our products is a 'yes' to the protection of the environment and to the preservation of natural resources. We commit and dedicate our efforts to the Sustainable Development Goals (SDGs) in everything we do. A growing trend these years is the increasing need for sustainable constructions, as more and more property developers and owners aim for LEED, BREEAM or DGNB building certifications. We were the first Company to develop documentation packages for fans for these building certifications.

NOVENCO Building & Industry are specialized in ventilation fans and all global revenue streams are linked to this core business activity.

Our core business model is to provide our customers with tailored solutions that fit their true needs and to maximize benefits regarding fan performance, low energy consumption, low life-cycle cost, and high degree of recyclable materials at the end of products lifetime.

It's important for us to stay innovative on relevant technology and truly understand the markets where we have activity.

We build partnerships to get knowledge and find solutions on how to improve e.g. climate impact and carbon footprint through technology.

We demonstrate our commitment to sustainability also by documenting our impact with relevant certificates. For further information visit our home page;

https://www.novenco-building.com/about/leed/
https://www.novenco-building.com/about/breeam/
https://www.novenco-building.com/about/dgnb/

Environmental matters

At NOVENCO Building & Industry, we want to reduce our impact on the environment. We endeavor to protect our surroundings from any negative environmental impact which arise as a result of our business activities.

The company is currently monitoring its carbon emission with a view to reducing overtime. Our company has actively been working with the following activities:

- We have joined SBTi (Science Based Targets) in 2022, which helps companies ensure that their climate targets meet the Paris Agreement and keep global warming below 1.5 degrees. In 2023 a collaboration agreement has been made with an ESG partner to make action plans to be submitted to SBTI no later than 1 March 2025 for approval.

- In collaboration with Ramboll, NOVENCO Building & Industry is preparing product specific EDP's (Environmental Product Declaration) and a semi-automatic LCA/EPD solution. It is a standardized method for providing information on energy and resource consumption, waste generation and the environmental impacts from the production, use and disposal of a product for more information see https://www.novenco-building.com/sustainability/epd/

- In 2024 the group has taken significant steps in enrolling into ESG frameworks. This strategic move will enable us to systematically monitor and track key performance indicators related to climate and environmental impacts as well as employee metrics. This initiative is for the environmental part closely tied to our sustainability work related to Science Based Target.

NOVENCO Building & Industry complies with all applicable environmental laws and regulations for further information see https://www.novenco-building.com/sustainability/

NOVENCO conducts an annual environmental survey of all the company's activities and subsequent evaluation to point out the significant environmental aspects. Evaluation is performed based on the following criteria:

An environmental impact is considered significant when:
- it is covered by NOVENCO environmental permits and / or local environmental laws.
- we can minimize the risk of accidents.
- we can launch activities that increase employee motivation and training to improve overall environmental responsibility.
- we can limit resource and energy consumption. In e.g. product development, production optimization or the use of better technology
- we can contribute to re-cycling.

All approved chemicals intended for use in production or service are risk assessed and registered on an approved list.

Waste is divided into fractions so that as much as possible can be recycled. In past 3 years, NOVENCO had a material recycling rate of:

	2024	2023	2022
Recycling Rate	91.3%	90.8%	92.2%

For further information about our recycling work find more information on our webpage https://www.novenco-building.com/sustainability/recyclability/

Social and employee matters

NOVENCO Building & Industry operates in multiple jurisdictions, and we consider it our responsibility to contribute to the societies in which we operate.

Each operation involves local inatiatives that support the communities in which we operate.

We wish to support a comprehensive labour market and facilitate the training and advancement of all our employees irrespective of their personal circumstances and background.

Knowledge resources

Each year the company invests considerable resources in training and development of the company's employees at all levels of the organization. This is based on a systematic and targeted approach in the form of both compulsory and voluntary training of the company's employees. Investments in competence development are increasing and constitute an essential pillar in the company's continued development.

Throughout 2024, NOVENCO took a structured approach to strengthening its knowledge resources by developing a new learning platform, titled NOVENCollege.

From June to early September, NOVENCO completed a Preparation Phase with defining objectives, and establishing clear responsibilities. Following this groundwork, Initial Content Production focused on creating essential training materials, including company role overviews, HR and security policies, product theory, and compliance modules.

In early September, a pilot group tested NOVENCollege to identify and address potential technical or content-related issues. This Pilot Phase provided valuable feedback, guiding the final refinements for the Launch Phase in October. During the launch, NOVENCollege was made widely accessible, accompanied by a communication strategy and rollout plan to ensure maximum employee engagement.

From November onward, the NOVENCollege team shifted into Administration & Post Launch activities, with designated administrators managing user support, monitoring system performance, and planning future updates.

To enhance learning beyond the digital platform, the NOVENCO 360 – People for Excellence Trial, held on 19–20 November, offered a hands-on deep dive into NOVENCO's vision, product applications, production, and strategic insights. This in-person event provided employees with a comprehensive understanding of the company's direction.

Finally, Post Launch Content Production continued throughout the year, ensuring that all modules remained current, interactive, and aligned with any regulatory or business changes.

Through these coordinated initiatives, NOVENCO substantially improved its knowledge resources framework, supporting both employee growth and the company's long-term strategic objectives.

Employee development, safety, and diversity

We care about our employees; they are considered our most important asset. We focus on safety and development for all our employees. We view a safe and healthy workplace not only as a fundamental right of every employee but also as critical business imperative. This commitment involves minimizing the risk of accidents, injuries, and exposure to health hazards for all employees.

For further information visit our homepage https://www.novenco-building.com/about/qhse/.

All employees are trained in how to ensure a safe working environment including how to act in a production environment and handling dangerous substances.

The following KPI's are tracked regarding employee safety:

	2024	2024 Target	2023	2022	2021
Work-related injuries	37	0	8	6	5
Work-related injuries, more than 1 day absence	8	4	0	0	0
Work-related fatalities	0	0	0	0	0
Days lost due to injuries	80	12	87	10	6
Reported near misses	40	40	13	16	30

All work-related injuries and near misses are recorded in our management quality system.

All work-related injuries and nearby misses have been investigated to understand the nature of the root causes to ensure that all relevant improvements are made to avoid future injuries. The group did not meet its targets related to work-related injuries and days lost due to injury, which is not satisfactory.

NOVENCO Building & Industry wishes to promote diversity as a means of increasing the flow of new ideas, perspectives and working methods in the company. Our perspective on diversity of the workforce is that it consists of similarities and differences between employees in terms of gender, age, ethnic, and cultural background, religion, physical abilities and disabilities, and sexual orientation.

There is no tolerance for bullying and harassment, and we respect and recognize each other as colleagues.

Across the group our female employees constitute 18% and male employees constitute 82%. This KPI shows that 1 out of 5 employee is female. The metal industry is historically dominated by men, which the employee composition is characterized by in NOVENCO Building & Industry. We primarily focus on the competencies and potential of individual employees. However, it's our goal to achieve diversity in experience and educational background and gender of all employee levels in the company.

Gender balance - all employees	2024	2023
Men	82%	81%
Women	18%	19%

Accounting policies

All work-related injuries and near misses are recorded in our management quality system (IPW). Days lost due to injuries are calculated with effect from the day the accident occurs.

Respect for human rights

NOVENCO Building & Industry follows all applicable human rights laws and regulations. We do not tolerate any form of discrimination, harassment, or similar conduct in our company.

NOVENCO Building & Industry condemns the use of child labour and does not employ any children in any aspect of our business.

We require our suppliers to comply with NOVENCO Building & Industry´s Supplier Code of Conduct, which is based on the UN Global Compact's 10 principles.

In line with the EU Directive 2019/1937, NOVENCO Building & Industry has instituted a whistleblower scheme through SCHAKO, enabling employees to report incidents anonymously and ensuring compliance with the ethical standards outlined in our policies and Code of Conduct.

Management actively encourages employees to speak up and utilize the whistleblower platform. The expectation is that the general awareness of the whistleblower scheme will lead to an increased number of reported incidents, fostering a culture of accountability and transparency within the organization.

We have had no incidents during this financial year.

Anti-corruption and bribery matters

NOVENCO Building & Industry takes its ethical and moral responsibility seriously and applies them in all business decisions.

We have zero tolerance of bribery, corruption, fraud, and similar misconduct of any kind. NOVENCO Building & Industry will not participate in any cartel or abuse of market dominance, and we have in all parts of our company an appropriate level of transparency in procurement and commercial negotiations.

As a general principle, all employees are required to abstain from directly or indirectly offering, providing, or accepting gifts, money, donations, or hospitality from any person. This policy, however, allows for customary and proportionate ceremonial and special occasion gifts, as well as business lunches, maintaining transparency in business interactions for more information see https://schakogroup.ch/en/schako-group-compliance-policy/

We have had no incidents during this financial year, and we expect no incidents for the coming fiscal year.

Gender composition of the management

Supreme management body

Board of Directors comprises 60% women and 40% men, and the gender representation is thus regarded as balanced. The gender balance is expected to be maintained in future.

	31.12.24	31.12.23	31.12.22	31.12.21	31.12.20
Number of members	5	5	5	5	5
Underrepresented sex (%)	40%	40%	40%	40%	40%

Gender balance

The company’s Board of Directors consists of 3 women (60%) and 2 men (40%), as shown in the table above. The goal of gender balance has thus been achieved. This gender balance is expected to be maintained in future.

Accounting policies

The gender diversity ratio in the supreme management body is calculated as the proportion of male board members on the Board of Directors. It includes board members elected by the general meeting and employee representatives elected by emplyees.

Other management levels

At the other company management levels, male managers constitute 65% and female managers 35%, and the gender representation is thus regarded as balanced. The gender balance is expected to be maintained in future.

	31.12.24	31.12.23	31.12.22	31.12.21	31.12.20
Number of managers	20	19	*)	*)	*)
Underrepresented sex (%)	35%	37%	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Gender balance

The company’s other levels of management consist of 7 women (35%) and 13 men (65%), and the gender distribution is therefore seen as being equal. The gender balance is expected to be maintained in future.

When recruiting employees on middle management level, the group companies choose candidates based on qualifications and competencies. According to the “Inclusion, Diversity and Non-Discrimination policy”, gender is not an assessment factor and there is no gender discrimination in the recruiting processes.

Accounting policies

The gender diversity ratio at other management levels is calculated as the proportion of female managers with responsibility for personnel out of the total number of managers with responsibility for personnel at the other management levels.

Data ethics

NOVENCO Building & Industry has introduced a formalized policy regarding data ethics.

In general, the company does not register data that does not have a meaningful purpose and is related to our core business, and that fail-safe data registration methods are used to the greatest extent possible, to ensure quality in the data that is recorded.

The data ethics policy outlined are based on the principles of necessity, legality, ethical design, consequences, expectations, security, transparency, respect for human rights, proportionality and accountability.

The basis of these principles with respect to registrations and processing of personal data are trained within our learning platform, by relevant employees. Likewise, it is ensured via appropriate security measures that information about our collaborations and the data we jointly collaborate on is not made available to 3rd parties.

Our data is registered in several main systems (ERP, CRM, Salary, Collaboration platform, Quality system), in which access rights are controlled based on "need-to-know-only". Personal data related to individual persons are registered and risk evaluated in GDPR module in the company management system.

No breaches related to personal data have occurred , and Group Management does not anticipate any incidents in the future.

It is important for us to protect personal data during collection, processing and use when visitors use our website. Logging of data is anonymized and related to country and/or domain and site visit history. We treat personal data confidentially and compliant with reference to data protection regulations.

For further information of our Privacy Policy see https://www.novenco-building.com/privacy-policy/ .

Income statement

Note		Group 2024 DKK '000	Group 2023 DKK '000	Parent 2024 DKK '000	Parent 2023 DKK '000
1	**Revenue**	**755,273**	**443,965**	**629,214**	**338,379**
	Production costs	-630,731	-348,413	-535,683	-274,845
	Gross profit	**124,542**	**95,552**	**93,531**	**63,534**
	Distribution costs	-46,758	-40,990	-32,869	-23,600
	Administration costs	-70,356	-43,904	-65,750	-39,989
	Other operating income	2,285	1,160	7,557	7,549
	Operating profit	**9,713**	**11,818**	**2,469**	**7,494**
4	Income from equity investments in group enterprises	0	0	5,815	3,617
5	Financial income	6,213	2,427	6,350	2,466
	Financial expenses	-820	-496	-754	-479
	Profit before tax	**15,106**	**13,749**	**13,880**	**13,098**
6	Tax on profit for the year	-1,226	-651	0	0
	Profit for the year	**13,880**	**13,098**	**13,880**	**13,098**

7 Proposed appropriation account

Balance sheet

ASSETS

Note		Group 31.12.24 DKK '000	Group 31.12.23 DKK '000	Parent 31.12.24 DKK '000	Parent 31.12.23 DKK '000
	Completed development projects	22,092	25,811	22,066	25,811
8	**Total intangible assets**	**22,092**	**25,811**	**22,066**	**25,811**
	Land and buildings	3,063	3,175	0	0
	Leasehold improvements	53,981	38,187	53,981	38,187
	Plant and machinery	17,357	12,076	17,357	12,031
	Other fixtures and fittings, tools and equipment	4,923	1,996	4,708	1,778
9	**Total property, plant and equipment**	**79,324**	**55,434**	**76,046**	**51,996**
10	Equity investments in group enterprises	0	0	40,538	33,750
11	Deposits	315	177	161	177
	Total investments	**315**	**177**	**40,699**	**33,927**
	Total non-current assets	**101,731**	**81,422**	**138,811**	**111,734**
	Raw materials and consumables	36,811	41,723	36,801	41,723
	Work in progress	53,958	42,540	53,958	42,540
	Manufactured goods and goods for resale	11,327	3,963	1,580	1,185
	Total inventories	**102,096**	**88,226**	**92,339**	**85,448**
12	Work in progress for third parties	56,287	57,563	47,034	32,655
	Trade receivables	116,494	53,615	80,132	26,760
	Receivables from group enterprises	0	0	4,263	4,838
15	Deferred tax asset	799	1,565	0	0
	Income tax receivable	0	210	230	210
	Other receivables	19,599	6,087	17,915	5,978
13	Prepayments	18,182	10,338	17,763	9,962
	Total receivables	**211,361**	**129,378**	**167,337**	**80,403**
	Other investments	124,386	9,961	124,386	9,961
	Total securities and equity investments	**124,386**	**9,961**	**124,386**	**9,961**
	Cash	**403,210**	**176,199**	**378,535**	**162,919**
	Total current assets	**841,053**	**403,764**	**762,597**	**338,731**
	Total assets	**942,784**	**485,186**	**901,408**	**450,465**

Balance sheet

EQUITY AND LIABILITIES

Note		Group 31.12.24 DKK '000	Group 31.12.23 DKK '000	Parent 31.12.24 DKK '000	Parent 31.12.23 DKK '000
14	Share capital	40,002	40,002	40,002	40,002
	Reserve for development costs	19,681	22,603	19,681	22,603
	Foreign currency translation reserve	351	-143	351	-143
	Retained earnings	41,323	24,521	41,323	24,521
	Proposed dividend for the financial year	0	2,000	0	2,000
	Total equity	**101,357**	**88,983**	**101,357**	**88,983**
16	Other provisions	7,054	3,854	5,756	2,821
	Total provisions	**7,054**	**3,854**	**5,756**	**2,821**
17	Other payables	5,212	5,493	5,212	5,493
	Total long-term payables	**5,212**	**5,493**	**5,212**	**5,493**
17	Short-term part of long-term payables	270	0	270	0
12	Prepayments received from work in progress for third parties	706,638	321,035	696,597	302,542
	Trade payables	101,198	47,168	78,255	39,320
	Income taxes	169	0	0	0
	Other payables	20,886	18,653	13,961	11,306
	Total short-term payables	**829,161**	**386,856**	**789,083**	**353,168**
	Total payables	**834,373**	**392,349**	**794,295**	**358,661**
	Total equity and liabilities	**942,784**	**485,186**	**901,408**	**450,465**

18 Fair value information
19 Contingent assets
20 Contingent liabilities
21 Related parties

Statement of changes in equity

Figures in DKK '000	Share capital	Reserve for development costs	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year	Total equity
Group:						
Statement of changes in equity for 01.01.23 - 31.12.23						
Balance as at 01.01.23	40,002	18,283	-361	17,812	1,500	77,236
Foreign currency translation adjustment of foreign enterprises	0	0	218	0	0	218
Dividend paid	0	0	0	0	-1,500	-1,500
Other changes in equity	0	0	0	-69	0	-69
Transfers to/from other reserves	0	4,320	0	-4,320	0	0
Net profit/loss for the year	0	0	0	11,098	2,000	13,098
Balance as at 31.12.23	40,002	22,603	-143	24,521	2,000	88,983
Statement of changes in equity for 01.01.24 - 31.12.24						
Balance as at 01.01.24	40,002	22,603	-143	24,521	2,000	88,983
Foreign currency translation adjustment of foreign enterprises	0	0	494	0	0	494
Dividend paid	0	0	0	0	-2,000	-2,000
Transfers to/from other reserves	0	-2,922	0	2,922	0	0
Net profit/loss for the year	0	0	0	13,880	0	13,880
Balance as at 31.12.24	40,002	19,681	351	41,323	0	101,357
Parent:						
Statement of changes in equity for 01.01.23 - 31.12.23						
Balance as at 01.01.23	40,002	18,283	-361	17,743	1,500	77,167
Foreign currency translation adjustment of foreign enterprises	0	0	218	0	0	218
Dividend paid	0	0	0	0	-1,500	-1,500
Transfers to/from other reserves	0	4,320	0	-4,320	0	0
Net profit/loss for the year	0	0	0	11,098	2,000	13,098
Balance as at 31.12.23	40,002	22,603	-143	24,521	2,000	88,983
Statement of changes in equity for 01.01.24 - 31.12.24						
Balance as at 01.01.24	40,002	22,603	-143	24,521	2,000	88,983
Foreign currency translation adjustment of foreign enterprises	0	0	494	0	0	494
Dividend paid	0	0	0	0	-2,000	-2,000
Transfers to/from other reserves	0	-2,922	0	2,922	0	0
Net profit/loss for the year	0	0	0	13,880	0	13,880
Balance as at 31.12.24	40,002	19,681	351	41,323	0	101,357

Consolidated cash flow statement

Note		Group 2024 DKK '000	Group 2023 DKK '000
	Profit for the year	**13,880**	**13,098**
22	Adjustments	19,626	8,483
	Change in working capital:		
	Inventories	-13,870	-8,601
	Receivables	-83,099	8,051
	Trade payables	54,030	-6,547
	Other payables relating to operating activities	387,839	21,197
	Other provisions	3,201	195
	Cash flows from operating activities before net financials	**381,607**	**35,876**
	Interest income and similar income received	6,213	2,355
	Interest expenses and similar expenses paid	-820	-496
	Income tax paid	-21	-880
	Cash flows from operating activities	**386,979**	**36,855**
	Purchase of intangible assets	-14,478	-13,093
	Purchase of property, plant and equipment	-28,982	-48,470
	Purchase of securities and equity investments	-270,922	-9,889
	Sale of securities and equity investments	156,425	0
	Cash flows from investing activities	**-157,957**	**-71,452**
	Dividend paid	-2,000	-1,500
	Repayment of payables to credit institutions	0	-202
	Repayment of lease commitments	0	-295
	Repayment of other long-term payables	-11	186
	Cash flows from financing activities	**-2,011**	**-1,811**
	Total cash flows for the year	**227,011**	**-36,408**
	Cash, beginning of year	176,199	212,607
	Cash, end of year	**403,210**	**176,199**
	Cash, end of year, comprises:		
	Cash	403,210	176,199
	Total	**403,210**	**176,199**

	Group		Parent	
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000

1. Revenue

Information about the distribution of revenue by activities and geographical markets is provided below. The segment information is prepared in accordance with the company's accounting policies and follows the company's internal financial management.

Revenue comprises the following activities:

	Group 2024	Group 2023	Parent 2024	Parent 2023
Revenue, Product Sales	92,130	30,581	78,054	27,080
Revenue, System Sales	584,685	313,175	506,882	251,233
Revenue, OEM Sales	50,997	44,733	39,816	31,515
Revenue, Aftersales	27,461	55,476	4,462	28,551
Total	755,273	443,965	629,214	338,379

Revenue comprises the following geographical markets:

	Group 2024	Group 2023	Parent 2024	Parent 2023
Revenue, world	755,273	443,965	629,214	338,379

	Group		Parent	
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000

2. Employee aspects

Wages and salaries	151,819	112,598	121,876	93,084
Pensions	13,159	9,356	11,007	8,059
Other social security costs	5,907	5,238	2,925	2,599
Other staff costs	6,874	3,489	5,618	3,489
Total	177,759	130,681	141,426	107,231
Total staff costs comprise:				
Production costs	123,106	84,742	103,300	76,521
Distribution costs	30,833	26,554	20,563	18,050
Administration costs	23,820	19,385	17,563	12,660
Total	177,759	130,681	141,426	107,231
Average number of employees during the year	273	218	213	166
Remuneration for the management:				
Remuneration for the Executive Board and Board of Directors	2,802	2,605	2,802	2,605

With reference to section 98b(3) no. 1 of the Danish Financial Statements Act, remuneration for the Executive Board and Board of Directors are summarized for 2024 and 2023, as information would otherwise lead to amounts being shown for a single member of management.

3. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	873	684	329	311
Other services	56	163	56	163
Total	929	847	385	474

	Group		Parent	
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000

4. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	5,815	3,617
Total	0	0	5,815	3,617

5. Financial income

Interest, group enterprises	0	0	235	0
Other financial income	6,213	2,427	6,115	2,466
Total	6,213	2,427	6,350	2,466

6. Tax on profit for the year

Current tax for the year	460	152	0	0
Adjustment of deferred tax for the year	766	499	0	0
Total	1,226	651	0	0

7. Proposed appropriation account

Proposed dividend for the financial year	0	2,000	0	2,000
Retained earnings	13,880	11,098	13,880	11,098
Total	13,880	13,098	13,880	13,098

8. Intangible assets

Figures in DKK '000	Completed development projects
Group:	
Cost as at 01.01.24	66,873
Additions during the year	14,478
Cost as at 31.12.24	81,351
Amortisation and impairment losses as at 01.01.24	-41,062
Impairment losses during the year	-6,434
Amortisation during the year	-11,763
Amortisation and impairment losses as at 31.12.24	-59,259
Carrying amount as at 31.12.24	22,092
Parent:	
Cost as at 01.01.24	66,873
Additions during the year	14,451
Cost as at 31.12.24	81,324
Amortisation and impairment losses as at 01.01.24	-41,062
Impairment losses during the year	-6,434
Amortisation during the year	-11,762
Amortisation and impairment losses as at 31.12.24	-59,258
Carrying amount as at 31.12.24	22,066

The company continually develops and upgrades its product portfolio and the sub-products included in the overall ventilation solutions.

Costs for this development work are activated when the conditions for this are met.

9. Property, plant and equipment

Figures in DKK '000	Land and buildings	Leasehold improve-ments	Plant and machinery	Other fixtures and fittings, tools and equipment
Group:				
Cost as at 01.01.24	16,692	46,895	49,714	4,867
Additions during the year	273	17,702	7,386	3,621
Cost as at 31.12.24	16,965	64,597	57,100	8,488
Depreciation and impairment losses as at 01.01.24	-13,517	-8,707	-37,638	-2,872
Depreciation during the year	-385	-1,909	-2,105	-693
Depreciation and impairment losses as at 31.12.24	-13,902	-10,616	-39,743	-3,565
Carrying amount as at 31.12.24	3,063	53,981	17,357	4,923
Parent:				
Cost as at 01.01.24	0	46,895	48,345	2,815
Additions during the year	0	17,702	7,386	3,596
Cost as at 31.12.24	0	64,597	55,731	6,411
Depreciation and impairment losses as at 01.01.24	0	-8,707	-36,314	-1,038
Depreciation during the year	0	-1,909	-2,060	-665
Depreciation and impairment losses as at 31.12.24	0	-10,616	-38,374	-1,703
Carrying amount as at 31.12.24	0	53,981	17,357	4,708

10. Equity investments in group enterprises

Figures in DKK '000	Equity investments in group enterprises
Parent:	
Cost as at 01.01.24	40,544
Additions during the year	746
Cost as at 31.12.24	41,290
Depreciation and impairment losses as at 01.01.24	-6,794
Foreign currency translation adjustment of foreign enterprises	494
Net profit/loss from equity investments	4,967
Dividend relating to equity investments	-267
Other adjustments relating to equity investments	848
Depreciation and impairment losses as at 31.12.24	-752
Carrying amount as at 31.12.24	40,538

Name and registered office:	Ownership interest
Subsidiaries:	
NOVENCO Building & Industry B.V., Holland	100%
NOVENCO Building & Industry UK Ltd., England	100%
NOVENCO Building & Industry Inc., USA	100%
NOVENCO Building & Industry GmbH, Germany	100%

11. Other non-current financial assets

Figures in DKK '000	Deposits
Group:	
Cost as at 01.01.24	177
Additions during the year	154
Disposals during the year	-16
Cost as at 31.12.24	315
Carrying amount as at 31.12.24	315
Parent:	
Cost as at 01.01.24	177
Disposals during the year	-16
Cost as at 31.12.24	161
Carrying amount as at 31.12.24	161

	Group		Parent	
	31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000
12. Work in progress for third parties				
Work in progress for third parties	-650,350	-263,472	-649,562	-269,887
Work in progress for third parties	56,287	57,563	47,034	32,655
Prepayments received from work in progress for third parties, short-term payables	-706,638	-321,035	-696,597	-302,542
Total	-650,351	-263,472	-649,563	-269,887

13. Prepayments

	Group 31.12.24 DKK '000	Group 31.12.23 DKK '000	Parent 31.12.24 DKK '000	Parent 31.12.23 DKK '000
Prepaid insurance premiums	21	199	0	199
Prepaid membership fees and subscriptions	3,707	1,707	3,707	1,331
Other prepayments	14,454	8,432	14,056	8,432
Total	18,182	10,338	17,763	9,962

14. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK'000
Share capital	40,002	40,002

15. Deferred tax

	Group 31.12.24 DKK '000	Group 31.12.23 DKK '000	Parent 31.12.24 DKK '000	Parent 31.12.23 DKK '000
Provisions for deferred tax as at 01.01.24	1,565	2,060	0	0
Deferred tax recognised in the income statement	-766	-499	0	0
Deferred tax recognised in equity	0	4	0	0
Provisions for deferred tax as at 31.12.24	799	1,565	0	0

As at 31.12.24, the Group has recognised a deferred tax asset of DKK 799k, which can primarily be attributed to tax losses carried forward. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years.

16. Other provisions

Figures in DKK '000	Warranty commitments	Other provisions
Group:		
Provisions as at 01.01.24	3,563	291
Applied during the year	-2,585	0
Provisions during the year	5,734	52
Provisions as at 31.12.24	6,712	343
Parent:		
Provisions as at 01.01.24	2,821	0
Applied during the year	-2,585	0
Provisions during the year	5,520	0
Provisions as at 31.12.24	5,756	0

	31.12.24 DKK '000	31.12.23 DKK '000	31.12.24 DKK '000	31.12.23 DKK '000
Other provisions are expected to be distributed as follows:				
Non-current liabilities	343	291	0	0
Current liabilities	6,712	3,564	5,756	2,822
Total	7,055	3,855	5,756	2,822

17. Long-term payables

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.24	Total payables at 31.12.23
Group:				
Other payables	270	4,215	5,482	5,493
Total	270	4,215	5,482	5,493
Parent:				
Other payables	270	4,215	5,482	5,493
Total	270	4,215	5,482	5,493

18. Fair value information

Figures in DKK '000	Listed securities and equity investments
Group:	
Fair value as at 31.12.24	124,386
Unrealised changes of fair value recognised in the income statement for the year	1,986
Parent:	
Fair value as at 31.12.24	124,386
Unrealised changes of fair value recognised in the income statement for the year	1,986

19. Contingent assets

The group has a deferred tax asset of DKK 3,400k, which has not been recognised in the balance sheet. The tax asset can be attributed to tax losses carried forward and can be carried forward indefinitely.

As it has been uncertain when the tax asset could be utilized, it has so far not been recognized in the balance sheet. Management has chosen to maintain this assessment in the current financial year.

Parent:

The company has a deferred tax asset of DKK 3,400k, which has not been recognised in the balance sheet. The tax asset can be attributed to tax losses carried forward and can be carried forward indefinitely.

As it has been uncertain when the tax asset could be utilized, it has so far not been recognized in the balance sheet. Management has chosen to maintain this assessment in the current financial year.

20. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of 3 - 166 months and total lease payments of DKK 147,538k.

Guarantee commitments

The group has provided guarantees of DKK 4,736k to credit institutes.

Parent:

Lease commitments

The company has concluded lease agreements with terms to maturity of 3 - 166 months and total lease payments of DKK 144,463k.

Guarantee commitments

The company has provided a guarantee of DKK 4,624k to credit institute.

21. Related parties

Controlling influence	Basis of influence
Schako KG, Messkirch, DE	Capital owner

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 2. Employee aspects.

22. Adjustments for the cash flow statement

	Group	
	2024 DKK '000	2023 DKK '000
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	23,288	9,552
Financial income	-6,213	-2,428
Financial expenses	820	496
Tax on profit or loss for the year	1,226	652
Other adjustments	505	211
Total	19,626	8,483

23. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large 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.

CURRENCY

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

23. Accounting policies - continued -

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

LEASES

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

INCOME STATEMENT

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 construction contracts involving the delivery of highly customised assets are recognised

23. Accounting policies - continued -

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).

Production costs

Costs incurred, directly or indirectly, to generate the revenue for the year, including raw materials and consumables, wages and salaries and lease of and depreciation, amortisation and impairment losses on the fixed assets used in the production process, are recognised under production costs.

Distribution costs

Costs for the distribution of goods sold during the year and sales campaigns etc., including wages and salaries for sales staff, advertising and exhibition costs etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used in the distribution and sales activity, are recognised under distribution costs.

Administrative expenses

Expenses incurred during the year for management and administration, including wages and salaries for administrative staff and management as well as office premise expenses, office expenses, bad debts etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used for administration, are recognised under administrative expenses.

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.

23. Accounting policies - continued -

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 - 5	
Buildings	15 - 30	0
Leasehold improvements	5 - 10	0
Plant and machinery	4 - 12	0
Other plant, fixtures and fittings, tools and equipment	3 - 12	0

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.

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, foreign exchange gains and losses on transactions denominated in foreign currencies, gains and losses on other securities and equity investments etc. are recognised in other net financials.

23. Accounting policies - continued -

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.

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.

Gains and 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.

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.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

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

23. Accounting policies - continued -

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.

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

23. Accounting policies - continued -

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.

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.

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.

23. Accounting policies - continued -

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.

Prepayments

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

Other investments

Other equity investments are measured at fair value in the balance sheet. For equity investments that are traded in an active market, fair value is equivalent to the market value at the balance sheet date. Other equity investments for which fair value cannot be determined reliably are measured at cost.

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.

23. Accounting policies - continued -

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.

An amount equivalent to internally generated development costs in the balance sheet is recognised in the financial statements of the parent in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

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.

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.

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.

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

23. Accounting policies - continued -

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

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.

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 and cash equivalents at the beginning and end of the year comprise cash.

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.