ProCon Group ApS

Rolighedsvej 36G, 1., DK-8240 Risskov

Annual Report for 2023

CVR No. 40 10 70 10

The Annual report was presented and adopted at the Annual General Meeting of the Company on 26 June 2024.

Kristian Ravn
Chair of the General Meeting

Contents

Management's Statement

The Executive Board and the Board of Directors have today considered and adopted the Annual Report of ProCon Group ApS for the financial year 1 January - 31 December 2023.

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 as of 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of the consolidated cash flows for 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's and the Group's operations and financial matters, the results for the year and the Company's and the Group's financial position.

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

Risskov, 26 June 2024

Executive Board

Jesper Uhre Larsen

Board of Directors

Kristian Ravn Chair	Christopher Andersen Heidenreich

Jesper Uhre Larsen	Carl Erik Skovgaard	Claus Søgaard Poulsen

Independent Auditor's Report

To the Shareholders of ProCon Group ApS

Opinion
We have audited the consolidated financial statements and the parent company financial statements of ProCon Group ApS for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared 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 the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2023 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 company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
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.

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. Moreover, Management is responsible 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.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 note disclosures, and whether the 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's review
Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Esbjerg, 26 June 2024
EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Morten Østergaard Koch	Mads Klausen
State Authorised Public Accountant	State Authorised Public Accountant
mne35420	mne46588

Company Information

The Company	ProCon Group ApS Rolighedsvej 36G, 1. DK-8240 Risskov CVR no. 40 10 70 10 Financial period: 1 January 2023 – 31 December 2023 Municipality of registered office: Aarhus
Board of Directors	Kristian Ravn, chair Christopher Andersen Heidenreich Jesper Uhre Larsen Carl Erik Skovgaard Claus Søgaard Poulsen
Executive Board	Jesper Uhre Larsen
Auditors	EY Godkendt Revisionspartnerselskab Bavnehøjvej 5 DK-6700 Esbjerg

Financial Highlights

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

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	52.843	40.089	29.369	29.083	28.558
EBITDA	9.248	12.232	3.367	4.367	7.860
Operating profit/loss	5.584	8.691	-185	931	4.764
Net financials	-2.428	-771	-3.495	-2.678	-2.916
Profit/loss from discontinuing activities	0	0	0	0	-1.304
Net profit/loss for the year	2.223	6.177	-2.865	-1.455	13
Balance Sheet					
Balance Sheet total	91.733	100.751	102.234	74.484	56.235
Equity	68.998	64.397	58.305	-2.376	-1.427
Cash flows					
Cash flows from:					
- operating activities	8.096	-17.263	-16.300	9.655	-10.907
- investering activities including	-1.038	-431	-8	-299	-31.916
investement in property, plant and equipment	-1.228	-160	-26	-68	-2.663
- financing activities	-7.435	-2.757	34.755	-2.220	44.059
Change in cash and cash equivalents for the year	-377	-20.451	18.447	7.136	1.236
Number of employees	91	48	40	35	26
Ratios					
Return on assets	6,1%	8,6%	-0,2%	1,2%	8,5%
Solvency ratio	75,2%	63,9%	57,0%	-3,2%	-2,5%
Return on equity	3,3%	10,1%	-10,2%	N/A	N/A

Explanation of financial ratios

Return on assets	Profit before financials x 100 / Total assets
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity

Management's Review

Group activities
ProCon Group ApS' main activity is the ownership of ProCon Wind Energy A/S and ProCon Technic A/S.

ProCon Wind Energy A/S is a specialist in providing custom-built electrical solutions and technical equipment to the global wind industry, both onshore and offshore.

ProCon Technic A/S is developing solar power projects as well as other activities within renewables.

Departments & knowledge resources
The most important knowledge resources are related to considerable competence in the development, design and production and marketing of electrical engineering solutions for the global wind industry, solar power and other renewables.

Development in the year
The income statement for the Group and Parent Company for 2023 shows a profit of TDKK 2.223, and an equity at December 31, 2023 of TDKK 68.998.

Management considers revenue development and result to be satisfactory considering the challenges related to capacity, resources and manpower in the market.

The development in activities and the result for 2023 are realized just below the previous expectations in the annual report for 2022.

Future Activities & Expectations for the coming year
ProCon Group ApS expects increased activities, revenues and earnings for 2024 with an expected profit of TDKK 5.000-7.000.

Operating risks
ProCon Group's sales are mainly order sales though own channels in Europe and Asia. Geographically, the risk is sought to be mitigated through an increased focus on spreading awareness of the ProCon Wind Energy and ProCon Technic brands by building and developing good relationships with the leading players in renewables globally.

Foreign exchange risks
Foreign currency purchases and sales are primarily in EUR, USD and GBP. Exchange rate developments are estimated to have some influence on the Group's results. ProCon Group currently uses some financial instruments to hedge this risk.

Interest rate risks
It is the company's policy to identify all significant financial risks. ProCon Group uses financial instruments to hedge against significant interest rate increases where relevant and significant. Currently, ProCon Group does not identify any significant interest rate risks needed to be hedged.

Credit risks
Credit risk is linked to contract work in progress and trade receivables. The amounts with which the said balance sheet items are included in the annual report are identical to the maximum risk.

Research and development
In addition to the continuous development of electrical engineering solutions for the global wind industry, there is considerable activity in connection with technical product adaptation to specific customer requirements.

External environment
ProCon Group considers environmentally responsible behavior as one of the prerequisites for future business success. ProCon Group constantly develops products and processes to minimize the impact on the external environment.

Uncertainty relating to recognition and measurement
Recognition and measurement of contract work in progress is based on project management's thorough assessment of the stage of completion as well as expectations for the remaining execution of each project.

The project execution is subject to various estimates on remaining works to be performed and the corresponding costs to be incurred and the assumptions for the project execution can be reevaluated as the work is done. It is Management's assessment that the estimates used at 31 December 2023 are based on reasonable assumptions.

However, the actual results of the projects execution may differ from the expected result by both positive and negative deviations from the measurement at 31 December 2023.

Events after the balance sheet date
No circumstances have occurred after the balance sheet date that have a material impact on the assessment of the annual report.

Income statement 1 January - 31 December 2023

	Note	Group 2023	Group 2022	Parent 2023	Parent 2022
		DKK	DKK	DKK	DKK
Gross profit/loss		**52.842.997**	**40.089.297**	**-33.209**	**-35.987**
Staff expenses	3	-43.595.409	-27.857.125	0	0
EBITDA		**9.247.588**	**12.232.172**	**-33.209**	**-35.987**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3.663.398	-3.541.453	0	0
Profit/loss before financial income and expenses		**5.584.190**	**8.690.719**	**-33.209**	**-35.987**
Income from investments in subsidiaries		0	0	2.266.440	6.725.532
Financial income		18.634	1.201.590	0	0
Financial expenses		-2.446.379	-1.972.876	170	-690.037
Profit/loss before tax		**3.156.445**	**7.919.433**	**2.233.401**	**5.999.508**
Tax on profit for the year	4	-933.079	-1.742.896	-10.035	177.029
Net profit/loss for the year		**2.223.366**	**6.176.537**	**2.223.366**	**6.176.537**

Proposed distribution of profit				
Reserve for net revaluation under the equity method	0	0	2.266.440	625.522
Retained earnings	2.223.366	6.176.537	-43.074	5.551.015
	2.223.366	**6.176.537**	**2.223.366**	**6.176.537**

Balance Sheet 31 December 2023

Assets

	Note	Group 2023	Group 2022	Parent 2023	Parent 2022
		DKK	DKK	DKK	DKK
Acquired licenses		156.980	292.452	0	0
Goodwill		14.436.667	17.276.667	0	0
Intangible assets	5	**14.593.647**	**17.569.119**	**0**	**0**
Other fixtures and fittings, tools and equipment		1.180.472	664.757	0	0
Leasehold improvements		18.056	0	0	0
Property, plant and equipment	6	**1.198.528**	**664.757**	**0**	**0**
Investments in subsidiaries	7	0	0	68.184.766	63.540.519
Deposits	8	315.814	196.635	0	0
Fixed asset investments		**315.814**	**196.635**	**68.184.766**	**63.540.519**
Fixed assets		**16.107.989**	**18.430.511**	**68.184.766**	**63.540.519**
Materials		150.000	150.000	0	0
Inventories		**150.000**	**150.000**	**0**	**0**
Trade receivables		34.125.931	52.576.578	0	0
Contract work in progress	9	32.843.361	19.444.950	0	0
Receivables from group enterprises		0	14.224	0	0
Other receivables		96.087	1.217.581	0	0
Deferred tax	11	232.345	962.947	1.130.079	1.140.114
Corporation tax receivables		1.470.837	800.464	0	0
Prepayments	10	714.424	784.048	0	0
Receivables		**69.482.985**	**75.800.792**	**1.130.079**	**1.140.114**
Cash at bank and in hand		**5.992.250**	**6.369.410**	**52.060**	**85.099**
Current assets		**75.625.235**	**82.320.202**	**1.182.139**	**1.225.213**
Assets		**91.733.224**	**100.750.713**	**69.366.905**	**64.765.732**

Balance Sheet 31 December 2023

Liabilities and equity

	Note	Group 2023 DKK	Group 2022 DKK	Parent 2023 DKK	Parent 2022 DKK
Share capital		400.000	400.000	400.000	400.000
Revaluation reserve		-77.764	-49.554	0	0
Reserve for net revaluation under the equity method		0	0	5.184.766	540.519
Hedging reserve		-1.440.057	-3.846.074	0	0
Retained earnings		70.115.976	67.892.610	63.413.389	63.456.463
Equity		**68.998.155**	**64.396.982**	**68.998.155**	**64.396.982**
Credit institutions		4.195.709	11.631.168	0	0
Trade payables		6.472.294	9.179.402	0	0
Contract work in progress, liabilities	9	2.469.348	3.961.264	0	0
Payables to group enterprises		0	350.625	300.000	300.000
Other payables		9.597.718	11.231.272	68.750	68.750
Short-term liabilities		**22.735.069**	**36.353.731**	**368.750**	**368.750**
Liabilities		**22.735.069**	**36.353.731**	**368.750**	**368.750**
Liabilities and equity		**91.733.224**	**100.750.713**	**69.366.905**	**64.765.732**

	Note
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Statement of Changes in Equity - Group

	Share capital DKK	Revaluation reserve DKK	Hedging reserve DKK	Retained earnings DKK	Total DKK
Equity at 1 January 2023	400.000	-49.554	-3.846.074	67.892.610	64.396.982
Exchange adjustments	0	-28.210	0	0	-28.210
Fair value adjustment of hedging instruments, end of year	0	0	3.084.637	0	3.084.637
Tax on adjustment of hedging instruments for the year	0	0	-678.620	0	-678.620
Net profit/loss for the year	0	0	0	2.223.366	2.223.366
Equity at 31 December 2023	**400.000**	**-77.764**	**-1.440.057**	**70.115.976**	**68.998.155**

Statement of Changes in Equity - Parent

	Share capital DKK	Reserve for net revaluation under the equity method DKK	Retained earnings DKK	Total DKK
Equity at 1 January 2023	400.000	540.519	63.456.463	64.396.982
Exchange adjustments	0	-28.210	0	-28.210
Fair value adjustment of hedging instruments, end of year	0	3.084.637	0	3.084.637
Tax on adjustment of hedging instruments for the year	0	-678.620	0	-678.620
Net profit/loss for the year	0	2.266.440	-43.074	2.223.366
Equity at 31 December 2023	**400.000**	**5.184.766**	**63.413.389**	**68.998.155**

Changes in the share capital:	DKK
Establishment 19 December 2018	50.000
Capital increases 17 September 2021	350.000
	400.000

The share capital consists of 400.000 shares of DKK 1.
The share capital is distributed into 300.000 A-shares and 100.000 B-shares.

Cash Flow Statement 1 January - 31 December

	Note	Group 2023	Group 2022
		DKK	DKK
Net profit/loss for the year		2.223.366	6.176.537
Adjustments	12	6.712.939	6.066.229
Change in working capital	13	3.159.012	-27.648.940
Cash flows from operating activities before financial income and expenses		**12.095.317**	**-15.406.174**
Financial income		18.634	1.201.590
Financial expenses		-2.446.379	-1.972.876
Cash flows from ordinary activities		**9.667.572**	**-16.177.460**
Corporation tax paid		-1.571.299	-1.085.256
Cash flows from operating activities		**8.096.273**	**-17.262.716**
Purchase of intangible assets		-61.675	-182.675
Purchase of property, plant and equipment		-1.228.360	-159.584
Purchase of leasehold improvements		-25.000	0
Fixed asset investments made etc.		-119.179	-88.700
Sale of property, plant and equipment		396.240	0
Cash flows from investing activities		**-1.037.974**	**-430.959**
Repayment of other long-term debt		0	-14.043.159
Repayment/raising of loans from credit institutions		-7.435.459	11.286.298
Cash capital increase		0	0
Cash flows from financing activities		**-7.435.459**	**-2.756.861**
Change in cash and cash equivalents		**-377.160**	**-20.450.536**
Cash and cash equivalents at 1 January 2022		6.369.410	26.819.946
Cash and cash equivalents at 31 December 2023		**5.992.250**	**6.369.410**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		5.992.250	6.369.410
Cash and cash equivalents at 31 December 2023		**5.992.250**	**6.369.410**

Notes to the Financial Statements

1 **Accounting estimates and judgements**

The determination of the carrying amounts of certain assets and liabilities relies on judgments, estimates and assumptions about future events.

The estimates and assumptions applied are based on historical experience and other factors that management considers reasonable, but which are inherently uncertain and unpredictable as unexpected events or circumstances may occur.

Estimates of particular significance to the financial statements mainly relate to contract work in progress, including recognition and measurement of contractual addenda.

Contract work in progress

An essential prerequisite for applying the percentage of completion method on recognition of revenue is that the revenue and costs of construction contracts can be reliably measured. Expected revenue and costs from construction contracts may change during the course of the project period. Also, the contractual basis may be amended during the performance of the contract, and assumptions may not be met.

The value of contract work in progress is measured by reference to the stage of completion at the reporting date and the total revenue expected from construction contracts. The stage of completion is determined from the input method on the basis of an assessment of the work performed, and is subject to various estimates made by management.

Contractual addenda relating to instructions from the customer regarding changes in contract scope, specifications, design or duration are recognised in revenue. Add-on orders may be of significant value. Add-on orders are recognised in revenue when they can be reliably measured.

At 31 December 2023, a number of add-on orders is yet to be settled and awaits final conclusion with customers. The valuation of these add-on orders is subject to significant estimates. It is the assessment of Management that these add-on orders are valuated fairly and in accordance with the accounting policies applied.

2 **Events after the balance sheet date**

No circumstances have occurred after the balance sheet date that have a material impact on the assessment of the annual report.

Notes to the Financial Statements

		Group		Parent	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
3	**Staff expenses**				
	Wages and salaries	35.241.050	23.690.184	0	0
	Pensions	3.781.192	2.775.423	0	0
	Other social security expenses	1.452.098	273.095	0	0
	Other staff expenses	3.121.069	1.118.423	0	0
		43.595.409	**27.857.125**	**0**	**0**
	Average number of employees	**91**	**48**	**0**	**0**

Remuneration for the Executive Board and the Board of Directors totalled TDKK 2.199 (2022: TDKK 2.219).

		Group 2023	Group 2022	Parent 2023	Parent 2022
4	**Tax on profit/loss for the year**				
	Current tax for the year	-881.097	-213.353	0	0
	Deferred tax for the year	-51.982	-1.529.543	-10.035	177.029
		-933.079	**-1.742.896**	**-10.035**	**177.029**

5 **Intangible assets**

	Group	
	Acquired licenses	Goodwill
	DKK	DKK
Cost at 1 January 2023	766.283	28.400.000
Additions for the year	61.675	0
Cost at 31 December 2023	**827.958**	**28.400.000**
Impairment losses and amortisation at 1 January 2023	473.831	11.123.333
Amortisation for the year	197.147	2.840.000
Impairment losses and amortisation at 31 December 2023	**670.978**	**13.963.333**
Carrying amount at 31 December 2023	**156.980**	**14.436.667**
Amortised over	3 years	10 years

Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years. The useful life is based on strong market position and a long-term earnings profile.

Notes to the Financial Statements

6 **Property, plant and equipment**

	Group	
	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January 2023	2.655.342	0
Additions for the year	1.228.360	25.000
Disposals for the year	-526.587	0
Currency translation adjustments	3.415	0
Cost at 31 December 2023	**3.360.530**	**25.000**
Impairment losses and depreciation at 1 January 2023	1.990.585	0
Depreciation for the year	619.307	6.944
Disposals	-429.834	0
Impairment losses and depreciation at 31 December 2023	**2.180.058**	**6.944**
Carrying amount at 31 December 2023	**1.180.472**	**18.056**
Depreciated over	3-5 years	10 years

7 **Investment in subsidiaries**

	Parent	
	2023	**2022**
	DKK	DKK
Cost at 1 January 2023	63.000.000	63.000.000
Additions for the year	0	0
Cost at 31 December 2023	**63.000.000**	**63.000.000**
Value adjustments at 1 January 2023	540.519	-6.100.010
Exchange adjustment for the year	-28.210	-29.468
Net profit/loss for the year	2.266.440	6.725.532
Fair value adjustment of hedging instruments for the year	2.406.017	-55.535
Value adjustments at 31 December 2023	**5.184.766**	**540.519**
Carrying amount at 31 December 2023	**68.184.766**	**63.540.519**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
ProCon Technic A/S	Aarhus, Denmark	100%
ProCon Wind Energy A/S	Aarhus, Denmark	100%
ProCon Wind Energy Ltd.	UK	100%
ProCon Wind Energy GmbH	Germany	100%
ProCon Wind Energy Sp. z o.o.	Poland	100%
ProCon Wind Energy Taiwan Co., Ltd.	Taiwan	100%
ProCon Wind Energy USA Inc.	USA	100%

Notes to the Financial Statements

8 Other fixed asset investments

	Group
	Deposits
	DKK
Cost at 1 January 2023	196.635
Additions for the year	119.179
Disposals for the year	0
Cost at 31 December 2023	**315.814**
Carrying amount at 31 December 2023	**315.814**

	Group		Parent	
	2023	**2022**	**2023**	**2022**
	DKK	DKK	DKK	DKK
9 Contract work in progress				
Selling price of work in progress	229.738.677	205.369.898	0	0
Payments received on account	-199.364.664	-189.886.212	0	0
	30.374.013	**15.483.686**	**0**	**0**
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	32.843.361	19.444.950	0	0
Prepayments received recognised in debt	-2.469.348	-3.961.264	0	0
	30.374.013	**15.483.686**	**0**	**0**

10 Prepayments

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

11 Deferred tax asset

	Group 2023	Group 2022	Parent 2023	Parent 2022
Deferred tax asset at 1 January 2023	962.947	2.476.826	1.140.114	963.085
Amounts recognised in the income statement for the year	-51.982	-1.529.543	-10.035	177.029
Amounts recognised in equity for the year	-678.620	15.664	0	0
Deferred tax asset at 31 December 2023	**232.345**	**962.947**	**1.130.079**	**1.140.114**

Deferred tax assets mainly comprise deferred tax relating to goodwill and tax losses.

The deferred tax is expected to crystalise within the coming 3-5 years.

		Group	
		2023	2022
		DKK	DKK
12	**Cash flow statement - adjustments**		
	Financial income	-18.634	-1.201.590
	Financial expenses	2.446.379	1.972.876
	Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3.663.398	3.541.453
	Gain and loss on sale of property, plant and equipment	-299.487	0
	Tax on profit/loss for the year	933.079	1.742.896
	Other adjustments	-11.796	10.594
		6.712.939	**6.066.229**

13	**Cash flow statement - change in working capital**		
	Change in receivables, contract works, etc.	6.257.578	-22.791.136
	Change in trade payables, contract works, etc.	-6.183.203	-4.786.605
	Fair value adjustments of hedging instruments	3.084.637	-71.199
		3.159.012	**-27.648.940**

	Group		Parent	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

14 **Contingent assets, liabilities and other financial obligations**

Charges and security

The following assets have been placed as security with credit institutions:

Ownership mortgages totalling TDKK 17.500, providing mortgages on trade receivables, inventory, intellectual property rights and other tangible fixed assets at a total carrying amount of TDKK:	69.407	84.435	0	0

Rental and lease obligations

The Company has entered into rent and lease commitments with remaining contract terms up to 4 years for a total of TDKK:	3.117	1.584	0	0

Other contingent liabilities

Bank guarantees TDKK:	30.049	31.278	0	0

The parent Company has issued a letter of unlimited surety in favour of the bank draft facilities in ProCon Wind Energy A/S and ProCon Technic A/S.

A Group company has entered into forward exchange contracts in USD. The notional amount is TDKK 13.555 and the fair value as of 31 December 2023 is TDKK -1.846 at the expense of the Company. The maturity date is 31 January 2024. The fair value of forward exchange contracts are measured at fair value level 2.

The Group has, due to the nature of the business, a number of add-on orders yet to be settled. In Management's opinion, the outcome of these add-on orders, still to be settled with customers, is not expected to have a material negative impact on the financial position.

The parent Company is jointly taxed with IWS Services A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

15 **Related parties**

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act. No such transactions have been carried out in 2023.

Consolidated Financial Statements

The Company is included in the consolidated financial statements for Integrated Wind Solutions ASA (largest group), Norway. The consolidated financial statements of Integrated Wind Solutions ASA is available at www.integratedwind.com.

16 **Accounting policies**

The Annual Report of ProCon Group ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C-medium. The annual report up until 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2023 are presented in DKK.

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.

Basis of consolidation
The Consolidated Financial Statements comprise the Parent Company, ProCon Group ApS, 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.

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.

Translation policies

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.

16 **Accounting policies** (continued)

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

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 hedge 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.

Income Statement

Revenue

The Group has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

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

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

16 **Accounting policies** (continued)

Expenses for raw materials and consumables

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

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment 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 are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

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

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

16 **Accounting policies** (continued)

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years. The useful life is based on strong market position and long-term earnings profiles.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 3 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:

Other fixtures and fittings, tools and equipment 3-5 years

Leasehold improvements 10 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 30,000 are expensed in the year of acquisition.

Leases

The Group has chosen IAS 17 as interpretation for classification and recognition of leases.

All leases are considered operating leases. Payments relating to operating leases and any other leases are recognized in the income statement over the term of the lease. The Group's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Impairment of fixed assets

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

If so, the asset is written down to its lower recoverable amount.

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 addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

16 **Accounting policies** (continued)

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. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

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

Receivables

The Group has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

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

Contract work in progress

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

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

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

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

Prepayments

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

16 **Accounting policies** (continued)

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject to minor risks of changes in value.

Equity

Reserve for net revaluation under the equity method

The net revaluation reserve according to the equity method comprises net revaluations of equity investments in group entities and associates and participating interests compared to cost comprising recognised shares of profit/loss and foreign exchange adjustments less dividends.

The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates.

The reserve cannot be recognised at a negative amount.

Revaluation reserve

The revaluation reserve comprises value adjustments of assets and liabilities that are considered part of the Group's net investments and value adjustments regarding hedging transactions that hedge the Group's net investments. The reserve is dissolved when the net investment is realised. The reserve does not represent a limitation under company law and may therefore be negative.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets 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 within the same legal tax entity.

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. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

16 **Accounting policies** (continued)

Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Liabilities

Loans 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.

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

Fair value

Fair value is determined based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

Cash Flow Statement
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.

16 **Accounting policies** (continued)

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.

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Jesper Grønbjerg Uhre Larsen
Executive Board
På vegne af: Procon Group ApS, Procon Wind Energy A/...
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2024-07-01 09:34:12 UTC

Jesper Grønbjerg Uhre Larsen
Board of directors
På vegne af: Procon Group ApS, Procon Wind Energy A/...
Serienummer: e03f9632-c223-4da0-8bdb-93bcb994c64f
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Claus Jørgen Søgaard Poulsen
Board of directors
På vegne af: Procon Group ApS, Procon Wind Energy A/...
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Kristian Ravn
Chair at general meeting
På vegne af: Procon Group ApS, Procon Wind Energy A/...
Serienummer: f6d57626-3acf-403d-874c-95213a75cc30
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Kristian Ravn
Board of directors
På vegne af: Procon Group ApS, Procon Wind Energy A/...
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Carl Erik Skovgaard
Board of directors
På vegne af: Procon Group ApS, Procon Wind Energy A/...
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HEIDENREICH, CHRISTOPHER ANDERSEN
Board of directors
På vegne af: Procon Group ApS, Procon Wind Energy A/...
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IP: 77.16.xxx.xxx
2024-07-01 14:30:53 UTC

Morten Østergaard Koch
EY Godkendt Revisionspartnerselskab CVR: 30700228
Statsaut. revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: 0c0d65e5-9b5a-4661-b898-a6ac2f3dea25
IP: 37.96.xxx.xxx
2024-07-01 14:59:49 UTC

Mads Olesen Klausen
EY Godkendt Revisionspartnerselskab CVR: 30700228
Statsaut. revisor
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