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# ***Hoyer Group A/S***

Over Hadstenvej 42, DK-8370 Hadsten

## **Annual Report for 2024**

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CVR No. 37 62 98 47

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 22/4 2025

Henrik Petersen  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Hoyer Group A/S for the financial year 1 January - 31 December 2024.

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 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

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, 22 April 2025

## Executive Board

Henrik Sørensen  
CEO

Henrik Petersen  
CFO

## Board of Directors

Søren Østergaard Sørensen  
Chairman

Henrik Sørensen

Kenneth Cordes

# Independent Auditor's report

To the shareholder of Hoyer 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 2024 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 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Hoyer Group A/S for the financial year 1 January - 31 December 2024, 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.

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.

# Independent Auditor's report

Aarhus C, 22 April 2025

**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

<b>The Company</b>	Hoyer Group A/S Over Hadstenvej 42 DK-8370 Hadsten  CVR No: 37 62 98 47 Financial period: 1 January - 31 December Municipality of reg. office: Favrskov
<b>Board of Directors</b>	Søren Østergaard Sørensen, chairman Henrik Sørensen Kenneth Cordes
<b>Executive Board</b>	Henrik Sørensen Henrik Petersen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

# Group Chart

<b>Company</b>	<b>Residence</b>	<b>Ownership</b>
<b>Hoyer Group A/S</b>	<b>Hadsten, Denmark</b>	
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, United States of America	100%



# Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	733,195	715,389	711,322	526,419	462,013
EBITDA	105,574	98,753	31,275	15,765	39,876
EBITDA, adjusted *	110,031	100,365	67,478	20,155	44,152
EBIT	87,217	80,795	17,022	3,020	27,857
Financial income and expenses	-2,297	-1,695	3,076	1,046	-5,232
Profit/loss from discontinuing activities * *	0	0	0	0	41,368
Net profit/loss for the year	63,754	65,167	12,187	1,008	57,300
<b>Balance sheet</b>					
Balance sheet total	505,476	690,337	771,877	686,957	561,104
Investment in property, plant and equipment	5,096	5,522	12,280	3,483	6,544
Equity	116,924	417,132	358,531	349,815	343,636
<b>Cash flows</b>					
Cash flows from:					
- operating activities	106,474	76,445	3,995	-75,171	73,300
- investing activities	-7,889	-9,357	-20,270	-14,799	95,601
- financing activities	-104,731	-54,606	17,547	-175,020	-27,237
Change in cash and cash equivalents for the year	-6,146	12,482	1,272	4,295	-6,119
Number of employees	241	225	210	182	194
<b>Ratios</b>					
Solvency ratio	23.1%	60.4%	46.4%	50.9%	61.2%
Return on equity	23.9%	16.8%	3.4%	0.3%	18.2%

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

# Management's review

## Key activities

Hoyer is a leading value adding provider of bespoke intelligent electric motor solutions to the marine, premium HVAC, energy, and industrial sectors, primarily in Europe and Asia. The Group specifies high quality electric motors that are sold under the Hoyer brand and offers drives and controls that ensures long-term sustainable energy savings.

The value proposition is founded on 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's strong customer relationships, timely delivery and offering of high-quality motors and solutions at competitive prices make Hoyer an attractive partner. Hoyer's commitment to excellence is recognised by satisfied customers who rely on the products every day in the most difficult operating environments.

## Development in the year and follow-up on development expectations from last year

Hoyer exceeded or met the target and expectation for order intake, revenue growth, and overall results outlined in the Management Review of the Annual Report 2023.

The order book at 31 December 2024 was at an all-time high which is attributed to Hoyer's focused commercial approach, new initiatives, and an efficient supply chain management, which ensures delivery availability.

Revenue in 2024 of DKK 733 million was another record breaking high for the Group. Just as the composition of the revenue in 2024 highlights a continued consistent growth in high energy efficient motors, including IE4 which experienced a significant increase (161%) in 2024. The mindset of being a green transition partner is entrenched throughout the organisation enabling Hoyer to advise customers on choosing higher energy efficient motors than they initially opted for, benefitting both the customers and the environment. This positive development is expected to accelerate in 2025 supported by the new acquisition, NowiTek ApS, an automation solutions developer specialising in marine engineering, industrial and biogas facilities with a focus on electrical and mechanical systems, driving Hoyer to achieve even higher standards of sustainability, further supporting the Group's decarbonisation efforts and thus reinforcing Hoyer's contribution and commitment to the green transition.

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 106 million compared to DKK 99 million in 2023.

The income statement of the company for 2024 shows a net profit of DKK 63 million, and at 31 December 2024 the balance sheet of the company shows equity of DKK 117 million.

During 2024 Hoyer rolled out a new strategy "Together - we outsmart the ordinary", which integrates green transition, sustainability, and advanced offerings with Hoyer's 50 years of application expertise and industry experience with a flexible production setup to deliver high-performance motor offerings fit for unique customer needs at competitive prices.

Another milestone in 2024 was the achievement of NIS2 compliance as Hoyer successfully has implemented the NIS2 directive, reinforcing its cybersecurity framework to meet stringent European standards. One of the key distinctions of NIS2 compliance is the heightened involvement of top management as cybersecurity is no longer just an IT responsibility—it's embedded in Hoyer's leadership culture and reinforced throughout the organisation through internal awareness campaigns.

## Expectations for the future

Management expects a continued steady demand and growth in order intake in all segments for 2025.

Management anticipates that the Group will reach revenue around DKK 840 million and EBITDA in the excess of DKK 119 million in the coming year.

# Management's review

## Operating risks

Hoyer's primary business risk is linked to the overall global economic development and the specific developments within the customer and industry sectors served. In recent years Hoyer has diversified the customer base and expanded the geographical presence in various segments particular in China such as premium HVAC, industrial and energy applications, reducing its reliance on the marine segment, despite the very strong performance of the marine segment in 2024. In addition, Hoyer continues to benefit from the growth in energy efficient motors driven by the green transition.

Hoyer is also exposed to variations in freight and material prices (copper, aluminium, cast iron, and silicon steel). During the years Hoyer has improved internal processes and procedures to be able to better address and manage this risk, which can be seen in a positive margin development.

## Financial risks

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

## Foreign exchange risks

Hoyer 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 hedges the foreign exchange risk by means of the finance policy approved by the Board of Directors.

## Credit risks

Hoyer'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 has credit facilities available exceeding the expected requirements of the Group.

## Group structure as per 31/12-2024

The Group has legal companies in several countries in Europe, Asia, and America, 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

No separate statement has been made for Hoyer Group A/S. Please refer to the statement for Hoyer International A/S. In accordance with the Danish Financial Statements Act, section 99a Hoyer International A/S publishes its report on ESG on the Hoyer's website. Please refer to our report here: [https://backoffice.hoyermotors.com//media/3yrjdfzf/hoyer\\_esg\\_2024.pdf](https://backoffice.hoyermotors.com//media/3yrjdfzf/hoyer_esg_2024.pdf)

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

Hoyer 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 on 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).

## Management's review

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 Hoyer's data handling values and provide guidelines for current employees on how Hoyer 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.

### Uncertainty relating to recognition and measurement

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

### Unusual events

The financial position at 31 December 2024 of the Company and the results of the activities and cash flows of the Company for the financial year for 2024 have not been affected by any material unusual events.

## Income statement 1 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Revenue	1	733,195	715,389	0	0
Change in inventories of finished goods, work in progress and goods for resale		-7,785	-50,205	0	0
Other operating income		6,805	14,939	5,268	12,469
Expenses for raw materials and consumables		-456,542	-416,576	0	0
Other external expenses		-62,275	-63,788	-63	-8,499
<b>Gross profit</b>		<b>213,398</b>	<b>199,759</b>	<b>5,205</b>	<b>3,970</b>
Staff expenses	2	-107,824	-101,006	-4,735	-7,251
<b>Earnings Before Interest Taxes Depreciation and Amortization</b>		<b>105,574</b>	<b>98,753</b>	<b>470</b>	<b>-3,281</b>
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-18,357	-17,711	0	0
Other operating expenses		0	-247	0	0
<b>Profit/loss before financial income and expenses</b>		<b>87,217</b>	<b>80,795</b>	<b>470</b>	<b>-3,281</b>
Income from investments in subsidiaries		0	0	66,511	67,975
Financial income		6,068	8,459	569	1,091
Financial expenses	4	-8,365	-10,154	-4,802	-1,164
<b>Profit/loss before tax</b>		<b>84,920</b>	<b>79,100</b>	<b>62,748</b>	<b>64,621</b>
Tax on profit/loss for the year	5	-21,166	-13,933	1,006	546
<b>Net profit/loss for the year</b>	6	<b>63,754</b>	<b>65,167</b>	<b>63,754</b>	<b>65,167</b>

## Balance sheet 31 December

### Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Completed development projects		17,213	18,453	0	0
Acquired licenses		160	45	0	0
Goodwill		74,252	80,804	0	0
<b>Intangible assets</b>	<b>7</b>	<b>91,625</b>	<b>99,302</b>	<b>0</b>	<b>0</b>
Land and buildings		79,763	80,815	0	0
Other fixtures and fittings, tools and equipment		9,864	9,925	0	0
Leasehold improvements		4,027	5,532	0	0
<b>Property, plant and equipment</b>	<b>8</b>	<b>93,654</b>	<b>96,272</b>	<b>0</b>	<b>0</b>
Investments in subsidiaries	9	0	0	300,476	458,927
Deposits	10	357	360	0	0
<b>Fixed asset investments</b>		<b>357</b>	<b>360</b>	<b>300,476</b>	<b>458,927</b>
<b>Fixed assets</b>		<b>185,636</b>	<b>195,934</b>	<b>300,476</b>	<b>458,927</b>
Finished goods and goods for resale		170,463	178,248	0	0
<b>Inventories</b>		<b>170,463</b>	<b>178,248</b>	<b>0</b>	<b>0</b>
Trade receivables		120,898	118,146	0	0
Receivables from group enterprises		0	0	23	557
Other receivables	11	2,056	2,496	31	0
Receivable from shareholders and Management		0	163,104	0	0
Corporation tax		998	1,060	0	0
Corporation tax receivable from group enterprises		0	0	5,640	3,833
Prepayments	12	3,466	3,244	0	32
<b>Receivables</b>		<b>127,418</b>	<b>288,050</b>	<b>5,694</b>	<b>4,422</b>

## Balance sheet 31 December

### Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Cash at bank and in hand		21,959	28,105	0	80
Current assets		319,840	494,403	5,694	4,502
Assets		505,476	690,337	306,170	463,429

# Balance sheet 31 December

## Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Share capital		23,259	23,259	23,259	23,259
Reserve for net revaluation under the equity method		0	0	0	80,731
Reserve for hedging transactions		271	-41	0	0
Reserve for exchange rate conversion		-2,900	-5,089	0	0
Retained earnings		96,294	399,003	93,665	313,142
<b>Equity</b>		<b>116,924</b>	<b>417,132</b>	<b>116,924</b>	<b>417,132</b>
Provision for deferred tax	13	14,104	13,763	0	0
Other provisions	14	2,400	2,400	0	0
<b>Provisions</b>		<b>16,504</b>	<b>16,163</b>	<b>0</b>	<b>0</b>
Mortgage loans		24,191	26,273	0	0
Credit institutions		80,000	0	0	0
Deposits		1,274	1,258	0	0
Other payables		3,349	3,249	0	0
<b>Long-term debt</b>	<b>15</b>	<b>108,814</b>	<b>30,780</b>	<b>0</b>	<b>0</b>
Mortgage loans	15	2,082	2,077	0	0
Credit institutions	15	148,561	129,707	120,716	0
Trade payables		86,188	69,651	75	176
Payables to group enterprises		1,488	0	63,817	36,295
Corporation tax		8,725	4,925	4,634	3,092
Other payables	15,11	16,190	19,902	4	6,734
<b>Short-term debt</b>		<b>263,234</b>	<b>226,262</b>	<b>189,246</b>	<b>46,297</b>
<b>Debt</b>		<b>372,048</b>	<b>257,042</b>	<b>189,246</b>	<b>46,297</b>
<b>Liabilities and equity</b>		<b>505,476</b>	<b>690,337</b>	<b>306,170</b>	<b>463,429</b>
Contingent assets, liabilities and other financial obligations	18				
Related parties	19				
Fee to auditors appointed at the general meeting	20				
Subsequent events	21				
Accounting Policies	22				



# Statement of changes in equity

## Group

	Share capital	Reserve for hedging transactions	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	23,259	-41	-5,089	399,003	417,132
Exchange adjustments	0	0	2,189	0	2,189
Extraordinary dividend paid	0	0	0	-366,100	-366,100
Fair value adjustment of hedging instruments, end of year	0	400	0	0	400
Tax on adjustment of hedging instruments for the year	0	-88	0	0	-88
Other equity movements	0	0	0	-363	-363
Net profit/loss for the year	0	0	0	63,754	63,754
<b>Equity at 31 December</b>	<b>23,259</b>	<b>271</b>	<b>-2,900</b>	<b>96,294</b>	<b>116,924</b>

## Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	23,259	80,731	313,142	417,132
Exchange adjustments	0	2,189	0	2,189
Extraordinary dividend paid	0	0	-366,100	-366,100
Dividend from group enterprises	0	-227,100	227,100	0
Other equity movements	0	-51	0	-51
Transfers, reserves	0	77,720	-77,720	0
Net profit/loss for the year	0	66,511	-2,757	63,754
<b>Equity at 31 December</b>	<b>23,259</b>	<b>0</b>	<b>93,665</b>	<b>116,924</b>

# Cash flow statement 1 January - 31 December

	Note	Group	
		2024	2023
		TDKK	TDKK
Result of the year		63,754	65,167
Adjustments	16	43,476	27,638
Change in working capital	17	18,592	2,603
<b>Cash flow from operations before financial items</b>		<b>125,822</b>	<b>95,408</b>
Financial income		6,068	1,477
Financial expenses		-8,364	-10,154
<b>Cash flows from ordinary activities</b>		<b>123,526</b>	<b>86,731</b>
Corporation tax paid		-17,052	-10,286
<b>Cash flows from operating activities</b>		<b>106,474</b>	<b>76,445</b>
Purchase of intangible assets		-2,803	-3,952
Purchase of property, plant and equipment		-5,096	-5,522
Fixed asset investments made etc		0	-7
Sale of property, plant and equipment		7	124
Sale of fixed asset investments made etc		3	0
<b>Cash flows from investing activities</b>		<b>-7,889</b>	<b>-9,357</b>
Repayment of mortgage loans		-2,077	-2,072
Repayment of loans from credit institutions		0	-52,534
Raising of loans from credit institutions		98,854	0
Raising of payables to group enterprises		1,488	0
Dividend paid		-366,100	0
Repayment of receivable from shareholders		163,104	0
<b>Cash flows from financing activities</b>		<b>-104,731</b>	<b>-54,606</b>
<b>Change in cash and cash equivalents</b>		<b>-6,146</b>	<b>12,482</b>
Cash and cash equivalents at 1 January		28,105	15,623
<b>Cash and cash equivalents at 31 December</b>		<b>21,959</b>	<b>28,105</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		21,959	28,105
<b>Cash and cash equivalents at 31 December</b>		<b>21,959</b>	<b>28,105</b>

# Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>1. Revenue</b>				
Geographical segments				
Europe	342,769	391,318	0	0
Asia	384,121	315,486	0	0
Other	6,305	8,585	0	0
	<b>733,195</b>	<b>715,389</b>	<b>0</b>	<b>0</b>

The Group has not disclosed its business segments as all products sold are categorised as "Motors".

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>2. Staff expenses</b>				
Wages and salaries	97,832	92,454	4,339	6,811
Pensions	7,348	6,418	389	432
Other social security expenses	2,644	2,134	7	8
	<b>107,824</b>	<b>101,006</b>	<b>4,735</b>	<b>7,251</b>
Including remuneration to the Executive Board and Board of Directors:				
Executive board	8,923	5,919	2,559	2,960
Board of directors	1,874	1,332	750	1,106
	<b>10,797</b>	<b>7,251</b>	<b>3,309</b>	<b>4,066</b>
Average number of employees	<b>241</b>	<b>225</b>	<b>2</b>	<b>2</b>

## Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment</b>				
Amortisation of intangible assets	10,480	9,726	0	0
Depreciation of property, plant and equipment	7,877	7,985	0	0
	<b>18,357</b>	<b>17,711</b>	<b>0</b>	<b>0</b>

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>4. Financial expenses</b>				
Interest paid to group enterprises	0	0	2,623	1,164
Other financial expenses	8,365	9,674	2,179	0
Exchange adjustments, expenses	0	480	0	0
	<b>8,365</b>	<b>10,154</b>	<b>4,802</b>	<b>1,164</b>

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>5. Income tax expense</b>				
Current tax for the year	20,913	18,953	-1,006	-741
Deferred tax for the year	341	1,693	0	195
Adjustment of tax concerning previous years	0	-6,581	0	0
	<b>21,254</b>	<b>14,065</b>	<b>-1,006</b>	<b>-546</b>

thus distributed:

Income tax expense	21,166	13,933	-1,006	-546
Tax on equity movements	88	132	0	0
	<b>21,254</b>	<b>14,065</b>	<b>-1,006</b>	<b>-546</b>

# Notes to the Financial Statements

	Parent company	
	2024	2023
	TDKK	TDKK
<b>6. Profit allocation</b>		
Extraordinary dividend paid	366,100	0
Reserve for net revaluation under the equity method	66,511	67,975
Retained earnings	-368,857	-2,808
	<b>63,754</b>	<b>65,167</b>

## 7. Intangible fixed assets Group

	Completed development projects	Acquired licenses	Goodwill
	TDKK	TDKK	TDKK
Cost at 1 January	22,401	264	131,873
Additions for the year	2,590	213	0
Cost at 31 December	<b>24,991</b>	<b>477</b>	<b>131,873</b>
Impairment losses and amortisation at 1 January	3,948	219	51,069
Amortisation for the year	3,830	98	6,552
Impairment losses and amortisation at 31 December	<b>7,778</b>	<b>317</b>	<b>57,621</b>
<b>Carrying amount at 31 December</b>	<b>17,213</b>	<b>160</b>	<b>74,252</b>

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

# Notes to the Financial Statements

## 8. Property, plant and equipment Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	TDKK	TDKK	TDKK
Cost at 1 January	117,819	40,912	7,071
Exchange adjustment	0	388	223
Additions for the year	1,317	3,636	143
Disposals for the year	0	-501	0
Cost at 31 December	119,136	44,435	7,437
Impairment losses and depreciation at 1 January	37,004	30,987	1,539
Exchange adjustment	0	389	52
Depreciation for the year	2,369	3,689	1,819
Reversal of impairment and depreciation of sold assets	0	-494	0
Impairment losses and depreciation at 31 December	39,373	34,571	3,410
<b>Carrying amount at 31 December</b>	<b>79,763</b>	<b>9,864</b>	<b>4,027</b>
Including assets under finance leases amounting to	0	567	0

# Notes to the Financial Statements

## 9. Investments in subsidiaries

	Parent company	
	2024	2023
	TDKK	TDKK
Cost at 1 January	378,196	378,196
Cost at 31 December	378,196	378,196
Value adjustments at 1 January	80,731	19,322
Exchange adjustment	2,189	-5,948
Net profit/loss for the year	74,171	75,635
Dividend to the Parent Company	-227,100	0
Other equity movements, net	-51	-618
Other adjustments	-7,660	-7,660
Value adjustments at 31 December	-77,720	80,731
<b>Carrying amount at 31 December</b>	<b>300,476</b>	<b>458,927</b>
Remaining positive difference included in the above carrying amount at	101,297	108,957

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
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, United States of America	100%

# Notes to the Financial Statements

## 10. Other fixed asset investments

### Group

	Deposits
	TDKK
Cost at 1 January	360
Disposals for the year	-3
Cost at 31 December	357
Carrying amount at 31 December	357

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK

## 11. 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:

Other receivables	348	0	0	0
Other payables	0	54	0	0

Forward exchange contracts have been concluded to hedge future purchase in CNY and USD. At the balance sheet date, the fair value of the forward exchange contracts amounts to TDKK 348, which has resulted in a value adjustment on the equity of TDKK 400. The forward exchange contracts have a term of 1-3 months for an amount of TCNY 8,000 and TUSD 1,200.

## 12. Prepayments

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



# Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>13. Provision for deferred tax</b>				
Deferred tax liabilities at 1 January	13,763	12,070	0	-195
Amounts recognised in the income statement for the year	341	1,693	0	195
<b>Deferred tax liabilities at 31 December</b>	<b>14,104</b>	<b>13,763</b>	<b>0</b>	<b>0</b>

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>14. Other provisions</b>				
The Company provides warranties on some of its products and is therefore obliged to repair or replace goods which are not satisfactory in the warranty period. Based on previous experience in respect of the level of repairs and returns, other provisions have been recognised for expected warranty claims.				
Other provisions	2,400	2,400	0	0
	<b>2,400</b>	<b>2,400</b>	<b>0</b>	<b>0</b>

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>15. Long-term debt</b>				

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:

<b>Mortgage loans</b>				
After 5 years	15,802	17,907	0	0
Between 1 and 5 years	8,389	8,366	0	0
Long-term part	24,191	26,273	0	0
Within 1 year	2,082	2,077	0	0
	<b>26,273</b>	<b>28,350</b>	<b>0</b>	<b>0</b>

# Notes to the Financial Statements

## 15. Long-term debt

### Credit institutions

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
After 5 years	0	0	0	0
Between 1 and 5 years	80,000	0	0	0
Long-term part	80,000	0	0	0
Other short-term debt to credit institutions	148,561	129,707	120,716	0
	<b>228,561</b>	<b>129,707</b>	<b>120,716</b>	<b>0</b>

### Deposits

After 5 years	1,274	1,258	0	0
Long-term part	1,274	1,258	0	0
Within 1 year	0	0	0	0
	<b>1,274</b>	<b>1,258</b>	<b>0</b>	<b>0</b>

### Other payables

After 5 years	0	0	0	0
Between 1 and 5 years	3,349	3,249	0	0
Long-term part	3,349	3,249	0	0
Other short-term payables	16,190	19,902	4	6,734
	<b>19,539</b>	<b>23,151</b>	<b>4</b>	<b>6,734</b>

## 16. Cash flow statement - Adjustments

	Group	
	2024	2023
	TDKK	TDKK
Financial income	-6,068	-8,459
Financial expenses	8,365	10,154
Depreciation, amortisation and impairment losses, including losses and gains on sales	18,357	17,711
Tax on profit/loss for the year	21,166	13,933
Other adjustments	1,656	-5,701
	<b>43,476</b>	<b>27,638</b>

# Notes to the Financial Statements

	Group	
	2024	2023
	TDKK	TDKK
<b>17. Cash flow statement - Change in working capital</b>		
Change in inventories	7,785	50,607
Change in receivables	-2,312	36,799
Change in other provisions	-222	635
Change in trade payables, etc	12,941	-86,039
Fair value adjustments of hedging instruments	400	601
	<b>18,592</b>	<b>2,603</b>

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
<b>18. Contingent assets, liabilities and other financial obligations</b>				
<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	79,763	80,815	0	0
<b>Rental and lease obligations</b>				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	8,247	7,539	0	0
Between 1 and 5 years	8,488	10,832	0	0
	<b>16,735</b>	<b>18,371</b>	<b>0</b>	<b>0</b>

# Notes to the Financial Statements

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK

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

### Other contingent liabilities

Hoyer Group A/S has provided guarantee for Sydbank's credit facilities with Svend Hoyer A/S and Svend Hoyer GmbH. The credit facilities is maximized to DKK 175 million of which DKK 137.1 million is drawn at 31 December 2024. Further, the company has provided guarantee for Sydbank's credit facilities with LAAMA Ejendomme A/S, Svend Hoyer AS, Svend Höyer AB and Hoyer B.V., of which DKK 0.0 million is drawn at 31 December 2024.

Sydbank has pledged security in the shares of Svend Hoyer A/S for loans and credit facilities with Hoyer Group A/S, Svend Hoyer A/S and Svend Hoyer GmbH. The credit facilities are maximized to DKK 175 million of which DKK 137.1 million is drawn at 31 December 2024.

The 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 Hoyer International A/S, which is the management company of the joint taxation purposes. Moreover, the 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.

## 19. 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 5,268 (2023: TDKK 5,514)

Financial expenses: TDKK -2,623 (2023: TDKK -1,164)

### 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
Hoyer International A/S, CVR-no. 44 92 08 24	Hadsten, Denmark

## Notes to the Financial Statements

	Group	
	2024	2023
	TDKK	TDKK
<b>20. Fee to auditors appointed at the general meeting</b>		
<b>PricewaterhouseCoopers</b>		
Audit fee	592	570
Non-audit services	1,124	988
	<u>1,716</u>	<u>1,558</u>
<b>Other auditors</b>		
Audit fee	222	201
	<u>222</u>	<u>201</u>

## 21. Subsequent events

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

# Notes to the Financial Statements

## 22. Accounting policies

The Annual Report of Hoyer Group A/S for 2024 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 2024 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 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.

### 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.

# Notes to the Financial Statements

## 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.

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 geographical segments is based on the Group's risks and returns and its internal financial reporting system.

# Notes to the Financial Statements

## 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.

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.

### 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.



# Notes to the Financial Statements

The Company is jointly taxed with Hoyer International A/S. 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 30 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.

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.

### 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
Other fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	5 years

# Notes to the Financial Statements

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.

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.

## **Other fixed asset investments**

Other fixed asset investments consist of deposits.

## **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 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.

# Notes to the Financial Statements

## 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.

## 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.

# Notes to the Financial Statements

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	$\text{Net profit for the year} \times 100 / \text{Average equity}$