

**Together  
we outsmart  
the ordinary**

**HOYER  
VMS**

**GROUP**

**Hoyer VMS Group**

# **Annual Report 2025**

The Annual Report was presented and adopted at the Annual General Meeting of the company on 07/04/2026.

**Henrik Petersen**  
Chairman of the general meeting

**Hoyer VMS Group A/S**  
Over Hadstenvej 42  
8370 Hadsten

**CVR number**  
44920824





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## Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Hoyer VMS Group A/S for the financial year 1 January - 31 December 2025.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2025 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2025.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hadsten, 7 April 2026

### Executive Board

**Henrik Sørensen**  
CEO

**Kim Bengtsen**  
Deputy CEO

**Henrik Petersen**  
CFO

**Ketil Vesterlund**  
CCO OEM

**Kristian Kaasing Larsen**  
CCO Aftermarket & Project Sales

### Board of Directors

**Søren Østergaard Sørensen**  
Chairman

**Martin Jørgensen**  
Vice chairman

**Per Høholt**

**Lars Radoor Sørensen**

## Independent Auditor's report

To the shareholders of Hoyer VMS Group A/S

### Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2025 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 January - 31 December 2025 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Hoyer VMS Group A/S for the financial year 1 January - 31 December 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

### Management's responsibilities for the Financial Statements

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

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

## Independent Auditor's report

### Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- 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 forming an opinion on the Consolidated Financial Statements and the Parent Company 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.

## Independent Auditor's report

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 C, 7 April 2026

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

**Henrik Kragh**

State Authorised Public Accountant

mne26783

**Thomas Bernth Jensen**

State Authorised Public Accountant

mne47814

## Company information

### **The Company**

Hoyer VMS Group A/S  
Over Hadstenvej 42  
DK-8370 Hadsten  
Telephone: + 45 86 98 22 55  
Website: <https://hoyermotors.com/>  
CVR No: 44 92 08 24  
Financial period: 1 January - 31 December  
Municipality of reg. office: Favrskov

### **Board of Directors**

Søren Østergaard Sørensen, chairman  
Martin Jørgensen, vice chairman  
Per Høholt  
Lars Radoor Sørensen

### **Executive Board**

Henrik Sørensen  
Kim Bengtsen  
Henrik Petersen  
Ketil Vesterlund  
Kristian Kaasing Larsen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C

### **Lawyers**

Bech-Bruun Advokatpartnerselskab  
Gdanskgade 18  
DK-2150 Nordhavn

### **Bankers**

Sydbank A/S  
Storegade 18  
DK-6200 Aabenraa

## Group Chart

Company	Residence	Ownership
<b>Hoyer VMS Group A/S</b>	Hadsten, Denmark	
Hoyer Group A/S	Hadsten, Denmark	100%
Svend Hoyer A/S	Hadsten, Denmark	100%
Svend Hoyer Power Transmission (Ningbo) Co., Ltd.	Ningbo, China	100%
Ningbo Beilun Hoyer Electrical Machinery Co., Ltd.	Ningbo, China	100%
LAAMA Ejendomme A/S	Hadsten, Denmark	100%
Svend Hoyer AS	Larvik, Norway	100%
Svend Höyer AB	Stockholm, Sweden	100%
Svend Hoyer GmbH	Munich, Germany	100%
Hoyer B.V.	Rotterdam, Holland	100%
Hoyer Motors Sp. Z.o.o.	Tarnów, Poland	100%
Hoyer Inc.	Texas, USA	100%
Nowitek ApS	Hjørring, Denmark	100%
VMS Group A/S	Frederikshavn, Denmark	100%
Vestergaard Marine Service Do Brasil LTDA	Rio de Janeiro, Brazil	100%
Vestergaard Marine Service Namibia (Pty) Ltd.	Walvis Bay, Namibia	100%
Vestergaard Marine Service Louisiana, LLC	New Orleans, LA, USA	100%
Gulf States Marine Services, LLC	Kenner, LA, USA	100%
VMS Marine Company LLC	Saudi Arabia	100%

## Financial Highlights

Seen over a 2-year period, the development of the Group is described by the following financial highlights:

(TDKK)	Group	
	2025 12 months	2024 6 months
<b>Key figures</b>		
<b>Profit/loss</b>		
Revenue	867,309	238,382
EBITDA	96,119	20,914
EBITDA, adjusted*	117,912	28,361
EBIT	50,426	7,728
Profit/loss of financial income and expenses	-17,263	-5,810
Net profit/loss for the year	20,505	174
Number of employees - Total	635	246
Number of employees - Denmark	369	109
Number of employees - Internationally	266	137
<b>Balance sheet</b>		
Balance sheet total	1,337,260	733,218
Investment in property, plant and equipment	4,411	1,964
Equity	326,962	258,050
<b>Cash flows</b>		
Cash flows from:		
- operating activities	66,942	22,361
- investing activities	-348,233	-434,564
- financing activities	290,350	439,802
Change in cash and cash equivalents for the year	9,059	27,599
<b>Ratios</b>		
Solvency ratio	24.5%	35.2%
Return on equity	7.0%	0.1%

\* Adjusted EBITDA: Hoyer VMS Group has incurred costs which are considered extraordinary or significantly outside Hoyer VMS Group's normal activities. Consequently, adjusted EBITDA is an expression of Hoyer VMS Group's normalised EBITDA from primary activities.

\*\* The company was established in 2024 and acquired Hoyer Group A/S as per 2 September 2024. Therefore 2024 only concerns the financial results of the last 4 months of 2024.

\*\*\* At 1 November 2025 the parent company acquired VMS Group, hence the financial results for the last 2 months of 2025 of VMS Group is included in the consolidated income statement. Consequently, the comparative numbers for 2024 lacks comparability with the financial results for 2025.

## Management's review

### Key activities

Hoyer VMS Group A/S is a leading value adding provider of tailored electric motor solutions to the marine, premium HVAC, energy, and industrial sectors, as well as a major provider of all aspects of Maintenance, Repair and Overhaul (MRO), sales of complete propulsion systems as well as engineering projects within the maritime industry, the offshore industry, power plants and wind industry. The Group is dedicated to high quality solutions that ensures long-term sustainable energy savings. With the recent merger between Hoyer and VMS the new company has established a unique Global One Stop Lifetime Partner for Power and Motion Solutions.

The value proposition is founded on customer centricity and industry-leading delivery performance, testing capabilities, customisation, and product quality, supported by deep application knowledge and a commitment to value-added services, which ensure reliable solutions through the operating lifetime. These are all important parameters to the customers' business. Hoyer VMS Group A/S' strong customer relationships, timely delivery and offering of high-quality solutions at competitive prices make Hoyer VMS Group A/S an attractive partner. Hoyer VMS Group A/S' commitment to excellence is recognised by satisfied customers who rely on the products every day in the most difficult operating environments.

### Corporate governance

Per the date of the Annual General Meeting, where the Annual Report is adopted, the company is part of a Group, of which the main shareholder is the Danish private equity fund, Capidea. Companies held by private equity funds and presenting annual reports in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C must incorporate the guide on corporate governance published by DVCA (Danish Venture Capital Association).

Capidea is represented on the Board of Directors by Martin Jørgensen, Managing Partner and CEO. The members of the Board of Directors meet at least four times a year, and no special board committees have been appointed.

### Development in the year

In November 2025 Hoyer reinforced its global footprint and gained a unique and valuable access to the aftersales market when the Group acquired the Danish company, VMS Group A/S, creating one global one-stop lifetime partner for power and motion solutions for the marine and industrial segments, the Hoyer VMS Group.

The order intake, revenue growth, and overall results were in line with the targets and expectations outlined in the Management Review of the Annual Reports for 2024.

The order book at 31 December 2025 was for the second year at a row at an all-time high which is attributed to the Group's focused commercial approach, new initiatives, and an efficient supply chain management, which ensures delivery availability.

The Group revenue in 2025 of DKK 867 million broke the record for the second-year running. Just as the composition of the revenue in 2025 highlights a continued consistent growth in high energy efficient motors. The mindset of being a green transition partner is entrenched throughout the organisation enabling Hoyer VMS Group A/S to advise customers on choosing higher energy efficient solutions than they initially opted for, benefitting both the customers and the environment. The green development is expected to continue in 2026.

The gross margin has stabilised at a satisfactory level and exceeded the budget due to continued improvements in the supply chain, strong pricing discipline and ERP enhanced transparency in operations. This resulted in a strong EBITDA performance of DKK 96 million.

The income statement of the company for 2025 shows a net profit of DKK 21 million, and at 31 December 2025 the balance sheet of the company shows equity of DKK 327 million.

## Management's review

### Expectations for the future

2026 will be a transition year where the real process to integrate Hoyer and VMS into one strong organisation, Hoyer VMS Group A/S materialize. Simultaneously to the integration the company will be executing well defined strategic Must Win Battles like establishing a presence for the Aftermarket business stream of VMS in Asia using Hoyer's strong presence in Ningbo, China.

Management expects a continued steady demand and growth in order intake in all segments for 2026.

Management anticipates that the Group will reach revenue in the range DKK 1.500 – 1.600 million and EBITDA in the range of DKK 170 - 200 million in the coming year.

### Operating risks

As Hoyer VMS Group A/S' primary business risk is linked to the overall global economic development and the specific developments within the customer and industry sectors served the continued and increased geopolitical instability may impact Hoyer in 2026.

The Group continues its strategy to a diversified customer base and has expanded the global geographical presence in various segments. The merger of Hoyer and VMS has strengthened the Group's position in the marine industry considerably creating a unique offering combining engines and propulsion to electric motors and automation. In addition, Hoyer VMS Group A/S continues to benefit from the growth in energy efficient motors driven by the green transition.

Potential delays in integrating Hoyer and VMS into a single organisation may result in an increased risk of not achieving the targets set by Management.

Hoyer VMS Group A/S is exposed to variations in material prices, where especially the price of copper has been subjected to prolong upward pressure which has had a significant impact on costs. Variations in other material prices like aluminium, cast iron, and silicon steel also affect the Group's cost base. Hoyer VMS Group A/S continuously improve internal processes and procedures to be able to address and manage this risk in a proactive and swift manner.

### Financial risks

As a result of its operations, investments and financing, Hoyer VMS Group A/S is exposed to changes in currency exchange rates, credit risks and liquidity risks.

### Foreign exchange risks

Hoyer VMS Group A/S is affected by changes in currency exchange rates, as goods purchased and the main part of the turnover is invoiced in a foreign currency, while the main part of the costs, including wages and salaries, are mainly paid in Danish Kroner.

Hoyer VMS Group A/S hedges the foreign exchange risk by means of the finance policy approved by the Board of Directors.

### Credit risks

Hoyer VMS Group A/S' policy for assuming credit risks means that all customers and other business partners are credit rated on an ongoing basis. The historical credit losses have been at a very low level.

### Liquidity risks

Hoyer VMS Group A/S has credit facilities available exceeding the expected requirements of the Group.

## Management's review

### Group structure as per 31/12-2025

The Group has legal companies in several countries in Europe, Asia, the Americas, Africa, and the Middel East, which manage the activities in the respective areas. In addition, Svend Hoyer A/S also has branches in both Japan and Korea consisting of sales offices to support activities in these countries. The branches continue to be managed through the organisation in Svend Hoyer A/S.

### Statement of ESG

Hoyer VMS Group A/S, being a part of the global manufacturing industry, recognises its social responsibility and environmental impact.

Electric motors account for approximately 50% of the world's electric energy consumption making them a crucial area for sustainable development. By providing more energy efficient motors and solutions, Hoyer VMS Group A/S can assist customers in their efforts to optimise application efficiency, which, in turn saves energy and reduces industrial emissions.

The Group's business and market approach is underpinned by values such as trust, reliability, and quality. Through the implementation of comprehensive management systems and procedures that integrate the principles of the UN Global Compact and selected Sustainable Development Goals, the Group aims to influence the organisation and long-term partners towards sustainable practices.

The target is to continuously improve the way the Group works with ESG related areas such as, Protection of Human Rights, Labour Rights and Discrimination, Environmental Responsibility, Work Against Corruption and Health and Safety of Employees.

As VMS Group was acquired at 31 October 2025, it is not included in the published ESG data in 2025. In 2026, Hoyer VMS Group will integrate VMS Group in the consolidated ESG report.

In accordance with the Danish Financial Statements Act, section 99b Hoyer VMS Group A/S publishes its report on ESG on the Group's website. Please refer to our statutory report, found here:

[https://backoffice.hoyermotors.com/media/y0vpfu2p/hoyer\\_esg\\_2025.pdf](https://backoffice.hoyermotors.com/media/y0vpfu2p/hoyer_esg_2025.pdf)

### Statement on data ethics, cf. section 99d of the Financial Statements Act

The Group is responsible for and processes the information that customers provide, or which is collected about the customers. Customer information is treated with respect for the confidentiality of the information and for customer privacy.

There is a clear corporate policy stating that personal information is used respectfully for customers' and other stakeholders' privacy to ensure compliance with the General Data Protection Regulation (GDPR), the Danish Data Protection Act, the Chinese Personal Information Protection Law (PIPL), and the Chinese Personally Identifiable Information (PII).

We are committed to upholding ethical considerations around data collection, processing, and use, which are becoming increasingly important to customers, employees, and other stakeholders. Our ethical data practices are designed to ensure that our data handling aligns with our values, respects human rights, and contributes to the public good.

The purpose of the data ethics policy is to support the Group's data handling values and provide guidelines for current employees on how Hoyer VMS Group A/S collects, processes, uses, shares, and deletes data. This policy applies in all aspects where the Group processes data. We continuously evaluate our own efforts, actions, and policies related to our data ethics, including the use of new technology. This evaluation must include an assessment of whether it is necessary or appropriate to make changes to this policy or relevant procedures in Hoyer VMS Group A/S.

## Management's review

### **Uncertainty relating to recognition and measurement**

Recognition and measurement in the Annual Report have not been subject to any material uncertainty.

### **Unusual events**

The financial position at 31 December 2025 of the Company and the results of the activities and cash flows of the Company for the financial year for 2025 have not been affected by any material unusual events other than already mentioned.

### **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income statement 1 January - 31 December

(TDKK)	Note	Group		Parent company	
		2025 12 months	2024 6 months	2025 12 months	2024 6 months
Revenue	1	867,309	238,382	0	0
Change in inventories of finished goods, work in progress and goods for resale		-2,914	1,066	0	0
Other operating income		6,411	2,687	8,468	4,463
Expenses for raw materials and consumables		-549,235	-155,512	0	0
Other external expenses		-86,009	-24,072	-4,632	-394
<b>Gross profit</b>		<b>235,562</b>	<b>62,551</b>	<b>3,836</b>	<b>4,069</b>
Staff expenses	2	-139,443	-41,637	-8,767	-5,323
<b>Earnings before interest, taxes, depreciation and amortisation</b>		<b>96,119</b>	<b>20,914</b>	<b>-4,931</b>	<b>-1,254</b>
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-44,812	-13,186	0	0
<b>Profit/loss before financial income and expenses</b>		<b>51,307</b>	<b>7,728</b>	<b>-4,931</b>	<b>-1,254</b>
Income from investments in subsidiaries		0	0	25,692	1,867
Financial income	4	447	227	2,699	0
Financial expenses		-17,710	-6,037	-3,235	-904
<b>Profit/loss before tax</b>		<b>34,044</b>	<b>1,918</b>	<b>20,225</b>	<b>-291</b>
Tax on profit/loss for the year	5	-13,539	-1,744	280	465
<b>Net profit/loss for the year</b>	6	<b>20,505</b>	<b>174</b>	<b>20,505</b>	<b>174</b>

## Balance sheet 31 December

### Assets

(TDKK)	Note	Group		Parent company	
		2025	2024	2025	2024
Completed development projects		15,131	17,213	0	0
Acquired licenses		99	160	0	0
Acquired other similar rights		315,551	169,481	0	0
Goodwill		266,298	99,796	0	0
<b>Intangible assets</b>	7	<b>597,079</b>	<b>286,650</b>	<b>0</b>	<b>0</b>
Land and buildings		104,550	106,367	0	0
Plant and machinery		18,395	0	0	0
Other fixtures and fittings, tools and equipment		9,476	9,864	0	0
Leasehold improvements		6,674	4,027	0	0
Property, plant and equipment in progress		1,250	0	0	0
<b>Property, plant and equipment</b>	8	<b>140,345</b>	<b>120,258</b>	<b>0</b>	<b>0</b>
Investments in subsidiaries	9	0	0	270,014	295,415
Deposits	10	493	357	0	0
<b>Fixed asset investments</b>		<b>493</b>	<b>357</b>	<b>270,014</b>	<b>295,415</b>
<b>Fixed assets</b>		<b>737,917</b>	<b>407,265</b>	<b>270,014</b>	<b>295,415</b>
Raw materials and consumables		61,968	0	0	0
Finished goods and goods for resale		167,549	170,463	0	0
Prepayments for goods		14,705	0	0	0
<b>Inventories</b>		<b>244,222</b>	<b>170,463</b>	<b>0</b>	<b>0</b>
Trade receivables		199,011	120,898	0	0
Contract work in progress	11	81,303	0	0	0
Receivables from group enterprises		0	0	258,402	1,488
Other receivables	16	26,988	2,056	0	0
Deferred tax asset	13	0	0	0	38
Corporation tax		1,716	1,425	318	427
Prepayments	12	9,445	3,512	57	46
<b>Receivables</b>		<b>318,463</b>	<b>127,891</b>	<b>258,777</b>	<b>1,999</b>
<b>Cash at bank and in hand</b>		<b>36,658</b>	<b>27,599</b>	<b>170</b>	<b>5,641</b>
<b>Current assets</b>		<b>599,343</b>	<b>325,953</b>	<b>258,947</b>	<b>7,640</b>
<b>Assets</b>		<b>1,337,260</b>	<b>733,218</b>	<b>528,961</b>	<b>303,055</b>

## Balance sheet 31 December

### Liabilities and equity

(TDKK)	Note	Group		Parent company	
		2025	2024	2025	2024
Share capital		3,071	2,548	3,071	2,548
Share premium account		0	0	0	0
Reserve for hedging transactions		-1	415	0	0
Reserve for exchange rate conversion		-4,234	3,041	0	0
Retained earnings		328,126	252,046	323,891	255,502
<b>Equity</b>		<b>326,962</b>	<b>258,050</b>	<b>326,962</b>	<b>258,050</b>
Provision for deferred tax	13	92,999	57,206	0	0
Other provisions	14	2,700	2,400	0	0
<b>Provisions</b>		<b>95,699</b>	<b>59,606</b>	<b>0</b>	<b>0</b>
Mortgage loans		22,101	24,191	0	0
Credit institutions		200,000	80,000	160,000	0
Lease obligations		4,605	0	0	0
Deposits		1,296	1,274	0	0
Other payables		64,735	3,349	0	0
<b>Long-term debt</b>	15	<b>292,737</b>	<b>108,814</b>	<b>160,000</b>	<b>0</b>
Mortgage loans	15	2,089	2,082	0	0
Credit institutions	15	350,313	191,561	40,000	43,000
Lease obligations	15	870	0	0	0
Trade payables		146,218	86,521	772	333
Contract work in progress	11	19,551	0	0	0
Corporation tax		23,386	8,725	0	0
Other payables	15,16	51,150	17,859	1,227	1,672
Deferred income	17	28,285	0	0	0
<b>Short-term debt</b>		<b>621,862</b>	<b>306,748</b>	<b>41,999</b>	<b>45,005</b>
<b>Debt</b>		<b>914,599</b>	<b>415,562</b>	<b>201,999</b>	<b>45,005</b>
<b>Liabilities and equity</b>		<b>1,337,260</b>	<b>733,218</b>	<b>528,961</b>	<b>303,055</b>
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## Statement of changes in equity

### Group

(TDKK)	Share capital	Share premium account	Reserve for hedging transactions	Reserve for exchange rate conversion	Retained earnings	Total
Equity at 1 January	2,548	0	415	3,041	252,046	258,050
Cash capital increase	523	55,977	0	0	0	56,500
Exchange adjustments relating to foreign entities	0	0	0	-7,275	0	-7,275
Fair value adjustment of hedging instruments	0	0	-349	0	0	-349
Other equity movements	0	0	0	0	-546	-546
Transfers, reserves	0	0	-144	0	144	0
Tax on equity movements	0	0	77	0	0	77
Net profit/loss for the year	0	0	0	0	20,505	20,505
Transfer from share premium account	0	-55,977	0	0	55,977	0
<b>Equity at 31 December</b>	<b>3,071</b>	<b>0</b>	<b>-1</b>	<b>-4,234</b>	<b>328,126</b>	<b>326,962</b>

### Parent company

(TDKK)	Share capital	Share premium account	Retained earnings	Total
Equity at 1 January	2,548	0	255,502	258,050
Cash capital increase	523	55,977	0	56,500
Exchange adjustments relating to foreign entities	0	0	-7,275	-7,275
Other equity movements	0	0	-818	-818
Net profit/loss for the year	0	0	20,505	20,505
Transfer from share premium account	0	-55,977	55,977	0
<b>Equity at 31 December</b>	<b>3,071</b>	<b>0</b>	<b>323,891</b>	<b>326,962</b>

## Cash flow statement 1 January - 31 December

(TDKK)	Note	Group	
		2025 12 months	2024 6 months
Result of the year		20,505	174
Adjustments	18	68,796	23,071
Change in working capital	19	21,329	9,154
<b>Cash flow from operations before financial items</b>		<b>110,630</b>	<b>32,399</b>
Financial income		447	227
Financial expenses		-17,121	-6,037
<b>Cash flows from ordinary activities</b>		<b>93,956</b>	<b>26,589</b>
Corporation tax paid		-27,014	-4,228
<b>Cash flows from operating activities</b>		<b>66,942</b>	<b>22,361</b>
Purchase of intangible assets		-2,309	-868
Purchase of property, plant and equipment		-4,411	-1,964
Fixed asset investments made etc		-58	0
Sale of property, plant and equipment		295	7
Business acquisition	20	-341,750	-431,739
<b>Cash flows from investing activities</b>		<b>-348,233</b>	<b>-434,564</b>
Repayment of mortgage loans		-2,083	-1,039
Reduction of lease obligations		-179	0
Raising of loans from credit institutions		235,904	186,061
Lease obligations incurred		208	0
Cash capital increase		56,500	254,780
<b>Cash flows from financing activities</b>		<b>290,350</b>	<b>439,802</b>
<b>Change in cash and cash equivalents</b>		<b>9,059</b>	<b>27,599</b>
Cash and cash equivalents at 1 January		27,599	0
<b>Cash and cash equivalents at 31 December</b>		<b>36,658</b>	<b>27,599</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		36,658	27,599
<b>Cash and cash equivalents at 31 December</b>		<b>36,658</b>	<b>27,599</b>

## Notes to the Financial Statements

### 1. Revenue

(TDKK)	Group		Parent company	
	2025	2024	2025	2024
	12 months	6 months	12 months	6 months
<b>Geographical segments</b>				
Europe	433,072	111,444	0	0
Asia	392,481	124,888	0	0
Africa	14,159	0	0	0
America	23,606	0	0	0
Other	3,991	2,050	0	0
	<b>867,309</b>	<b>238,382</b>	<b>0</b>	<b>0</b>
<b>Business segments</b>				
OEM	778,778	238,382	0	0
Project Sales	1,161	0	0	0
Aftermarket	87,370	0	0	0
	<b>867,309</b>	<b>238,382</b>	<b>0</b>	<b>0</b>

### 2. Staff expenses

(TDKK)	Group		Parent company	
	2025	2024	2025	2024
	12 months	6 months	12 months	6 months
Wages and salaries	124,959	38,342	8,130	5,089
Pensions	11,165	2,637	630	231
Other social security expenses	3,319	658	7	3
	<b>139,443</b>	<b>41,637</b>	<b>8,767</b>	<b>5,323</b>

Including remuneration to the Executive Board and Board of Directors:

Executive board	8,092	4,594	4,046	2,692
Board of directors	675	675	450	375
	<b>8,767</b>	<b>5,269</b>	<b>4,496</b>	<b>3,067</b>

<b>Average number of employees</b>	<b>324</b>	<b>246</b>	<b>3</b>	<b>2</b>
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## Notes to the Financial Statements

### 3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

(TDKK)	Group		Parent company	
	2025	2024	2025	2024
	12 months	6 months	12 months	6 months
Amortisation of intangible assets	35,245	10,250	0	0
Depreciation of property, plant and equipment	9,567	2,936	0	0
	<b>44,812</b>	<b>13,186</b>	<b>0</b>	<b>0</b>

### 4. Financial income

(TDKK)	Group		Parent company	
	2025	2024	2025	2024
	12 months	6 months	12 months	6 months
Interest from group enterprises	0	0	2,692	0
Other financial income	447	227	7	0
	<b>447</b>	<b>227</b>	<b>2,699</b>	<b>0</b>

### 5. Income tax expense

(TDKK)	Group		Parent company	
	2025	2024	2025	2024
	12 months	6 months	12 months	6 months
Current tax for the year	19,850	3,575	-318	-427
Deferred tax for the year	-6,388	-1,714	38	-38
	<b>13,462</b>	<b>1,861</b>	<b>-280</b>	<b>-465</b>

thus distributed:

Income tax expense	13,539	1,744	-280	-465
Tax on equity movements	-77	117	0	0
	<b>13,462</b>	<b>1,861</b>	<b>-280</b>	<b>-465</b>

### 6. Profit allocation

(TDKK)	Parent company	
	2025	2024
Retained earnings	20,505	174
	<b>20,505</b>	<b>174</b>

## Notes to the Financial Statements

### 7. Intangible fixed assets

Group (TDKK)	Completed development projects	Acquired licenses	Acquired other similar rights	Goodwill
Cost at 1 January	18,525	189	175,325	102,861
Exchange adjustment	0	-52	0	-12
Net effect from merger and acquisition	0	28	166,375	176,986
Additions for the year	2,309	0	0	0
Disposals for the year	0	-48	0	0
Cost at 31 December	20,834	117	341,700	279,835
Impairment losses and amortisation at 1 January	1,312	29	5,844	3,065
Exchange adjustment	0	-40	0	0
Amortisation for the year	4,391	77	20,305	10,472
Reversal of impairment and amortisation of sold assets	0	-48	0	0
Impairment losses and amortisation at 31 December	5,703	18	26,149	13,537
<b>Carrying amount at 31 December</b>	<b>15,131</b>	<b>99</b>	<b>315,551</b>	<b>266,298</b>

Development projects comprise of expenses relating to the Group's ERP-software and add-ons.

## Notes to the Financial Statements

### 8. Property, plant and equipment

#### Group

(TDKK)	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
Cost at 1 January	107,465	0	11,903	4,731	0
Exchange adjustment	0	0	-1,001	-580	0
Net effect from merger and acquisition	0	18,627	2,764	3,480	1,100
Additions for the year	1,503	402	980	1,376	150
Disposals for the year	0	0	-3,199	0	0
Cost at 31 December	108,968	19,029	11,447	9,007	1,250
Impairment losses and depreciation at 1 January	1,098	0	2,039	704	0
Exchange adjustment	0	0	-608	-256	0
Depreciation for the year	3,320	634	3,728	1,885	0
Reversal of impairment and depreciation of sold assets	0	0	-3,188	0	0
Impairment losses and depreciation at 31 December	4,418	634	1,971	2,333	0
<b>Carrying amount at 31 December</b>	<b>104,550</b>	<b>18,395</b>	<b>9,476</b>	<b>6,674</b>	<b>1,250</b>
Including assets under finance leases amounting to	0	5,277	351	0	0

## Notes to the Financial Statements

### 9. Investments in subsidiaries

(TDKK)	Parent company	
	2025	2024
Cost at 1 January	656,551	0
Additions for the year	0	656,551
Cost at 31 December	656,551	656,551
Value adjustments at 1 January	-361,136	0
Exchange adjustment	-7,275	3,041
Net profit/loss for the year	40,947	7,540
Dividend to the Parent Company	-43,000	-366,100
Other equity movements, net	-818	55
Other adjustments	-15,255	-5,672
Value adjustments at 31 December	-386,537	-361,136
<b>Carrying amount at 31 December</b>	<b>270,014</b>	<b>295,415</b>
Positive differences arising on initial measurement of subsidiaries at net asset value	0	184,162
Remaining positive difference included in the above carrying amount at	163,234	178,490

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Hoyer Group A/S	Hadsten, Denmark	100%

All group companies are disclosed in the group structure.

### 10. Other fixed asset investments

Group	Deposits
(TDKK)	
Cost at 1 January	357
Net effect from merger and acquisition	79
Additions for the year	58
Disposals for the year	-1
Cost at 31 December	493
<b>Carrying amount at 31 December</b>	<b>493</b>

## Notes to the Financial Statements

### 11. Contract work in progress

(TDKK)	Group		Parent company	
	2025	2024	2025	2024
Selling price of work in progress	114,657	0	0	0
Payments received on account	-52,905	0	0	0
	<b>61,752</b>	<b>0</b>	<b>0</b>	<b>0</b>
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	81,303	0	0	0
Contract work in progress recognised in liabilities	-19,551	0	0	0
	<b>61,752</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 12. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

### 13. Provision for deferred tax

(TDKK)	Group		Parent company	
	2025	2024	2025	2024
Deferred tax liabilities at 1 January	57,206	0	-38	0
Net effect from acquisition	42,181	58,920	0	0
Amounts recognised in the income statement for the year	-6,388	-1,714	38	-38
<b>Deferred tax liabilities at 31 December</b>	<b>92,999</b>	<b>57,206</b>	<b>0</b>	<b>-38</b>

### 14. Other provisions

(TDKK)	Group		Parent company	
	2025	2024	2025	2024
Other provisions	2,700	2,400	0	0
	<b>2,700</b>	<b>2,400</b>	<b>0</b>	<b>0</b>

The Group provides warranties on some of its products and is therefore obliged to repair or replace defective goods. Based on previous experience in respect of the level of repairs and returns, other provisions have been recognised for expected warranty claims.

## Notes to the Financial Statements

### 15. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

(TDKK)	Group		Parent company	
	2025	2024	2025	2024
<b>Mortgage loans</b>				
After 5 years	13,692	15,802	0	0
Between 1 and 5 years	8,409	8,389	0	0
Long-term part	22,101	24,191	0	0
Within 1 year	2,089	2,082	0	0
	<b>24,190</b>	<b>26,273</b>	<b>0</b>	<b>0</b>
<b>Credit institutions</b>				
After 5 years	0	0	0	0
Between 1 and 5 years	200,000	80,000	160,000	0
Long-term part	200,000	80,000	160,000	0
Within 1 year	80,000	43,000	40,000	43,000
Other short-term debt to credit institutions	270,313	148,561	0	0
	<b>550,313</b>	<b>271,561</b>	<b>200,000</b>	<b>43,000</b>
<b>Lease obligations</b>				
After 5 years	799	0	0	0
Between 1 and 5 years	3,806	0	0	0
Long-term part	4,605	0	0	0
Within 1 year	870	0	0	0
	<b>5,475</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deposits</b>				
After 5 years	1,296	1,274	0	0
Long-term part	1,296	1,274	0	0
Within 1 year	0	0	0	0
	<b>1,296</b>	<b>1,274</b>	<b>0</b>	<b>0</b>

## Notes to the Financial Statements

### 15. Long-term debt (continued)

(TDKK)	Group		Parent company	
	2025	2024	2025	2024
<b>Other payables</b>				
After 5 years	59,733	0	0	0
Between 1 and 5 years	5,002	3,349	0	0
Long-term part	64,735	3,349	0	0
Other short-term payables	51,150	17,859	1,227	1,672
	<b>115,885</b>	<b>21,208</b>	<b>1,227</b>	<b>1,672</b>

### 16. Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

(TDKK)	Group		Parent company	
	2025	2024	2025	2024
	12 months	6 months	12 months	6 months
Other receivables	0	348	0	0
Other payables	-1	0	0	0

Forward exchange contracts have been concluded to hedge future purchase in CNY. At the balance sheet date, the fair value of the forward exchange contracts amounts to TDKK -1, which has resulted in a value adjustment on the equity of TDKK -349. The forward exchange contracts have a term of 1-3 months for an amount of TCNY 7,000.

### 17. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

## Notes to the Financial Statements

### 18. Cash flow statement - Adjustments

(TDKK)	Group	
	2025	2024
Financial income	-447	-227
Financial expenses	17,710	6,037
Depreciation, amortisation and impairment losses, including losses and gains on sales	44,528	13,186
Tax on profit/loss for the year	13,539	1,744
Exchange adjustments	-6,534	2,331
	<b>68,796</b>	<b>23,071</b>

### 19. Cash flow statement - Change in working capital

(TDKK)	Group	
	2025	2024
Change in inventories	-656	-1,066
Change in receivables	-3,390	23,291
Change in other provisions	300	50
Change in trade payables, etc	25,424	-13,653
Fair value adjustments of hedging instruments	-349	532
	<b>21,329</b>	<b>9,154</b>

### 20. Cash flow statement - Business acquisition

(TDKK)	Group	
	2025	2024
Intangible assets	343,388	296,032
Tangible assets	25,971	120,887
Financial assets	79	357
Inventories	73,103	169,397
Receivables	139,601	149,757
Deferred tax	-42,181	-58,920
Other provisions	0	-2,350
Mortgage loans	0	-27,312
Credit institutions	-42,848	-85,500
Leasing obligations	-5,446	0
Corporation tax	-21,534	-7,953
Other payables	-128,383	-122,656
	<b>341,750</b>	<b>431,739</b>

## Notes to the Financial Statements

### 21. Contingent assets, liabilities and other financial obligations

(TDKK)	Group		Parent company	
	2025	2024	2025	2024
<b>Charges and security</b>				
The following assets have been placed as security with mortgage credit institutes:				
Land and buildings with a carrying amount of	104,550	106,367	0	0
The following assets have been placed as security with bankers in connection with the company issuing an indemnity letter totaling nominal TDKK 150,000 (floating charge):				
Intangible assets	388	0	0	0
Property, plant and equipment	24,654	0	0	0
Inventories	197,551	0	0	0
Trade receivables	147,462	0	0	0
Contract work in progress	68,548	0	0	0
<b>Rental and lease obligations</b>				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	15,992	8,247	0	0
Between 1 and 5 years	43,791	8,488	0	0
After 5 years	3,706	0	0	0
	<b>63,489</b>	<b>16,735</b>	<b>0</b>	<b>0</b>

#### Other contingent liabilities

Hoyer VMS Group A/S has provided guarantee for Sydbank's credit facilities with Hoyer Group A/S, Svend Hoyer A/S, Svend Hoyer GmbH, LAAMA Ejendomme A/S and Nowitek ApS. The credit facilities are maximised to DKK 275 million of which DKK 230.5 million is drawn at 31 December 2025.

Sydbank has pledged security in the shares of Hoyer Group A/S and Svend Hoyer A/S for loans and credit facilities with Hoyer Group A/S, Svend Hoyer A/S, Svend Hoyer GmbH, LAAMA Ejendomme A/S and Nowitek ApS. The credit facilities are maximised to DKK 275 million of which DKK 230.5 million is drawn at 31 December 2025.

Furthermore Sydbank has pledged security in the shares of VMS Group A/S for leasing and credit facilities with VMS Group A/S. The facilities are maximised to DKK 45 million of which DKK 33.5 million is drawn at 31 December 2025.

## Notes to the Financial Statements

### 21. Contingent assets, liabilities and other financial obligations (continued)

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of TopCap HOY ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

### 22. Related parties and disclosure of consolidated financial statements

#### Transactions

During the year, the Company had the following transactions with its subsidiaries:

Management fee, income TDKK 8,468 (2024: TDKK 4,463)

Financial income: TDKK 2,692 (2024: TDKK 0)

#### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
TopCap HOY ApS, CVR-no. 45 28 52 86	Copenhagen, Denmark
CapHold HOY ApS, CVR-no. 45 28 60 96	Copenhagen, Denmark

### 23. Fee to auditors appointed at the general meeting

(TDKK)	Group	
	2025	2024
<b>PricewaterhouseCoopers</b>		
Audit fee	965	660
Other assurance engagements	15	0
Tax advisory services	724	28
Non-audit services	1,471	198
	<b>3,175</b>	<b>886</b>
<b>Other auditors</b>		
Audit fee	291	222
Non-audit services	61	0
	<b>352</b>	<b>222</b>

## Notes to the Financial Statements

### **24. Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Notes to the Financial Statements

### 25. Accounting policies

The Annual Report of Hoyer VMS Group A/S for 2025 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2025 are presented in TDKK.

#### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

#### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Hoyer VMS Group A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

#### Business combinations

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

## Notes to the Financial Statements

### 25. Accounting policies (continued)

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

#### Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

#### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

## Notes to the Financial Statements

### 25. Accounting policies (continued)

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

#### Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

#### Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

#### Segment information on revenue

Information on business segments and geographical segments is based on the Group's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

## Notes to the Financial Statements

### 25. Accounting policies (continued)

#### Income statement

##### Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

##### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

##### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

##### Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

##### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

##### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

## Notes to the Financial Statements

### 25. Accounting policies (continued)

#### Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

#### Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

#### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with TopCap HOY ApS. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

### Balance sheet

#### Intangible fixed assets

##### *Goodwill*

Goodwill is amortised on a straight-line basis over the estimated useful life of 10-20 years, determined on the basis of Management's experience with the individual business areas. The estimated useful life has been determined by taking into consideration the business platform acquired, including a strong brand and reputation as well as very loyal customers.

##### *Development projects*

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

## Notes to the Financial Statements

### 25. Accounting policies (continued)

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-7 year.

#### *Other intangible fixed assets*

Licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Software licences are amortised over the period of the agreements, which is 5 years.

Other acquired rights are amortised over the period of 10 years. The estimated useful life has been determined by taking into consideration the business platform acquired, including very loyal customers.

#### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	30 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	5-10 years

The residual values of buildings are determined at DKK 16 million.

The residual value of other fixed assets is determined at nil.

Depreciation period and residual value are reassessed annually.

#### **Impairment of fixed assets**

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

#### **Investments in subsidiaries**

Investments in subsidiaries are recognised and measured under the equity method.

## Notes to the Financial Statements

### 25. Accounting policies (continued)

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

The company's investment in the subsidiaries is considered to be of strategic importance to the group. Taking the Group's expected plans for increasing activities and earnings into account, the useful life of goodwill recognised on initial measurement of business acquisitions is considered to be 10-30 years.

#### **Other fixed asset investments**

Other fixed asset investments consist of deposits, which are measured at amortized cost. Provisions are made for expected bad debts.

#### **Inventories**

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

#### **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

#### **Contract work in progress**

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

## Notes to the Financial Statements

### 25. Accounting policies (continued)

#### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

#### Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

#### Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

#### Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

#### Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

## Notes to the Financial Statements

### 25. Accounting policies (continued)

#### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

#### Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

#### *Cash flows from operating activities*

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

#### *Cash flows from investing activities*

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

#### *Cash flows from financing activities*

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

### Financial Highlights

#### Explanation of financial ratios

Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$

