

ProCon Wind Energy A/S

Ankeret 5B, st. th., DK-9220 Aalborg Øst

Annual Report for 2023

CVR No. 40 10 75 33

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



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of ProCon Wind Energy A/S 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 give a true and fair view of the financial position as of 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

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

Aalborg, 26 June 2024

Executive Board

Jesper Uhre Larsen

Board of Directors

Kristian Ravn

Christopher Andersen Heidenreich

Chair

Jesper Uhre Larsen

Carl Erik Skovgaard

Claus Søgaard Poulsen

Independent Auditor's Report

To the Shareholder of ProCon Wind Energy A/S

Opinion

We have audited the financial statements of ProCon Wind Energy A/S 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. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations 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 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control that 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 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 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 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 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 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.

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

State Authorised Public Accountant

mne35420

Mads Klausen

State Authorised Public Accountant

mne46588

Company Information

The Company

ProCon Wind Energy A/S

Ankeret 5B, st. th.

DK-9220 Aalborg Øst

CVR no. 40 10 75 33

Financial period: 1 January 2023 – 31 December 2023

Municipality of registered office: Aalborg

Board of Directors

Kristian Ravn, chair

Christopher Andersen Heidenreich

Jesper Uhre Larsen

Carl Erik Skovgaard

Claus Søgaard Poulsen

Executive Management

Jesper Uhre Larsen

Auditors

EY Godkendt Revisionspartnerselskab

Bavnehøjvej 5

DK-6700 Esbjerg

Financial Highlights

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	39.184	36.580	27.489	28.463	28.769
EBITDA	8.903	13.308	2.965	4.686	8.071
Operating profit/loss	5.336	9.777	-583	1.256	4.992
Net financials	-2.615	-1.146	-1.635	-1.143	-1.170
Net profit/loss for the year	2.270	6.881	-1.699	22	2.867
Balance Sheet					
Balance Sheet total	87.176	96.698	92.420	66.182	55.804
Investments in property, plant and equipment	889	0	26	115	2.554
Equity	66.322	61.675	54.879	30.927	30.367
Number of employees	38	27	35	33	26
Ratios					
Return on assets	6,1%	10,1%	-0,6%	1,9%	8,9%
Solvency ratio	76,1%	63,8%	58,2%	46,7%	54,4%
Return on equity	3,5%	11,8%	-4,0%	0,1%	18,9%

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

About ProCon

ProCon Wind Energy provides solutions within renewable energy with a specialty in the offshore wind industry.

Through our business units Engineering, Construction, and Service, we have gained a great track record where the highly skilled engineers, technicians, and other specialists have ensured quality on time at competitive prices.

Offering specialists solutions regarding design, engineering, pre-assembly, installation, commissioning, installation, HV/MV works, inspection, maintenance, and service within the electrical scope, ProCon has delivered solutions to more than 1700 transition pieces and jackets, which accounts for around 35% of today's installed offshore wind turbine foundations. Furthermore, ProCon Wind Energy has also worked on >1120 WTGs and substations and worked offshore for >625.000 hours.

QHSE and Sustainability are paramount aspects of our business setup. Consequently, we are certified according to relevant international ISO standards as well as UN's Sustainable Development Goals.

As a part of the Integrated Wind Solutions family, we also offer interface minimization and turnkey concepts for BOP, including Engineering Procurement Construction the construction of offshore wind foundations and substations and a "one-stop-shop" O&M concept.



A part of



The majority (75%) owner of ProCon is the Norwegian company Integrated Wind Solutions ASA (abbreviated IWS), which also offers a fleet of state-of-the-art CSOVs to the offshore wind industry combined with a package of adhering services to reduce levelized cost of energy (LCOE).



Organisation

Management



Jesper Uhre Larsen
Chief Executive Officer



Jesper Daugaard Nielsen
Chief Financial Officer



Thomas Sønderby Padfield
Chief Strategy and People Officer



Claus Poulsen
Chief Commercial Officer

Letter from CEO in 2023

As I reflect on the past year at ProCon, I am filled with immense pride and gratitude for what we have achieved together. Despite the challenges in the market, our team has shown resilience, innovation, and a steadfast commitment to excellence.

This year marked a significant milestone for ProCon as we secured exciting contracts, including the design engineering, and construction of foundations for Denmark's largest wind farm. This achievement not only showcases our expertise but also strengthens our position in the renewable energy sector. Our offerings towards offshore substation work opens a new chapter for ProCon, promising growth and opportunities. This expansion aligns with our mission to be at the forefront in electrifying renewable energy.

In a move that signifies growth and evolution, we relocated our headquarters to a new, modern facility. This new space reflects our brand's values and commitment to innovation, collaboration, and sustainability.

We launched a new Operations & Maintenance (O&M) concept in collaboration with Integrated Wind Solutions, setting a new standard in service excellence and reliability in the wind energy sector.

Sustainability has been at the core of everything we do. This year, we intensified our focus on sustainable practices, ensuring that our projects not only deliver value to our clients but also with a focus on reducing our emissions. Our commitment to social responsibility took a meaningful turn as we offered new career paths to abattoir workers from Danish Crown in Sæby, training them to become skilled cable fitters. This initiative not only supports our community but also enriches our team with diverse talents.

"Safety Starts with You" has been more than a slogan; it has been our mantra. The initiation of a HSE ambassador program underlines our unwavering commitment to safety and well-being at every level of our operations.

Investing in our people has always been a priority. We continued to focus on employee development, offering training in project management and the IOSH Managing Safely Course, empowering our team to lead with confidence and competence.

As we look forward, we are excited about the opportunities and challenges that lie ahead. With our talented team, strong partnerships, and a clear vision, I am confident that ProCon will continue to innovate, grow, and lead in our industry.

Thank you for your continued support, dedication, and hard work. Warm regards,



Claus Søggaard Poulsen
Founder and CEO in 2023, ProCon Group





Financial Highlights

Financial development of the year

The income statement for 2023 shows a profit of TDKK 2.270 and an equity at December 31, 2023 of TDKK 66.322.

Management considers the development in revenue 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 realised just below the previous expectations in the annual report for 2022.

Uncertainty in 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.

Management review

Risk factors

ProCon operates as a service provider to the offshore wind industry. For the industry to continue its growth, authorities must allow for the development of offshore wind farms.

In 2023 the key risk factors can be divided into the following two components: market risks and operational risks.

Market risks

Supply risks

Delays in the development of offshore wind farms and an oversupply of shipping capacity could impact the demand for offshore wind services. The risk of constraints of component supply has made us seek out new ways of mitigating the challenges. By expanding our supplier network we have navigated around this issue.

Operational risks

Employment risk

The continuing shortage in qualified workers is still a challenge in the industry. It is a challenge to attract the qualified personnel and this is a focus point as ProCon keeps growing in business and project size. Our solution to this issue has been to train and educate people who are willing to change careers and directions in life, or ready to upgrade their qualifications.

The shortage of electrical fitters, electricians and technicians can be minimized by training and educating other profession workers, who want to enter a new industry.

Project risks

In 2023 we have been subjected to the risk of delays and cancellations of projects, due to some of the market risks in the entire industry. Due to our position in the value/supply chain as a sub-supplier, we are exposed to this risk, which we seek to reduce by frequently aligning expectations with our clients. We saw this risk materialize in Orsted's Ocean Wind project, that was closed/cancelled in Q4 of 2023.

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 company's results. Where relevant and significant, ProCon Wind Energy use financial instruments to hedge this risk.

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.

War, piracy, and cyber risks

The risk of war, piracy or cyber attacks could impact the trading and revenue generated by our services. With wars ongoing, unstable inflation rates, rising energy prices and supply chain disruptions, the drive and aspirations for offshore wind development in Europe has accelerated. However, developers of offshore wind farms are facing cost increases that may affect the financial viability and interest in pursuing new wind farm projects over the medium to long term.

Order backlog risks

ProCon's operations in engineering, construction, and services rely on sustaining a sufficient backlog of orders, which is influenced by current market trends in the industry. Should ProCon fail to obtain new contracts with customers, its revenue could significantly decrease.

In the current market we have seen a greater demand for financial guarantees, which ProCon can provide. The market and clients are focused on getting suppliers and sub-suppliers to account for increased financial guarantees. We have a strong equity foundation and we are financially backed by our owner.

Projects

During the year ProCon have had a lot of exciting projects – projects completed, projects ongoing into 2024, projects started and finished in 2023 and projects won for start in 2024. Our project base has been varied, and we have been busy in all our business areas.

In our Design Engineering department, we have and will continue to provide full low and high voltage electrical design engineering of offshore wind foundations as well as low voltage, system and HV support design of substations in collaboration with developers, fabricators and engineering houses. With trusted partners, it is possible for us to provide additional disciplines and take on larger design scopes.

The department will naturally also still support our other departments with e.g. specialist support and as-built documentation.

In our Construction department, through 2023, we have delivered electrical and mechanical turnkey solutions with procurement, project management, site management, pre-assembly, outfitting, testing and commissioning to fabricators of Transition Pieces, Jackets, External Platforms and Substations. We proud ourselves with a quality and flexible setup that allows us to operate globally, carrying out construction at the customers preferred location – something we will continue to provide for the future.

In our Service department, 2023 was a year of a lot of offshore mechanical and electrical completion of substations and offshore commissioning, inspection and maintenance of Transition Pieces and specialist systems such Corrosion's ICCP system and Pict Offshore's GUS system. Additionally, we have completed a number of high voltage termination and commissioning scopes both for offshore and onshore wind, while also having completed two onshore WTG installation projects.

All-in-all this means that we leave 2023 with a record-high order backlog, perfectly positioned for future growth and continued market-leading position within our core scopes in offshore wind.

Sustainability



Penneo dokumentnøgle: D6ATB-A3YKL-2QEBE-KTGV4-TUDAW-MH7EG

Although the end output of our activities support the green transition as green power is generated, we are also fully aware of our environmental footprint in our activities. We expect our customers to inquire about alternatives for the materials and manpower we provide in order to be able to decide when to go for the more environmental friendlier alternatives. We expect this to impact the offshore wind industry on projects overall as some of the current alternatives come with an increased price in the construction phase. We are already seeking to be ready for these expected inquiries by exploring and updating the alternatives available from suppliers.

We seek to reduce our travel activities in general by focusing on recruiting local work force and using online meetings where applicable. Our physical locations around the world are kept on a need-to basis, as we are acutely aware of not generating unnecessary costs with the accompanying negative impacts of using unnecessary resources impacting the environment.

As a company we are very focused on our work with sustainability. 2023 was the year where we released our first Sustainability & ESG Report for 2022, focusing on our ongoing commitment to the field.

In our must-win battles and company strategy we continue to raise sustainability on to the agenda in every layer of our business. 2023 has been the year where we have taken a great social responsibility by training and educating other profession workers that come from other backgrounds that have shown an interest in a career in the wind industry.

We have also been focused on our suppliers implementing software to help us track our suppliers' levels of sustainability and avoid working with unfit suppliers.

Future activities

Research and development

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

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.

Expectations for the coming year

ProCon expects increased activities, revenues and earnings for 2024 with an expected profit of TDKK 5.000-7.000.

Income statement 1 January - 31. December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit/loss		39.184.203	36.580.311
Staff expenses	3	-30.281.652	-23.272.013
EBITDA		8.902.551	13.308.298
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3.566.468	-3.531.479
Profit/loss before financial income and expenses		5.336.083	9.776.819
Income from investments in subsidiaries		780.995	758.700
Financial income		18.637	325.497
Financial expenses		-3.414.419	-2.230.003
Profit/loss before tax		2.721.296	8.631.013
Tax on profit for the year	4	-451.619	-1.750.333
Net profit/loss for the year		2.269.677	6.880.680
Proposed distribution of profit			
Reserve for net revaluation under the equity method		780.995	548.891
Retained earnings		1.488.682	6.331.789
		2.269.677	6.880.680

Balance Sheet 31 December 2023

Assets

	Note	2023	2022
		DKK	DKK
Acquired licenses		156.979	292.452
Goodwill		14.436.667	17.276.667
Intangible assets	5	14.593.646	17.569.119
Other fixtures and fittings, tools and equipment		760.245	515.147
Leasehold improvements		18.056	0
Property, plant and equipment	6	778.301	515.147
Investments in subsidiaries	7	1.855.100	1.102.315
Deposits	8	300.566	196.636
Fixed asset investments		2.155.666	1.298.951
Fixed assets		17.527.613	19.383.217
Materials		150.000	150.000
Inventories		150.000	150.000
Trade receivables		16.520.225	34.775.379
Contract work in progress	9	39.147.470	33.432.150
Receivables from group enterprises		13.154.646	4.406.218
Other receivables		0	1.196.812
Prepayments	10	667.997	756.982
Receivables		69.490.338	74.567.541
Cash at bank and in hand		8.417	2.597.038
Current assets		69.648.755	77.314.579
Assets		87.176.368	96.697.796

Balance Sheet 31 December 2023

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		25.000.000	25.000.000
Reserve for net revaluation under the equity method		1.301.676	548.891
Hedging reserve		-1.440.057	-3.846.074
Retained earnings		41.460.778	39.972.096
Equity		66.322.397	61.674.913
Provisions deferred tax	11	2.323.391	1.193.152
Provisions		2.323.391	1.193.152
Credit institutions		4.195.709	11.631.168
Trade payables		5.943.596	9.023.985
Contract work in progress, liabilities	9	1.806.159	3.220.168
Payables to group enterprises		1.027	455.220
Other payables		6.584.089	9.499.190
Short-term liabilities		18.530.580	33.829.731
Liabilities		18.530.580	33.829.731
Liabilities and equity		87.176.368	96.697.796
Contingent assets, liabilities and other financial obligations	12		
Related parties	13		
Accounting policies	14		

Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Hedging reserve	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January 2023	25.000.000	548.891	-3.846.074	39.972.096	61.674.913
Exchange adjustments		-28.210			-28.210
Fair value adjustment of hedging instruments, end of year			3.084.637		3.084.637
Tax on adjustment of hedging instruments for the year			-678.620		-678.620
Profit/loss for the year		780.995		1.488.682	2.269.677
Equity at 31 December 2023	25.000.000	1.301.676	-1.440.057	41.460.778	66.322.397

Changes in the share capital:

DKK

Establishment 19 December 2018	500.000
Capital increase 7 February 2019	24.500.000
	25.000.000

The share capital consists of 25.000.000 shares of DKK 1.
The share capital is not divided into separate classes.

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 valued 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

	2023	2022
	DKK	DKK
3 Staff expenses		
Wages and salaries	24.334.041	19.561.076
Pensions	3.284.660	2.544.857
Other social security expenses	158.370	129.915
Other staff expenses	2.504.581	1.036.165
	30.281.652	23.272.013
Average number of employees	38	27
Remuneration for the Executive Board and the Board of Directors totalled DKK 2,199 thousand (2022: DKK 2,219 thousand).		
4 Tax on profit/loss for the year		
Current tax for the year	0	0
Deferred tax for the year	-451.619	-1.750.333
	-451.619	-1.750.333
5 Intangible assets		
	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	197.148	2.840.000
Impairment losses and amortisation at 31 December 2023	670.979	13.963.333
Carrying amount at 31 December 2023	156.979	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

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January 2023	2.479.476	0
Additions for the year	864.227	25.000
Disposals for the year	-526.587	0
Cost at 31 December 2023	2.817.116	25.000
Impairment losses and depreciation at 1 January 2023	1.964.329	0
Depreciation for the year	522.376	6.944
Disposals	-429.834	0
Impairment losses and depreciation at 31 December 2023	2.056.871	6.944
Carrying amount at 31 December 2023	760.245	18.056
Depreciated over	3-5 years	10 years

7 Investment in subsidiaries

	2023 DKK	2022 DKK
Cost at 1 January 2023	553.424	553.424
Additions for the year	0	0
Cost at 31 December 2023	553.424	553.424
Value adjustments at 1 January 2023	548.891	-180.341
Exchange adjustment for the year	-28.210	-29.468
Net profit/loss for the year	780.995	758.700
Value adjustments at 31 December 2023	1.301.676	548.891
Carrying amount at 31 December 2023	1.855.100	1.102.315

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
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

	2023	2022
	DKK	DKK
8 Deposits		
Cost at 1 January 2023	196.636	107.935
Additions for the year	103.930	88.701
Cost at 31 December 2023	300.566	196.636
Carrying amount at 31 December 2023	300.566	196.636
9 Contract work in progress		
Selling price of work in progress	230.798.463	187.979.236
Payments received on account	-193.457.152	-157.767.254
	37.341.311	30.211.982
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	39.147.470	33.432.150
Prepayments received recognised in debt	-1.806.159	-3.220.168
	37.341.311	30.211.982
10 Prepayments		
Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions, etc.		
11 Deferred tax		
Deferred tax at 1 January	1.193.152	-541.517
Amounts recognised in the income statement for the year	451.619	1.750.333
Amounts recognised in equity for the year	678.620	-15.664
Deferred tax at 31 December	2.323.391	1.193.152

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

12 Contingent assets, liabilities and other financial obligations**Charges and security**

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

Ownership mortgages totalling TDKK 15.000, providing mortgages on trade receivables, inventory, intellectual property rights and other tangible fixed assets at a total carrying amount of TDKK:

84.979	88.825
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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
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Other contingent liabilities

Bank guarantees TDKK:

30.049	31.278
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The Entity 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 Entity. The maturity date is 31 January 2024. The fair value of forward exchange contracts are measured at fair value level 2.

The Company has issued a letter of unlimited surety in favour of the bank draft facilities in ProCon Techic A/S.

The Company and its subsidiaries 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 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.

13 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 the parent company, ProCon Group ApS (smallest group), Aarhus. The consolidated financial statements of ProCon Group ApS is available at www.cvr.dk.

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.

Notes to the Financial Statements

14 Accounting policies

The Annual Report of ProCon Wind Energy A/S 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 of the Danish Financial Statements Act applying to medium-sized reporting class B as well as selected rules applying to reporting class C.

Pursuant to section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company ProCon Group ApS.

The 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.

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.

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.

Notes to the Financial Statements

14 Accounting policies (continued)

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 Company 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 Company.

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 Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

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

Expenses for raw materials and consumables

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

Notes to the Financial Statements

14 Accounting policies (continued)

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.

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.

Notes to the Financial Statements

14 Accounting policies (continued)

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 Company 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 Company'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.

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

Notes to the Financial Statements

14 Accounting policies (continued)

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 Company 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.

Notes to the Financial Statements

14 Accounting policies (continued)

Prepayments

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

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.

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.

Notes to the Financial Statements

14 Accounting policies (continued)

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. 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.

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Jesper Grønbjerg Uhre Larsen

Executive Board

På vegne af: Procon Group ApS, Procon Wind Energy A/...

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Jesper Grønbjerg Uhre Larsen

Board of directors

På vegne af: Procon Group ApS, Procon Wind Energy A/...

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Claus Jørgen Søgaard Poulsen

Board of directors

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Kristian Ravn

Chair at general meeting

På vegne af: Procon Group ApS, Procon Wind Energy A/...

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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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Morten Østergaard Koch

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