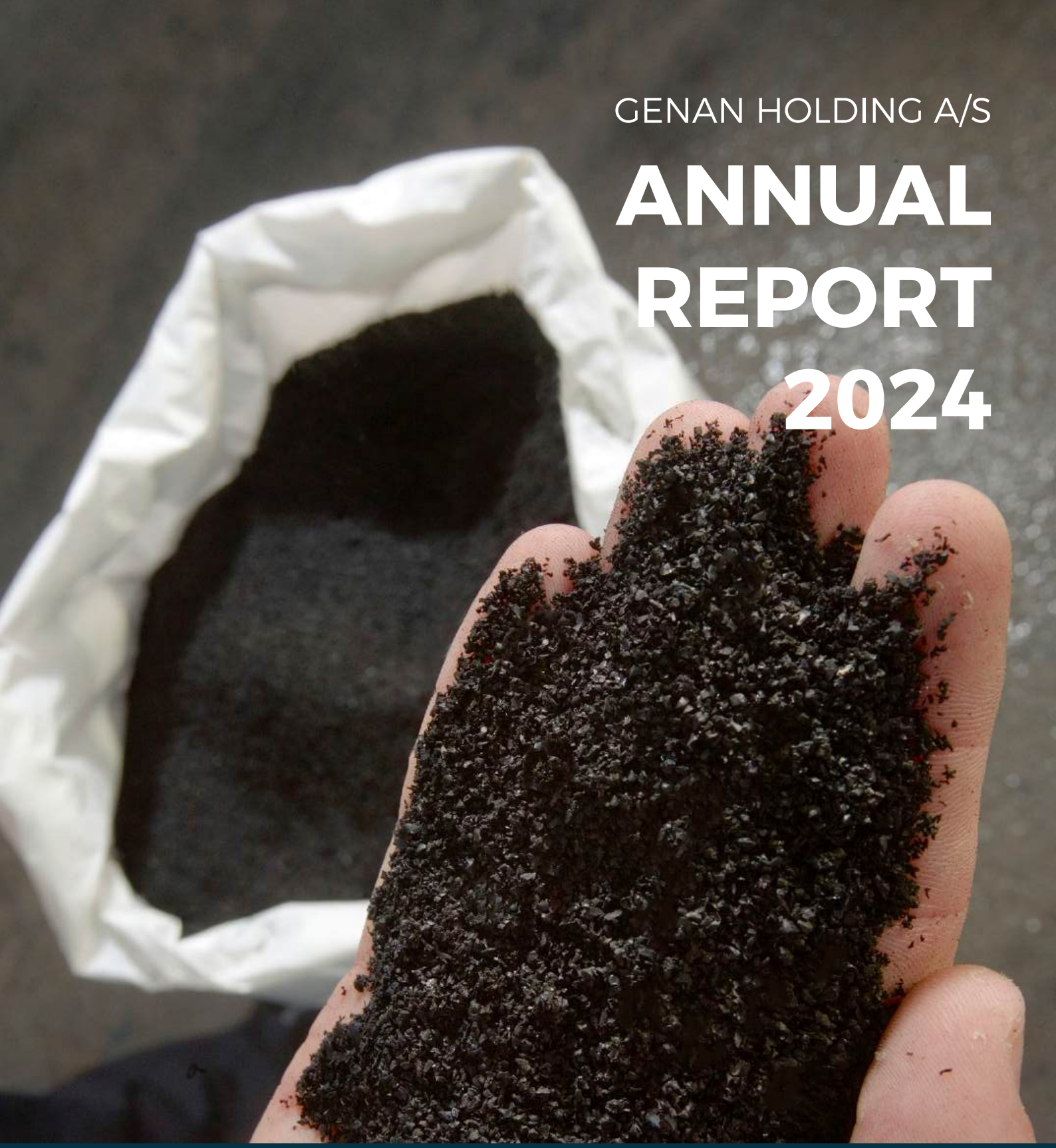

GENAN HOLDING A/S

ANNUAL REPORT 2024

The Annual General Meeting adopted the annual report on 8 May 2025

Christian Kirkegaard Madsen
Chairman of the General Meeting

Genan Holding A/S
Jegindøvej 16
8800 Viborg
CVR No. 36557656

genan®

”2024 was in many ways a record-breaking year for Genan. Annual accounts present both the highest level of revenue and the best operational result ever.

Strong growth in rubber granulate sales is a clear indicator that the raw material from recycling manufactured by Genan is a considerable contributor to the positive development of circular economy.

Not alone is this a very encouraging trend, it also underpins our decision to strengthen our ESG reporting, as this is indeed a most transparent way to demonstrate that Genan is an organisation of dedicated employees who are both serious and ambitious in “striving for a sustainable future”.”

Poul Steen Rasmussen
Group CEO

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Entity details

Entity
Genan Holding A/S
Jegindøvej 16
DK-8800 Viborg

Business registration no.: 36557656
Date of foundation: 25 February 2015
Registered office: Viborg
Financial year: 1 January - 31 December 2024

Board of Directors
Christian Jørgensen, Chairman
Susanne Kure
Mads Peter Hytteballe Andersen
Michael Lundgaard Thomsen
Eva Jensen

Executive Board
Poul Steen Rasmussen

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
City Tower
Værkmestergade 2
DK-8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Genan Holding A/S for the financial year 1 January - 31 December 2024.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of both group and parent company at 31 December 2024, the results of their operations, and the consolidated cash flows for the financial year 1 January - 31 December 2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend that the Annual General Meeting adopts the annual report.

Viborg, 28 March 2025

Poul Steen Rasmussen
Christian Jørgensen, Chairman

Susanne Kure
Mads Peter Hytteballe Andersen
Michael Lundgaard Thomsen
Eva Jensen

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Independent auditor's report

To the shareholders of Genan Holding A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Genan Holding A/S for the financial year 1 January - 31 December 2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2024 and of the results of their operations and the consolidated cash flows for the financial year 1 January 2024 - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's 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 suffcient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent

financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 28 March 2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Bach
State Authorised Public Accountant
Identification No. (MNE) mne19691

Chris Middelhede
State Authorised Public Accountant
Identification No. (MNE) mne45823

Management commentary

Financial highlights

	2024 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000
Key figures					
Revenue	475,522	437,247	470,399	449,736	364,589
Gross profit/loss	146,374	119,060	85,800	110,456	114,243
EBITDA	91,333	69,849	46,046	83,706	87,746
Operating profit/loss	58,986	23,727	5,566	42,644	46,410
Net financials	-8,313	-17,282	-2,262	-1,681	-16,688
Profit/loss for the year	47,641	15,197	11,151	25,788	63,222
Profit for the year excl. minority interests	46,409	15,079	9,257	22,399	58,125
Balance sheet total	714,429	709,653	722,674	743,032	808,067
Investments in property, plant and equipment	27,134	20,949	16,614	18,976	37,864
Equity	444,031	392,514	389,407	366,240	430,590
Equity excl. minority interests	432,999	382,714	379,725	358,452	422,766
Ratios					
Gross margin (%)	30.78	27.23	18.24	24.56	31.33
Net margin (%)	10.02	3.48	2.37	5.73	17.34
Equity ratio (%)	60.61	53.93	52.54	48.24	52.32

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

In 2020, a deferred tax asset of DKK 33.5 million was recognised; in 2022, a deferred tax asset of DKK 11.5 million was recognised; and in 2023, a deferred tax asset of DKK 10.8 million was recognised, impacting key figures and ratios.

Gross margin (%):
Gross profit/loss * 100 Revenue

Net margin (%):
Profit/loss for the year * 100 Revenue

Equity ratio (%):
Equity excl. minority interests * 100
Balance sheet total

Sustainability statements

	2024	2023	2022	2021	2020
Employees (FTE)	319	313	322	327	312
Lost Time Injury Frequency Rate (LTIFR)[1]	5.1	0	10.1	3.2	7
Fatalities (number)	0	0	0	0	0
Electricity consumption (kWh) per produced tonne of granulate[2]	392	402	439	420	405
tCO_2 intensity (scope 1 & 2, location-based) per produced tonne of granulate	0.12	0.14	0.15		
tCO_2 intensity (scope 1 & 2, market-based) per produced tonne of granulate	0.24	0.23	0.25		
Scope 1 & 2 GHG emissions (tCO_2e), location-based	25,776	28,397	29,696		
Scope 1 & 2 GHG emissions (tCO_2e), market-based	51,963	48,460	50,250		
Scope 3 GHG emissions (tCO_2e)	84,554	69,084	73,546		

1: See the "Staff and working conditions" section for further details.
2: See the "Environmental and climate-related considerations" section for further details.

All GHG emissions have been calculated as outlined in the guidelines provided by the GHG Protocol.

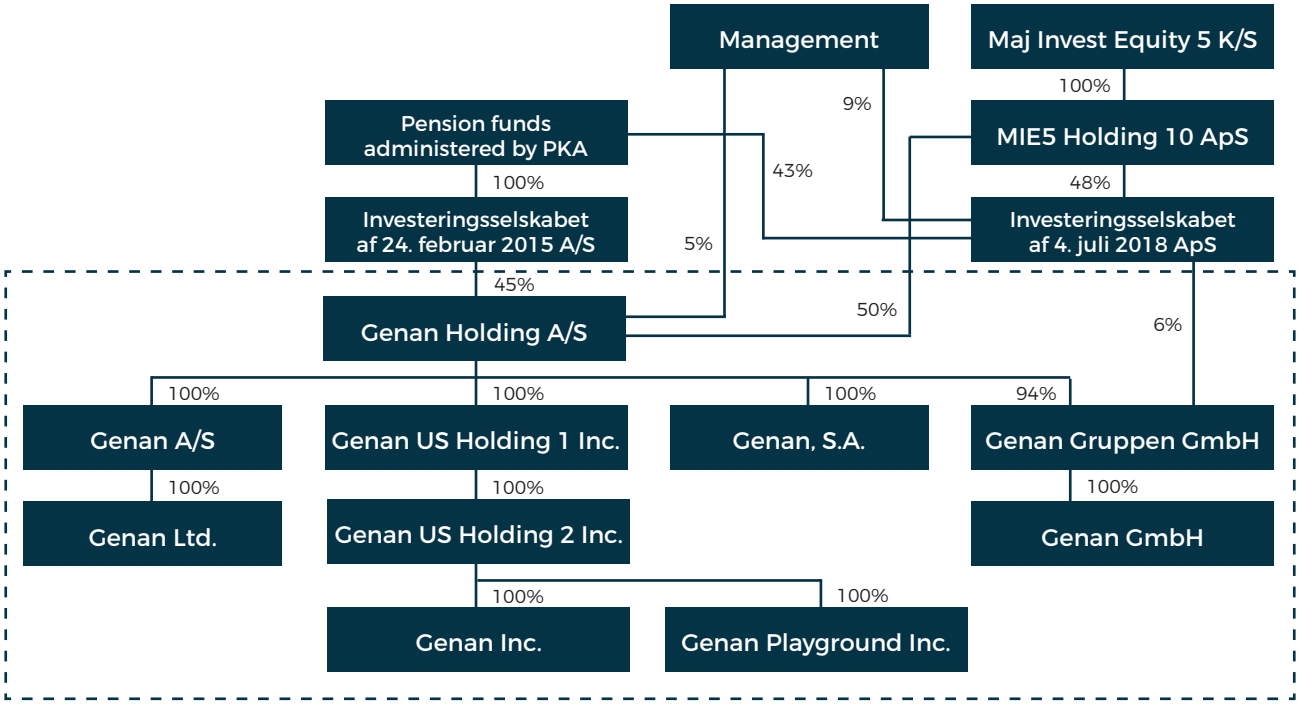
To link electricity consumption with production, we have chosen to calculate the consumption of electricity per produced tonne of granulate.

To link GHG emissions with production, GHG emissions in scope 1 and in scope 2 are presented as tCO_2 intensity per produced tonne of granulate.

Primary activities

The main activity of the Genan group is the production and sale of rubber powder, granulates and pellets manufactured through the recycling of tyres and activities closely connected hereto.

Group structure as per 31 December 2024:



Genan Holding A/S is the parent company of the Genan group.

The Genan group operates six tyre recycling plants around the globe: one in Denmark, three in Germany, one in Portugal and one in the USA. In total, Genan employs approx. 320 employees worldwide. Total production capacity is more than 400,000 tonnes of end-of-life tyres (ELT), equivalent to a maximum output of approx. 295,000 tonnes of rubber products, 60,000 tonnes of steel and 45,000 tonnes of textile fibres.

Development in activities and finances

Net result for the year was DKK 47.6 million, and equity excluding minorities amounts to DKK 433.0 million, equalling an equity ratio of 60.6%.

Revenue developed positively in 2024, showing a 9% increase. This was mainly a result of a positive development in the sale of rubber products, but also an increase in both steel volume and steel prices in comparison with 2023.

In addition to the positive development on revenue, gross margin increased from 27.2 in 2023 to 30.8 in 2024. The primary drivers for the increased gross margin were higher sales prices.

As in previous years, the result for the year was impacted by exchange rate adjustments, primarily in relation to USD. Contrary to impact in 2023, impact in 2024 was positive.

Management considers the result to be satisfactory.

The strategic focus of the group is to continue to optimise and develop core business, i.e. the production and sale of recycled ELT rubber products. Besides this business area, the group will continue to focus on the development of refined products (custom products and alternative areas of application) which, when developed, are expected to bring the group in a positive direction. However, focus will primarily be on products closely related to the core competence of the group, which is granulate production. The development of custom products and new areas of application is progressing as planned and will continue in the years to come.

The parent company has no real operating activities besides being the holding company.

Profit/loss for the year in relation to expected developments

In 2024, both EBIT and net result ended lower than expected. This was, however, due to the delay in an expected sale of land in Germany - now expected to be closed in 2025. Operations, on the other hand, ended slightly better than expected, showing a significant increase compared to 2023.

Outlook

The outlook for 2025 is continuous growth - both top-line and in net result. The 2025 budget shows revenue exceeding DKK 500 million for the first time, an EBITDA approximately 10 per cent higher than in 2024 – and with the expected sale of land in Germany, a net result of more than DKK 80 million. Although visibility in the market is higher than at the same time last year, the current geopolitical situation can influence several factors, e.g. exchange rates and tariffs, although the direct impact of the latter on Genan is limited.

Research and development activities

Product development is an important element in the strategy of the Genan group. This goes for the applications of existing products as well as for the development of new, value-added products based on rubber granulate and rubber powder. The development of these value-added products is time-consuming in both the development phase and the market penetration phase – but in the long run, such value-added products are expected to bring the group in a positive direction. In 2024, the development of products made of textile fibres continued – although revenue from these products is still very limited.

Statutory report on corporate social responsibility

In a Danish context, Corporate Social Responsibility (CSR) is defined in section 99a of the Danish Financial Statements Act, according to which large companies are required to provide a non-financial statement accounting for environmental considerations, including the company's efforts to reduce the climate impact of company activities, social responsibility, working conditions as well as considerations in relation to the respect for human rights and the prevention of bribery and corruption.

Genan has based its CSR Policy on – and supports – all 17 Sustainable Development Goals of the UN to transform the world. Genan's core business concept is mainly focused on the endeavours to reach goal no. 12 (to ensure sustainable consumption and sustainable production patterns) as well as goal no. 13 (to take urgent action to combat climate change and its impacts).

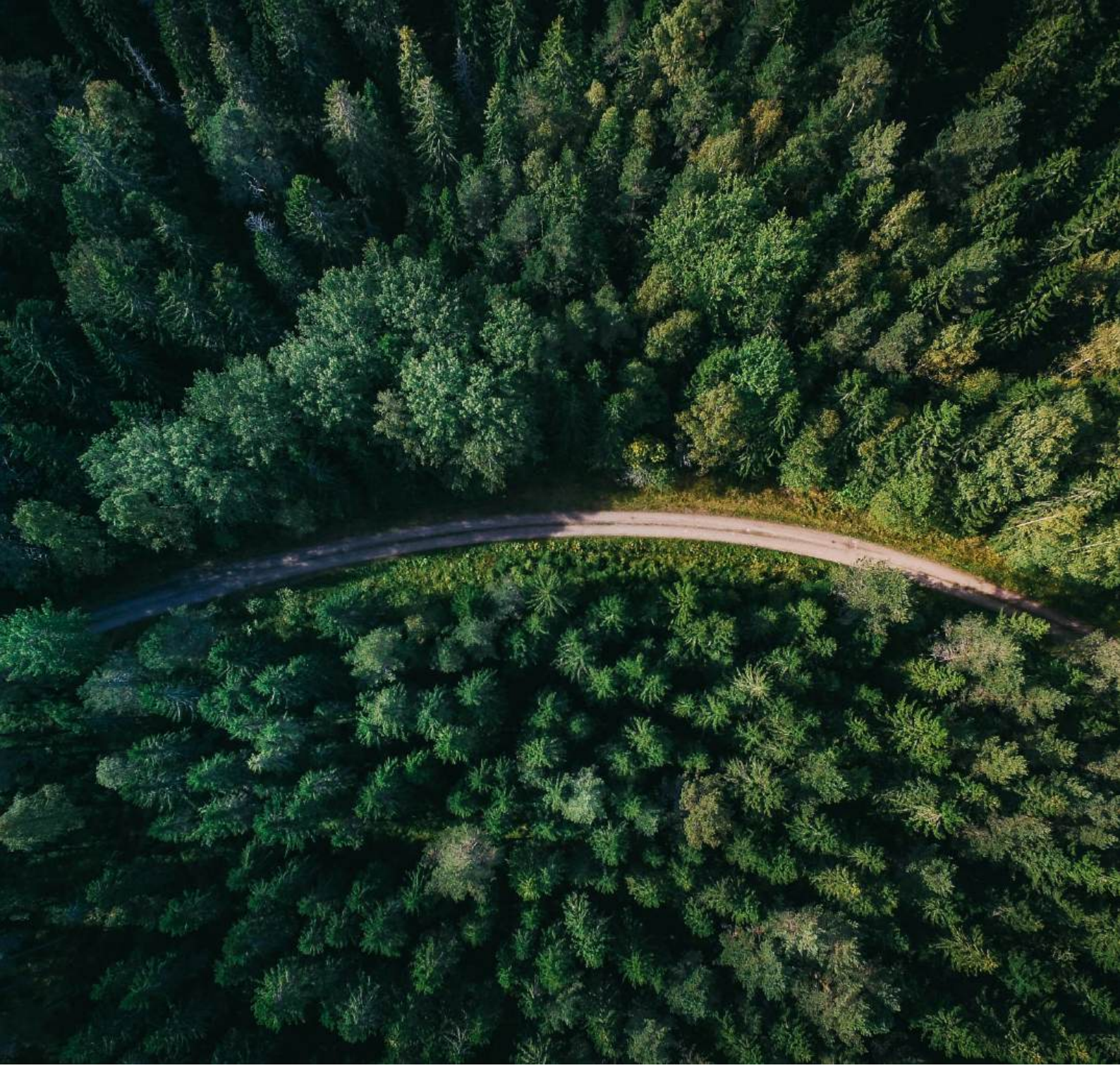
Genan has successfully qualified for the following ISO certifications at global level:

ISO 450001:2018 – Occupational Safety
ISO 50001:2018 – Energy
ISO 14001:2015 – Environment
ISO 9001:2015 – Quality

The Genan CSR Policy can be found on the group website: www.genan.com.

The CSR Policy contains information about policies for and activities and risks related to the following areas:

- Human rights and business ethics
- Staff and working conditions
- Social responsibility
- Environmental and climate-related considerations



Basic business model

Genan's basic business concept is to process a waste stream – end-of-life tyres – into new, valuable raw materials (secondary raw materials / raw materials from recycling), the quality of which is so high that they can substitute virgin rubber and steel.

When end-of-life tyres are processed into new rubber and steel by means of Genan technology, environmental and climate problems, which would otherwise arise, if tyres were deposited in landfills or incinerated, are avoided.

The whole raison d'être of Genan is thus completely and deeply rooted in the principles of sustainability and circular economy. When Genan produces secondary raw material in the form of rubber and steel, production of new rubber and steel – at rubber plantations and through iron ore mining – is avoided.

For many years, the deforestation of jungle and rain forest areas to make room for new rubber plantations, primarily in Asia, has been considered a big problem in relation to both loss of biodiversity and the reduction of CO_2 absorption from the atmosphere. Similarly, iron ore mining results in environmental problems with wastewater, slag as well as consumption of the limited resources of the planet. By reusing the raw materials from end-of-life tyres to substitute new rubber and steel, Genan thus contributes to the promotion of environmental responsibility and the furthering of environmentally and climate friendly technologies.

Environmental and climate-related considerations

Genan's policy

Genan shall continuously take initiative to the greatest responsibility possible in respect of climate and environment – and take a precautionary approach in these matters. Taking its own business interests into account, Genan bears a global responsibility to disseminate technological expertise and knowhow about the optimum, environmental recycling of end-of-life tyres – thus furthering global, circular economy. Genan is committed to continuously assessing its climate-related and environmental footprint, using the most renowned research as well as independent peer review of results. Genan is transparent in relation to environmental and climate-related matters. As Genan processes a waste stream (end-of-life tyres), Genan has furthermore committed itself not to export waste in the form of unprocessed tyres.

Implementation

Genan is in continuous and transparent dialogue with authorities, NGOs and business partners concerning environmental and climate-related issues. Genan initiates quality research – and in 2020, Genan published a comprehensive and peer-reviewed LCA study. In this study, the climate and environmental footprint of the company was analysed in relation to 16 different impact categories – including global warming, where a conservative approach has ascertained that for each tonne of tyres recycled instead of incinerated, the climate is spared the emission of minimum 700 kg of CO_2 equivalents. The six Genan factories thus have the capacity to reduce annual CO_2 emission to the atmosphere by a minimum of 280,000 tonnes of CO_2.

In addition to this, Genan made a comprehensive carbon footprint cradle-to-gate study in 2021. This study analyses the carbon footprint of the output fractions from the Genan plants for use in the customers' own carbon footprint calculations, when they substitute virgin materials with recycled products from Genan. With this study, Genan increased transparency in relation to environmental impact. The carbon footprint cradle-to-gate study shows that the recycling processes at Genan make up the majority of the total cradle-to-gate footprint. Transport processes are responsible for less than 10% of the total, and sales packaging accounts for the remaining around 5% of the carbon footprint.

Genan works purposefully to protect the environment and strives to make environmentally friendly choices in our day-to-day operations. As part of producing as environmentally friendly as possible, all Genan's factories have implemented the ISO 14001 Environmental Management System. Central elements of ISO 14001 are to produce in an environmentally sound manner and to ensure a continuous improvement of the environmental impact. In addition, from 2021 onwards, the ISO 50001 Energy Management System has been implemented at all Genan's factories – as part of the ongoing energy optimisation of production processes.

Risks

Running a process industry will inevitably involve environmental impact, as such industry is energy-consuming.

Furthermore, there is a negative impact on CO_2 emissions resulting from the transportation of materials – both raw material to the factories and finished products to the customers.

	2024	2023	Δ LY	Baseline 2022	Δ Baseline
Greenhouse gas emissions (tCO_2e)					
Direct GHG emissions (scope 1)[1]	1,117	1,056	5.8%	1,046	6.8%
Indirect GHG emissions (scope 2), location-based	24,659	27,341	-9.8%	28,649	-13.9%
Indirect GHG emissions (scope 2), market-based	50,846	47,404	7.3%	49,204	3.3%
Scope 1 & 2, market-based	51,963	48,460	7.2%	50,250[2]	3.4%
Indirect GHG emissions (scope 3)	84,554	69,084	22.4%	73,546	15.0%
Scope 3.1: Purchased Goods and Services	5,479	4,948	10.7%	6,890	-20.5%
Scope 3.2: Capital Goods	1,330	654	103.5%	569	133.7%
Scope 3.3: Fuel- and Energy-Related Activities	7,162	8,525	-16.0%	8,902	-19.6%
Scope 3.4: Upstream Transportation and Distribution	17,229	16,380	5.2%	18,047	-4.5%
Scope 3.5: Waste Generated in Operations	156	160	-2.7%	233	-32.9%
Scope 3.6: Business Travel	737	782	-5.8%	630	16.9%
Scope 3.7: Employee Commuting	476	458	4.0%	408	16.7%
Scope 3.9: Downstream Transportation and Distribution	9,887	8,593	15.1%	5,148	92.0%
Scope 3.11: Use of Sold Products	40,662	24,380	66.8%	27,951	45.5%
Scope 3.12: End-of-life Treatment of Sold Products	1,435	4,205	-65.9%	4,769	-69.9%
Total GHG emissions (location-based)	110,329	97,481	13.2%	103,242	6.9%
Total GHG emissions (market-based)	136,517	117,545	16.1%	123,796	10.3%
GHG emissions outside of scopes 1-2	6,484	5,112	26.9%	5,276	22.9%

1: A reclassification of liquid propane has been made, as it has previously been included in scope 2 GHG emissions. However, it has not been deemed necessary to adjust the calculations for previous years, as impact is minor.
2: Genan has signed up for SBTi for SME and has hereby committed to a 42% reduction on scopes 1 and 2 in 2030 from baseline 2022. See Target paragraph on page 18 for further details.

GHG emission factors
All GHG emissions have been calculated as outlined in the guidelines provided by the GHG Protocol.

Scope 1
Activity-based data such as petrol, diesel and gas consumption measured in liters and kWh is used to calculate scope 1 GHG emissions. The emission factors are provided by the UK Department for Environment, Food and Rural Affairs (DEFRA).

Scope 2
GHG emissions for scope 2 are based on activity-based data from electricity consumption across all plants, as well as hybrid cars and electric vehicles. Location-based scope 2 GHG emissions are calculated by applying country-specific average emission factors provided by the European Environment Agency (EEA) and the Unites States Environmental Protection Agency (EPA), while country-specific emission factors of the residual mix published by the Association of Issuing Bodies (AIB) and Green-e are used to calculate market-based scope 2 GHG emissions.

Outside scope
The data used to calculate outside scope GHG emissions is based on the same data set as used in scopes 1 and 2. The emission factors applied are from DEFRA, while different shares of bioenergy are provided by Energinet, European Biogas Association, IEA and EPA.

Scope 3

Scope 3.1: Purchased Goods and Services
The data used to calculate scope 3.1 GHG emissions is a mix of spend- and activity-based data, where the latter includes both average and supplier-specific data such as purchased steel and big bags. The emission factors used are provided by our suppliers, Ecoinvent, DEFRA and EPA.

Scope 3.2: Capital Goods
The data used to calculate scope 3.2 GHG emissions is spend-based data multiplied by emission factors from DEFRA and EPA.

Scope 3.3: Fuel- and Energy-Related Activities
The data used to calculate scope 3.3 GHG emissions is based on the same data set as used in scopes 1 and 2 multiplied by emission factors from EEA, DEFRA, EPA.

Scope 3.4: Upstream Transportation and Distribution
The data used to calculate scope 3.4 GHG emissions is activity-based data, consisting of actual weights and estimated distances, multiplied by emission factors from DEFRA.

Scope 3.5: Waste Generated in Production
The data used to calculate scope 3.5 GHG emissions is activity-based data multiplied by emission factors from DEFRA and EPA.

Scope 3.6: Business Travel
The data used to calculate scope 3.6 GHG emissions is a mix of spend- and activity-based data multiplied by emission factors from by DEFRA and EPA.

Scope 3.7: Employee Commuting
The data used to calculate scope 3.7 GHG emissions is activity-based data, based on an employee survey, multiplied by emission factors from DEFRA.

Scope 3.9: Downstream Transportation and Distribution
The data used to calculate scope 3.9 GHG emissions is activity-based data, consisting of actual weights and estimated distances, multiplied by emission factors from DEFRA.

Scope 3.11: Use of Sold Products
The data used to calculate scope 3.11 GHG emissions is activity-based data in tonnes of textile fibres and granulate sold, multiplied by emission factors from Ecoinvent and EPA.

Scope 3.12: End-of-life Treatment of Sold Products
The data used to calculate scope 3.12 GHG emissions is activity-based data in tonnes of granulate and steel sold, multiplied by emission factors from DEFRA.

Scope 1

In 2024, a minor increase was registered in scope 1 GHG emissions, compared to the previous two years, due to an overall slightly higher consumption of diesel and gas. The increased gas consumption was mainly driven by the plants in Kammlach and Dorsten, where heat recovery projects have not yet been implemented, unlike in Oranienburg and Viborg. At the latter two plants, these projects have already resulted in lower gas consumption in 2024 compared to 2023. Additional heat recovery projects are planned for 2025. Furthermore, by introducing a company car policy stating that all new vehicles must be either hybrid or electric, we have managed to reduce company car fuel consumption by 28%.

Scope 2

Overall electricity consumption remained stable in 2024, only increasing to 86.6 GWh from 86.2 GWh in 2023. Yet, the development of scope 2 GHG emissions depends on whether the location-based or the market-based method is used. If the location-based method is used, GHG emissions continue the positive trend in 2024; whereas an increase in GHG emissions is shown if the market-based method is used. This is due to a general decline in the average emission factors used in the location-based method, whereas emission factors based on the residual mix applied in the market-based method have gone up.

Reducing scope 2 GHG emissions is, however, high priority for Genan. This commitment was most recently demonstrated as we signed a solar Power Purchase Agreement (PPA) which should have been rolled out at the end of 2024 - but which has been postponed into 2025 due to delay in regulatory approval by the relevant authorities. Genan has previously committed to two PPAs with expected commission in 2024, but neither materialised.

Although electricity consumption remained at the same level throughout 2024, Genan managed to increase granulate production by 2.1% compared to 2023, indicating improved efficiency in the production process. This reflects an ongoing, positive trend, as illustrated in the "Sustainability Statements" table. Electricity consumption is one of the key areas Genan strives to improve.

Scope 3
GHG emissions in scope 3 increased in 2024, primarily due to the negative development in scope 3.11, which relates to the sale of both textile fibres and granulate for energy recovery. The main reason is that a minor portion of Genan's granulate has been sold to a larger manufacturer to partially replace their coal consumption with a more environmentally friendly alternative. Within this scope, there was actually a positive development for textile fibres, as their related emissions decreased by 4,4% compared to 2023, This trend is expected to continue in the coming years, as the textile from the production process can be used in several relevant products instead of being sold for energy recovery.

GHG emissions in scope 3.12 experienced a positive development in 2024, as end-of-life treatment for granulate has proven to release fewer emissions due to a significant decrease in the emission factor.

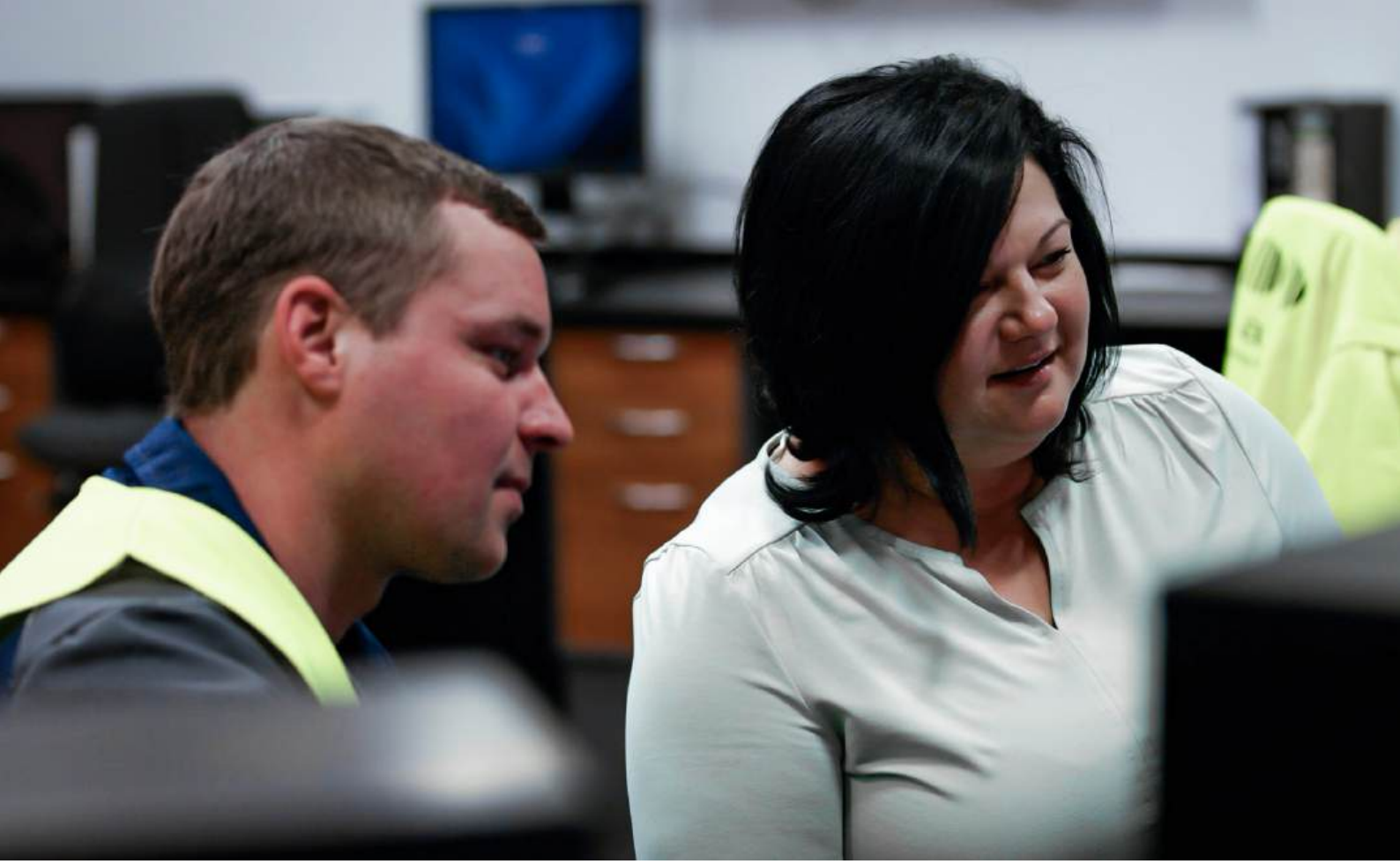
GHG emissions in scopes 3.4 and 3.9 have both increased due to the EU ban on microplastics announced to take effect from 2031, as this ban will impact Genan's infill product for artificial turf fields. The market is reacting to the ban, and Genan has thus been forced to find markets for this product outside the EU.

A doubling of GHG emissions is also reflected in scope 3.2, as spending on investments has increased compared to both 2023 and 2022. This is, however, more in line with the years before 2022 and thus represents the expected level of investment.

Concerning GHG emissions from scope 3.6, there has been an increased focus on reducing business travel in 2024, which also has contributed positively to reducing GHG emissions. A similar trend is expected to continue in 2025.

Outside scope - scopes 1 and 2
The increase in outside scope emissions is primarily due to a rise in the estimated emission factor for bioenergy used in scope 2, as biofuel shares remain around the same level as in previous years.

Target
Genan signed up for the Science Based Targets initiative (SBTi) for SME, committing to a scopes 1 and 2 emission reduction of 42% in 2030, based on the 2022 baseline. To accomplish this, a major part of the reduction shall be based on green energy, and Genan will thus keep working on further solar and wind PPAs in both 2025 and the years to come. In addition, Genan remains focused on reducing its environmental footprint by producing as energy-efficiently as possible and by continuing to implement energy optimisation projects in the production.



Staff and working conditions

Genan's policy

Unlimited freedom of association is upheld at all Genan's factories, and each employee is free to choose his/her own affiliation.

Genan management recognises the right to collective bargaining with employees.

Genan has zero tolerance in relation to both forced labour and child labour – at Genan's own workplaces as well as at the workplaces of suppliers. Zero tolerance is furthermore shown in respect of discrimination based on race, gender, religion or ideology, disability, age or sexual or political orientation.

For both management and staff, workplace safety and the prevention of occupational injury have first priority. Genan's overall target is zero work-related accidents at all the workplaces of the company.

Implementation

Enforcement of policies about employee rights and discrimination is part of Genan's ongoing management development. A Code of Conduct has been implemented, and both employees, customers and suppliers must comply with the principles listed in this code. Genan has furthermore set up a whistleblower scheme, through which confidential reporting can be made to an external law firm with expertise in whistleblower schemes. Reports can be submitted anonymously, should a whistleblower wish to do so. Not only employees but anyone associated with Genan may use this scheme – e.g. suppliers, customers and business associates. Throughout 2024, no violations of Genan's policies have been noted in relation to staff and working conditions – neither in daily operations nor through the whistleblower scheme.

Workplace safety is monitored through an extensive reporting system – at each individual workplace as well as at overall management level – where work-related accidents (no. of accidents per 1 million hours worked), calculated as Lost Time Injury Frequency Rate (LTIFR), are registered in the same way as are monthly, financial results.

Workplace safety is and has been our main priority for the last decade. We work with the requirements of ISO 45001 in a most structured and ambitious manner, developing a culture of continuous improvement, and we are proud that these efforts are bearing fruit. Since the integration of ISO 45001, our work-related accidents have decreased by 70%. Changing a culture can be a long haul, but with clear and well-communicated rules, and with both regular toolbox talks (where rules and safe conduct are communicated) and regular safety walks to check daily compliance, we have managed to integrate safety as core pillar within daily activities.

Risks

The main risks are related to work-related accidents and employees wearing down in physically demanding jobs.

Results and future expectations

In 2024, we registered a LTIFR of 5.1 incidents per 1 million working hours (incidents being work-related accidents resulting in more than 24 hours of absence), worldwide. See the "Sustainability statements" table to see the development from 2020 to 2024.

Although this is a negative development in the number of work-related accidents compared to 2023, and although our target for 2024 was not met, numbers are still low in comparison to our 5-year average. Safety awareness, hazard prevention and compliance with safety regulations remain high – with an increased reporting culture. Incidents registered have all been relatively minor accidents with limited injury, which is positive.

For 2025, the target is to stay at zero LTIFR accidents and reduce the number of incidents in comparison to 2024. We remain ambitious in our targets, but we also acknowledge the fact that it is difficult to avoid minor accidents completely. Therefore, we strive with every report to ensure that the root cause is identified, and corrective and preventive actions are implemented.

Across all plants, these initiatives have contributed to increased safety, as more than a year has passed without any LTIFR accidents in Viborg, Dorsten, Kammlach and Ovar. In fact, Kammlach has surpassed 1,000 days without any such accidents – a milestone which Viborg, Dorsten and Ovar will hopefully reach in 2025 too.

Besides the above-mentioned focus on reducing the number of work-related accidents, Genan employees should enjoy a high level of well-being. Signs to the contrary should be taken seriously – and acted upon quickly.

In 2023, Genan implemented a Staff Well-being policy and introduced the concept of anti-stress ambassadors at all plants. The task of anti-stress ambassadors is to help detect and combat the lack of well-bring and stress among colleagues. This increased focus on staff well-being helps detaboo lack of well-being and stress, so employees are more likely to reach out when overburdened or going through a difficult time, and so colleagues are more likely to offer to help.

For 2025, the target is to reduce the number of employees who indicate that they suffer from work-related stress.

Human rights and business ethics

Genan's policy

Genan supports and respects the protection of internationally proclaimed human rights – and in its daily operations, Genan ensures not to contribute to the violation of these rights.

Implementation

Respect for human rights is part of Genan's corporate culture – and is continuously discussed among management and employees. Through its choice of suppliers, Genan ensures only to work with business partners who share the company's values in this respect. Consequently, to qualify to supply to Genan, all high- and medium-rated suppliers are now required to confirm that they comply with Genan's Code of Conduct.

When receiving quotations from suppliers from high-risk areas, Genan always requests documentation of compliance with human rights. This is also an integral part of Genan's ISO 9001 quality management system, which is implemented at all factories. Similarly, when entering into such agreements, the Group COO is always involved.

Risks

Human rights violations are not considered to be a high-risk area for Genan, as there is only very limited sourcing from high-risk areas. Genan risks that either employees and/or suppliers fail to respect and comply with Genan's policy on human rights and business ethics. Apart from the fact that violation of human rights is totally unacceptable from a business ethics point of view, such violation could, at worst, also have legal and financial consequences for Genan.

Results and future expectations

There have been no examples of criticisable circumstances in ongoing operations during 2024. In 2025, we will continue our efforts in relation to human rights – and endeavour to ensure that the positive picture for 2024 will be painted in 2025 as well. Furthermore, we will continue to request high- and medium-rated suppliers to confirm that they comply with Genan's Code of Conduct.

Anti-corruption

Genan's policy

Genan has zero tolerance in relation to any kind of corruption, extortion or bribery. This applies both ways in relation to both authorities, customers and suppliers.

Implementation

The policy of zero tolerance in relation to corrupt conduct has been communicated at all levels of the organisation – now also through Genan's Code of Conduct. Furthermore, Genan has implemented a "four-eyes- principle" which ensures that no purchases nor payments can be handled by one person only – but always involve at least two persons. In the same way, the extent to which sales staff can commit the company towards third parties has been determined. Violation of Genan's policy in relation to anti-corruption shall have consequences for the employment of the violator in question.

Genan has also implemented a whistleblower scheme handled by an external partner. Reports submitted, if any, will be sent to the Executive Assistant – Group Management, who is responsible for feedback to the management group – unless the matter relates to her or the Group CEO. If that is the case, the report will be sent to the Chairman of the Board.

Risks

Genan risks that either employees, suppliers or customers fail to comply with Genan's policy on anti-corruption.

Results and future expectations

In 2024, no violations were noted in relation to the zero-tolerance policy on corruption – neither in daily operations nor through the whistleblower scheme. In 2025, Genan will continue efforts in relation to anti-corruption, expecting no violations in 2025 either.

Statutory report on the under-represented gender

The Genan CSR Policy contains information about and targets for the gender composition of the Board of Directors. The target set for the underrepresented gender on the Board of Directors was set to 40% in 2024, in order to comply with the recommendation of the Danish Business Authority. All through 2024, Genan met this target – with a representation of 40% women and 60% men, counting two women and three men on the Board of Directors.

	2024			2023		2022		2021		2020	
	Total	Share	Target	Total	Share	Total	Share	Total	Share	Total	Share
Board of Directors	5	40%	40% (2025)	5	40%	5	40%	6	33%	5	40%

Targeted efforts are made in order to increase the proportion of women at management level. All job postings are phrased so they are gender-neutral; and equal terms are offered in relation to management development courses and promotions.

Within the management group, discussions about management diversity are ongoing, and the strength of such diversity is expressed at all levels in the organisation. At Genan, it is of great importance to offer equal opportunities for all – irrespective of gender, race, religion, sexual orientation, age or any other parameter other than qualifications and competence.

Even though the target of 30% was not met in 2024, there was a positive development in the number of women in the management team. The share of the underrepresented gender thus increased from 26% in 2023 to 28% in 2024.

	2024			2023		2022		2021		2020	
	Total	Share	Target	Total	Share	Total	Share	Total	Share	Total	Share
Other levels of management	40	28%	30% (2025)	39	26%	35	26%	35	23%	36	22%

In general, the historical overrepresentation of men in Genan shows in the gender composition of staff. In 2024 (and 2023), 17% of the total workforce were women. Bearing this in mind, we recognise that it will most likely take a number of years before the recommended 40% of the underrepresented gender is reached at management level.

On a positive note, another female plant manager was appointed in 2024 – a position which has traditionally been very male-dominated. 33% of plant managers in Genan are thus women.

Statutory report on data ethics policy

Genan has supplemented the group's existing data protection efforts with a policy on data ethics, which reflects Genan's commitment to the responsible management of data – based on the principles of honesty, transparency and accountability. Genan adheres to these principles in addition to applicable legislation to ensure that employees, customers, suppliers and consumers feel safe when entrusting the Genan group with their data.

This is increasingly important given the ongoing development of new processes for data collection, storage, and use. To ensure that employees stay up to date with the latest knowledge of policies and procedures related to data ethics and safety, ongoing training and education is provided by Genan.

The Genan Data Ethics Policy can be found on the group website: www.genan.com.

With this year's reporting on our Data Ethics Policy, Genan Holding A/S complies with the requirements under section 99(d) of the Danish Financial Statements Act.

Statutory report on corporate governance

Genan Holding A/S is owned by majority owner MIE5 Holding 10 ApS (50%), pension funds administered by PKA (via Investeringsselskabet af 24. februar 2015 A/S) and Management of Genan Holding A/S. MIE5 Holding 10 ApS is owned 100% by the Danish private equity fund Maj Invest Equity 5 K/S.

Maj Invest Equity 5 K/S is a member of Aktive Ejere (former DVCA, Danish Venture Capital and Private Equity Association), and as a private equity majority owned portfolio company, Genan Holding A/S generally follows Aktive Ejere's recommendations, except that the company, based on its size, has not established an audit committee. These tasks are handled by the Board.

We are referring to www.aktiveejere.dk for more information about the guidelines. The annual report of Genan Holding A/S can be found on the website genan.com.

Development in the total workforce:
The Group had 313 employees at the beginning of the year – split by 63 employees in Denmark and 250 in rest of the world. During 2024, there has been a net inflow of six employees – split by an inflow of three in Denmark and three in rest of the world.

Board of Directors and Executive Board:
Genan Holding A/S's Board of Directors and Executive Board always aim to ensure that Group management structure and control systems are appropriate and function satisfactorily. Management regularly and continuously assesses whether this is the case. The duties of Management are i.a. based on the Danish Companies Act, the Danish Financial Statements Act, the Company's Articles of Association as well as good practice for enterprises of the same size and with the same international reach as Genan Holding A/S.

The Board of Directors of Genan Holding A/S holds meetings according to a fixed schedule and at least 5 times a year. A strategy seminar is usually held once a year. During the periods between the ordinary board meetings, the members of the Board of Directors receive, on a regular basis, written information on Company and Group results in relation to operations and financial position.

Maj Invest Equity 5 K/S is represented on the board by Christian Jørgensen and Mads Peter Hytteballe Andersen and PKA is represented on the board by Susanne Kure. In addition, Michael Lundgaard Thomsen and Eva Jensen are represented in the Board of Directors.

Directorships of members of the Board of Directors and the Executive Board in other companies are disclosed below.

Christian Jørgensen, Chairman
Executive Director of IPU Komplementar ApS. In addition, Chairman of Stibo Complete Group A/S and ThermoNova A/S, and board member of IPU P/S, IPU Komplementar ApS and IPU Fonden.

Mads Peter Hytteballe Andersen, partner in Maj Invest Equity
Executive Director of MPHA Invest ApS. In addition, director, board member or chairman of board of directors of several portfolio companies and holding companies owned by Maj Invest Equity 5 K/S and MIE6 Triple Bottom Line K/S.

Susanne Kure
Board member of KommuneKredit, UCPH Ventures A/S, PSV Hafnium Management ApS, PreSeed Ventures A/S, Pensionskassen for Farmakonomer, Pensionkassen for socialrådgivere, socialpædagoger og kontorpersonale and PKA+Pension Forsikrings-selskab A/S.

Michael Lundgaard Thomsen
Chairman of Hirtshals Havn, board member of Fonden Musikkens Hus i Nordjylland, Spar Nord Bank A/S, Kitron ASA and Erhverv Norddanmark.

Eva Jensen
Board member of Emergency Architecture & Human Rights and CONCITO.

Poul Steen Rasmussen, Group CEO
Executive Director of Steen Rasmussen Holding ApS and Maline ApS, board member of KEN Storkøkken A/S, Støberiet Aalborg ApS and Koncenton Henning Smiths Vej Aalborg A/S. In addition, executive director, board member or chairman of the board of directors of several portfolio companies and holding companies owned by Genan Holding A/S.

Risk management

Commercial risks

The main commercial risks of the company are related to (a) fluctuations in market prices for scrap steel, (b) fluctuations in energy prices, and (c) access to End-of-Life Tyres (ELT).

As a significant part of Genan's revenue originates from the sale of tyre wire, fluctuations in the market prices for scrap steel are a significant risk for Genan. This risk is partly mitigated by ensuring different distribution channels, but Genan cannot impact the overall price development, and this is thus a partly unmitigated risk.

The production of recycled rubber granulates from ELT is an energy-intensive process. Therefore, energy prices are another risk for Genan. This became very clear during the energy crisis in 2022. Since 2023, Genan has hedged a significant part of energy consumption – either through PPAs or financial hedging – and has thus mitigated a good part of the risk arising from increasing energy prices. Furthermore, an automatic energy surveillance system has been implemented at all Genan plants – to avoid production when energy prices reach a certain level.

Finally, Genan is highly dependent on feedstock in the form of ELT. Access to ELT as raw material is thus also a business risk. Especially during and after the energy crisis, End-of-Life Tyres have been exported to countries outside Europe and the United States as Tyre-Derived Fuel (TDF) or for pyrolysis; and this has put pressure on prices. This risk is partly mitigated by the mere fact that e.g. ELT schemes in Denmark and Portugal limit the use of ELT for TDF purposes. This also goes for certain Central European countries delivering ELT for the German Genan plants. At the same time, Genan has long lasting business relationships with its ELT suppliers and has over decades proven to be a stable and trustworthy partner for these suppliers who can rely on Genan to take a stable supply.

Financial risks

Currency risks

Apart from normal financial risk in the industry, Genan is subject to common financial risks associated with operation in different markets with four different currencies (DKK, EUR, USD and GBP) – and a consequent exchange rate risk.

However, receiving revenue in the same currency as company expenses (natural hedging) mitigates the majority of this exchange risk at operational level.

Events after the balance sheet date

To this date, no adjusting events have occurred after the balance sheet date, which would influence the evaluation of this annual report.

Consolidated income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Revenue	1	475,522	437,247
Production costs		-329,148	-318,187
Gross profit/loss		**146,374**	**119,060**
Distribution costs		-29,822	-29,260
Administrative expenses	2	-61,548	-60,274
Other operating income	5	3,982	0
Other operating expenses		0	-5,799
Operating profit/loss		**58,986**	**23,727**
Other financial income		4,661	246
Other financial expenses		-12,974	-17,528
Profit/loss before tax		**50,673**	**6,445**
Tax on profit/loss for the year	6	-3,032	8,752
Profit/loss for the year	7	**47,641**	**15,197**

Consolidated balance sheet at 31 December 2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Acquired intangible assets		295	170
Goodwill		13,204	16,567
Intangible assets	**8**	**13,499**	**16,737**
Land and buildings		225,783	227,884
Plant and machinery		153,147	150,343
Other fixtures and fittings, tools and equipment		23,327	20,371
Property, plant and equipment in progress		8,232	11,279
Property, plant and equipment	**9**	**410,489**	**409,877**
Other investments		125	125
Financial assets	**10**	**125**	**125**
Fixed assets		**424,113**	**426,739**
Raw materials and consumables		12,889	13,885
Work in progress		2,346	2,554
Manufactured goods and goods for resale		113,171	115,738
Inventories		**128,406**	**132,177**
Trade receivables		68,508	62,079
Deferred tax	11	39,282	39,514
Other receivables		27,577	27,281
Tax receivable		0	1,414
Prepayments	12	2,012	831
Receivables		**137,379**	**131,119**
Cash		**24,531**	**19,618**
Current assets		**290,316**	**282,914**
Assets		**714,429**	**709,653**

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		16,242	16,242
Translation reserve		-2,782	-10,925
Retained earnings		399,539	377,397
Proposed dividend		20,000	0
Equity belonging to Parent's shareholders		**432,999**	**382,714**
Equity belonging to minority interests		**11,032**	**9,800**
Equity		**444,031**	**392,514**
Mortgage debt		40,792	42,045
Bank loans		101,890	126,399
Non-current liabilities other than provisions	13	**142,682**	**168,444**
Current portion of non-current liabilities other than provisions	13	25,727	25,997
Bank loans		4,754	1,850
Prepayments received from customers		5,394	7,725
Trade payables		35,090	43,080
Payables to owners and management		0	8,909
Tax payable		4,101	3,380
Other payables		52,650	57,754
Current liabilities other than provisions		**127,716**	**148,695**
Liabilities other than provisions		**270,398**	**317,139**
Equity and liabilities		**714,429**	**709,653**
Staff costs	3		
Depreciation, amortisation and impairment losses	4		
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Assets charged and collateral	17		
Transactions with related parties	18		
Group relations	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2024

	Contributed capital	Translation reserve	Retained earnings	Proposed dividend	Equity belonging to Parent's shareholders
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Equity beginning of year	16,242	-10,925	377,397	0	382,714
Extraordinary dividend paid	0	0	-4,267	0	-4,267
Exchange rate adjustments	0	8,143	0	0	8,143
Other entries on equity	0	0	0	0	0
Profit/loss for the year	0	0	26,409	20,000	46,409
Equity end of year	**16,242**	**-2,782**	**399,539**	**20,000**	**432,999**

	Equity belonging to minority interests	Total
	DKK'000	DKK'000
Equity beginning of year	9,800	392,514
Extraordinary dividend paid	0	-4,267
Exchange rate adjustments	0	8,143
Other entries on equity	0	0
Profit/loss for the year	1,232	47,641
Equity end of year	**11,032**	**444,031**

Consolidated cash flow statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Operating profit/loss		58,986	23,727
Amortisation, depreciation and impairment losses		32,347	46,005
Working capital changes	14	-20,634	6,501
Cash flow from ordinary operating activities		**70,699**	**76,233**
Financial income received		4,661	246
Financial expenses paid		-12,974	-14,472
Taxes refunded/(paid)		-1,966	0
Cash flows from operating activities		**60,420**	**62,007**
Acquisition etc. of intangible assets		-223	-215
Acquisition etc. of property, plant and equipment		-26,911	-20,949
Sale of property, plant and equipment		7,615	2,726
Cash flows from investing activities		**-19,519**	**-18,438**
Free cash flows generated from operations and investments before financing		**40,901**	**43,569**
Loans raised		2,904	52,540
Repayments of loans etc.		-34,941	-94,668
Dividend paid		-4,267	-4,250
Cash capital increase		0	0
Cash flows from financing activities		**-36,304**	**-46,378**
Increase/decrease in cash and cash equivalents		**4,597**	**-2,809**
Cash and cash equivalents beginning of year		19,618	22,527
Currency translation adjustments of cash and cash equivalents		316	-100
Cash and cash equivalents end of year		**24,531**	**19,618**
Cash and cash equivalents at year-end are composed of:			
Cash		24,531	19,618
Cash and cash equivalents end of year		**24,531**	**19,618**

Notes to consolidated financial statements

1 Revenue

	2024 DKK'000	2023 DKK'000
Granulate	341,013	306,652
Rims	6,376	5,339
Steel and textile	87,939	81,427
Sales freight	23,771	26,515
Other	16,423	17,314
Total revenue by activity	**475,522**	**437,247**

2 Fees to the auditor appointed by the Annual General Meeting

	2024 DKK'000	2023 DKK'000
Statutory audit services	963	867
Other assurance engagements	50	56
Tax services	569	776
Other services	262	68
	1,844	**1,767**

3 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	142,093	128,972
Pension costs	9,453	8,859
Other social security costs	12,609	14,695
Other staff costs	7,901	4,944
	172,056	**157,470**

Average number of full-time employees	**319**	**313**

	Remuneration of Management 2024 DKK'000	Remuneration of Management 2023 DKK'000
Total amount for management categories	5,519	3,856
	5,519	**3,856**

4 Depreciation, amortisation and impairment losses

	2024 DKK'000	2023 DKK'000
Amortisation of intangible assets	3,461	3,770
Depreciation on property, plant and equipment	32,867	36,437
	36,328	**40,207**

5 Other operating income

In 2024, other operating income originates from sale of land in Viborg.

6 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Current tax	2,800	3,393
Change in deferred tax	232	-10,037
Adjustment concerning previous years	0	-2,108
	3,032	**-8,752**

7 Proposed distribution of profit/loss

	2024 DKK'000	2023 DKK'000
Proposed dividend	20,000	0
Retained earnings	26,409	15,079
Minority interests' share of profit/loss	1,232	118
	47,641	**15,197**

8 Intangible assets

	Acquired intangible assets DKK'000	Goodwill DKK'000
Cost beginning of year	1,543	31,057
Additions	223	0
Cost end of year	**1,766**	**31,057**
Amortisation and impairment losses beginning of year	-1,373	-14,490
Amortisation for the year	-98	-3,363
Amortisation and impairment losses end of year	**-1,471**	**-17,853**
Carrying amount end of year	**295**	**13,204**

9 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	472,374	525,385	68,558	11,514
Exchange rate adjustments	17,927	16,828	706	11
Transfers	2,809	8,839	2,345	-13,993
Additions	734	9,026	6,216	10,935
Disposals	-7,238	-9,782	-298	0
Cost end of year	**486,606**	**550,296**	**77,527**	**8,467**
Depreciation and impairment losses beginning of year	-244,490	-375,042	-48,187	-235
Exchange rate adjustments	-12,756	-11,500	-609	0
Transfers	0	0	0	0
Depreciation for the year	-8,924	-18,407	-5,537	0
Reversal regarding disposals	5,347	7,800	133	0
Depreciation and impairment losses end of year	**-260,823**	**-397,149**	**-54,200**	**-235**
Carrying amount end of year	**225,783**	**153,147**	**23,327**	**8,232**

10 Financial assets

	Other investments DKK'000
Cost beginning of year	250
Cost end of year	**250**
Impairment losses beginning of year	-125
Impairment losses end of year	**-125**
Carrying amount end of year	**125**

11 Deferred tax

	2024 DKK'000	2023 DKK'000
Property, plant and equipment	16,369	16,601
Tax losses carried forward	22,913	22,913
Deferred tax	**39,282**	**39,514**

Changes during the year	2024 DKK'000	2023 DKK'000
Beginning of year	39,514	29,477
Recognised in the income statement	-232	10,037
End of year	**39,282**	**39,514**

Deferred tax assets
Management has on a regularly basis evaluated the recognition and measurement of deferred tax assets. Management assesses that group earnings support partial recognition of the deferred tax assets. The deferred tax assets are calculated and recognised based on expectations for realisation within 3 years.

12 Prepayments

Prepayments include accrued contingents, insurances etc.

13 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK'000	Due within 12 months 2023 DKK'000	Due after more than 12 months 2024 DKK'000
Mortgage debt	1,692	1,488	40,318
Bank loans	24,509	24,509	101,890
	26,201	**25,997**	**142,208**

There is no debt after 5 years.

14 Changes in working capital

	2024 DKK'000	2023 DKK'000
Increase/decrease in inventories	3,771	-13,209
Increase/decrease in receivables	-7,906	-2,316
Increase/decrease in trade payables etc.	-16,499	22,026
	-20,634	**6,501**

15 Unrecognised rental and lease commitments

	2024 DKK'000	2023 DKK'000
Total liabilities under rental or lease agreements until maturity	**2,293**	**2,659**

16 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which MIE5 Holding 10 ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities.

17 Assets charged and collateral

Mortage debt is secured by mortgages on properties. The mortgage also includes the production facilities and machines that belong to the property. The carrying amount of pledged assets amounts to t.DKK 65,289 at 31 December 2024.

Debt to the bank is secured by pledges in shares in Genan A/S nom. t.DKK 26,250, shares in Genan Gruppen GmbH nom. tEUR 1,504, and shares in Genan Inc nom. tUSD 5.

The Group has issued guarantee statements to third parties amounting to t.DKK 18,041.

18 Transactions with related parties

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were identified during the financial year.

19 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: MIE5 Holding 10 ApS, CVR-nr: 42336726, København K.

20 Subsidiaries

	Registered in	Corporate form	Ownership %
Genan A/S	Denmark	A/S	100
- Genan Ltd.	England	Ltd.	100
Genan US Holding 1 Inc.	USA	Inc.	100
- Genan US Holding 2 Inc.	USA	Inc.	100
- Genan Inc.	USA	Inc.	100
- Genan Playground Inc.	USA	Inc.	100
Genan Gruppen GmbH	Germany	GmbH	93.99
- Genan GmbH	Germany	GmbH	100
Genan, S.A.	Portugal	S.A.	100

Parent income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Revenue		54,134	50,010
Gross profit/loss		**54,134**	**50,010**
Administrative expenses		-48,552	-42,941
Operating profit/loss		**5,582**	**7,069**
Other financial income	2	9,016	10,988
Other financial expenses	3	-15,108	-16,449
Profit/loss for the year	4	**-510**	**1,608**

Parent balance sheet at 31 December 2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Acquired intangible assets		294	169
Intangible assets	5	**294**	**169**
Investments in group enterprises		458,711	471,775
Financial assets	6	**458,711**	**471,775**
Fixed assets		**459,005**	**471,944**
Receivables from group enterprises		158,612	186,147
Other receivables		3,459	2,842
Prepayments	7	0	405
Receivables		**162,071**	**189,394**
Cash		**83**	**7**
Current assets		**162,154**	**189,401**
Assets		**621,159**	**661,345**

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		16,242	16,242
Retained earnings		363,572	388,349
Proposed dividend		20,000	0
Equity		**399,814**	**404,591**
Bank loans		101,889	126,399
Non-current liabilities other than provisions	**8**	**101,889**	**126,399**
Current portion of non-current liabilities other than provisions	8	24,509	24,509
Bank loans		4,754	1,850
Trade payables		735	2,204
Payables to group enterprises		83,890	89,253
Payables to owners and management		0	8,909
Other payables		5,568	3,630
Deferred income	9	0	0
Current liabilities other than provisions		**119,456**	**130,355**
Liabilities other than provisions		**221,345**	**256,754**
Equity and liabilities		**621,159**	**661,345**
Staff costs	1		
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		
Related parties with controlling interest	13		
Transactions with related parties	14		

Parent statement of changes in equity for 2024

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed Dividend DKK'000	Total DKK'000
Equity beginning of year	16,242	388,349	0	404,591
Extraordinary dividend paid	0	-4,267	0	-4,267
Profit/loss for the year	0	-20,510	20,000	-510
Equity end of year	**16,242**	**363,572**	**20,000**	**399,814**

Notes to parent financial statements

1 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	9,743	9,050
Pension costs	615	805
Other social security costs	29	36
	10,387	**9,891**

Average number of full-time employees	**3**	**4**

	Remuneration of Management 2024 DKK'000	Remuneration of Management 2023 DKK'000
Total amount for management categories	5,519	3,856
	5,519	**3,856**

2 Other financial income

	2024 DKK'000	2023 DKK'000
Financial income from group enterprises	9,016	10,879
Other financial income	0	109
	9,016	**10,988**

3 Other financial expenses

	2024 DKK'000	2023 DKK'000
Financial expenses from group enterprises	5,035	3,411
Other financial expenses	10,073	13,038
	15,108	**16,449**

4 Proposed distribution of profit and loss

	2024 DKK'000	2023 DKK'000
Proposed dividend	20,000	0
Retained earnings	-20,510	1,608
	-510	**1,608**

5 Intangible assets

	Acquired intangible assets DKK'000
Cost beginning of year	1,542
Additions	223
Cost end of year	**1,765**
Amortisation and impairment losses beginning of year	-1,373
Amortisation for the year	-98
Amortisation and impairment losses end of year	**-1,471**
Carrying amount end of year	**294**

6 Financial assets

	Investments in group enterprises DKK'000
Additions	553,262
Disposal	-13,064
Cost end of year	**540,198**
Impairment losses beginning of year	-81,487
Impairment losses end of year	**-81,487**
Carrying amount end of year	**458,711**

A specification of investments in subsidiaries is specified in the notes to the consolidated financial statements.

7 Prepayments

Prepayments include accrued contingents, insurances etc.

8 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK'000	Due within 12 months 2023 DKK'000	Due after more than 12 months 2024 DKK'000
Bank loans	24,509	24,509	101,889
	24,509	**24,509**	**101,889**

9 Deferred income

Deferred income includes income to be recognised in the following year.

10 Unrecognised rental and lease commitments

	2024 DKK'000	2023 DKK'000
Total liabilities under rental or lease agreements until maturity	**611**	**76**

11 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which MIE5 Holding 10 ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities.

12 Assets charged and collateral

The company has together with other companies in the group, provided gurantee of payment for the overall bank debt in the group.

Debt to the bank is secured by pledges in shares in Genan A/S nom. t.DKK 26,250, shares in Genan Gruppen GmbH nom. tEUR 1,504, and shares in Genan Inc nom. tUSD 5.

The company has stated that it will support the continued operation of subsidiaries Genan Gruppen GmbH and Genan GmbH.

On behalf of Genan GmbH, the company has submitted a guarantee statement of t.DKK 8,195 to a third party.

13 Related parties with controlling interest

MIE5 Holding 10 ApS, CVR-nr. 42336726, København K owns 50% of the shares in the Entity, thus exercising control.

14 Transactions with related parties

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were identified during the financial year.

Accounting policies

Reporting class

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

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year, with a few reclassifications.

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries- financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date.

Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised

systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Revenue
Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs
Production costs comprise expenses incurred to earn revenue for the financial year.

Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary writedown of inventories.

Distribution costs
Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc., and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses
Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Other operating expenses
Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

Other financial income
Other financial income comprises interest income, exchange gains payables and transactions in foreign

currencies, amortisation of financial assets, etc.

Other financial expenses
Other financial expenses comprise interest expenses, exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises and other Danish consolidated companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions.

Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.
Intellectual property rights etc. comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	10 - 50 years
Plant and machinery	3 - 30 years
Other fixtures and fittings, tools and equipment	3 - 20 years

Estimated useful lives and residual values are reassessed annually. Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Other investments
Other investments comprise listed securities which are measured at cost, and unlisted equity investments measured at the lower of cost and net realisable value.

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

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

Cash
Cash comprises cash in hand and bank deposits.

Minority interests
On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

Mortgage debt
At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

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

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.