



Part of the energy evolution

Annual Report 2024



The
and

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KK Wind Solutions Holding A/S and its subsidiaries are referred to throughout the report.



CHAPTER 1

Management's Review

Letter From the Chair and the CEO

2024 marked another year of strong progress and continued growth for KK Group. As we journey forward, enabling electrification through renewable energy remains at the core of our business.

In a year characterized by geopolitical turbulence and economic complexity, our company has achieved several significant milestones in 2024. We surpassed the 1 billion euro revenue mark while continuing to integrate acquisitions from previous years. Our strong commercial performance across our diverse product and service offerings has been a key driver of our success.

Through our core business – power converters and controls in wind turbines – we enable our customers and society to transition towards electrifying the world with renewable energy. We are focused on maintaining a strong position in the wind industry while building a strong bridge into other sectors and industries to harness solutions and technologies beyond wind.

Our financial achievements in 2024 were accompanied by several transformational steps. We maintained a strict focus on our customers and the delivery of our products and solutions. This year also saw the acquisition of Nissens Cooling Solutions Group, bringing new colleagues, customers and solutions accelerating our expansion into related industries.

We are leveraging our substantial footprint in the wind industry to expand into other renewable businesses and

new frontiers like Power-to-X. Building on our acquisition of Nissens Cooling Solutions Group, we can complement our current business setup by impacting more industries in their journey towards electrification, improved energy efficiency and reducing reliance on fossil fuels. Our advanced cooling systems, as well as our monitoring and sensing solutions, will be cornerstones of our growth journey and our expansion into other sectors.

Looking forward, we expect our legacy in wind to continue at a strong level; however, the growth rate in our wind business will be slightly lower compared to previous driven by an expected general slow down in the global wind market during 2025. Going forward, we will continue to focus on productivity and safety for our people while demonstrating scale and efficiency in our

operations through the acquisition of Nissens in the recent years. This will enable us to reach the profitability for our company in the best position to enjoy future growth.

As we continue to navigate the challenges of geopolitical and economic uncertainty, serving our customers, to sustain our growth will remain unwavering. Together with our years' achievements and drive for the future years to come.

We would like to sincerely thank our customers and dedicated employees for their contribution throughout the year and we look forward to continue working together.



Pernille Erenbjerg
Chair



Mauricio Quintana
CEO

IN BRIEF

The facts and



our story



Our History

Innovation and collaboration have defined our approach for over 40 years. Every day, we continue to uphold the legacy of our founders, who were part of developing one of the world's first grid-connected wind turbines.

As the wind power industry has grown, we have continued to innovate, developing new and more advanced electrical systems to meet the evolving needs of our customers. With our collaborative approach, we have been able to adapt our expertise to expand beyond wind turbines and build a global profile across other industrial applications and growing renewable sectors like Power-to-X (PtX).

1978
Our founders develop one of the first grid-connected wind turbines, the 22kW Riisager.

1981
KK-Electronic is established and a factory is built in Herning, Denmark.

1985
We launch the industry's first control system for a wind turbine.

1990
We partner with Bonus Energy, later to become Siemens Wind Power, becoming sole supplier of control systems.

1991
Our first production facility is built at Vindeby, Denmark, equipped with our control and surveillance systems.

2002
We launch a new control system, WTC3, which becomes a key product.

2003
New production facilities in Szczecin, Poland.

2008
New head-quarters and production facilities in Ikast, Denmark.

2014
To better represent what we do, KK-Electronic is renamed KK Wind Solutions. A new distribution centre is also opened in Kansas, USA.

2016
We enter into large customer partnerships and become a systems supplier.

2017-2018
New production facilities in Bangalore, India, Madrid, Spain and Shanghai, China.

2019
A.P. Møller Holding steps in as new owner.

2020
We acquire Gram & Juhl and advance our capabilities within Turbine Condition Monitoring (TCM®).

2021
We acquire PC Engineering and advance our capabilities with vibration monitoring. We establish a new production facility in Taichung, Taiwan.

Highlights



- Power & Controls
- Cooling Solutions
- Monitoring Solutions
- Global Service

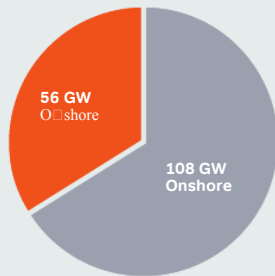
Ownership



Key customers across product



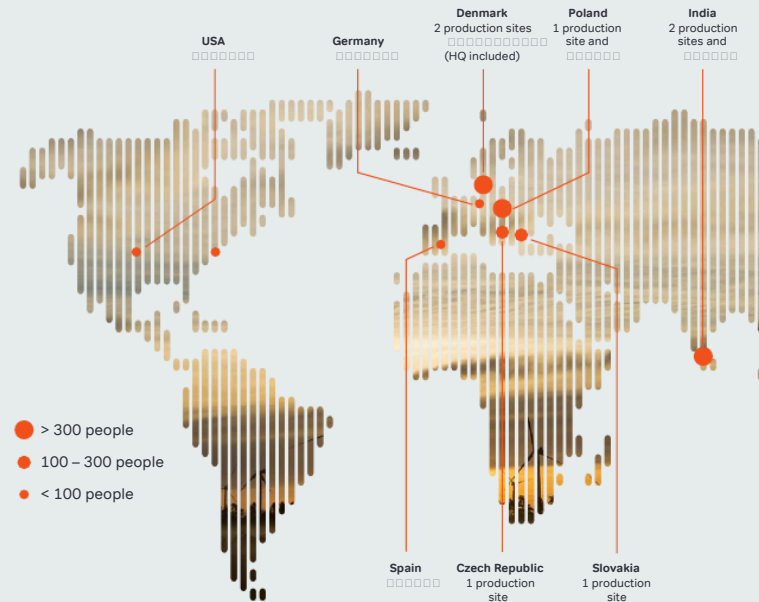
equipped with
KK Group
systems



70%

of the global
is equipped with
KK Group systems

Total manufacturing footprint of 241,000 m² of which 97.000 m² is designated for Cooling Solutions.



67

Patent families

+40

years of experience
in the wind industry

+50

years of experience in cooling
solutions for industrial applications

Revenue in mDKK

7,682

2,581 5,486
2022 2023



Total assets in mDKK

9,280

5,519 7,403
2022 2023



□□□□□□□□□□

3,555

1,655 2,312
2022 2023

Cash Flow from Operations in mDKK

363

-48 1,262
2022 2023



100%

of the electricity consumed in



TRIR □□□□□□□□□□

3.5

7.6 4.4
2022 2023

Normalized EBITDA in mDKK

632

264 500
2022 2023



Emissions avoided in MTonnes CO₂e

490

432
2023



Employee engagement

77

74
2023



presentation and preparation of the Annual Report

The Annual Report has been prepared in accordance with IFRS as adopted by the EU, including additional requirements for class C large enterprises of the Danish Financial Statements Act.

In 2024, we aimed to integrate the financial and the sustainability reports. By publishing a joint report, we enhance transparency and provide stakeholders with a more complete view of KK Group's overall performance and long-term value creation.

Five-Year Summary

Amounts in kDKK	2024	2023	2022
Income statement			
Revenue	7,682,161	5,486,054	2,581,240
Normalized result before depreciation, amortization and impairment losses, etc. (Normalized EBITDA)	631,511	499,603	264,494
Result before depreciation, amortization and impairment losses, etc. (EBITDA)	486,662	474,727	223,043
Result before financial items (EBIT)	-2,809	107,955	-11,698
Financial items, net	-292,910	-164,829	-67,876
Result for the year	-226,134	-51,668	-55,329
Average number of employees	3,557	2,312	1,655
Balance sheet			
Total assets at 31 December	9,280,259	7,403,071	5,519,231
Total equity at 31 December	2,226,224	2,406,315	1,514,831
Cash flow statement			
Cash flow from operating activities	363,422	1,261,811	-48,325
Purchase of property, plant and equipment	-51,499	-41,932	-58,927
Financial ratios			
Net margin	-2.9%	-0.9%	-2.1%
Return on equity	-9.8%	-2.6%	-3.6%
Solvency ratio	24.0%	32.5%	27.4%

The financial highlights for all presented financial years have been updated compared to last year to reflect the implementation of IFRS. For further information, please refer to note 1.1 General Accounting Principles in the consolidated financial statements.

For definitions of financial ratios, please refer to note 1.1 General Accounting Principles in the consolidated financial statements.

Financial Review

In 2024, KK Group continued its strategic transformation with the acquisition of Nissens Cooling Solutions Group (referred to throughout the report as "Nissens Cooling Solutions") and the integration of Vestas' converter and control business, acquired in 2023. Both acquisitions contributed to revenue growth in 2024, while they temporarily impact profitability negatively due to extensive integration and restructuring efforts.

Revenue

KK Group's revenue reached 7,682 mDKK, surpassing the 7,500 mDKK expected in last year's outlook. The revenue increase compared to 2023 is driven by 13.8 % from organic growth while the inorganic growth including Nissens Cooling Solutions corresponds to 26.2 %. This growth was driven by strong commercial performance across our diverse product and service offerings. KK Group has tripled its revenue over the past 24 months.

EBITDA

EBITDA reached 487 mDKK, a 2.5 % increase from last year. The EBITDA margin is negatively impacted by one-off costs related to the integration of acquisitions, in 2024 totalling 145 mDKK compared to 25 mDKK in 2023. Adjusted for these one-off costs incurred to ensure long-term growth and value creation EBITDA (normalized) improved by 26.4 % from 500 mDKK in 2023 to 632 mDKK in 2024.

EBIT

EBIT for the year was negative -3 mDKK compared to negative -108 mDKK in 2023. The main driver behind the negative EBIT is the significant non-cash amortization of intangible assets from acquisitions made in prior years. Despite the temporary negative impact from ongoing integrations, KK Group is showing positive development in EBIT.

Net Financial Items

Net financial costs amounted to -293 mDKK influenced by the borrowings related to the acquisitions made in the current and previous years. These investments are crucial for our strategic growth and are expected to yield positive returns in the future.

Result for the Year

KK Group is reporting a negative result after tax of -226 mDKK in 2024, aligning with last year's outlook of a result below 2023. This result includes effects from the integrations as well as related financing activities, which have had a temporary negative impact on profitability.

Cash Flow from Operating Activities

Cash flow from operating activities was 363 mDKK with a free cash flow of 196 mDKK (excluding acquisitions of subsidiaries and activities). In KK Group we keep a continued focus and effort to reduce the net working capital.

Long-Term Debt

In 2024, KK Group entered a new credit facility agreement to support ongoing strategic initiatives and enhancing

financial flexibility by providing capital for acquisitions and other growth initiatives, structured to align with anticipated cash flows.

Equity

The year-end 2024 equity of 2,222 mDKK, a solvency ratio of 24%, maintaining financial strength and continued growth and investment opportunities.

Financial Outlook 2025

In 2025, we anticipate a flat to slightly positive result, an improvement of our profitability driven by synergies related to footprint optimization, process enhancements and efficiency improvements, and procurement savings.

Revenue is expected to range between 7,500 and 7,900 mDKK. KK Group is expected to achieve an EBITDA margin of 8-10%. Total EBITDA is expected to amount to approximately 500 mDKK.

The result after tax is expected to be negative, compared to 2024, however, not expected to reach a negative level.



In 2024, the sustainable business transformation continued and thereby contributing to avoided GHG emissions of 490 Mt, up from 432 Mt in 2023. Following the acquisition of Nissens Cooling Solutions, the environmental and social numbers have increased.

Environment

The energy consumption at KK Group has increasingly shifted towards renewable energy, with 58% of the energy consumption in 2024 coming from renewable sources. This is mainly driven by sourcing 100% of our electricity from renewable sources. Thereby, also succeeding in meeting customer requirements one year ahead of plan. The GHG emissions from scope 1 and 2 were positively impacted by this, leading to a 25% reduction from 2023.

Social

The number of employees increased following the acquisition of Nissens Cooling Solutions and additional hiring in response to business expansion needs. At year-end 2024, KK Group had 3,682 employees. The restructuring of Nissens Cooling Solutions in 2024 impacted the employee turnover rate which at 27% was significantly higher than the 10% in 2023. The gender diversity in Senior Management improved to reach 15% with a target of 20% in 2027.

The KK Group's focus on health and safety continued with no fatalities in 2024 and a lost time injury frequency rate of 1.68 negatively impacted by the acquisition of Nissens Cooling Solutions and above the set target of 1.

Governance

The Board of Directors achieved 40% female representation in the Board of Directors, up from 20% in 2023.

No incidents of corruption or bribery were reported in 2024.



	Unit	
ENVIRONMENT		
Energy consumption	MWh	
Share of renewable sources in total energy consumption	%	
Share of renewable electricity	%	
Gross GHG, Scope 1 and 2, market-based	Tonnes	
Gross GHG, Scope 3	Tonnes	4
Total GHG emissions, market-based	Tonnes	4
GHG emissions avoided	Million Tonnes	
SOCIAL		
Number of employees by headcount at year-end	Number	
Employee turnover rate	%	
Share of underrepresented gender in Senior Management	%	
Fatalities linked to work related injuries or illness	Number	
Lost Time Injury Frequency Rate (LTIFR)	Rate	
GOVERNANCE		
Share of underrepresented gender in the Board of Directors	%	
Incidents of corruption or bribery	Number	

STRATEGY

Our plan is to



of the next chapter

Corporate Strategy

Through our strategy, we deliver a positive climate impact

Building upon our legacy of more than 40 years within the wind industry, we leverage our knowledge and expertise to drive transformative change through innovation and a steadfast commitment to sustainability. We recognize our unique responsibility and opportunity to deliver solutions that empower industries and communities, all while maintaining a healthy business – for people, profit, and planet.

Our Corporate Strategy is the foundation of our commitment to delivering a positive impact. Our strategy aims to influence our customers, employees, and the communities we serve, while optimizing the value of KK Group by expanding and balancing our operating segments and reducing business risks to create a company that will withstand the test of time.

Our strategic goals toward 2030 include continuing the diversification of our business organically and inorganically, driving digital transformation, and delivering competitive and sustainable electro-mechanical and cooling system supplies. Our strategic goal is to more than double our turnover by 2030.

In 2024, we initiated a strategy revision to better reflect our market position and future aspirations. This involves

exploring strategic opportunities within four differentiated business segments: Power & Controls, Cooling Systems, Monitoring Solutions, and Global Service. By evolving our current strategy, we aim to better match our products, footprint and end markets, creating opportunities for future scaling and efficiencies. We strive to design and sell solutions that we support throughout the total lifetime of the products.

As we move forward, our strategy will continue evolving in response to market demands and trends.

Collaborating for success

At KK Group, we do not only work for our customers, we work with them. Our mission is to create a meaningful climate impact, and we believe the best way to achieve this is through genuine partnerships.

These partnerships are built on trust, shared goals, and an unwavering commitment to innovation.

To us, collaboration is about getting to the heart of our customers' challenges. By working side-by-side, we gain deep insights that allow us to design solutions tailored to their unique needs.

“Partnership is commitment, and commitment thrives on mutual trust. Trust is cultivated through dedicated time, transparency, and close collaboration, and it is reinforced by reliability and consistently honouring our commitments. KK Group is one of

our Strategic Partners at Vestas. We value this partnership, and our partnership is a cornerstone of a sustainable and long-term relationship.”

**— Oliver Dreier
Direct Material**

One of the secrets to our success is collaboration. Together with our partners, we deliver innovative solutions that keep pace with the demands of the renewable energy market. This fosters a culture of constant learning and staying ahead of the curve while empowering our partners to do the same. In 2024, Siemens Gamesa R&D received the title of official strategic partner.

“KK Group is a technically competent partner for Siemens Gamesa R&D. Our partnership is well integrated with our team's expertise, and our investment in product cost-optimization is positively in means of competition, ensuring a high quality. We appreciate the mutual benefit of both parties.”

**— Anders Helbo Mortensen
Technology at Siemens Gamesa R&D**

Looking ahead, we are more committed to deepening our collaborations, which will help us navigate uncharted challenges or expanding

Our Business Model

We simplify complexity for our customers by delivering innovative engineering solutions on time and with the highest quality standards. Over the last decade, our customers entrusted us with a larger share of their design work, moving from mainly delivering Build-to-Print (BtP) to having a large share of of Build-to-Spec (BtS) and design projects.

We constantly challenge ourselves to innovate and develop our own proprietary products, which benefits our customers and helps optimize the costs and improve the competitiveness of the renewable industry.

Our solutions include a wide range of products, software and services, from development to installation, monitoring and maintenance. This enables KK Group to offer customers a single source for all their electrical, wind turbine, and renewable energy system needs.

In 2024, we diversified our business further by adding a new product offering “Cooling Solutions”, serving as a single source for electro-mechanical and cooling solutions supplying to multiple industrial segments such as: Wind, PtX, construction, mining, rail, defense, and engines.

Our focus on the wind industry will continue. As wind turbines keep growing in size and power output, it becomes increasingly important to develop modular and standardized solutions that are easy to transport, install, operate and service. Our products are critical for wind

turbines, while our services and monitoring solutions help extend their lifespan.

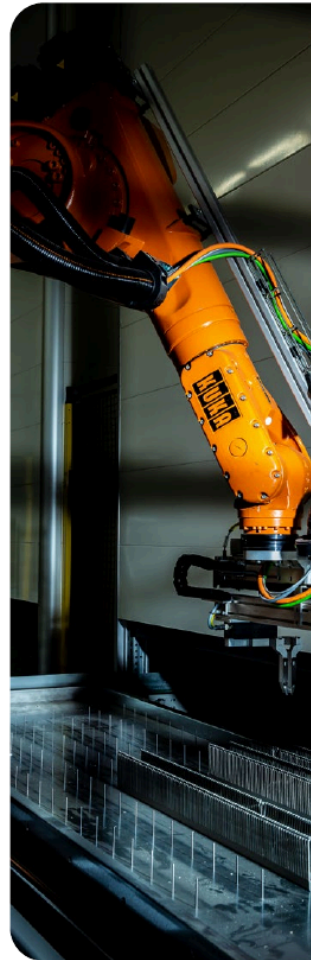
The already installed fleet of turbines is aging. Therefore, it requires continuous monitoring and service to ensure lifetime extension. As both onshore and offshore turbines are increasing in energy density and size, the demand for digital and monitoring solutions and service agreements become essential for both Original Equipment Manufacturers (OEMs) and Asset Owners.

In addition, we are working towards expanding our PtX product portfolio.

Our flexible and globally mobile workforce, which consists of highly skilled engineers and technicians, takes a proactive approach to turbine operations and maintenance. Our teams can support the entire lifetime of a wind turbine from prototype testing, pre-commissioning and High Voltage services for installation to predictive maintenance, supply and repair of spare parts, retrofit, and upgrade solutions.

Our key customers are served directly through account management teams. In addition, we also sell to channel partners allowing us to reach geographies and end segments that we do not directly serve.

A global presence with operations in Europe, Asia, and North America enables us to serve our customers around the world. We aim to establish a regional manufacturing presence to ensure proximity to our customers and provide them with the necessary support where they need it.



Product Area Strategy and Progress

Our product area strategy is highly aligned with our corporate strategy, ensuring that our product lines are innovative, sustainable, and competitive. We aim to meet customer needs and stay ahead of market trends by focusing on the following four key areas:



Power and Controls: Within our Power and Controls, we focus on the development and supply of power converters, control systems, energy storage systems, and integrated systems for wind turbines and other applications. We provide cost-effective, reliable, and compact solutions that meet our customers' specific requirements, including Build-to-Spec and Build-to-Print products. In addition, we have designed our own PtX solutions and energy storage products.

Our Power and Control area has made 2024 a year of transformative progress. With a focus on next-generation advanced control systems, we have introduced new features like Blade Deflection and Feed Forward Control powered by Blade Load Sensors. These technologies promise to set new benchmarks for precision and performance.

Our Power Converters have advanced standardization and modularization, designed to meet the diverse needs of various industries, including Wind and PtX; these converters deliver flexibility and reliability. Our Power Backup Systems continue to be a core part of our product offerings, focusing on utilizing standard building blocks to serve a broad range of renewable applications.



Cooling Solutions: In Cooling Solutions, we design and supply cooling systems for wind turbines and various industrial applications. This includes full system supplies, cooling solutions, and individual coolers. We provide high-quality, efficient cooling systems that meet customers' specific needs in sectors such as wind energy, construction, mining, rail and defense.

In 2024, we introduced our cooling solutions by acquiring Nissens Cooling Solutions. During the year, we have focused on enhancing our product portfolio and operational efficiency, setting the stage for continued innovation and excellence.

As part of our complexity reduction initiative, we have refined our customer base to focus on key partnerships, phasing out outdated technologies. This shift allows us to prioritize advancements in our production facilities, ensuring that our customers benefit from the latest

innovations without the constraint of legacy products.

Operationally, the closure of our site has been a pivotal step in streamlining our footprint. By consolidating into two sites, we have optimized our capacity and efficiency. This transition positioned us to grow effectively while reducing our environmental impact.

One of this year's highlights is the introduction of a powerful new calculation model for optimal design for the cooling solutions.



Monitoring Solutions: Monitoring Solutions provides hardware, software, and services for wind turbines' and industrial machinery performance. This includes condition monitoring systems (CMS) and vibration monitoring solutions to help customers reduce maintenance costs, extend asset lifespan, and prevent component failure. Our business model is based on hardware sales, licenses, and recurring revenue from services.

In 2024, Monitoring Solutions continued to grow in providing advanced technology solutions to our customers.

We have put forward a new strategy, including covering the basics and enhancing data access and analysis. Our aim is to maintain focus on core competencies within Monitoring Solutions while expanding our scope to other KK Group business areas.

With the organizational changes implemented in 2024, we have better alignment between our products, footprint, and end markets. The aim is to have a scalable organization where we can support new customers. All our monitoring solutions are now being produced from our facility in Hammel, while sales and product development activities were moved to a new office in Copenhagen.



Global Service: Global Service provides a range of services to support the operation and maintenance of wind turbines. This includes supplying electro-mechanical spare parts, high voltage services, field service technicians, repair services, and engineering support. The goal is to help customers reduce downtime, extend the lifespan of their assets, and optimize performance. The business model includes both one-off sales and long-term service agreements, focusing on creating customer loyalty through value-added services.

To prepare for sustainable growth, we have implemented a transformative new structure in our Service Operations. This reorganization supports our expansion and facilitates the integration of acquired factories from Vestas' converters and controls business. These efforts ensure that our customers benefit from a more comprehensive and aligned service portfolio.

We improved our repair and warranty business to enhance customer support and deliver faster, more tailored solutions. Throughout the process, we have remained committed to evolving our services to deliver value and elevate customer satisfaction.



Market Outlook

As a mid-tier manufacturing company in the renewable energy industry, KK Group remains humble yet determined to make a significant impact in the green transition. While 90% of our business is within the wind industry, our ambition is to leverage our knowledge and expertise in areas beyond the wind industry to include PtX and selected industrial segments through our Cooling Solutions.

In the global market, we see three megatrends where we can contribute in a significant way: 1) geopolitical fragmentation, 2) climate change acceleration, 3) digitization, AI, and cyber security.

The current geopolitical turbulence and economic complexity present both challenges and opportunities for KK Group. The foreseen growth in the wind industry stems from the need to have energy security, increase strategic industries competitiveness, and take action against climate change. Market dynamics are changing due to an increased focus on having domestic industries, local content requirements and enhanced sustainability standards. Policies like the Net-Zero Industry Act and increased governmental funds for innovation are supporting new growth opportunities.

At the same time, climate change is accelerating, and in 2024, we were around 1.6°C¹ above the global average temperatures of the preindustrial period, making our

contributions more critical than ever. Major trends show that the global electricity demand is expected to double by 2050, while the global capacity of renewable energy is set to nearly triple by 2030. Investments in energy efficiency are also projected to rise from 575 bEUR annually to 1,725 bEUR by 2030².

We aim to lead in digital transformation. AI advancement and cyber security are areas where we can contribute as we continue to advance our monitoring solutions and vibration detection, working intently with data to improve the service we provide to our customers and prolong the lifespan of both onshore and offshore turbines and in other sectors.

By understanding and leveraging these megatrends, KK Group aims to play a pivotal role in the global effort to combat climate change and drive sustainable development.

Despite the long-term upward trend in the global wind industry, driven by green transformation and the electrification of major industries, we anticipate continued volatility in the global wind energy market. We remain optimistic about the prospects of the US onshore market as a driver for the growth of KK Group going forward.



¹<https://www.reuters.com/business/environment/2024-was-first-year-above-15c-global-warming-scientists-say-2025-01-10/>

²<https://www.iea.org/news/doubling-global-pace-of-energy-efficiency-progress-by-2030-is-key-step-in-efforts-to-reach-net-zero-emissions>

RISK MANAGEMENT AND MAIN RISKS



and risk

Governance Set-up and Main Risks

Increased emphasis is placed on Enterprise Risk Management (ERM), due to the significant growth in the business over the recent years. In 2024, KK Group has established a dedicated ERM team responsible for developing the roadmap to identify, manage, and mitigate risks across the organization.

It is the responsibility of the Board of Directors and Executive Management to ensure that the organization has effective risk management and internal control procedures in place. The Audit Committee has been delegated oversight of the risk management process.

The governance structure for risk management is designed to ensure a clear, systematic approach to risk identification and mitigation. Risks are first identified through ongoing monitoring and input from various departments, with a focus on key risk areas. Once identified, risks are assessed based on their potential impact and likelihood, and appropriate strategies for mitigation are developed. These strategies are then implemented through established processes and

regularly monitored to ensure their effectiveness. The ERM team works closely with senior leadership and the Audit Committee to ensure alignment with strategic goals and compliance requirements, fostering a culture of proactive risk management across KK.



Risk Category	Description	Potential exposure	Mitigating actions
Operational	KK Group primary activities are within the wind industry which is characterized by a few large OEMs of wind turbines.	KK Group is exposed to high reliance on certain customers.	KK Group have increased diversification including internally developed products, the business model and the diversification of energy of customer.
Operational	Supply chain disruptions.	KK Group is dependent on certain suppliers that have a bottleneck potential. This might result in production delays and/or increased costs.	KK Group is continuously diversifying its supply chain and reducing the risk of dependency by ensuring that critical components are sourced from dual/multiple suppliers across different countries to avoid disruptions due to natural disasters, political instability.
Operational	Cyber-attacks resulting in data unavailability or lack of its integrity.	Cyber-attacks can expose KK Group to prolonged business interruption and leakage of confidential information such as intellectual property. This would also diminish customers trust in KK Group and affect its reputation.	KK Group makes regular security audits of its IT systems and has developed a comprehensive incident response plan. KK Group annually assesses its cyber security and implements necessary improvements. A Security Operations Center (SOC) solution is implemented.
Strategic	Geopolitical risk resulting in increased tariffs and other regulations.	KK Group footprint is in Asia, Europe and North America causing a potential exposure to possible economic trade measures.	KK Group is monitoring geopolitical developments and their effect on the market demand. KK Group is identifying warning signs for a recession and adjusting production in order to proactively manage demand.
Financial	Fluctuations in foreign currencies and/or interest rates.	KK Group cash flow and earnings could be impacted due to fluctuations in foreign currencies and interest rates.	KK Group monitors foreign exchange rates on a regular basis and mitigates its exposure using forward contracts. Interest rate risk is managed through floating rate and fixed rates in the debt portfolio and interest rate swaps.

Assessment

We have taken fundamental steps to identify and prioritise sustainability matters affecting KK Group. We have completed an initial Double Materiality Assessment (DMA) based on the process described below:

Stakeholder engagement

The process is based on a combination of internal documents and workshops with internal stakeholders across the organization who can represent both the business as well as external stakeholders such as suppliers, investors, customers, partners, and employees.

Documentation and scoring

Each identified Impact, Risk, and Opportunity (IRO) is documented including their scoring. The scoring parameters are based on the European Sustainability Reporting Standards (ESRS):

- **Impact materiality:** Scale, scope, irremediability, likelihood (based on if an impact is positive/negative and actual/potential).
- **Financial materiality:** Financial magnitude of risk/opportunity, likelihood, and the nature of the financial effect.

Impact and Financial effect were defined in two separate charts with respective scale and likelihood. A threshold was chosen for Impact and Financial charts. The thresholds set prioritised severity over likelihood.

Sustainability matters and materiality decisions

IROs have been identified on the lowest possible level of the ESRS topology. A sustainability matter is deemed material if at least one of the IROs is above the threshold.

In addition to assessing the ESRS sustainability matter list, we identified a need to assess the following matters to better reflect the industry and our business:

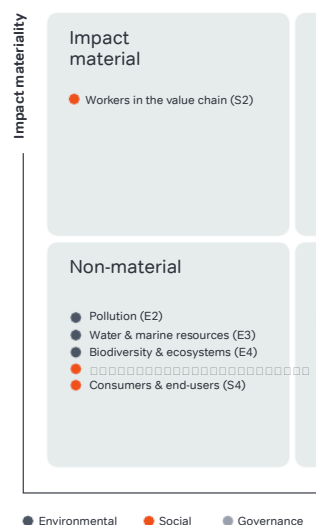
- Sub-topics “Cyber Security” and “Responsible Tax” were introduced to capture the nature of entity-specific risk.
- Topics from the Sustainability Accounting Standards Board (SASB) Electrical and Electronic Equipment standard were included in the interviews only to cover the following entity-specific topics: materials sourcing, product safety, and energy efficiency. Any IROs identified related to these topics during interviews were placed under the relevant matching ESRS topics.

From the additional matters assessed, only Cyber Security was deemed material.

DMA methodology

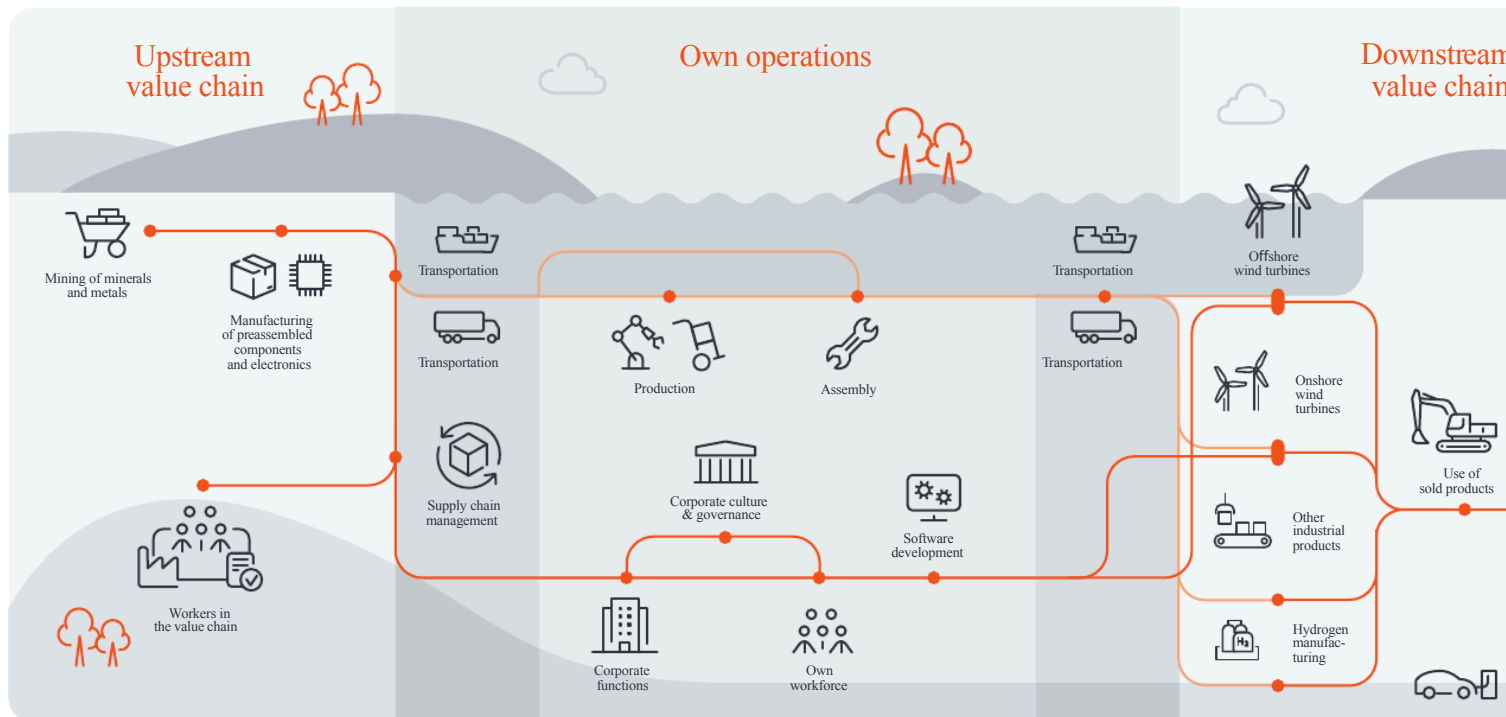
- **Step 1 – Mobilisation:** Identification of internal stakeholders deemed to have the best knowledge on respective sustainability matters, while ensuring that all sustainability matters were addressed. Identification of sustainability matters that are irrelevant considering our business model.
- **Step 2 – Establish hypothesis:** Collection of stakeholder insights to identify IROs through interviews facilitated by an external company. All sustainability matters were reviewed with a focus to identify significant IROs.

- **Step 3 – IRO Analysis:** Scoring on the information collected against the thresholds set.
- **Step 4 – Workshop:** Workshop with Executive Management to review preliminary scoring from Step 3, identify material, potentially material, and non-material. Culminating in an overall assessment, set thresholds and validity of material and non-material.
- **Step 5 – Documentation:** All identified IROs above procedures were included in the final documentation.



As this is the first DMA prepared by KK Group, we have not established a due diligence process to identify, assess, prioritise, and monitor potential and actual impacts on people and the environment, or risks and opportunities that have or may have financial effect on KK Group. A process to embed and manage IROs as part of our overall risk management process is yet to be established.

The DMA covered the KK Group value chain. The identification focused on upstream and downstream activities which are, based on industry perception, more likely to include material impacts, risks and opportunities.





GOVERNANCE

The strength of
□
group that cares

Governance Framework

KK Group and its operating companies have been owned by A.P. Møller Holding A/S since 2019. Our governance structure is based on close coordination between the Board of Directors and Executive Management.

Shareholders and general meetings

The shareholders of KK Group exercise their right to vote at the Annual General Meeting which includes the appointment of the Board of Directors, who, together with the Executive Board appointed by the board, are responsible for the management of KK Group.

Board of Directors

The Board of Directors is responsible for the overall strategic management of KK Group, setting our strategy and making decisions concerning major investments and divestments, the capital base, key policies, control and audit matters, risk management, and significant operational issues.

The Board of Directors oversees the integration of sustainability into the business strategy and monitors progress.

Executive Management

The Board of Directors appoints the Executive Board to conduct the day-to-day management of KK Group in cooperation with KK Leadership Team "Executive Management".

The Executive Management holds regular formal meetings and focuses on strong ownership, execution of strategy and performance, and managing the day-to-day operations.

People Committee

In 2024, the Board of Directors established the People Committee. The committee is elected by the Board of Directors and consists of two board members, Pernille Lyngvold Erenbjerg as the Chair of the committee and Simon Krosggaard Ibsen as a member. The committee meets at least four times a year, and when circumstances dictate.

The main responsibilities of the Committee are to support the Board of Directors with oversight of the compensation strategy and structure, remuneration and salaries, organizational review and talent acquisition.

Audit Committee

The Audit Committee is a committee of the Board of Directors and consists of two members. The Chair of the Audit Committee is Jesper Ridder Olsen. The committee's main responsibilities are to oversee KK Group financial and non-financial reporting processes, as well as risk management, tax governance and audit related matters.

Further, the Audit Committee is to provide input and support to our Financial, Legal and IT organization to ensure continuous improvements and alignments.

Group Sustainability

Group Sustainability reports directly to the Executive Management and is focused on the implementation of the strategy. The committee's main responsibilities are:

- Setting, agreeing and updating the sustainability strategy.
- Deploying the strategy based on the business plan and linked sustainability programs.
- Reporting and communicating the progress.

Data ethics

KK Group policies handle data processing and employees in accordance with the EU Data Boundary, our privacy policy, data classification and management of data.

Data privacy is ensured through our policies and ethics are embedded within our culture. We collaborate with the Group IT and People and HR departments.

Our policies on data ethics comply with the Danish Financial Statements Act, section 10.

In 2024, we have approved the updated policy on Artificial Intelligence (AI) data processing. This policy for processing data using AI is based on our internal policies and relevant regulations. The use of AI tools requires explicit approval from the Executive Management department.

Board of Directors*



Pernille Lyngvold Erenbjerg
Chair

Pernille Lyngvold Erenbjerg joined our Board of Directors in 2024, having previously served as Chair of Nissens Cooling Solutions. She brings extensive experience from her roles at Genmab, Millicom, and RTL Group. She is well-versed in governance and ESG initiatives. Her leadership focuses on advancing sustainable energy and corporate responsibility.



Simon Krogsgaard Ibsen
Vice Chair

Simon Krogsgaard Ibsen joined our Board of Directors in 2019 and was elected to Vice Chair in 2024. He brings experience within financial governance and corporate strategy, contributing to KK Group's fiscal stability and growth strategies. His expertise supports the board's long-term vision, particularly in integrating sustainability in financial operations and ensuring compliance with evolving regulatory frameworks.



Elke Elfriede Eckstein

Joining our Board of Directors in 2020, with a background in manufacturing, engineering and general management, Elke Elfriede Eckstein supports KK Group's operational efficiency and supply chain. Her efforts contribute to ensuring sustainable sourcing practices aligned with KK Group's sustainability targets.



Fabrice Roger Daniel Bregier

Fabrice Roger Daniel Bregier joined our Board of Directors in 2020, bringing a wealth of corporate development experience from aerospace and software companies and a deep understanding of sustainable energy solutions. As a Board Member, he supports KK Group international expansion.



Jesper Ridder Olsen

Jesper Ridder Olsen became part of our Board of Directors in 2019. He brings extensive experience within finance, M&A, strategy, sustainability, and governance from his current role as CFO in KIRKBI A/S and previous roles in Maersk Drilling and A.P. Moller – Maersk as well as audit/advisory partnerships at EY and KPMG. As a Board member he supports KK Groups continued growth and value creation.



Anita Vrou
Employee Elected Representative

Anita Vrou became part of KK Group with the acquisition from Vestas in 2023. She was elected to the Board of Directors in 2024. Anita Vrou has worked in the electronics industry since 2007, at Flextronics, Vestas and now KK Group.



Edin Dizdarevic
Employee Elected Representative

Edin Dizdarevic joined KK Group through the acquisition of Nissens Cooling Solutions in 2024 and was elected to the Board of Directors in 2024. Currently, as Senior Manager at Nissens Cooling Solutions, he leads key account strategies and drives business growth in the cooling division.

* The Employee Elected Representatives mentioned above are in the board of KK-Group A/S (CVR: 66821110). They are included in this view as they are actively engaged in setting the direction and strategy of KK Wind Solutions.

Executive Management

Executive Board

KK Leadership Team



Mauricio Quintana
Chief Executive Officer

Mauricio Quintana became the CEO of KK Group in January 2022. With a career spanning three decades in the energy and engineering sectors, Mauricio brings significant experience in energy transition. Before joining KK Group, he held key positions at renowned organizations such as ABB, Clipper Windpower, and United Technologies in roles of increasing responsibility, driving growth and operational excellence.



Bjørn Reinhardt Mogensen
Chief Financial Officer

Bjørn Reinhardt Mogensen joined KK Group as CFO in 2023. He has extensive financial management experience, having previously served as VP/CVP at Novo Nordisk and SVP at Lundbeck. His background provides a robust foundation in financial strategy, business partnering, cost management, LEAN and corporate governance.



Birgitte Ladefoged
Chief Human Resource Officer

Birgitte Ladefoged joined KK Group as CHRO in 2023. With 12 years of experience as Divisional CHRO at Danfoss, she excels in HR leadership and organizational development. She is dedicated to building sustainable, people-centered HR practices, focusing on talent acquisition, leadership development, and fostering an inclusive work environment aligned with KK Group's sustainability goals.



Johnny Nymann Stephansen
Chief Technology Officer

Johnny Nymann Stephansen joined KK Group in 2021 and was appointed CTO in 2023. With over 25 years of experience in the wind industry, including various senior leadership roles at Vestas within Service and R&D, he oversees KK Group's Global R&D and product offerings, ensuring that our technology portfolio delivers competitive and sustainable energy solutions to our customers.



Kasper Vestergaard Larsen
Chief Procurement Officer

Kasper Vestergaard Larsen joined KK Group as CPO in 2020 bringing extensive sourcing management experience from roles at Vestas and Energinet. He oversees Global Sourcing including Direct and Indirect Sourcing, Project and Service Sourcing and Sourcing Quality. In his role, he supports KK Group's profitable growth and sustainable journey through strategic partnerships and process excellence in sourcing.



Kenneth Svinth
Chief Commercial Officer

Kenneth Svinth joined KK Group as CCO in 2019, bringing extensive experience from the energy sector, including roles at Siemens Wind Power. In his role, he aligns commercial strategies with sustainable practices, reinforcing our commitment to long-term value creation in green energy solutions. Kenneth is also responsible for the recently acquired cooling solutions business.



Michael Dallala
Chief Corporate Development Officer

Michael Dallala joined KK Group in 2022 to lead Strategy and M&A and was appointed CCO and Head of Corporate Development in 2023. He has extensive experience in strategy, sales, business development and M&A from his previous roles at Schneider Electric and United Technologies. In his current role, he is responsible for the Corporate Strategy, public affairs, sales excellence, M&A and post-merger integration.



René Balle
Chief Commercial Officer

René Balle joined KK Group in 2013 as CCO and was appointed CCO in 2015. With extensive experience in the wind industry, including leadership roles at Vestas and AREVA, he focuses on driving sales and customer engagement strategies contributing to KK Group's commercial success and strategic alignment with sustainable energy solutions. René has led the integration of the Vestas converted & controls business acquisition.



Ratings

To support and advance our business principles and climate vision, we seek to join industry and stakeholder associations that align with our values and strategy. We take pride in the ratings that validate our efforts.

Memberships

- Wind Europe:** As the industry association for the European wind sector, Wind Europe works to promote wind energy in Europe by developing policy positions on behalf of the industry, coordinating analysis and research activities, and facilitating members networks. The association represents over 600 companies across the entire wind energy value chain. In 2024, KK Group applied to be a member in Wind Europe and became a member in 2025.
- American Clean Power (ACP):** Formed in 2021 through the merger of leading green energy trade organizations, including the American Wind Energy Association, ACP represents a diverse array of clean energy industries such as wind, solar, clean hydrogen, energy storage, and transmission. ACP works to accelerate adoption of reliable, low-cost renewable energy across the United States. In 2024, KK Group applied to be a member in Wind Europe and became a member in 2025.

- APQP4Wind:** A method for Advanced Product Quality Planning in the global wind industry, with the goal of enhancing collaboration between manufacturers and suppliers and ensuring that parties at all levels speak on equal terms about quality assurance processes. KK Group joined in 2018 and is part of the board of directors together with representatives from GE Renewable Energy, LM Wind Power, Siemens Gamesa Renewable Energy, Vestas Wind Systems, and Green Power Denmark.

- Dansk Industri (DI):** The biggest business and employers' organization in Denmark with more than 20,000 members from sectors such as manufacturing, trade, and service industries. DI supports its members both domestically and internationally, providing services, advice, networks, and representation on issues such as collective bargaining, industry-specific advice, global competitiveness, and political representation. KK Group has been part of DI since 2008.
- Green Power Denmark:** A non-commercial business organization empowering companies to influence policy, gain exclusive insights, network strategically, access expert advice, and contribute to Denmark's green future. KK Group has been a proud member of Green Power Denmark for more than 20 years.
- Engineer the Future:** A technological alliance of tech companies, educational institutions, and organizations, with the aim of promoting Danish

engineers and technology experts, providing a foundation for future knowledge. We have specialists in technological development and joined Engineer the Future in 2024, inspiring a new generation of engineers and supporting the longevity of industry through strong engineering capabilities.

Ratings

- EcoVadis:** A platform for assessing sustainability across environmental, social, and supply chains – providing insights for improvement and drive responsible practices. As the standards rise, achieving a good score remains challenging. KK Group was ranked in the top 25 percent of companies assessed by EcoVadis, with a score of 80.

KK Group is a long-standing member of the **UN Global Compact**, and we are committed to this initiative.

We adhere to the ten principles of the UN Global Compact established in 2000, which include topics such as human rights, environment, and anti-corruption, demonstrating our dedication to sustainable business.



Governance and Program

The long-term success of our sustainability strategy is reliant upon a transparent and effective structure that promotes ingenuity and facilitates results. Simple, scalable, and agile sustainability governance is vital.

To create a more sustainable and resilient KK Group, we constantly assess our approach and make changes when required to maximise our ability to turn sustainability risks and impacts into opportunities.

Harvesting more sustainable opportunities requires clearly defined responsibilities for our sustainable business transformation. This responsibility lies with our Group Sustainability function, which has been formed within the People and Culture organization for this purpose.

Sustainability Program

To provide strategic direction for our entire organization, KK Group Sustainability Program is split into three transformational tracks:

- **Smart Product & Supplier Innovation:** With a focus on designing for sustainability, this track

looks to align our Customer Value Proposition with product benefits that speak directly to customers' sustainability pain-points, aiming to facilitate net-zero and circular design through innovation. Furthermore, we must improve our knowledge of our supply chain's impact on people and the environment to support supplier engagement and innovation.

- **Equality & Culture:** With the aim of improving employee well-being and sense of belonging, this track will drive our Diversity, Equity & Inclusion (DE&I) efforts. This will include our focus on gender pay gap and living wages, as well as build on our proud Health & Safety record. This helps us in attracting the best employees and create the right conditions for employees to achieve their full potential.
- **Security & Business Ethics:** With growing global concerns regarding cyber and energy security, this track will reinforce our business ethics setup and training to ensure that we stay compliant and build the necessary trust in the market. Additionally, we will focus on data protection – both for our customers' sake and that of wider society – so that we are known as drivers of smart solutions to electrify the world in a secure and stable way.

Each track is headed by two Executive Management members and two members from the Senior Leadership Group.



Environmental Information

Climate

Reducing carbon impact

KK Group strategy is centered around providing sustainable energy solutions that support the renewable energy transition by continuously innovating products and services for more efficient energy production.

This is linked to the production of renewable electricity via wind turbines and to the distribution of renewable electricity, such as methanol created through PtX technology. Furthermore, our solutions can be used to electrify industrial processes and clear up CO₂e emissions with Carbon Capture plants.

Key policies define our starting point

Our CSR and Quality, Health, Safety and Environment (QHSE) policies guide our journey to better understand and improve our environmental impact. The policies state that compliance with ISO 9001 and ISO 14001 around quality and environmental management is a key starting point for minimizing our environmental impact when delivering high quality products that support the green transition.

KK Group has played a significant role in the growth of wind power over the past 40 years, with a proud record of contributing to the reduction global greenhouse gas (GHG) emissions. To maintain this profile, we continue to optimize our portfolio and reduce the impact of our production and locations.

Since the foundation of KK Group, we have enabled more than 164 GW of installed wind turbine capacity, of which more than 19 GW were installed during 2024. With a capacity factor of 35%, 500 TWh of renewable energy was enabled in 2024 by our decades of dedication and development.

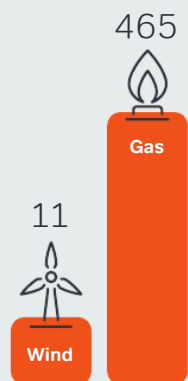
In this way, we helped save 490 million tonnes of CO₂e emissions in 2024¹, as most of our installations are replacing coal-powered electricity. This equals the yearly emissions of around 142 million EU households².

Towards net-zero

Although we are proud of our solutions that support the green transition, we fully understand that producing these solutions also contributes to climate change. In 2024, we have calculated our full climate impact to 460,120 tonnes of CO₂e with a direct and indirect (scope 1+2) market-based impact of 3,634 tonnes of CO₂e.

For the scope 1 and 2 climate emissions, we have set a net-zero target for 2030. During 2024, we have committed to the Science Based Targets initiative (SBTi) and plan to have targets approved by SBTi no later than the end of 2025.

GHG impact of electricity production



Kilograms of CO₂e

<https://www.energy.gov/eere/wind/air-breathes-easier>

¹ The calculation assumes that wind substitutes coal as per the diagram.

² Emission equivalency is calculated based on Eurostat (2024) Air emissions accounts by NACE Rev. 2 activity, and Eurostat (2024) Number of households by household composition.

Our transition plan already states that we will increase our focus on energy optimization at our sites. Reducing our energy and electricity use will have a positive impact on both the environment and KK Group bottom line.

In addition to energy optimisation efforts, we are considering installing solar cells on roofs and electrification or introduction of biogas for gas-driven heating and production processes wherever possible. In 2024, our electricity consumed has been from renewable sources only.

Raw reality

When it comes to the indirect scope 3 climate emissions, our focus is on category 1 – the purchase of goods and services – or more specifically, the mining and processing of raw materials, particularly copper, aluminum, and steel.

During 2024, we have mapped our total scope 3 impact to create a new baseline incorporating new activities and companies that have been added to KK Group in recent years. Currently, on average, we emit 60 tonnes of CO₂e per million DKK of turnover we create. If we were to pay a 750 DKK tax per ton of CO₂e on the full impact of this, it would lower our net margin by 3.6% points indicating a relatively high impact on our overall profitability due to the high energy needs in our supply chain.

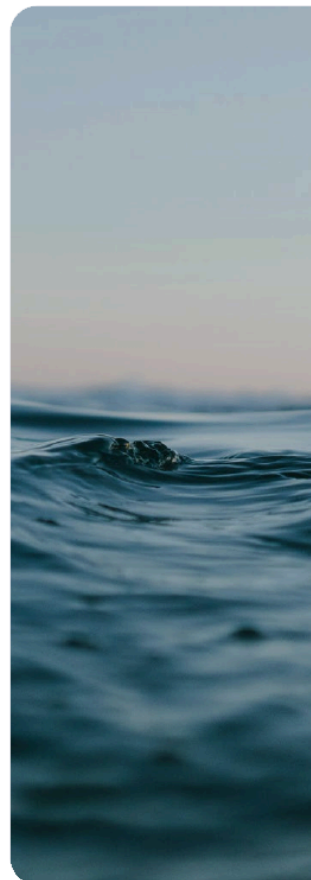
To stimulate our sustainable business transformation, we are considering an internal shadow price on carbon among other initiatives. Even without this tool, we see

a substantial potential for innovation in future products like our newly launched Bionic Busbar™. Outlining further initiatives are needed to secure a long-term 2050 scope 3 category 1 transition plan and is a key focus for 2025.

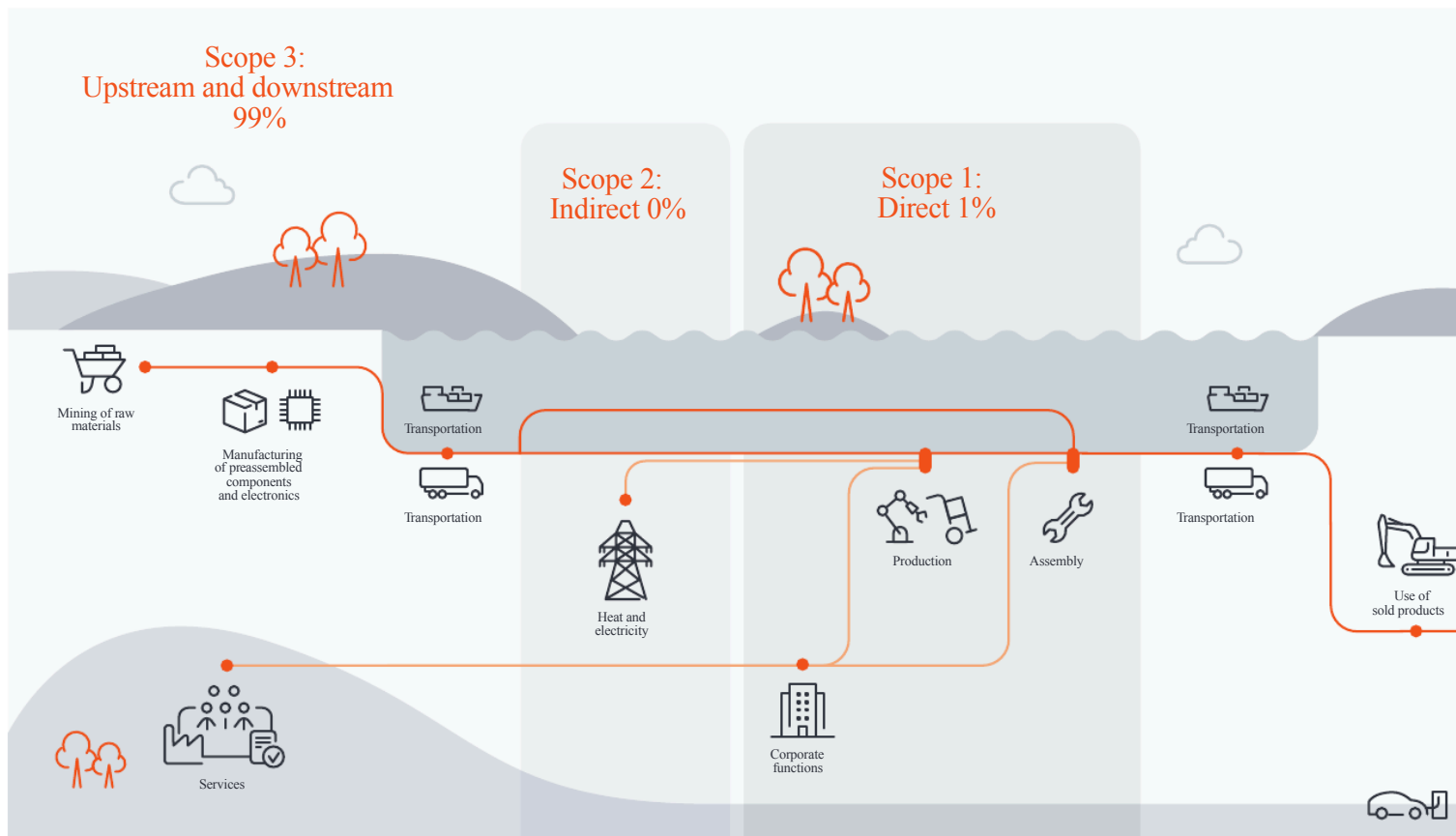
Climate uncertainty

When it comes to climate adaptation, the uncertainty of climate change can expose KK Group to physical risks – chronic as well as acute. As climate change intensifies, the likelihood of supply chain uncertainties or constraints is set to increase. From lack of raw materials to delayed product delivery.

Supply chain mapping and risk assessments will be key in developing a focused dialogue regarding consistency planning with suppliers, who are at risk of adverse nature phenomena, such as flooding, extreme lightning or tornados.



GHG emissions across our value chain



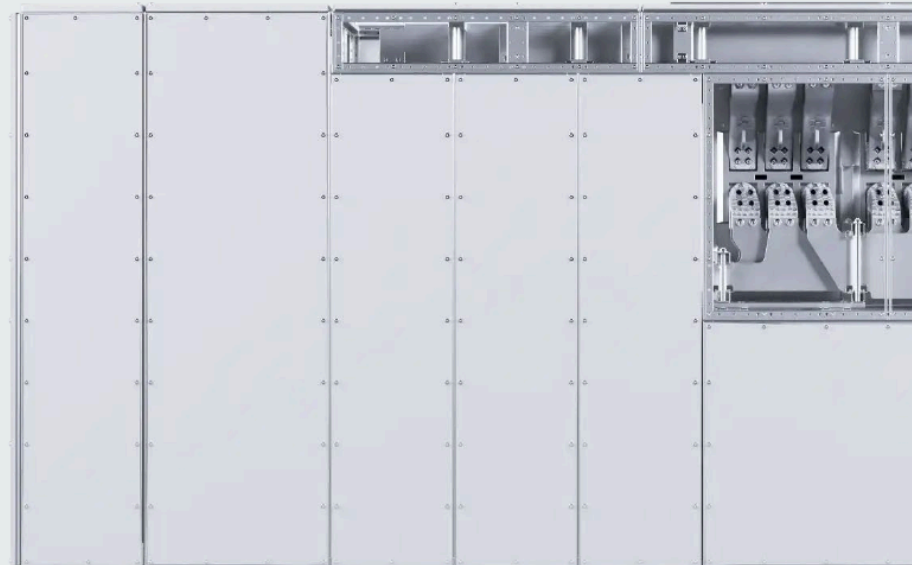
Total tonnes of CO₂e in

Better performance with less than half the material

It is estimated that the world will need 1.4 billion tonnes of copper to achieve electrification at the scale required to reach net-zero emissions by 2050. That is around double the amount of copper produced over the past 3,000 years*. Copper is used in a wide variety of electrical solutions, including in technology such as wind turbines, solar panels and electric cars. As such, with every gram of copper that we can save in our solutions, we will support society's ongoing green transition.

With the increasing cost and scarcity of copper, KK Group's new Bionic Busbar™ is a much-needed innovation for achieving more with less.

Using innovative technologies, the Bionic Busbar™ has achieved more than 50% material reduction, while maintaining high performance. Its 3D-optimized design creates an exact custom fit while reducing weight, volume, and electrical connections.



*[https://energyminute.ca/infographics/the-volume-of-](https://energyminute.ca/infographics/the-volume-of-copper-needed-to-achieve-net-zero-emissions-by-2050)

Circular Economy

The circular economy is about transforming how resources are used, moving away from the wasteful “take-make-waste” model, and seeing waste as not just trash but a valuable resource.

Design for circularity is still new to the KK Group. For many years, the focus has been on securing the production waste to be re-purposed. That has resulted in 91% of our waste being re-purposed. Based on this, the next step is to look into the design of our products and learn how we design for circularity.

To enable the renewable energy transition, KK Group purchases high amounts of resource intensive materials such as copper, aluminium and steel that are all important parts of the many components needed for the production of converters, coolers and sensors. In addition, our production of batteries is increasing. The production of these materials and components could have negative environmental impacts.

For KK Group, adopting circularity is not just a sustainability goal, it is a competitive advantage given the reliance on rare materials where resource recovery is challenging and complex due to product design needs.

Our cooling technologies

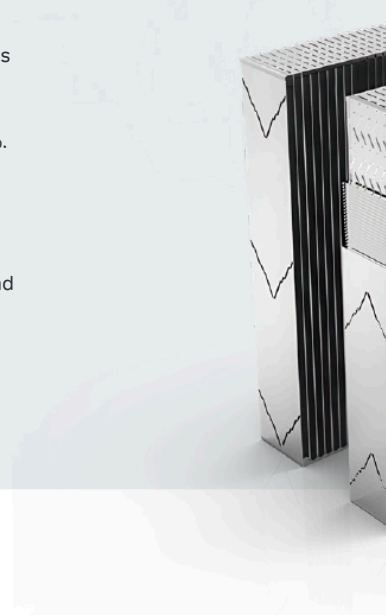
Our cooling product offerings are at the forefront of innovation, introducing alternative cooling technologies that surpass the well-known plate and bar technology. These advancements have significantly improved material and energy consumption, as well as labor time in production processes.

One of our preferred water cooling solutions utilizes the AluXstream technology, a proprietary and patented innovation. This technological shift alone results in a weight reduction of approximately 20%. When considering cooling efficiency as a function of weight, AluXstream is about 30% more efficient than the traditional plate and bar technology.

The benefits of these advancements extend beyond cost savings. They have also led to a substantial reduction in the carbon footprint and resources used in our products. For every kilogram of aluminum we reduce, we achieve an approximate reduction of 9 kg of CO₂e. This is a significant

achievement in our ongoing pursuit of more sustainable solutions.

All cooling solutions and heat exchangers are made of aluminum. However, we do note that mining aluminum, especially extracting it from bauxite, comes with a high energy cost. By optimizing our designs and reducing the amount of material used, we are not only cutting costs but also making a positive impact on the environment.



Social Information

Own Workforce

People are what determines our success, and a positive corporate culture is critical to bringing out the best in our people. We have a holistic approach to supporting and improving our corporate culture.

We emphasize the importance of developing and maintaining a corporate culture that provides psychological safety, allowing all employees to achieve their full potential every day at work, while also securing the employees' physical safety.

In terms of Equality and Culture, KK Group's Sustainability Program is focused on promoting the benefits of inclusion.

As a signatory of the UN Global Compact's 10 principles since 2010, we continue to promote and support human and labor rights in our own organization, as well as among our customers and our business partners – including our value chain.

Our Winning Behaviors

At KK Group, we have four Winning Behaviors. In 2024, these have been included in the yearly review process for all employees. The Winning Behaviors are not just ideals

but practical actions that will help us achieve our goals and create an inclusive and successful culture. We have outlined our Winning Behaviors below:

- **We are Energy Wizards:** As Energy Wizards, we use creativity, innovation, and enthusiasm as the driving force of our company. We are always looking for new ideas, facing challenges with a positive attitude, and inspiring others with our passion.
- **We Empower Each Other:** Empowerment is at the heart of a collaborative and thriving workplace. It ensures that everyone feels valued and motivated. This involves providing our colleagues with the resources and support they need to excel, as well as recognising and celebrating each other's strengths and accomplishments.
- **We Promote Integrity:** Integrity is the foundation of trust and credibility within our organization. It means being honest, transparent, and ethical in all our actions and decisions. This behavior fosters a culture of reliability and respect where everyone feels confident in the fairness and integrity of our processes.
- **We Lead with Empathy:** Leading with empathy is essential for creating an inclusive and successful workplace. By understanding and addressing the needs and concerns of others and showing genuine care and consideration, we build a supportive community where everyone feels heard and valued.

Employee Engagement Survey

To measure the overall working atmosphere, we conducted an annual Employee Engagement Survey in September 2024 involving employees who have worked for three months or more. Management encouraged high participation in the survey, which was conducted by an independent third party. We are developing actions based on the survey results to reinforce aspects of our organizational culture.

Each manager conducts follow-up meetings with their teams to share results, discuss insights, and provide additional feedback. This is also done with employees and their teams to create a target plan for improvement, reviewed on a quarterly basis to track progress.

An impressive 94% of eligible employees participated in the survey, providing a solid foundation for identifying key areas that sustain our strengths and opportunities for improvement within our corporate culture.

The overall result seen in this year's survey shows an overall improvement. The employee engagement percentage improved reaching 78%, a proud moment for our company and a reflection of our employees' engagement in the development of KK Group's corporate culture.

Learning and development

To reinforce our strategic workforce planning, we proactively develop future competencies through a comprehensive talent identification and development process.

To support personal development, our '60% Ready' rule means that people who are considered 60% ready for the next step in their KK Group career are included in overall evaluations for upcoming opportunities.

Our Talent Development journey was revamped in 2024 to provide employees with even more opportunities for continuous learning and growth:

- **LinkedIn Learning:** Available to all employees, supporting the development of new competencies and deepening expertise in relevant areas.
- **Training Needs Identification:** Helps create a roadmap for targeted competency development aligned with strategic goals.
- **Mentorship Program:** Leveraging internal expertise to strengthen organizational capacity and build a robust internal pipeline for critical positions.

LinkedIn Learning and the Mentorship Program were both introduced in the second half of 2024. Over 400 employees globally took part in our LinkedIn Learning pilot program at an above LinkedIn statistics benchmark of engagement rate. More than 21,000 training videos have been watched. The Mentorship Program created detailed development for 35 selected employees to learn

what it will take to scale the program and provide many more employees with guided individual development.

Our review process

During 2024, 90% of our employees took part in the yearly development review and dialogue process between managers and employees.

Our People Review process includes evaluating critical positions and succession planning to ensure continuity in our leadership. We are reactivating our Leadership Program to develop future leaders and enhance our current managers' competencies.

All new employees at KK Group are required to sign the Employee Code of Conduct to confirm that they are aware of and will adhere to its contents before starting their employment. The Employee Code of Conduct is focused on meeting human rights, labor rights, and business ethics featured in the UN Global Compact principles.

Gender diversity

To obtain a more even gender split and a more welcoming and inclusive workplace, KK Group created a Diversity and Inclusion policy in 2023 that features a number of actions. The policy is active for all subsidiaries of KK Group and sets out a more inclusive hiring process, mentorship and career support programs, cultural sensitivity, leadership engagement, and setting and reporting goals.

In 2024, the Board of Directors has worked towards the ambition of having a more diverse gender composition

Partnering Polish technical schools

KK Group has established an agreement in Poland with technical schools that specialize in the fields of electrical engineering, mechatronics, and automation.

The partnership is designed to provide practical education and in collaboration with the aim of strengthening our talent pipeline. Students gain practical experience through training opportunities with us, exposing them to the latest industry trends and fostering the acquisition of skills and knowledge in their respective fields.

In addition to practical training, the company plans to conduct sessions and workshops, to network with industry professionals, to gain insight into real-world challenges and opportunities which they will face in their future careers.

and achieved the target of 40% female representation. As the ambition for gender representation for the Board of Directors is now achieved, no further targets were set. The target of 20% female representation for Senior Management by 2027 still stands. In 2024, our efforts led to getting one step closer by reaching 15% (2023: 12%).

Safety first

Our commitment to safety first has seen positive developments across several areas in 2024. Due to the potentially serious health and safety hazards our workers can be exposed to from machinery and electricity, it is critical that we stay vigilant in these efforts.

KK Group is certified according to the standards of ISO 45001:2018 Occupational health and safety management systems demonstrating our dedication to constantly applying and enhancing how we handle health and safety.

Our progress

We made significant progress on the Total Recordable Incidents Rate (TRIR) and Lost Time Injury Frequency Rate (LTIFR) over the past three years as they improved from 7.94 and 2.89 in 2021 to 3.51 and 1.68 in 2024, respectively.

In 2024, TRIR continued to improve compared to the previous year 3.51 (2023: 4.40), while our already low LTIFR increased to 1.68 (2023: 0.88). Thereby, the targets for TRIR and LTIFR of 3.5 and 1 for 2024, respectively, have not been met. Health and safety will remain a top priority in 2025.

The absence ratio among our blue-collar and white-collar employees remained within our acceptable levels of 4.5% and 1.5% (2023: 4.1% and 2.2%), respectively.

Having made First Aid and CPR training mandatory for all employees in 2023, 90% of our staff have now completed the three to five hours CPR training.

Our Safety Walk concept continues to create and sustain a strong safety culture by providing a proactive open forum for one or more employees to discuss Health,

Safety and Wellbeing. In 2024, we completed 2,067 Safety Walks, up from 2,067 walks in 2023.

We are committed to working with our employees on the continuous implementation of safety actions and improving them in the future.

What is it like to work at KK Group?

“Since day one, I’ve felt part of something bigger” shares Tamas Toth, a Project Manager at KK Group. Joining the company in April 2021, Tamas has been part of our rapid growth journey. “What makes me most proud is contributing to a transformative industry, building processes from scratch, and collaborating in ways that matter”.

Pointing at the work culture, Tamas highlights trust as a vital part. “Trust is the foundation here”. Flexibility and empowerment define the environment, allowing employees to take ownership of their tasks. “We’re treated as CEOs of our projects, with the autonomy to make decisions and the accountability to follow through”.

Our commitment and efforts within professional development stand out for Tamas: “I’ve grown immensely since joining. Leadership programs, mentorship opportunities, and a culture that values effort over experience have been pivotal. It’s a place where hard work is recognized, and opportunities are endless”.

Asked if he would recommend KK Group, Tamas says “Yes, if you’re ready to make an investment in yourself, the unmatched support and endless opportunities make it the best decision I’ve made”.

Senior Project Manager
Tamas Toth



Workers in the Value Chain

Supplier innovation is a high priority in our Sustainability Program, not just to understand our value chain better in terms of price and potential new suppliers, but also with regard to environmental and social impacts.

Identifying risk

While we will continue our focus on securing supplier agreements on our Supplier Code of Conduct, we aim to utilise our suppliers' detailed knowledge on the products that they supply to gain more insights on environmental and social impacts at our tier-one suppliers.

When the fundamentals are in order, we see significant potential for supplier innovation input and the possibility of increasing the level of engagement.

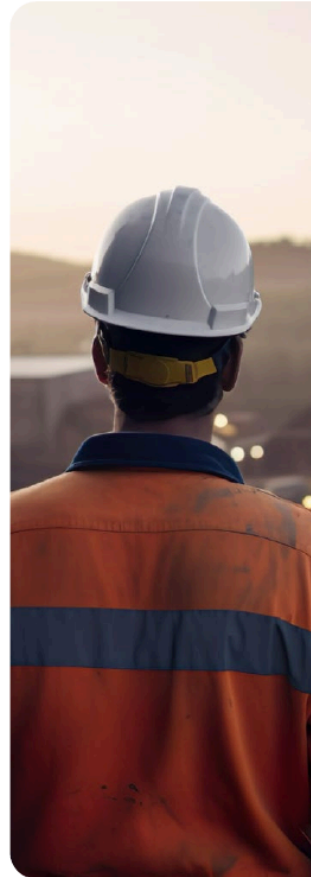
Our long-standing supplier audit program will continue and we encourage the wind industry to create a platform for sharing audits and audit criteria, as this is seen as a part of the industrialisation of delivering components into the wind industry.

Avoiding conflict minerals

Following our DMA, we will be extra vigilant with regard to raw material extraction. Our initial focus will be on

establishing a conflict material assessment, which involves regular compliancy checks of our suppliers.

Minerals such as gold, tantalum, tungsten, and tin have been linked to funding violence in the Democratic Republic of Congo and its neighbouring countries (DRC region). KK Group follows the U.S. Dodd-Frank Act and other related laws to avoid using these minerals in the supply chain and supports the Conflict-Free Smelter Program (CFSP), a voluntary initiative aimed at identifying and verifying smelters and refiners of conflict minerals that source responsibly.



Governance Information

Business Conduct

Corporate culture is a fundamental pillar in ensuring good business conduct and fostering sustainable growth. It fosters our position as a trusted partner in the green transition and is supported by various policies and principles designed to prevent anti-competitive behavior.

Code of conduct

All new employees at KK Group are required to sign the Employee Code of Conduct to confirm that they are aware of and will adhere to its contents before starting their employment. Potential non-compliance with our Employee Code of Conduct can be reported through our whistleblowing system described below.

All direct suppliers are required to sign the Supplier Code of Conduct implemented in their management system. Overall, more than 90% of KK Group's direct spend is with suppliers who have signed our Supplier Code of Conduct. In 2024, 30 more suppliers committed to our Supplier Code of Conduct.

Suppliers are subject to combined quality and sustainability audits to verify compliance. In 2024, we have conducted 85 supplier audits, covering 80% of our direct spend. The audits resulted in planned corrective actions with some of these suppliers, and one supplier being rejected.

Whistleblowing Policy

Our Whistleblowing Policy allows employees and external partners to report violations. Reported incidents are anonymous by default unless local legislation prohibits anonymous reports. Access to the whistleblowing system is publicly available on KK Group's website and our intranet. You can also access it using the QR code below.

We have a standard operating procedure to ensure that reported incidents are promptly, independently, and objectively processed. Each reported case is investigated by an independent panel of three individuals, consisting of the GVP of Legal, the Head of People Operations & Business Partnering, and the GVP of Finance Reporting and Compliance. If a reported incident involves one of these three individuals, the remaining two individuals will exclusively investigate it. If an incident involves the CEO, the Board of Directors will investigate it. The outcome of the investigation determines the disciplinary action and/or remediation implemented as necessary. The Whistleblowing Policy does not tolerate retaliation or vengeful action taken against an employee who reported an incident. A summary of reported cases and

investigation results is presented to the Whistleblowing Panel, which oversees and assesses the implementation of the Whistleblowing Policy.

In 2024, three cases were reported through the Whistleblower platform. We fully investigated each case and concluded that neither was a disciplinary action taken nor a panel did not receive a response. No cases were reported in the past 10 months from the period of the investigation was closed.

In 2025, we will focus on setting up training sessions in anti-bribery, anti-trading, and business conduct.





Protecting our proprietary intellectual property, customer information, and other data is essential. Cyber Security is highly emphasized within KK Group.

Maturity assessment

KK Group has been annually assessing Cyber Security maturity over the past three years using the Center for Internet Security's 18 critical security controls (CIS 18). The group score improved in 2024, and is considered well above the benchmark for similar companies.

Network and Information System Directive (NIS2)

NIS2 is a new directive established by the EU, with a primary goal to enhance the level of cyber security in the EU, by setting stricter standards for the protection of critical infrastructure including more robust cyber security measures.

With the increasing reliance on digital systems to monitor and control wind turbines, the risk of cyber-attacks has grown. The wind turbine industry is significantly affected by NIS2.

KK Group aims to meet NIS2 compliance requirements by the deadline of 1 July 2025, as set in the directive.

Other actions

Employees are requested to remain attentive, ask questions, and report any suspicious activity, e-mails, etc. All employees are provided with a GDPR and Cyber Security training upon joining KK Group. In addition, test phishing emails are sent to employees on a regular basis for continuous training and raising awareness.

To better secure our IT environment, in 2024, we have implemented a Security Operation Center (SOC) solution, which monitors and acts if any of our computers are compromised or infected.

Furthermore, we are in the process of implementing a Data Loss Prevention system, securing and preventing loss of confidential data even further than what we have today.



An abstract graphic of a hand is positioned on the right side of the page. The hand is rendered in a light, semi-transparent grey color. Inside the hand, there are glowing lines: a yellow-orange line in the upper part and a blue line in the lower part, resembling a stylized representation of energy or data flow. The background is a solid, vibrant orange.

CHAPTER 2

Financial Statements

Consolidated Income Statement

Note	Amounts in kDKK	2024	2023
2.1	Revenue from contracts with customers	7,682,161	5,486,054
	Cost of goods sold	-5,289,768	-3,929,094
	Gross profit	2,392,393	1,556,960
2.2	Staff expenses	-1,253,589	-723,227
	Other operating expenses	-652,142	-359,006
	Result before depreciation, amortization and impairment losses, etc. (EBITDA)	486,662	474,727
2.3	Depreciation, amortization and impairment losses, net	-466,427	-364,551
2.4	Gain/loss on sale of non-current assets, etc., net	-23,044	-2,221
	Result before financial items (EBIT)	-2,809	107,955
4.1	Financial income	46,847	68,952
4.1	Financial expenses	-339,757	-233,781
	Result before tax	-295,719	-56,874
5.1	Tax	69,585	5,206
	Result for the year	-226,134	-51,668

Consolidated Statement of Comprehensive Income

Note	Amounts in kDKK
	Result for the year
	Exchange rate adjustments of foreign subsidiaries
	Translation impact arising during the year
	Cash flow hedges
	Value adjustment of cash flow hedges for the year, currency hedges
	Reclassification to the income statement of previously deferred value adjustment, currency hedges
	Value adjustment of cash flow hedges for the year, interest rate hedges
5.1	Tax on cash flow hedges
	Total items that have been or may be reclassified subsequently to the income statement
	Other comprehensive income, net of tax
	Total comprehensive income for the year

Consolidated Balance Sheet

		Assets		
Note	Amounts in kDKK	31 December 2024	31 December 2023	1 January 2023
3.1	Intangible assets	4,182,930	3,792,046	2,769,382
3.2	Property, plant and equipment	673,966	576,785	207,849
3.3	Right-of-use assets	277,456	134,773	102,176
4.2	Derivatives	14,025	0	0
	Other receivables	15,944	9,599	3,089
	Financial non-current assets	29,969	9,599	3,089
2.1	Other assets related to contracts with customers	59,585	51,362	21,528
5.1	Deferred tax	89,459	12,011	3,822
	Total non-current assets	5,313,365	4,576,576	3,107,846
3.7	Inventories	1,571,910	1,351,459	601,965
4.2	Trade receivables	1,114,889	667,452	406,317
2.1	Contract assets	21,870	11,727	6,395
2.1	Other assets related to contracts with customers	17,321	0	0
	Tax receivables	113,499	56,300	5,778
4.2	Derivatives	25,208	11,336	5,539
	Other receivables	151,481	83,463	1,146,533
	Prepayments	36,644	24,879	37,530
	Cash and bank balances	831,782	619,879	201,328
	Total current assets excluding assets classified as held for sale	3,884,604	2,826,495	2,411,385
3.6	Assets held for sale	82,290	0	0
	Total current assets	3,966,894	2,826,495	2,411,385
	Total assets	9,280,259	7,403,071	5,519,231

		Equity
Note	Amounts in kDKK	31 December 2024
	Share capital	20,553
	Reserves	21,825
	Retained earnings	1,883,846
	Proposed dividend	300,000
4.5	Total equity	2,226,224
4.4	Borrowings, non-current	3,598,615
4.4	Lease liabilities, non-current	222,056
3.8	Provisions	45,514
4.2	Derivatives	8,124
5.1	Deferred tax	291,536
4.4	Payables to group enterprises	351,289
	Other payables	15,580
	Total non-current liabilities	4,532,714
4.4	Borrowings, current	45,157
4.4	Lease liabilities, current	62,835
3.8	Provisions	48,717
	Trade payables	2,112,990
2.1	Contract liabilities	22,499
	Tax payables	29,372
4.2	Derivatives	0
4.4	Payables to group enterprises	0
	Other payables	170,333
	Deferred income	29,418
	Total current liabilities	2,521,321
	Total liabilities	7,054,035
	Total equity and liabilities	9,280,259

Consolidated Cash Flow Statement

Note	Amounts in kDKK	2024	2023
	Result before financial items (EBIT)	-2,809	107,955
2.3	Depreciation, amortization and impairment losses, net	466,427	364,551
2.4	Gain/loss on sale of non-current assets, etc., net	23,044	2,221
5.2	Change in working capital	-79,474	789,146
	Change in provisions	-3,525	33,954
	Cash flow from operating activities before tax	403,663	1,297,827
	Taxes paid	-40,241	-36,016
	Cash flow from operating activities	363,422	1,261,811
3.1	Purchase of intangible assets	-26,134	-26,242
3.2	Purchase of property, plant and equipment	-51,499	-41,932
	Sale of intangible assets and property, plant and equipment	13,760	0
	Purchase of other assets related to contracts with customers	-25,544	-29,834
3.5	Acquisition of subsidiaries and activities	98,106	-1,311,212
	Sale of associated companies	1,200	0
	Cash flow used for investing activities	9,889	-1,409,220
4.4	Repayment of borrowings	-2,726,407	-601,067
4.4	Repayment of leases	-68,537	-38,433
4.4	Proceeds from borrowings	2,993,000	1,500,000
4.4	Repayment of payables to group enterprises	-125,000	-1,096,899
	Financial income received	11,454	32,545
	Financial expenses paid	-254,162	-186,299
	Purchase of own shares	-11,479	-7,296
	Sale of own shares	0	18,032
	Capital increase	0	949,999
	Cash flow from financing activities	-181,131	570,582
	Net cash flow for the year	192,180	423,173

Note	Amounts in kDKK
	Cash and cash equivalents at 1 January
	Currency translation effect on cash and cash equivalents
	Net cash flow for the year
	Cash and cash equivalents at 31 December
	Cash and bank balances
	Cash and cash equivalents at 31 December

Consolidated Statement of Changes in Equity

Amounts in kDKK	Share capital	Translation reserve	Reserve for cash flow hedges	Retained earnings	Proposed dividend
Equity at 1 January 2023	15,008	-7,856	3,114	1,504,565	
Result for the year	0	0	0	-51,668	
Exchange rate adjustments of foreign subsidiaries	0	-20,467	0	0	
Cash flow hedges	0	0	3,698	0	
Tax on other comprehensive income	0	0	-814	0	
Other comprehensive income, net of tax	0	-20,467	2,884	0	
Total comprehensive income for the year	0	-20,467	2,884	-51,668	
Sale of own shares	0	0	0	18,032	
Purchase of own shares	0	0	0	-7,296	
Capital increase	5,545	0	0	944,454	
Total transactions with shareholders	5,545	0	0	955,190	
Equity at 31 December 2023	20,553	-28,323	5,998	2,408,087	
Result for the year	0	0	0	-526,134	300,000
Exchange rate adjustments of foreign subsidiaries	0	28,416	0	0	
Cash flow hedges	0	0	20,172	0	
Tax on other comprehensive income	0	0	-4,438	0	
Other comprehensive income, net of tax	0	28,416	15,734	0	
Total comprehensive income for the year	0	28,416	15,734	-526,134	300,000
Purchase of own shares	0	0	0	-11,479	
Effect of business combination of entities under common control	0	0	0	13,372	
Total transactions with shareholders	0	0	0	1,893	
Equity at 31 December 2024	20,553	93	21,732	1,883,846	300,000

For an overview of the adjustments made by the Group in restating the consolidated financial statements prepared in accordance with the Danish Financial Statements Act to consolidated financial statements in accordance with IFRS as adopted by the EU, please refer to note 1.1.

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1.1 General Accounting Policies

This note sets out general accounting policies for KK Wind Solutions Holding A/S that relate to the financial statements as a whole. Where an accounting policy is applicable to a specific note in the financial statements, the policy is described within that note.

Basis of preparation

The consolidated financial statements have been prepared on a going concern basis and in accordance with the IFRS Accounting Standards as adopted by the EU (IFRS) and further requirements in the Danish Financial Statements Act.

These consolidated financial statements are the first consolidated financial statements which the Group has presented in accordance with IFRS. For periods up to and including the year ended 31 December 2023, the Group prepared its consolidated financial statements in accordance with the Danish Financial Statements Act (local GAAP). In the 2023 consolidated financial statements, revenue and leases were reported according to IFRS 15 and IFRS 16 in accordance with the Danish Financial Statements Act's option to apply the recognition and measurement principles in IFRS 15: Revenue from contracts with customers and IFRS 16: Leases.

The functional currency of KK Wind Solutions Holding A/S and the presentation currency of the financial statements of the Group and the parent company is Danish kroner (DKK). All amounts have been rounded to the nearest thousand unless otherwise stated.

First-time adoption of IFRS

The Group has prepared consolidated financial statements that comply with IFRS applicable at 31 December 2024, together with the comparative period data for the year ended 31 December 2023. In preparing the consolidated financial statements, the Group's opening consolidated balance sheet was prepared at 1 January 2023, which is the Group's date of transition to IFRS. This note explains the adjustments made by the Group in restating the consolidated financial statements prepared in accordance with the Danish Financial Statements Act, including the consolidated balance sheet at 1 January 2023 and the consolidated financial statements at, and for, the year ended 31 December 2023.

According to IFRS 1: First-time Adoption of International Financial Reporting Standards, a subsidiary that becomes a first-time adopter later than its parent can measure in its financial statements, its assets and liabilities at the carrying amounts that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

As the Group has been reporting according to IFRS to A.P. Møller Holding, the assets and liabilities of the Group will be measured based on the carrying amounts in the consolidated financial statements of A.P. Møller Holding A/S.

The below reconciliation shows the adjustments made by the Group in restating its financial statements from being prepared in accordance with the Danish Financial Statements Act to being prepared in accordance with IFRS as adopted by the EU.

Amounts in kDKK	Comments	Consolidated	
		1 January 2023	31 December 2023
			Result for the year
KK Wind Solutions Holding Group prepared in accordance with the Danish Financial Statements Act		1,291,843	-163,811
Amortization of goodwill	1	226,958	111,843
Provision for expected credit losses	2	-3,970	309
Exchange rate adjustments of foreign subsidiaries	3		
Cash flow hedges	4		
Tax on other comprehensive income	5		
KK Wind Solutions Holding Group prepared in accordance with IFRS		1,514,831	-51,669

Comments regarding the adjustments made by the Group in restating its financial statements from being prepared in accordance with the Danish Financial Statements Act to being prepared in accordance with IFRS:

1) According to the Danish Financial Statements Act, goodwill is amortized over time. In IFRS, the amortization of goodwill takes place. Instead, an annual impairment test is performed, and goodwill is written down, if the carrying amount exceeds the recoverable amount. The amortization recognized at 1 January 2023 and during 2023 according to the Danish Financial Statements Act is reversed.

2) According to the Danish Financial Statements Act, the Group accounts for financial assets by using an incurred loss approach. According to IFRS, the expected credit loss approach must be applied. As a consequence, an allowance for trade receivables and contract assets is recognised along with the related taxes.

3) According to the Danish Financial Statements Act, exchange rate differences on the translation of the income statement and the opening net assets of foreign entities were recognized directly in equity. According to IFRS, the exchange rate differences have to be recognized in other comprehensive income.

4) Previously, according to the Danish Financial Statements Act, the change in fair value of the effective part of cash flow hedges was recognized directly in equity, whereas it has to be recognized in other comprehensive income according to IFRS. In 2023, the cash flow hedges in the Group consist of currency contracts.

5) Tax related to taxable amounts that are recognized in other comprehensive income instead of directly in equity is recognized in other comprehensive income as well.

Apart from the above-mentioned changes, the following reclassifications and changes in format including restatement of the opening consolidated balance sheet at 1 January 2023 and comparative figures for 2023 have been made:

6) Right-of-use assets are presented as a separate line item in the balance sheet. Previously, they were presented as part of property, plant and equipment. The recognized amounts are unchanged.

7) Deferred tax is presented as non-current assets and non-current liabilities. Previously, deferred tax assets were presented as current assets, and deferred tax liabilities were presented as part of provisions.

8) Provisions are no longer presented as a separate main group in the balance sheet but are included in non-current and current liabilities.

9) The classification of expenses in the income statement has been changed from a classification based on the function of the expenses to a classification based on the nature of the expenses. The change has been implemented so that the classification in the financial statements of the Group is similar to the presentation in the consolidated financial statements of A.P. Møller Holding A/S which comprise the Group as well as to the presentation in the Group's internal management reporting. The amounts presented as production costs, distribution expenses, administrative expenses and development expenditure in the 2023 financial statements are now split between the line items cost of goods sold, staff expenses, other operating expenses, depreciation, amortization and impairment losses, net and gain/loss on sale of non-current assets, etc., net in the comparative figures in the income statement of the Group.

Other minor reclassifications have been made between line items in the income statement and the consolidated balance sheet.

None of the reclassifications have affected the result or equity.

There are no differences between the cash flow statement presented in the consolidated financial statements and in accordance with the Danish Financial Statements Act except for cash flow from operating activities and cash flow from financing activities. Cash flow from operating activities paid and financial income received are now included as part of financing activities. A reclassification has been made between cash flow used for investing activities and cash flow from operating activities as cash flow related to deposits is now included in cash flow from operating activities.

Applying materiality

In the preparation of the consolidated financial statements, the Group discloses information that is considered to be material and relevant to the users of the consolidated financial statements. The consolidated financial statements are a result of aggregating numbers of transactions and aggregating those transactions into classes of similar nature or function. The transactions are presented in classes of similar nature in the consolidated financial statements. If a line item is not individually material, it can be aggregated with other items of a similar nature in the consolidated financial statements or in the consolidated financial statements. IFRS contain extensive disclosure requirements. Management provides disclosures required by IFRS in the consolidated financial statements unless the information is considered immaterial to the users of the consolidated financial statements.

Consolidation

The consolidated financial statements incorporate the financial statements of the company, KK Wind Solutions Holding A/S, and its subsidiaries. Subsidiaries are controlled by KK Wind Solutions Holding A/S. Control exists when KK Wind Solutions Holding A/S has effective power over the entity and has the right to variable returns from the entity.

Consolidation is performed by summarizing the financial statements of the company and its subsidiaries, which have been prepared in accordance with KK Wind Solutions Holding A/S accounting policies. Intra-group income and expenses, shareholdings, dividends, and gains on intra-group transactions are eliminated.

Subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition and up to the effective date of disposal.

Foreign currency translation

For each reporting entity in the Group, a functional currency is determined, being the currency used in the primary economic environment where the entity operates. Where a reporting entity has transactions in a foreign currency, it will record the transaction in its functional currency using the transaction date rate. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate applicable at the reporting date. Exchange rate differences are recognized in the income statement under financial items. Non-monetary items, for example property, plant and equipment, which are measured based on historical cost in a foreign currency, are translated into the functional currency upon initial recognition.

Financial statements of foreign subsidiaries are translated into the presentation currency of the parent company at the exchange rates prevailing at the end of the reporting period for balance sheet items and for income statement items at average exchange rates (if these do not differ materially from the transaction date exchange rates). All exchange rate differences are recognized in other comprehensive income and accumulated in the translation reserve within equity.

Income statement

Cost of goods sold comprises raw materials and consumables used as well as changes in inventories of finished goods and work in progress.

Other external expenses include the year's expenses related to the Group's primary activities, including expenses related to distribution, sale, advertising, development, administration, premises, changes in allowance for expected credit loss, etc.

Cash flow statement

The consolidated cash flow statement is prepared using the indirect method. The statement of cash flows cannot be derived directly from the consolidated balance and the consolidated income statement. Cash flows relating to acquired entities are recognized from the date of acquisition.

Cash flow from operating activities is calculated as result before financial items (EBIT) adjusted for non-cash operating items, such as depreciation, amortization and impairment losses and gain/loss on sale of non-current assets, provisions, changes in working capital and taxes paid. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flow used for investing activities comprises cash flow from business acquisitions and disposals of intangible assets, property, plant and equipment and non-current assets. The cash flow effect from business combinations is recognized at the commencement of leases is treated as non-cash transactions.

Cash flow from financing activities comprises changes to the amount of the raising and repayment of loans and interest-bearing debt, repayment of financial expenses paid, financial income received, purchase and sale of equity and distribution of dividends to shareholders.

Cash and cash equivalents consist of cash.

Climate-related matters

In preparing the consolidated financial statements, management assesses whether climate-related matters may affect the carrying amount of non-current assets in the consolidated financial statements and the measures that have been, or will be, put in place to address them. Management assesses that climate-related matters do not have a significant impact on the consolidated financial statements.

Implementation of new accounting standards, amendments and interpretations

The Group has implemented all new standards, amendments to existing standards and interpretations effective in the EU from 1 January 2024. The new standards and interpretations did not have any material impact on the consolidated financial statements.

The International Accounting Standards Board (IASB) has issued a number of new and revised accounting standards and interpretations which are not yet effective. The Group will adopt these new or amended standards and interpretations when they become effective. With the exception of IFRS 18: Presentation and Disclosure in Financial Statements, the future implementation of the new or amended standards and interpretations is not expected to have a material impact on the consolidated financial statements.

IFRS 18 introduces a number of specific requirements for the income statement. It requires the requirement for income and expenses to be classified into operating, investing and financing categories. It also requires certain subtotals, including operating profit, to be disclosed in the income statement. Furthermore, IFRS 18 requires Management-defined performance metrics (MPM) to be disclosed in a single note to the financial statements. IFRS 18 is effective for years beginning on or after 1 January 2027. The effect of IFRS 18 is still under assessment.

IFRS 19: Subsidiaries without Public Accountability: Disclosures is a financial reporting standard that may be applied by subsidiaries of parent companies reporting under IFRS. Application of IFRS 19 is voluntary, and it is effective for financial years beginning on or after 1 January 2027. It has not yet been determined if the standard will be applied by the Group.

Definitions of financial ratios

Net margin	$\frac{\text{Result for the year} \times 100}{\text{Revenue}}$
Return on equity	$\frac{\text{Result for the year} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$

1.2 Material Accounting Estimates and

The preparation of the consolidated financial statements requires many accounting estimates and judgments on an ongoing basis and form reported amounts. The estimates and judgments are based on historical other assumptions, including climate-related matters that are reasonable circumstances. The estimates and underlying assumptions are reviewed necessary, changes are recognized in the period in which the estimate considers the accounting estimates and judgments to be reasonable and currently available information. The actual amounts may differ from the more detailed information becomes available, since the estimates and judgments are uncertain and unpredictable.

The material accounting estimates and judgments applied in the preparation of financial statements are listed below. Additional information about the estimates and judgments as well as assumptions applied can be found in the relevant

Material accounting estimates and judgments	Estimate/Judgment
Method for recognition of revenue	Judgment
Determination of cash-generating units	Judgment
Useful lives of property, plant and equipment	Estimate
Key assumptions used during impairment tests	Estimate
Business combinations - fair value measurements	Estimate
Valuation of inventories	Estimate
Provision for product warranty	Estimate
Contingent consideration	Estimate
Deferred tax assets	Estimate

2.1 Revenue From Contracts With Customers

Below the Group's revenue is disaggregated:

Amounts in kDKK	2024	2023
Type of revenue:		
Products	7,210,236	5,038,436
Services	471,925	447,618
Total revenue	7,682,161	5,486,054
Geographical split:		
Europe	5,625,937	4,424,380
Asia	1,684,881	870,058
North America	336,374	148,494
Other countries	34,969	43,122
Total revenue	7,682,161	5,486,054
Timing of revenue recognition:		
Recognized over time	6,458,053	5,316,910
Recognized at a point in time	1,224,108	169,144
Total revenue	7,682,161	5,486,054

Contract balances

Contract assets comprise unbilled amounts representing the Group's right to consideration for the products and services transferred to date. Any amount previously recognized as contract assets is reclassified to trade receivables at the time it is invoiced to the customer.

Other assets related to contracts with customers consist of assets recognized for costs incurred to fulfill a contract. During both 2024 and 2023, no amortization has been recognized regarding these assets, as none of the related products are yet being transferred to the customers.

Amounts in kDKK	31 December 2024	31 December 2023	1 January 2023
Trade receivables from contracts with customers	1,114,889	667,452	406,317
Other assets related to contracts with customers	76,906	51,362	21,528
Contract assets (accrued income)	21,870	11,727	6,395
Contract liabilities (deferred income)	22,499	21,711	12,196

Of the contract liability opening balance, 21,711 kDKK has been recognized as revenue in 2024 (12,196 kDKK in 2023). The entire contract liability ending balance is expected to be recognized as revenue in the coming year.

Information about allowances for expected credit losses related to receivables from contracts with customers is disclosed in note 4.2.

Future performance obligations

Performance obligations are products that are to be delivered and services to be completed under existing customer contracts.

Amounts in kDKK	31 December 2024
Within one year	3,427,277
Between one and five years	417,341
Total	3,844,618

Material accounting estimates and judgments

Method for recognition of revenue

Management applies judgment when determining whether revenue is recognized at a point in time or over time. Revenue from sale of products that have no alternative use for the Group and where the Group has an enforceable right to payment for performance completed to date is recognized over time (output method). Revenue from other products is recognized at a point in time. Revenue from construction contracts and service contracts is recognized using the percentage-of-completion method. The use of the percentage-of-completion method requires management to determine the completion rate on the basis of the ratio of costs incurred and the total expected expenses of the contracts.

Material accounting policies

Revenue

Revenue is recognized when the performance obligation has been satisfied, that is, when the transfer of control to the customer, at an amount that reflects the consideration that the Group expects to be entitled in exchange for the products and services transferred.

Revenue related to products that have no alternative use for the Group and where the Group has an enforceable right to payment for performance completed to date (point-in-time revenue) is recognized according to the specific requirements from one customer, and which are unique to that customer, and revenue related to service contracts are recognized over time. Revenue related to such products is recognized using an output method based on units of output, and revenue related to service contracts is recognized using an input method (percentage-of-completion method).

When using the percentage-of-completion method, revenue is recognized at the amount that corresponds to the selling price of the work performed and the services completed during the financial year. The state of completion is measured based on the ratio between the expenses incurred and the total expenses expected for the contracts. In situations where it is probable that total contract expenses will exceed total revenue from the contract, the expected loss is recognised as an expense in the income statement.

Revenue related to other products is recognized at the point in time, where control is transferred to the customer.

There are no major discrepancies between the recognition of revenue and the actual timing of the invoicing. None of the payment terms include a significant element of financing.

Normally, the transaction prices in the Group include fixed consideration only. Most contracts include a standard warranty clause. Please refer to note 3.8 for further information about warranty.

Contract balances

Contract assets relate to the Group's conditional right to consideration for performance completed under contracts. Once the right to consideration becomes unconditional, the amounts are recognized as trade receivables. Contract liabilities relate to payments received in advance of performance under the contracts. Contract liabilities are recognized as revenue, as the Group performs under the contracts.

Other assets related to contracts with customers consist of assets recognized for costs incurred to fulfill a contract. Costs incurred to fulfill a contract comprise costs that relate directly to contracts or to anticipated contracts. The costs include costs related to different pre-production activities e.g. design and engineering cost and cost related to certain set-up activities, in situations where the activities do not transfer goods or services to a customer. Costs incurred to fulfill a contract are amortized over the period that the related products are transferred to the customers, and the amortization is presented in the consolidated income statement within the line item depreciation, amortization and impairment losses, net.

Material accounting policies related to trade receivables from contracts with customers are described in note 4.3.

2.2 Staff Expenses

Amounts in kDKK

Remuneration of employees
Short-term employment benefits
Post-employment benefits, defined contribution plans
Termination benefits
Other social security costs
Total remuneration

Of which:

Recognized in the cost of assets
Expensed as staff costs

Average number of employees

Fees and remuneration of key management personnel, the Executive Directors

The Executive Board of KK Wind Solutions Holding A/S and the rest of the Management team are considered to be key management personnel of the Group.

Amounts in kDKK

Remuneration of key management personnel
Short-term employment benefits
Post-employment benefits, defined contribution plans
Other social security costs
Total remuneration of key management personnel

The total remuneration of the Executive Board amounts to 12,051 kDKK and relates to post-employment benefits (15,904 kDKK and 35 kDKK in 2024 and 2023, has been allocated to KK Wind Solutions Holding A/S, registered in 2024 and 2023, has been allocated to Møller Holding A/S. The remuneration amount allocated to KK Wind Solutions Holding A/S for their duties is 450 kDKK in both 2024 and 2023. The total remuneration of the Executive Board and the Board of Directors seen as one amounts to 12,501 kDKK (16,300 kDKK in 2023).

Bonus incentive agreements for the Executive Board and other management personnel are in place and can be triggered by achievement of a split between the Group's financial and personal KPIs.

The Group has implemented a co-investment program which is determined by the development in the value creation of KK Group. The Executive Board as well as other senior management levels are part of the program. For the Group, the program is equity-settled, as the Group does not have an obligation to settle the transaction with its employees. As the purchase price corresponds to fair value of the shares on the grant day, no amounts are recognized in the income statement.

Material accounting policies

Staff expenses comprise wages and salaries, post-employment benefits as well as related expenses.

Wages, salaries, social security contributions, annual leave and sick leave, bonuses and non-monetary benefits, etc. are recognized in the year in which the associated services are rendered by the employees. Where the company provides long-term employee benefits, the costs are accrued to match the rendering of the services by the employees.

2.3 Depreciation, Amortization and Impairment Losses, Net

Amounts in kDKK

Depreciation

Amortization

Impairment losses, net

Depreciation, amortization, and impairment losses, net

For further information about depreciation, amortization and impairment losses, see notes 3.1, 3.2, 3.3 and 3.4.

2.4 Gain/Loss on Sale of Non-Current Assets, Net

Amounts in kDKK

Losses

Gain/loss on sale of non-current assets, etc., net

The losses in 2024 are primarily due to disposal of a few development property and the related assets, as well as a general disposal of production assets in closed production facilities. The losses in 2023 related to the disposal of production equipment.

3.1 Intangible Assets

Amounts in kDKK	Goodwill	Customer relations	Other acquired intangible assets	Development projects in progress	Completed development projects	Total
Cost						
At 1 January 2024	1,833,631	1,676,509	832,659	17,545	209,689	4,570,033
Addition	0	0	341	25,793	0	26,134
Acquired in business combinations	514,131	274,408	23,696	23,248	0	835,483
Disposal	0	0	-239	-2,582	-37,393	-40,214
Transfers	0	0	12,590	-22,863	8,154	-2,119
Exchange rate adjustment	379	0	589	5	0	973
At 31 December 2024	2,348,141	1,950,917	869,636	41,146	180,450	5,390,290
Amortization and impairment losses						
At 1 January 2024	0	426,502	242,676	0	108,809	777,987
Acquired in business combinations	100,000	60,497	20,903	0	0	181,400
Amortization	0	140,271	84,305	0	44,137	268,713
Disposal	0	0	0	0	-20,619	-20,619
Exchange rate adjustment	0	0	-121	0	0	-121
At 31 December 2024	100,000	627,270	347,763	0	132,327	1,207,360
Carrying amount						
At 31 December 2024	2,248,141	1,323,647	521,873	41,146	48,123	4,182,930

Besides the amounts above, the Group has incurred research and development expenses of 56,709 kDKK (2023: 20,340 kDKK), which are included in other operating expenses in the consolidated income statement.

In 2024, the goodwill net addition of 414,131 kDKK is allocated to a new cash-generating unit Cooling Solutions, which is a result of the acquisition of Nissens Cooling Solutions. Thus, the carrying amount of goodwill is allocated to the cash-generating unit Power and Controls, Monitoring Solutions and Service with 1,834,010 kDKK and to the cash-generating unit Cooling Solutions with 414,131 kDKK based on the management structure and internal financial reporting.

In 2023, before the acquisition of Nissens Cooling Solutions, the entire carrying amount of goodwill acquired through business combinations was allocated to the cash-generating unit Power and Controls, Monitoring Solutions and Service based on the management structure and internal financial reporting at that time.

Amounts in kDKK	Goodwill	Customer relations	Other acquired intangible assets	Development projects
Cost				
At 1 January 2023	1,530,453	1,057,414	524,762	68,123
Addition	0	0	552	25,793
Acquired in business combinations	303,599	619,095	310,123	0
Disposal	0	0	0	0
Transfers	0	0	-1,813	-76,123
Exchange rate adjustment	-421	0	-965	0
At 31 December 2023	1,833,631	1,676,509	832,659	17,545
Amortization and impairment losses				
At 1 January 2023	0	320,339	171,049	0
Amortization	0	106,163	72,775	0
Disposal	0	0	0	0
Transfers	0	0	-1,241	0
Exchange rate adjustment	0	0	93	0
At 31 December 2023	0	426,502	242,676	0
Carrying amount				
At 31 December 2023	1,833,631	1,250,007	589,983	17,545

For further information about business combinations, please refer to note 3.2.

Other acquired intangible assets primarily consist of knowhow and technology acquired through business combinations.

Material accounting estimates and judgments

Determination of cash-generating units

Judgment is applied in the definition of cash-generating units to which impairment testing and in the selection of methodologies and assumptions for impairment tests. During 2024, two cash-generating units exist based on the management structure and internal financial reporting. The two cash-generating units are Cooling Solutions and Service. The management evaluates performance and allocates resources as they are business areas with individual cost structures, revenue streams and cash flows. Cash-generating units do not comprise any smaller operational segments that are independent of the cash inflows from other operational segments. For further information about impairment test, please refer to note 3.4.

Material accounting policies

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at historical cost less any accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets.

Goodwill has an indefinite useful life and is not amortized. All other intangible assets have definite lives.

Development projects

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

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

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

Capitalized development costs are amortized as of the date of completion. The amortization period is 1 - 5 years. Development projects in progress are not amortized but are tested for impairment annually.

Goodwill

Goodwill is measured initially at cost, being the excess of the consideration transferred over the fair value of the net identifiable assets acquired. Goodwill is not amortized but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is, subsequent to initial recognition, carried at cost less accumulated impairment losses, if any.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Customer relations

Customer relations acquired in business combinations are measured at cost less accumulated amortization and less any accumulated impairment losses.

The amortization period of customer relations is 8-20 years depending on the nature and life of the asset.

Other acquired intangible assets

Other intangible assets acquired in business combinations are measured at cost less accumulated amortization and less any accumulated impairment losses.

The amortization period of other acquired intangible assets is 5-10 years depending on the nature and expected useful life of the asset.

3.2 Property, Plant and Equipment

Amounts in kDKK	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost					
At 1 January 2024	334,033	262,674	81,270	24,397	702,374
Addition	3,772	10,265	17,526	19,936	51,499
Acquired in business combinations	181,476	129,514	18,515	748	330,253
Disposal	-10,343	-29,636	-16,652	-12	-56,643
Transfers	0	7,793	3,699	-9,373	2,119
Transfers, assets held for sale	-119,455	0	0	0	-119,455
Exchange rate adjustment	4,516	5,502	1,939	-1,588	10,369
At 31 December 2024	393,999	386,112	106,297	34,108	920,516
Depreciation and impairment losses					
At 1 January 2024	30,718	81,436	13,435	0	125,589
Acquired in business combinations	28,224	33,139	2,573	0	63,936
Depreciation	33,901	66,423	29,745	0	130,069
Disposal	-4,541	-20,679	-14,832	0	-40,052
Transfers, assets held for sale	-37,165	0	0	0	-37,165
Exchange rate adjustment	723	2,402	1,048	0	4,173
At 31 December 2024	51,860	162,721	31,969	0	246,550
Carrying amount					
At 31 December 2024	342,139	223,391	74,328	34,108	673,966

Amounts in kDKK	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
Cost			
At 1 January 2023	111,532	97,362	77,323
Addition	2,775	7,173	13,914
Acquired in business combinations	220,526	153,697	49,478
Disposal	0	-6,284	-55,266
Transfers	467	6,829	-4,777
Exchange rate adjustment	-1,267	3,897	58
At 31 December 2023	334,033	262,674	81,270
Depreciation and impairment losses			
At 1 January 2023	11,582	38,205	34,453
Depreciation	17,410	44,773	29,355
Disposal	0	-5,860	-52,811
Transfers	408	-408	1,241
Exchange rate adjustment	1,318	4,726	1,201
At 31 December 2023	30,718	81,436	13,435
Carrying amount			
At 31 December 2023	303,315	181,238	67,835

For further information about business combinations, please refer to notes 3.1 and 3.2.

Material accounting estimates and judgments

Useful lives

The depreciation period of the assets recognized is based on historical and future development related to the use of the assets and the market in which they are operating. Reassessment is done annually to ascertain that the depreciation period is representative and reflects the expected useful lives of the assets.

Material accounting policies

Property, plant and equipment is measured at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost comprises the purchase price and expenses directly attributable to the acquisition up until the time when the asset is ready for use.

For self-constructed assets, historical cost comprises direct and indirect costs relating to materials, components, payroll and the borrowing costs from specific and general borrowings that directly concern the construction of assets.

Any subsequent costs e.g. in connection with replacement of components are included in the asset's carrying amount or recognized as a separate asset only when it is probable that the item will result in future economic benefits, and the cost of the item can be measured reliably. All other costs incurred for repairs and maintenance are recognized in the consolidated income statement.

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

Buildings	15-50 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	2-7 years
Land	No depreciation

Depreciation commences when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended.

The residual values and useful lives of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

3.3 Right-of-Use Assets

Amounts in kDKK	Buildings	Plant and machinery
Cost		
At 1 January 2024	171,050	10,623
Addition	128,940	10,899
Acquired in business combinations	92,450	10,888
Disposal	-37,941	-6,078
Transfers	0	-18
Exchange rate adjustment	4,009	6
At 31 December 2024	358,508	26,210
Depreciation and impairment losses		
At 1 January 2024	56,919	4,133
Acquired in business combinations	30,798	5,461
Depreciation	49,269	6,811
Disposal	-18,916	-4,781
Transfers	0	-18
Exchange rate adjustment	1,710	3
At 31 December 2024	119,780	11,477
Carrying amount		
At 31 December 2024	238,728	14,733

As part of the Group's activities, different lease agreements are entered into. These are primarily real estate property, company cars and forklifts and the like used in production facilities. In some instances, the lease agreements include options to extend the lease term. Such options are included in the lease term only if these are exercised.

Amounts in kDKK	Buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Cost				
At 1 January 2023	123,073	4,168	12,780	140,021
Addition	40,064	3,866	13,917	57,847
Acquired in business combinations	7,259	6,530	0	13,789
Disposal	-341	-4,213	-5,380	-9,934
Exchange rate adjustment	995	274	33	1,302
At 31 December 2023	171,050	10,625	21,350	203,025
Depreciation and impairment losses				
At 1 January 2023	29,051	3,039	5,755	37,845
Depreciation	27,916	5,094	6,404	39,414
Disposal	-263	-4,213	-4,988	-9,464
Exchange rate adjustment	215	210	32	457
At 31 December 2023	56,919	4,130	7,203	68,252
Carrying amount				
At 31 December 2023	114,131	6,495	14,147	134,773

For further information about business combinations, please refer to note 3.5.

Amounts recognized in the consolidated income statement			
Amounts in kDKK	2024	2023	
Depreciation and impairment losses on right-of-use assets	67,645	39,414	
Interest expenses (included in financial expenses)	9,566	6,833	
Total recognized in the income statement	77,211	46,247	

Total cash outflow for leases			
Amounts in kDKK	2024	2023	
Interest expenses	9,566	6,833	
Repayment of leases	68,537	38,433	
Total cash outflow for leases	78,103	45,266	

Material accounting policies

Right-of-use assets mainly consist of real estate property, cars and forklifts and the like for use at the production facilities. Lease contracts for cars and forklifts and the like typically run for 3-5 years, whereas the lease contracts for real estate leases are negotiated on an individual basis and contain a wide range of terms and conditions.

Whether a contract contains a lease is assessed at contract inception. The right-of-use asset and corresponding lease liability are recognized on the date, i.e. the date at which the leased asset becomes available for use by the lessee.

The right-of-use asset is initially measured at cost, being the initial amount of the lease liability, adjusted for any lease prepayments or directly related costs. The right-of-use asset is subsequently depreciated using the straight-line method over the shorter of the asset's useful life. The right-of-use asset is periodically adjusted to include the effects of remeasurements of the lease liability and reduced by any impairment losses.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated income statement. Short-term leases and leases of low-value assets, i.e., the service provided by the asset, included as part of the lease payment, are not separated from the lease liability. Payments form part of the right-of-use asset and lease liability recognized in the consolidated balance sheet.

For information about the recognition of lease liabilities including information about lease options, please refer to notes 4.2 and 4.3.

The average annual revenue growth rate in the forecast period 2025-2028 is 14.8% and while uncertainties connected to especially the inflation may impact the short-term growth rates, management considers the average growth rate realistic based on the business and market plans at hand. The average EBITDA growth rate in the forecast period 2025-2028 is 4.2% and management considers the average growth rate realistic based on the business and market plans at hand as well as the ongoing integration processes. The long-term growth rate in the terminal period has been set equal to the expected long-term rate of inflation of 2.0%. A discount rate of 13.0% p.a. pre-tax has been applied. The impairment test showed headroom of 75 mDKK between the value in use and the carrying amount.

The Group has analyzed how sensitive the impairment test is to reasonable changes in the key assumptions used to determine the recoverable amount for the cash-generating unit. The following changes have been considered as well as the related impact on the value in use with all other factors remaining constant:

Key assumption	Assumption	Change	Effect on value in use	Change leaving no headroom
Discount rate p.a. pre-tax (WACC)	13.0%	+/- 2.0 ppts	0.29 bDKK	+0.56 ppts
Annual revenue growth in forecast period	14.7%	+/- 2.0 ppts	0.32 bDKK	-0.60 ppts
Growth in terminal period	2.0%	+/- 1.0 ppts	0.15 bDKK	-0.61 ppts
Annual EBITDA margin growth in forecast period	4.2%	+/- 2.0 ppts	0.31 bDKK	-0.48 ppts

The sensitivity analysis shows potential risks for impairment due to the effect on value in use by changing on above mentioned assumptions. Management concludes that no impairment is needed at this stage, as current projections align with acquisition expectations, and integration efforts are progressing as planned. The performance and assumptions will be closely monitored in future periods.

Material accounting estimates and judgments

Key assumptions used

The outcome of impairment tests is based on estimates in financial budgets, forecasts and business plans, as well as future demands for the energy transitions and sustainable solutions.

Material accounting policies

Goodwill and development projects in progress

Goodwill and development projects in progress are tested for impairment annually, as described below, irrespectively of whether there is any indication that they may be impaired.

Goodwill is allocated to cost-generating units as described in note 3.1.

Other intangible assets, property, plant and equipment and right-of-use

For other intangible assets, property, plant and equipment and right-of-use amounts are reviewed on an annual basis to determine whether there is any indication of impairment. If any indication exists, the assets are tested for impairment.

Impairment testing

An impairment loss is recognized for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are expected to be independent of the cash inflows from other assets or groups of assets.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. The impairment of goodwill is never reversed. Any reversal of impairment is limited so that the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized for the asset in prior years.

3.5 Business Combinations

Amounts in kDKK	Carrying amount at time of acquisition 2024	Fair value at time of acquisition 2023
Intangible assets	654,083	929,218
Property, plant and equipment	266,317	424,613
Right-of-use assets	72,469	13,789
Financial assets	2,829	0
Deferred tax assets	37,268	0
Current assets	543,884	859,099
Provisions	-16,599	0
Deferred tax liability	-65,668	0
Other liabilities	-1,156,211	-51,540
Net assets acquired	338,372	2,175,179
Goodwill	0	303,599
Difference between net assets acquired and purchase price recognized in equity	-13,372	0
Purchase price	325,000	2,478,778
of which prepaid in previous financial year	0	-1,096,899
Contingent consideration assumed	-325,000	0
Cash and bank balances assumed	-98,106	-70,667
Cash flow, acquisition of subsidiaries and activities	-98,106	1,311,212

On 1 January 2024, the transaction whereby KK Wind Solutions Holding A/S acquired 100% of the issued share capital of Nissens Cooling Solutions (NCS International Holding ApS with subsidiaries) from APMH Invest XXI APS was closed. As both KK Wind Solutions Holding A/S and APMH Invest XXI APS have A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal as the ultimate parent company, the acquisition is a business combination of entities under common control.

Nissens Cooling Solutions has decades of experience with design and manufacturing of customized cooling solutions for industrial applications, Power-to-X and applications in the wind turbine industry and is a market-leading manufacturer of cooling components, cooling systems and cooling modules. Nissens Cooling Solutions is a preferred supplier to the world's leading OEMs in a large variety of industry segments.

The acquisition allows the Group to diversify the product range from power electronics solutions while at the same time expanding the customer base in the wind turbine industries. It also allows the Group to better integrate power electronics and thereby enhance the value-add while reducing complexity for customer system solutions within cooling, controls, and power converters. By leveraging the Group's strengths, the combined business will gain scale and efficiency and be better equipped to meet future customer needs.

As the combination is a business combination of entities under common control (as described under material accounting policies, recognized using the book of interests method without changing comparative figures), no new goodwill is recognized relating to the combination. Instead, the difference between the consideration paid and the acquired net assets is reflected within equity. Consequently, KK Group's existing goodwill in Nissens Cooling Solutions amounting to 414,133 kDKK as of 31 December 2024.

The consideration to be paid consists fully of contingent consideration, which is dependent on the development in the fair market value of the shares of Nissens Cooling Solutions during the period 1 January 2024 until the payment date which is expected to be 31 December 2026. KK Group has an option to repay the amount at an earlier date. The fair value is calculated as the value creation of the combined equity using normal valuation methods for determining fair value. The consideration to be paid will be within the range of 0 to 1,000 mDKK. At acquisition date, the fair value of the contingent consideration was 0 mDKK. Since acquisition date, the fair value of the contingent consideration has increased to 1,000 mDKK. The lender can at payment date decide to convert the amount paid into shares of the parent company.

The acquisition of Nissens Cooling Solutions contributed revenue of 1,000 mDKK and after tax of -168,034 kDKK in the 2024 financial year. As the acquisition was completed in 2024, the amounts cover the entire financial year.

At 28 February 2023, KK Wind Solutions Holding A/S acquired 100% of the issued share capital of KK Wind Controls business including three converter and controls factories located in Oragadam (IN) and Tianjin (CN). As part of the acquisition KK Wind Solutions Holding A/S acquired 100% of the issued share capital of KK Wind Solutions Denmark and KK Wind Solutions India were acquisitions of activities, and no companies were acquired.

The acquisition made the Group the world's leading converter manufacturer to the wind industry. The acquisition brings numerous benefits to the customers as the Group gains additional momentum in maturing the industry's supply chain and leveraging economies of scale across the Group's operations to achieve greater efficiencies. By expanding the manufacturing footprint to China, the Group can better serve our customers globally. As part of the transaction, KK Wind Solutions gained exclusivity in supplying converters and controls to Vestas and will further advance the partnership by co-developing all future Vestas converters. The acquired goodwill is attributable to expected synergies from the combination. Transaction related costs recognised in the consolidated income statement amounted to 32 mDKK.

The acquisition of Vestas' converter and controls business contributed revenue of 2,340,276 kDKK and a result after tax of 98,250 kDKK. If the acquisition had occurred on 1 January 2023, the impact on the Group's revenue would have been 2,808,331 kDKK and the impact on result after tax would have been 126,163 kDKK.

The business combinations have resulted in one-off costs related to the integration of the acquired businesses. In 2024, the one-off costs amount to 145 mDKK, whereas they amounted to 25 mDKK in 2023.

Material accounting estimates and judgments

Business combinations - fair value measurements

The application of the acquisition method involves the use of significant estimates because the identifiable net assets of the acquiree are recognized at their fair value for which observable market prices are typically not available.

Valuation techniques where estimates are applied typically relate to determining the present value of future uncertain cash flows or assessing other events in which the outcome is uncertain at the date of acquisition. Significant estimates are typically applied in accounting for property, plant and equipment and customer relationships. As a result of the uncertainties in the fair value estimation, measurement period adjustments may be applied.

Material accounting policies

Business combinations of entities not under common control

The acquisition method of accounting is used to account for all business combinations not under common control, regardless of whether equity instruments of the acquiree are acquired. The consideration transferred for the acquisition of an acquiree is measured at the fair value of the assets transferred, the liabilities incurred to the former owner of the business, and the fair value of any asset or liability resulting from a contingent consideration arrangement. Any subsequent changes to contingent consideration are recognized as income or financial expense in the income statement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If the consideration transferred is less than the fair value of the net identifiable assets of the business acquired, the difference is recognized as a bargain purchase.

Acquisition-related costs are recognized in the income statement as expenses.

Business combinations of entities under common control

Business combinations of entities under common control are recognized using the book value method (pooling of interests method), whereby the assets and liabilities of the acquiree are reflected at their carrying amounts. Under the book value method, no goodwill or a consequence of the business combination is recognized. Instead, any difference between the consideration transferred and the acquired net assets is reflected within equity.

Prior period information is not restated, thus the consolidated financial statements do not include information related to the acquired party prior to the date, where control is transferred.

3.6 Assets Held for Sale

Amounts in kDKK	31 December 2024	31 December 2023	1 January 2023
The balance sheet item comprises:			
Property, plant and equipment	82,290	0	0
Assets held for sale	82,290	0	0

The assets classified as held for sale comprise three buildings that are to be sold. The buildings are recognized at carrying amount, since the fair value less costs to sell of the assets is higher than the carrying amount.

Material accounting policies

Assets held for sale are recognized when the carrying amount of an individual non-current asset, or a disposal group of assets, will be recovered principally through a sales transaction rather than through continued use. Assets are classified as held for sale, when activities to carry out a sale have been initiated, when the assets are available for immediate sale in their present condition, and when the assets are expected to be disposed of within 12 months.

Assets held for sale are measured at the lower of carrying amount immediately before classification as held for sale and fair value less costs to sell. Impairment tests are performed immediately before classification as held for sale. Non-current assets are not depreciated or amortized while classified as held for sale. The measurement of deferred tax and financial assets and liabilities is unchanged.

When an asset or a disposal group have been classified as held for sale, but the requirements are no longer met, the assets and related liabilities cease to be classified as held for sale. The cessation of the classification as held for sale will be reflected in the period in which the change of circumstances has occurred. Comparative figures are not restated, and any adjustments to the carrying value of assets and liabilities previously classified as held for sale are recognized in the period in which the circumstances have changed.

3.7 Inventories

Amounts in kDKK	31 December 2024
Raw materials and consumables	982,451
Work in progress	352,021
Finished goods and goods for resale	237,431
Inventories at 31 December	1,571,911

Amounts recognized in the consolidated income statement

Amounts in kDKK
Costs of inventories recognized as an expense
Write-down of inventories recognized as an expense

Material accounting estimates and judgments

Valuation of inventories

The net realizable value of the inventories is estimated at the amount expected to be sold. The inventories are written down to the net realizable value if the net realizable value of the inventories is expected to be non-recoverable due to obsolescence.

Estimates are used when recognizing inventory provisions. The estimates are based on objective and subjective judgments about among others excess quantities, conditions of inventories and price changes.

Material accounting policies

Inventories are measured at the lower of cost under the first-in, first-out method and net realizable value.

The net realizable value of inventories is calculated at the amount expected to be realized from the sale of the inventories in the process of normal operations with deduction of expected selling expenses. The net realizable value is determined allowing for marketability, obsolescence and in expected selling price.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labor with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labor as well as maintenance and repair of machinery, factory buildings and equipment used in the manufacturing process and of factory administration and management.

3.8 Provisions

Amounts in kDKK	Restructuring	Product warranty	Total
Provisions at 1 January 2024	0	81,157	81,157
Provision made	0	35,567	35,567
Addition from business combinations	7,172	9,427	16,599
Amount used	-7,172	-31,920	-39,092
Provisions at 31 December 2024	0	94,231	94,231
Of which:			
Classified as non-current	0	45,514	45,514
Classified as current	0	48,717	48,717
Non-current provisions expected to be realized after more than five years	0	0	0

Material accounting estimates and judgments

Provision for product warranty

Management's estimate of the provision for product warranty is based on the knowledge available when products are sold. The estimate is subsequently updated to reflect trends that suggest that future claims may differ from the historical cost related to report work. Both the amount and the timing of the outflows of economic benefits are subject to uncertainty.

Material accounting policies

Provisions are recognized when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation. The amount recognized as a provision is management's best estimate of the expenses required to settle the obligation. On measurement of provisions, the costs required to settle the obligation are discounted if the effect is material to the measurement of the obligation.

Provisions for product warranty are recognized upon a sale of a product for which the Group is liable for future repair work within the warranty period of one to six years. Initial recognition is based on historical experience with repair work within the warranty period. The estimate is revised annually.

4.1 Financial Income and Expenses

Amounts in kDKK
Interest expenses on liabilities
Interest expenses on lease liabilities
Interest expenses on liabilities, group enterprises
Interest income on loans and receivables
Net interest expenses
Exchange rate gains
Exchange rate losses
Net foreign exchange gains/losses
Cash flow hedges reclassified from other comprehensive income
Fair value adjustment, contingent consideration, group enterprises
Net fair value gains/losses
Financial expenses, net
Of which:
Financial income
Financial expenses

Material accounting policies

Financial income and financial expenses are recognized in the income statement and relate to the year. Financial items comprise interest, realized and unrealized gains and losses on adjustments of financial assets and financial liabilities as well as the interest on lease payments. Additionally, realized and unrealized gains and losses on derivatives are classified as hedging contracts and the ineffective part of derivatives is recognized in other comprehensive income. Cash flows are included along with income and expenses relating to cash flow hedges in other comprehensive income on realization of the hedged items, bank

4.2 Financial Instruments and Risk

The Group's activities expose it to a number of financial risks. The financial risks fall into the following categories:

- Currency risk
- Interest rate risk
- Liquidity risk
- Credit risk

The overall framework for financial risk management is set out in the Group's financial policy approved by the Board of Directors. The objective of the financial policy and the established internal controls is to eliminate any adverse impact on the Group's financial performance. The financial policy is reviewed annually and updated if needed. The centralized management of financial risks is undertaken by Group Treasury.

Derivatives

The Group uses derivatives in order to mitigate part of the currency exchange rate risk and to reduce interest rate risk in the Group. All derivatives are designated cash flow hedges.

The derivative financial instruments are recognized as follows in the consolidated balance sheet:

Amounts in kDKK	31 December 2024	31 December 2023	1 January 2023
Currency hedges recognized as non-current receivables	14,025	0	0
Currency hedges recognized as current receivables	23,230	11,336	5,539
Interest rate hedges recognized as current receivables	1,978	0	0
Currency hedges recognized as non-current liabilities	-30	0	0
Interest rate hedges recognized as non-current liabilities	-8,094	0	0
Currency hedges recognized as current liabilities	0	-1,092	0
Derivatives, net	31,109	10,244	5,539

The derivatives and the Group's hedge strategy are described further in the following sections about currency risk and interest rate risk.

Material accounting policies

Derivative financial instruments are initially recognized at fair value on the date the contract is entered into, and they are subsequently remeasured to their fair value at each reporting period using generally acknowledged valuation techniques, such as observable swap curves and currency exchange rates. Derivatives are entered into for hedging purposes and not as speculative investments.

The effective portion of changes in the value of derivative financial instruments used to hedge highly probable future transactions is recognized in other comprehensive income. For the reserve for cash flow hedges within equity until the hedged transaction occurs. At the time, the accumulated gains/losses are transferred to the financial items.

Any ineffective portion of hedge transactions is recognized in the income statement as income or expenses for both interest and currency-based instruments.

Currency risk

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to currency risk (foreign exchange rates relates primarily to the Group's operating activities and expenses are denominated in foreign currencies) and the Group's net investment in subsidiaries.

In order to mitigate part of the currency risk, the Group hedges 60-100% of its USD and PLN using forward contracts with a maturity of maximum 24 months. The Group is not hedged to a minor extend.

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and the hedging instrument. For ineffectiveness to be recognized, a fundamental change in the business model or operations would be required. At present, the likelihood of such a change is assessed to be low. As a result, the hedging relationships are expected to remain effective. The Group monitors the performance of the hedging instruments relative to the hedged item.

Cash flow hedges, currency hedges

Amounts in kDKK	Fair value, asset	Fair value, liability	Notional amount of derivative	Average hedge rate
Currencies hedged				
31 December 2024				
- Purchase of PLN	6,498	30	477,865	1.68
- Purchase of USD	28,503	0	674,437	6.74
- Purchase of CNY	2,254	0	123,832	0.95
Total	37,255	30		
31 December 2023				
- Purchase of PLN	11,336	0	249,031	1.62
- Purchase of USD	0	1,092	37,096	6.94
Total	11,336	1,092		
1 January 2023				
- Purchase of PLN	5,539	0	171,580	1.50
Total	5,539	0		

Of the fair value of the cash flow hedges, 33,977 kDKK is recognized in the reserve for cash flow hedges within equity, and 3,248 kDKK has been recognized in the consolidated income statement, as it relates to recognized receivables and payables stemming from hedged forecast transactions. Of the amount recognized in equity, 22,345 kDKK will be recycled to the income statement in 2025 and 11,632 kDKK will be recycled to the income statement in 2026.

The following table demonstrates the sensitivity to a reasonably possible change in currency rates. With all other variables held constant, the Group's result before tax and equity would be affected through the impact of a 10%-point increase, as follows:

Currency sensitivity for financial instruments

Amounts in kDKK	31 December 2024	31 December 2023	1 January 2023
Effect on result before tax			
PLN	-1,510	-2,749	-2,915
USD	-13,243	2,689	-550
CNY	8,632	-22,913	0
Other currencies	10,166	8,435	4,309
Total	4,045	-14,538	844
Effect on equity before tax			
PLN	48,178	22,129	14,291
USD	58,786	6,403	-550
CNY	8,632	-22,913	0
Other currencies	10,166	8,435	4,309
Total	125,762	14,054	18,050

The sensitivity analysis has been prepared on the basis of the net position at 31 December 2024, 31 December 2023 and 1 January 2023 keeping all other variables constant. It is assumed that the exchange rate sensitivity has a symmetrical impact. A decrease in the rates will result in the same absolute movement as an increase.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the Group's long-term debt. The Group's debt consists of floating interest rates, while the Group's interest-bearing financial assets are held at financial institutions. In accordance with the financial policy, the Group maintains a minimum of 50% gross debt at fixed interest rate throughout the remainder of the reporting period.

As of 31 December 2024, 85% of all interest-bearing debt are secured and originally issued as fixed-rate loans or hedged, until October 2027. The Group manages its interest rate risk by entering fixed-rate loans and interest rate swaps. The Group's interest rate risk is managed by swapping the majority of the floating-interest rate exposure to fixed-rate loans.

Interest bearing debt by interest rate levels inclusive of interest rate swaps

Amounts in kDKK	Carrying amount	Net carrying amount
31 December 2024		
0-3%	98,760	25,527
3-6%	3,714,129	620,141
6%-	467,063	211,111
Total	4,279,952	645,888
31 December 2023		
0-3%	14,013	6,821
3-6%	2,761,572	18,733
6%-	24,842	13,733
Total	2,800,427	39,287
1 January 2023		
0-3%	1,744,913	4,533
3-6%	1,174,570	1,109,083
6%-	23,646	7,988
Total	2,943,129	1,121,599

The below overview shows the interest rate swaps at 31 December 2024. Before 2024, no hedging was performed regarding interest rates.

Cash flow hedges, interest rate swaps

Amounts in kDKK	31 December 2024
Nominal amount of hedged item	3,000,000
Maturity date of hedging instrument and hedged item	Oct. 2027
Hedge ratio	100%
Change in fair value of outstanding hedging instrument during the year	-6,116
Change in value of hedged item used to determine hedge effectiveness	6,116
Weighted average hedged rate for the year	2.185%

The entire amount of the fair value of the interest rate cash flow hedges is recognized in the reserve for cash flow hedges within equity.

The expected timing of recycling the fair value of interest rate swaps recognized in equity at 31 December 2024 to the income statement is shown below:

Amounts in kDKK	2025	2026	2027
Interest rate swaps, recycling to the income statement	1,978	-6,326	-1,768

A general increase of one percentage-point in the average interest rate of the Group's interest bearing debt would have a negative effect on result before tax of 4,718 kDKK (2023: 20,494 kDKK) and a positive effect on equity before tax of 76,341 kDKK (2023: a negative effect of 20,494 kDKK). It is assumed that the interest rate sensitivity has a symmetrical impact, meaning that a decrease in the rates will result in the same absolute movement as an increase.

The interest rate sensitivity analysis has been prepared on the basis of the net positions at 31 December 2024, 31 December 2023 and 1 January 2023 keeping all other variables constant.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a contract or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities (primarily deposits with banks and financial institutions, foreign exchange transactions and financial instruments).

The credit risk stemming from financing activities is deemed to be low as the creditworthiness of financial counterparties is mitigated through the following actions:

- 1) The Group prefers solely to transact with financial institutions with a minimum credit rating of 'A3', 'A-' and/or 'A-' for Moody's, S&P or Fitch, and in countries where this is not feasible for local banks, exemptions from the CFO. For derivatives, counterparties with an investment grade may be used.
- 2) The Group only enters into derivative transactions under applicable ISDA agreements.

Trade receivables are primarily associated with counterparties in the energy industry, which entails a certain degree of risk concentration within this industry and among a few customers. This is caused by the inherently concentrated nature of the wind turbine manufacturing industry, which naturally results in exposure to specific customers. However, the major credit risk is mitigated by credit scoring by an independent third party establishing the initial credit rating, which is continuously monitored by the respective key account managers. Over time, the credit risk is mitigated through the use of credit insurance.

An impairment analysis is conducted at each reporting date using a provision matrix to estimate expected credit losses. The provision rates are determined based on the historical loss experience, forward-looking information, and individual circumstances that are relevant.

Trade receivables from customers are assessed for expected credit loss based on historical loss patterns. Contract assets, representing unbilled work in progress, are assessed in the same grouping as trade receivables due to their comparable credit risk profile. Contract assets are typically not overdue.

For some customers, the Group is encompassed by supply chain financing programs established by those customers. As a consequence, the trade receivables included in such programs are significantly decreased as the payment terms are materially lowered through the programs, whereby payments are received more quickly. Once the trade receivables included in the programs are transferred, the Group has no more involvement in the receivables.

The table below provides the analysis of past due amounts and the expected credit loss allowance for trade receivables and contract assets:

Amounts in kDKK	Amounts in kDKK 31 December 2024	Expected loss rate	Amounts in kDKK 31 December 2023	Expected loss rate	Amounts in kDKK 1 January 2023	Expected loss rate
Trade receivables and contracts assets not due	915,171	0%	546,200	0%	323,803	0%
Less than 30 days overdue	170,366	0%	106,880	0%	41,994	0%
31-90 days overdue	28,728	2%	18,880	3%	28,043	5%
91-365 days overdue	21,556	15%	10,992	30%	22,159	15%
More than 1 year overdue	18,673	75%	921	82%	1,803	28%
Trade receivables and contract assets, gross	1,154,494		683,873		417,802	
Allowance for expected credit loss	-17,735		-4,694		-5,090	
Carrying amount	1,136,759		679,179		412,712	

Change in allowance for expected credit loss

Amounts in kDKK	2024	2023
Allowance for expected credit loss at 1 January	4,694	5,090
Allowance made	5,308	0
Acquired in business combinations	7,733	0
Amount reversed	0	-396
Allowance for expected credit loss at 31 December	17,735	4,694

For other financial assets measured at amortized cost, the credit risk is considered to be low. The financial assets are considered to be low risk when they have a low risk of default, and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. The allowance calculated based on 12 months' expected losses is considered immaterial.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle financial due. The Group ensures liquidity through a detailed short-term cash flow forecast and financial flexibility. Flexibility in cash resources ensures that the Group can draw down appropriately in case of unforeseen changes in liquidity. The liquidity risk is managed through undrawn credit facilities.

Short-term liquidity is managed through cash pool arrangements and undrawn credit facilities. Term liquidity risk is managed through committed facilities.

Under the terms of the long-term borrowings, the Group is required to comply with a net leverage covenant. In October 2024, the Group refinanced its debt with a new net leverage covenant relief until Q4 2025. Thereafter, the net leverage covenant will be 5.2x until September 2027. The parent company is to be excluded when calculating the net leverage ratio only applies to KK-Group A/S and companies controlled by KK-Group A/S.

Amounts in kDKK	31 December 2024
Borrowings, lease liabilities and payables to group enterprises	4,279,952
Net interest-bearing debt (net cash position)	3,448,179
Cash and bank balances	831,782
Undrawn revolving credit facilities > 12 months	500,000
Liquidity reserve	1,331,782

Supply chain finance

The Group offers supplier finance arrangements (SCF) in key markets. The SCF program are typically within 95 – 135 days, while the payment terms for trade payables that are not part of the program are of a similar maximum.

At 31 December 2024, trade payables with a carrying amount of 247,756 kDKK were covered by a supplier finance arrangement (59,756 kDKK at 31 December 2023 and 59,756 kDKK at 1 January 2023). All of the trade payables have been paid by the finance arrangement. At 31 December 2024, at 31 December 2023 and at 1 January 2023, respectively. All are line item trade payables in the consolidated balance sheet.

Maturities of liabilities and commitments

Amounts in kDKK	Carrying amount	Cash flows including interest				Total
		0-1 year	1-5 years	After 5 years		
31 December 2024						
Bank and other credit institutions	3,643,772	174,435	3,522,873	407,951		4,105,259
Lease liabilities	284,891	76,254	176,578	110,297		363,129
Payables to group enterprises	351,289	0	410,418	0		410,418
Trade payables	2,112,990	2,112,990	0	0		2,112,990
Other payables	185,913	170,333	15,580	0		185,913
Non-derivative financial liabilities	6,578,855	2,534,012	4,125,449	518,248		7,177,709
Derivatives	8,124	0	8,124	0		8,124
Total recognized in balance sheet	6,586,979	2,534,012	4,133,573	518,248		7,185,833
31 December 2023						
Bank and other credit institutions	2,659,643	155,884	2,412,876	409,245		2,978,005
Lease liabilities	140,784	46,875	91,614	20,625		159,114
Trade payables	1,630,209	1,630,209	0	0		1,630,209
Other payables	166,528	166,528	0	0		166,528
Non-derivative financial liabilities	4,597,164	1,999,496	2,504,490	429,870		4,933,856
Derivatives	1,092	1,092	0	0		1,092
Total recognized in balance sheet	4,598,256	2,000,588	2,504,490	429,870		4,934,948
1 January 2023						
Bank and other credit institutions	1,737,981	78,212	1,810,802	28,810		1,917,824
Lease liabilities	108,249	29,604	71,682	34,223		135,509
Trade payables	547,402	547,402	0	0		547,402
Payables to group enterprises	1,096,899	1,103,582	0	0		1,103,582
Other payables	134,629	134,629	0	0		134,629
Non-derivative financial liabilities	3,625,160	1,893,429	1,882,484	63,033		3,838,946
Derivatives	0	0	0	0		0
Total recognized in balance sheet	3,625,160	1,893,429	1,882,484	63,033		3,838,946

4.3 Financial Instruments by Category

Financial assets Amounts in kDKK	Carrying amount 31 December 2024	Fair value 31 December 2024	Carrying amount 31 December 2023	Fair value 31 December 2023
Trade receivables	1,114,889	1,114,889	667,452	667,452
Other receivables	167,425	167,425	93,062	93,062
Cash and bank balances	831,782	831,782	619,879	619,879
Financial assets at amortized cost	2,114,096		1,380,393	
Derivatives	39,233	39,233	11,336	11,336
Total financial assets	2,153,329		1,391,729	
Financial liabilities				
Amounts in kDKK	Carrying amount 31 December 2024	Fair value 31 December 2024	Carrying amount 31 December 2023	Fair value 31 December 2023
Carried at amortized cost				
Bank and other credit institutions	3,643,772	3,644,384	2,659,643	2,665,443
Lease liabilities	284,891		140,784	
Trade payables	2,112,990	2,112,990	1,630,209	1,630,209
Payables to group enterprises	0	0	0	0
Other payables	185,913	185,913	166,528	166,528
Financial liabilities at amortized cost	6,227,566		4,597,164	
Derivatives	8,124	8,124	1,092	1,092
Carried at fair value through the income statement				
Payables to group enterprises	351,289	351,289	0	0
Financial liabilities at fair value through the income statement	351,289		0	
Total financial liabilities	6,586,979		4,598,256	

Fair value measurement

Financial instruments measured at fair value can be divided into three levels:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 — Inputs for the asset or liability that are not based on observable market data

The fair value of derivatives is within level 2 of the fair value hierarchy and is calculated based on observable market data at the end of the reporting period.

The fair value of mortgage loans is derived from quoted market prices in active markets, and falls within level 1 of the fair value hierarchy.

For financial instruments with short-term maturities, the carrying amount is a reasonable approximation of fair value.

Payables to group enterprises measured at fair value in 2024 comprise the contingent consideration related to the acquisition of Nissens Cooling Solutions. The amount to be paid is dependent on the development in the fair market value of the shares of the combined business calculated as the value creation of the combined equity using normal valuation techniques for determining fair value, and it falls within level 3 of the fair value hierarchy. The initial business case has been assessed along with the actual performance for 2024 and the approved budget with a conclusion that the investment is performing better than planned, hence 325 mDKK has initially been recognised. The consideration to be paid will be within the range of 0 DKK to 410 mDKK, and payment has to take place 31 December 2026 at the latest.

At payment date, the lender can decide to convert the amount payable into share capital of the parent company. Since acquisition date the recognized amount has increased to 351 mDKK. The change in fair value is recognized in the consolidated income statement as part of financial items.

The fair value of the remaining borrowing items falls within level 2 of the fair value hierarchy and is calculated on the basis of discounted interests and instalments.

Movement during the year in level 3

Amounts in kDKK	Payables to group enterprises	Total financial liabilities
Carrying amount at 31 December 2023	0	0
Addition	325,000	325,000
Fair value adjustment	26,289	26,289
Carrying amount at 31 December 2024	351,289	351,289

Material accounting estimates and judgments

Contingent consideration

The amount to be paid regarding contingent consideration in connection with the combination of entities under common control that took place in 2024 is dependent on the development in the fair market value of the shares of the combined business. The value creation of the combined equity using normal valuation techniques is used to determine the fair value.

Material accounting policies

The Group's financial instruments are classified into the below categories:

Financial assets at amortized cost

Financial assets at amortized cost are cash and bank balances and non-current receivables and other assets that give rise to cash flows that are solely payments of principal and interest. These assets are initially measured at fair value less transaction costs, except for trade receivables which are initially measured at the transaction price. Subsequently, they are measured at amortized cost less impairment.

The Group recognizes an allowance for expected credit losses (provision) for trade receivables and contract assets not held at fair value through profit or loss. The expected credit loss is the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Group expects to receive, discounted at an approximate effective interest rate. For trade receivables and contract assets, the Group uses the simplified approach in calculating expected credit losses, where the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at the reporting date. The Group has established a provision matrix that is based on historical loss experience, adjusted for forward-looking factors specific to the debtors and the operating environment.

Financial liabilities at amortized cost

Financial liabilities at amortized cost consist of borrowings (loans, bank borrowings), trade payables and other liabilities. These are initially measured at fair value less transaction costs. Subsequently, they are measured at amortized cost less impairment.

Financial liabilities that arise from supplier finance arrangements are presented as part of trade payables line item in the balance sheet if they have a similar nature to other trade payables. This is the case if a) the supplier finance arrangement is part of the working capital used in the normal operating cycle, b) the level of security provided is similar to trade payables and c) the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement.

Material accounting policies related to lease liabilities are described below.

Financial liabilities at fair value through the income statement

Financial liabilities at fair value through the income statement comprise contingent consideration. The contingent consideration is initially recognized at fair value and is subsequently remeasured to fair value at balance sheet date with changes in fair value recognized in the income statement.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments over the lease term, at the interest rate implicit in the lease, or at the Group's incremental borrowing rate (IBR). The applied IBR reflects the Group's credit risk, leased amount, and contract duration, as well as the nature and quality of the asset's security and economic environment in which the leased assets operate.

Subsequently, the lease liability is measured at amortized cost with each lease payment allocated between the repayment of the liability and financing cost. The financing cost is charged to the income statement over the lease period using the IBR that was used to discount the lease payments.

The following lease payments are included in the calculation of the present value:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments which are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating the lease if the lease term reflects the Group exercising that option.

Extension and termination options in lease contracts are included for contracts if it is reasonably certain that the Group will exercise those options. These terms are included to reflect operational flexibility in terms of managing contracts. In determining whether the Group will exercise an option, the Group considers all facts and circumstances that create an economic incentive for the Group to exercise an option or not exercise a termination option. Extension options (or purchase options) are only included in the lease term, if the lease is reasonably certain to be not terminated.

The assessment is reviewed if a significant event or a significant change in circumstances that affects this assessment and is within the control of the Group.

Derivatives used as hedging instruments

Material accounting policies related to derivatives used as hedging instruments are described in note 4.2.

4.4 Borrowings and Net Debt Reconciliation

Amounts in kDKK	Net debt at 1 January 2024	Cash flows	Non-cash changes				Net debt at 31 December 2024
			Additions, net	Disposals	Business comb- inations	Other and foreign exchange	
Borrowings:							
Bank and other credit institutions	2,659,643	266,593	0	0	710,503	7,033	3,643,772
Payables to group enterprises	0	-125,000	351,289	0	125,000	0	351,289
Total borrowings	2,659,643	141,593	351,289	0	835,503	7,033	3,995,061
Classified as non-current borrowings	2,621,943						3,598,615
Classified as non-current payables to group enterprises	0						351,289
Classified as current borrowings	37,700						45,157
Leases:							
Lease liabilities	140,784	-68,537	156,632	-20,948	77,259	-299	284,891
Total leases	140,784	-68,537	156,632	-20,948	77,259	-299	284,891
Classified as non-current	100,384						222,056
Classified as current	40,400						62,835
Total borrowings and leases	2,800,427	73,056	507,921	-20,948	912,762	6,734	4,279,952
Derivatives hedge of borrowings, net	0	0	6,116	0	0	0	6,116

Amounts in kDKK	Net debt at 1 January 2023	Cash flows	Non-cash changes		Bu c n
			Additions, net	Disposals	
Borrowings:					
Bank and other credit institutions	1,737,981	898,933	0	0	
Payables to group enterprises	1,096,899	-1,096,899	0	0	
Total borrowings	2,834,880	-197,966	0	0	
Classified as non-current borrowings	1,723,117				
Classified as current borrowings	14,864				
Classified as current payables to group enterprises	1,096,899				
Leases:					
Lease liabilities	108,249	-38,433	70,117	-363	
Total leases	108,249	-38,433	70,117	-363	
Classified as non-current	84,196				
Classified as current	24,053				
Total borrowings and leases	2,943,129	-236,399	70,117	-363	

4.5 Equity

	31 December 2024		31 December 2023		1 January 2023	
	Number of shares	Nominal value (kDKK)	Number of shares	Nominal value (kDKK)	Number of shares	Nominal value (kDKK)
A-shares of DKK 1	2,019,149	2,019	2,019,149	2,019	1,474,450	1,474
B-shares of DKK 1	170,118	170	170,118	170	124,226	124
C-shares of DKK 1	18,363,494	18,364	18,363,494	18,364	13,409,631	13,410
Total		20,553		20,553		15,008

All shares have been fully issued and paid at 31 December 2024, 31 December 2023 and 1 January 2023. One A-share carries one vote, whereas B-shares and C-shares carry no votes. C-shares have preferential rights, when it comes to proceeds from the company. Besides this, no other special rights exist. In 2023, the number of shares was increased by 544,699 A-shares, 45,892 B-shares and 4,953,863 C-shares in a capital increase.

Neither in 2024 nor in 2023, dividend has been paid. In 2024, a dividend of 300 mDKK has been proposed.

Own shares

Development in own shares	B-shares			C-shares		
	Number of shares	Nominal value (kDKK)	% of total share capital	Number of shares	Nominal value (kDKK)	% of total share capital
1 January 2023	15,627	16	0.1%	16,266	16	0.1%
Purchase	12,330	12	0.1%	12,834	13	0.1%
Sale	-27,333	-27	-0.2%	-28,474	-28	-0.2%
31 December 2023	624	1	0.0%	626	1	0.0%
Purchase	12,365	12	0.1%	12,870	13	0.1%
31 December 2024	12,989	13	0.1%	13,496	13	0.1%

The Group purchases and sells own shares as part of the co-investment program which includes the Executive Board as well as other senior management levels.

Capital structure

The Group manages its capital structure to ensure financial flexibility, including maintaining adequate liquidity reserves, while adopting a long-term funding perspective to minimize refinancing risk. This approach supports a robust capital structure, aligned with the Group's long-term strategy and business objectives.

Material accounting policies

Equity includes total comprehensive income for the year comprising the other comprehensive income. Proceeds from the purchase and sale of shares from such shares are recognized in equity.

The translation reserve comprises exchange rate adjustments arising from the financial statements of foreign entities from their functional currency in the reporting currency of the Group. On disposal of a foreign entity, the cumulative amount of differences relating to that entity is reclassified from equity to the income statement.

The reserve for cash flow hedges comprises accumulated fair value changes of financial instruments that are designated and qualify as cash flow hedges. On realization, the fair value of the hedging instrument is recognized in the income statement as part of financial items.

5.1 Tax and Deferred Tax

Amounts in kDKK	2024	2023
Tax recognized in the income statement		
Current tax on result for the year	17,685	10,195
Adjustment to previous years' current taxes	-25,292	-11,275
Withholding tax	-5,564	-3,028
Total current tax	-13,171	-4,108
Origination and reversal of temporary differences	35,684	10,977
Adjustment to previous years' deferred taxes	10,780	-1,663
Recognition of previously unrecognized deferred tax assets	36,292	0
Total deferred tax	82,756	9,314
Total income tax	69,585	5,206
Tax reconciliation		
Result before tax	-295,719	-56,874
Tax using the Danish corporation tax rate (22%)	65,058	12,512
Tax rate deviations in foreign jurisdictions	2,499	3,737
Non-taxable income	0	4,923
Non-deductible expenses	-14,188	0
Adjustment to previous years' taxes	-14,512	-12,938
Recognition of previously unrecognized deferred tax assets	36,292	0
Other differences, net	-5,564	-3,028
Total income tax	69,585	5,206
Effective tax rate	23.5%	9.2%
Amounts in kDKK	2024	2023
Tax recognized in other comprehensive income and equity	-4,438	-814
Of which:		
Deferred tax recognized in other comprehensive income	-4,438	-814

The recognized net deferred tax is attributable to the following:

Amounts in kDKK	31 December 2024
Intangible assets	297,178
Property, plant and equipment	5,521
Provisions, etc.	-26,883
Tax loss carryforward	-85,611
Other	11,872
Total	202,077
Recognized in the consolidated balance sheet as:	
Deferred tax assets	-89,451
Deferred tax liabilities	291,530
Total	202,077

Change in deferred tax, net during the year

Amounts in kDKK
Deferred tax at 1 January
Intangible assets
Property, plant and equipment
Provisions, etc.
Tax loss carryforward
Other
Recognized in the income statement
Other, including business combinations
Exchange rate adjustments
Deferred tax at 31 December

The deferred tax assets include an amount of 73,230 kDKK which relate to subsidiaries that have incurred losses in either the current or the previous year. The Group has concluded that the deferred tax assets will be recoverable through the taxation for the Danish companies and using the estimated future tax approved budgets for the foreign subsidiaries. The losses can be carried forward.

Unrecognized deferred tax assets	31 December 2024	31 December 2023	1 January 2023
Amounts in kDKK			
Tax loss carryforward	0	16,605	1,807
Total	0	16,605	1,807

The unrecognized deferred tax assets in previous years have no significant time limitations. The deferred tax assets related to tax losses were not recognised as it was assessed that the deferred tax assets could not be utilised in the foreseeable future. There are no unrecognised tax liabilities on investments in subsidiaries.

Global minimum taxation (OECD Pillar Two rules)

The OECD Pillar Two rules have been considered and it has been concluded that the rules will not have an impact.

Material accounting estimates and judgments

Deferred tax assets

Estimates are applied when recognizing and measuring deferred tax assets. Deferred tax assets, including the tax value of tax loss carryforwards, are recognized if it is assessed that there will be sufficient future positive taxable income in the foreseeable future against which the temporary differences and unutilized tax losses can be utilized. The assessment is based on budgets and long-term plans for the following years. Deferred tax assets are assessed annually and are recognized only if it is probable that future taxable profit within the foreseeable future years will allow the deferred tax assets to be recovered.

Material accounting policies

Tax for the year comprises current tax for the year and changes in deferred tax. It also includes adjustments to previous years and changes in provisions for uncertain tax positions, if relevant. Tax is recognized in the income statement except to the extent that it relates to items recognized in equity or other comprehensive income, in which case it is recognized directly in equity or in the statement of comprehensive income.

The Danish companies in the Group are part of a joint taxation, and the tax effect of the joint taxation is allocated to the companies in proportion to their taxable incomes.

Current tax liabilities and receivables are recognized in the balance sheet at the amounts calculated on the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Deferred tax is recognized using the balance sheet liability method in respect of 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 assets and liabilities, respectively. Deferred tax is not recognised for differences on the assets or liabilities where, at the time of the transaction, neither accountants' nor management's view is affected, unless the differences arise in a business combination.

Deferred tax assets are recognized at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities. The value of tax loss carry-forwards is included in deferred tax assets to the extent that they are expected to be utilized in future taxable income. The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax is measured on the basis of the tax rules and tax rates that are expected to be effective under the legislation at the balance sheet date when the deferred tax assets are expected to crystallize as current tax. Any changes in deferred tax due to changes in tax rates are recognized in the income statement, or alternatively in the statement of other comprehensive income, or equity if the deferred tax relates to items recognized in other comprehensive income.

In the balance sheet, set-off is made between deferred tax assets and liabilities within the same legal tax entity and jurisdiction.

5.2 Cash Flow Specifications

Amounts in kDKK	2024	2023
Change in working capital		
Inventories	6,807	1,876
Receivables	-354,697	-257,095
Trade payables and other payables	268,416	1,044,365
Total	-79,474	789,146

5.3 Commitments and Contingent Assets and Liabilities

As security for mortgage loans amounting to 104,807 kDKK (2023: 27, buildings with a carrying amount of 115,692 kDKK have been provided 50,984 kDKK).

The Group is a partner in Middelgrundens Vindmøllelaug I/S, in which the Group is severally liable. The partnership has not yet prepared financial statements. The partnership's equity amounted to 8,001 kDKK at 31 December 2023.

Through participation in a joint taxation scheme with A.P. Møller Holding companies in the Group are jointly and severally liable for taxes payable.

The Group is party to a small number of disputes, lawsuits and legal actions. It is the view of management that the outcome of these legal disputes will not have a significant impact on the Group's financial position beyond what has been disclosed in the consolidated financial statements.

5.4 Related Parties

Amounts in kDKK	Management		Parent company		Other related parties	
	2024	2023	2024	2023	2024	2023
Income statement						
Revenue	0	0	0	0	0	45
Operating expenses	0	0	0	0	-500	-9,515
Remuneration of key management personnel	-34,955	-29,706	0	0	0	0
Financial items, net	0	0	0	0	-69,070	-53,115
Assets						
Derivatives, non-current	0	0	0	0	11,632	0
Derivatives, current	0	0	0	0	22,952	11,336
Trade receivables	0	0	0	0	0	56
Cash and bank balances	0	0	0	0	265,702	155,408
Liabilities						
Borrowings, non-current	0	0	0	0	1,101,289	700,000
Trade payables	0	0	0	0	0	2,689
Derivatives, current	0	0	0	0	0	1,092
Equity						
Capital increase	0	0	0	949,999	0	0

APMH Invest IX ApS, Esplanaden 50, 1263 København K holds 98.4% of the KK Wind Solutions Holding A/S' share capital and exercises controlling interest in the company. A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, Esplanaden 50, 1263 København K is the ultimate owner.

The ultimate owner, A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, and companies, which are controlled or ultimately controlled by A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, are considered related parties. So are the Group's key management personnel along with the close members of the family of those.

All transactions between KK Wind Solutions Holding A/S and its subsidiaries have been eliminated in the consolidated financial statements and are not disclosed in this note.

5.5 Fees to Statutory Auditors

Amounts in kDKK
Statutory audit
Other assurance engagements
Tax and VAT advisory services
Other services
Total fees to auditors appointed at the Annual General Meeting

5.6 Events After the Balance Sheet Date

No events of importance for the consolidated financial statements have occurred during the period from the balance sheet date until the approval of the financial statements.

5.7 Company Overview

Subsidiary	Country of incorporation
KK-Group A/S	Denmark
KK Wind Solutions A/S	Denmark
KK Wind Solutions GmbH	Germany
KK Wind Solutions India Private Limited	India
KK Wind Solutions Polska Sp. Z.o.o	Poland
KK Wind Solutions Service Holding U.S. Inc.	USA
KK Wind Solutions Service U.S. Inc.	USA
KK Wind Solutions Taiwan Co. Ltd.	Taiwan
KK Wind Solutions Tianjin Co. Ltd	China
PCH Engineering A/S	Denmark
Nissens Cooling Solutions A/S ¹	Denmark
Nissens Cooling Solutions Inc. ¹	USA
Nissens Cooling Solution Czech S.R.O. ¹	Czech Republic
Nissens Cooling System (Tianjin) Co. Ltd. ¹	China
Nissens Cooling Solutions SK, s.r.o. ¹	Slovakia
Nissens Cooling Solutions North SK, s.r.o. ¹	Slovakia

¹ NCS International Holding ApS and subsidiaries have been acquired on 1/1/2024. For more information, see note 3.5 for further information. NCS International Holding ApS has a subsidiary NCS International A/S and NCS International A/S subsequently been merged with KK-Group A/S, being the continuing company.

All above subsidiaries are consolidated in the Group. For all subsidiaries the voting rights are equal.



PARENT COMPANY FINANCIAL STATEMENTS

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Income Statement

Note	Amounts in kDKK	2024	2023
1	Staff expenses	-13,789	-18,199
	Other external expenses	-6,682	-4,540
	Operating result	-20,471	-22,739
	Other income	9,753	6,712
	Result before financial items	-10,718	-16,027
	Income from investments in subsidiaries	0	25,000
2	Financial income	58,989	58,754
3	Financial expenses	-51,704	-9,540
	Result before tax	-3,433	58,187
4	Tax	1,078	-7,275
5	Result for the year	-2,355	50,912

Balance Sheet

Note	Amounts in kDKK	Assets	
		2024	2023
6	Investments in subsidiaries	2,738,316	1,463,316
	Financial non-current assets	2,738,316	1,463,316
	Total non-current assets	2,738,316	1,463,316
	Receivables from group enterprises	619,388	1,567,930
7	Deferred tax asset	42	20
	Other receivables	179	0
	Tax receivables	718	0
	Prepayments	160	213
	Total current assets	620,487	1,568,163
	Total assets	3,358,803	3,031,479

Note	Amounts in kDKK		E
	Retained earnings		
	Proposed dividend		
	Total equity		
9	Credit institutions, non-current		
10	Payables to group enterprises		
	Total non-current liabilities		
9	Credit institutions, current		
	Trade payables		
	Tax payables		
	Other payables		
	Total current liabilities		
	Total liabilities		
	Total equity and liabilities		

Statement of Changes in Equity

Amounts in kDKK	Share capital	Retained earnings	Proposed dividend	Total equity
Equity at 1 January 2023	15,008	1,478,617	0	1,493,625
Result for the year	0	50,912	0	50,912
Sale of own shares	0	18,032	0	18,032
Purchase of own shares	0	-7,296	0	-7,296
Capital increase	5,545	944,454	0	949,999
Equity at 31 December 2023	20,553	2,484,719	0	2,505,272
Result for the year	0	-302,355	300,000	-2,355
Purchase of own shares	0	-11,479	0	-11,479
Equity at 31 December 2024	20,553	2,170,885	300,000	2,491,438

Notes to the Parent Company Financial Statements

1	Staff Expenses
2	Financial Income
3	Financial Expenses
4	Tax
5	Distribution of Result for the Year
6	Investments in Subsidiaries
7	Deferred Tax Asset
8	Share Capital
9	Credit Institutions
10	Payables to Group Enterprises
11	Commitments and Contingent Assets and Liabilities
12	Related Parties
13	Events After the Balance Sheet Date
14	Accounting Policies

1 Staff Expenses

Amounts in kDKK

Remuneration of employees

Wages and salaries

Pensions

Other social security costs

Total remuneration

Including remuneration of the Executive Board

Average number of employees

The Board of Directors, registered in 2024 and 2023, has been remunerated by KK Wind Solutions Holding A/S. The remuneration amount allocated to KK Wind Solutions Holding A/S for the duties is 450 kDKK in both 2024 and 2023.

Bonus incentive agreements for the Executive Board and other management levels are in place and can be triggered by achievement of a split between the Group's financial and personal KPIs.

The parent company has implemented a co-investment program which is aimed at supporting development in the value creation of KK Group. The Executive Board and other management levels are part of the program. The purchase price corresponds to the market value of shares on the grant day.

2 Financial Income

Amounts in kDKK

Interest income on loans and receivables, group enterprises

Other financial income

Net foreign exchange gains

Total financial income

3 Financial Expenses

Amounts in kDKK	2024	2023
Interest expenses on liabilities, group enterprises	322	0
Other financial expenses	25,092	9,540
Fair value adjustment, contingent consideration, group enterprises	26,289	0
Net foreign exchange losses	1	0
Total financial expenses	51,704	9,540

4 Tax

Amounts in kDKK	2024	2023
Current tax on result for the year	-717	7,337
Deferred tax for the year	-22	-20
Adjustment to previous years' current taxes	-339	-42
Total tax	-1,078	7,275
which consists of the following:		
Tax recognized in the income statement	-1,078	7,275
Total tax	-1,078	7,275

5 Distribution of Result for the Year

Amounts in kDKK	2024	2023
Proposed dividend for the year	300,000	0
Retained earnings	-302,355	50,912
Total	-2,355	50,912

6 Investments in Subsidiaries

Amounts in kDKK
Cost at 1 January
Additions for the year, capital increase
Additions for the year, acquisition of subsidiary
Cost at 31 December

Investments in subsidiaries are specified below:

Name	Place of registered office	Votes and ownership
KK-Group A/S	Ikast, Denmark	100%

At 31 December 2023, KK Wind Solutions Holding A/S owned the subsidiary KK-Group A/S. On 1 January 2024, KK Wind Solutions Holding A/S acquired the subsidiary KK-Group A/S. During 2024, both subsidiaries were merged with KK Wind Solutions Holding A/S with KK-Group A/S being the continuing company, whereby KK Wind Solutions Holding A/S owns the subsidiary KK-Group A/S at 31 December 2024.

7 Deferred Tax Asset

Amounts in kDKK
Deferred tax asset at 1 January
Amounts recognized in the income statement for the year
Deferred tax asset at 31 December

The parent company has assessed the recoverability of the deferred tax asset and concluded that the deferred tax assets will be recoverable through the Danish joint venture, which comprises the parent company.

8 Share Capital

Breakdown of share capital:	Number of shares	Nominal value (kDKK)
A-shares of DKK 1	2,019,149	2,019
B-shares of DKK 1	170,118	170
C-shares of DKK 1	18,363,494	18,364
Total		20,553

Development in share capital: Amount in kDKK	2024	2023	2022	2021	2020
Share capital at 1 January	20,553	15,008	15,008	15,000	17,733
Capital increase	0	5,545	0	8	0
Capital decrease	0	0	0	0	-2,733
Share capital at 31 December	20,553	20,553	15,008	15,008	15,000

9 Credit Institutions

Amounts in kDKK	2024	2023
Between 1 and 5 years	499,291	499,192
Non-current amount	499,291	499,192
Within 1 year	8,613	9,836
Total credit institutions	507,904	509,028

10 Payables to Group Enterprises

Payables to group enterprises comprise the contingent consideration related to the acquisition of Nissens Cooling Solutions. The amount to be paid is dependent on the development in the fair market value of the shares of the combined business calculated as the value creation of the combined equity using normal valuation techniques for determining fair value.

The amount is expected to be paid 31 December 2026, but the parent company has an option to repay the amount at an earlier date. The lender can at payment date decide to convert the amount payable into share capital of the parent company.

11 Commitments and Contingent Assets and Liabilities

The parent company has issued a joint surety guarantee limited to DKK facilities with Danske Bank in KK-Group A/S. The net book value of the DKK 750 million at 31 December 2024.

The parent company has issued a joint and unlimited surety guarantee with Bank, Nykredit and Nordea in KK-Group A/S to each of the three financial institutions. The net book value of the related debt in each of the three financial institutions is DKK 750 million at 31 December 2024.

Through participation in a joint taxation scheme with A.P. Møller Holding A/S, the parent company is jointly and severally liable for taxes payable, etc. in Denmark.

12 Related Parties

APMH Invest IX ApS, Esplanaden 50, 1263 København K holds 98.4% of the parent company's share capital and exercises controlling interest in the parent company. Chastine Mc-Kinney Møllers Fond til almene Formaal, Esplanaden 50, 1263 København K is the ultimate owner.

KK Wind Solutions Holding A/S and its subsidiaries are included in the consolidated financial statements of A.P. Møller Holding A/S, Copenhagen, Denmark.

The parent company has chosen only to disclose transactions with related parties that have not been made on an arm's length basis in accordance with section 98 of the Danish Financial Statements Act. All transactions between KK Wind Solutions and related parties are on arm's length terms.

13 Events After the Balance Sheet Date

No events of importance for the financial statements have occurred during the period from the balance sheet date until the approval of the financial statements.

14 Accounting Policies

The financial statements for 2024 for KK Wind Solutions Holding A/S have been prepared on a going concern basis and in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The financial statements have been prepared using the same accounting policies as last year, with the exception that the classification of expenses in the income statement has been changed from a classification based on the function of the expenses to a classification based on the nature of the expenses. The change has been implemented so that the classification in the financial statements of the parent company is similar to the presentation in the consolidated financial statements that comprise the parent company. The amount presented as administrative expenses in the 2023 financial statements is now split between the line items staff expenses and other external expenses in comparative figures in the income statement. The change of the classification of expenses impacts neither result for the year, assets nor equity.

The financial statements for 2024 are presented in kDKK.

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared for the parent company.

Any differences compared to the accounting policies described for KK Wind Solutions Holding A/S as stated in note 1.1 in the consolidated financial statements are listed below. Please refer to the consolidated financial statements for further information about the accounting policies applied.

Income statement

Income from investments in subsidiaries

Dividends from subsidiaries are recognized as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the parent company are set off against the cost of the subsidiary.

Other external expenses

Other external expenses comprise expenses for consultants, administration, office supplies, etc.

Other income

Other income comprises service fees.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Receivables

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



CHAPTER 3

Consolidated Sustainability Statement

Sustainability Data Overview and Notes

	Unit	Note	2024	2023
ENVIRONMENT				
Energy consumption	MWh	2	44,611	18,388
Gross GHG, Scope 1	Tonnes	3	3,503	1,490
Scope 1 GHG emissions from regulated emission trading schemes	%	3	0%	0%
Gross GHG, Scope 2, location-based	Tonnes	3	10,325	5,750
Gross GHG, Scope 2, market-based	Tonnes	3	131	3,350
Gross GHG, Scope 3	Tonnes	3	456,486	216,391
Total GHG emissions, location-based	Tonnes	3	470,314	223,641
Total GHG emissions, market-based	Tonnes	3	460,120	221,239
Total waste generated	Tonnes	4	4,575	1,914
SOCIAL				
Number of employees	Number	5	3,682	2,470
Employee turnover	Number	5	975	420
Employee turnover rate	%	5	27%	17%
Number of employees in Senior Management	Number	5	55	42
Share of underrepresented gender in Senior Management	%	5	15%	12% 20%
Employees covered by Health and Safety management systems	%	6	100%	100%
Fatalities linked to work related injuries or illness	Number	6	0	0
Total Recordable Incidents (TRI)	Number	6	23	23
Total Recordable Incident Rate (TRIR)	Rate	6	3.51	4.0
Lost Time Injury Frequency Rate (LTIFR)	Rate	6	1.68	0.88
Total number of recordable work-related illness	Number	6	0	0
GOVERNANCE				
Number of members in the Board of Directors	Number	7	5	5
Share of underrepresented gender in the Board of Directors	%	7	40%	20%
Incidents of corruption or bribery	Number	7	0	0
Number of convictions related to anti-corruption and anti-bribery laws	Number	7	0	0
Amount of fines related to anti-corruption and anti-bribery laws	kDKK	7	0	0

These datapoints are covered for 2024 by an auditor's independent limited assurance report.

Note 1 – General Information

Basis of preparation

The consolidated sustainability statement for the period from 1 January to 31 December, 2024 comprise consolidated data from the parent company (KK Wind Solutions Holdings A/S) and entities controlled by KK Group. The same principles as in the financial statements are applied in the consolidation except for where specified in the accounting policy. The consolidated sustainability statement and the accompanying notes are prepared based on the accounting principles described in the notes.

Newly established and acquired companies are included at the date of acquisition, and companies are excluded from the reporting at the date of disposal.

Changes in accounting policies and disclosures

The sustainability accounting principles set out in the notes have been applied consistently in the preparation of the consolidated sustainability statement for all the years presented, unless stated otherwise.

Key accounting estimates and judgements

We use assessments and estimates for the reporting of certain data points (e.g. scope 3 emissions). We regularly reassess our use of estimates and judgements based on experience, the data available and other factors. Changes in estimates are recognised in the period in which the estimate in question is revised. Details on the key estimates, judgements, and assumptions applied are mentioned in the accounting principles of the specific topics.

External review

We have obtained our first limited assurance report for a selection of the data for 2024.

Sustainability governance

Further details regarding the roles of the administrative, management, and supervisory bodies, including information on the sustainability matters addressed, are presented in the Governance section of the report.

DMA

We conducted our initial DMA in 2024. Further details regarding the methodology and assessment process as part of the 2024 Materiality Assessment subsection are presented in the report.

Note 2 – Energy Consumption

Accounting principles

Energy consumption

We report the total fossil and renewable energy consumption disaggregated by energy type for the reporting period in megawatt hours (MWh). The consumption is based on monthly reported consumption data with links to invoices. All locations have been included in the reporting. The energy intensity is based on net turnover reconciled with the financial statements.

Energy intensity ratio

Energy intensity ratio represents total energy consumption in MWh divided by total revenue in kDKK.

Energy consumption

	Unit	
Fossil energy consumption		
Fuel from crude oil	MWh	12,744
Fuel for Natural gas	MWh	12,744
Purchased electricity and heat	MWh	3,000
Total fossil energy consumption	MWh	18,867
Share of fossil sources in total energy consumption	%	42%
Renewable energy consumption		
Purchased electricity and heat	MWh	25,744
Total renewable energy consumption	MWh	25,744
Share of renewable sources in total energy consumption	%	58%
Total Energy consumption	MWh	44,611
Energy intensity ratio		
Net turnover reconciled to the Financial Statements	kDKK	7,682,161
Energy intensity ratio	MWh pr. kDKK	0.0058

Notes

KK Group's revenue is included in the statistical Nomenclature of economic Activities in the European Community (NACE) section C and therefore, in relation to this reporting, seen as a high climate impact sector.

KK group did not consume energy from nuclear sources in 2024 or 2023.

The increase in our energy intensity ratio is primarily due to our recent acquisition of Nissens C, whose production process consumes a significant amount of energy.

Note 3 – GHG Emissions

Accounting principles

GHG emissions

We report the total GHG emissions in metric tonnes and with reference to the Greenhouse Gas Protocol, calculated based on both the location-based and the market-based approach. The consolidation of GHG emissions follows the operational control approach.

Gross scope 1 and 2 emissions are reported based on the monthly energy reporting converted into tonnes CO₂e according to the Greenhouse Gas Protocol. Calculations of GHG emissions are based on emission factors from invoices from energy suppliers. Otherwise, the most recent available emission factors from IEA are applied. All GHG emissions are converted to CO₂e equivalents (CO₂e).

Primary data on scope 1 and 2 GHG emissions constitutes the largest proportion of the data collected. This includes data from digital and manual meter readings and consumption data from invoices. For the remaining locations where no consumption and emissions data are available, average consumption values per m² have been applied to estimate energy consumption and GHG emissions.

Scope 1 GHG emissions

Scope 1 GHG emissions include direct emissions from combustion of gas and oil, refrigerants, and mileage in KK Group-owned or controlled vehicles.

Scope 1 GHG emissions from regulated emission trading schemes

Represent emission allowances under European Union Emission Trading Scheme (EU ETS).

Scope 2 GHG emissions (market-based and location-based)

Scope 2 GHG emissions include indirect emissions from purchased heating and electricity. For market-based emissions, market-based emissions factors were applied, implying that energy certificates and other renewable sourcing of energy influences the

calculation. For location-based emissions, location-based emissions factors for 2023 have been applied.

Scope 3 GHG emissions

A comprehensive Scope 3 GHG inventory has been completed in accordance with the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard. We report the following priority Scope 3 categories (C) – C1, C4, C6, and C9 – which represent over 90% of our total Scope 3 emissions. This approach aligns with the emissions coverage requirements set forth by the SBTi.

Priority categories

C1 Purchased goods and services: Accounts for GHG emissions from direct and indirect purchases. Direct purchases calculation is based on the weight of purchases categories in combination with extrapolation, where necessary. Indirect purchases calculation is based on monetary spend value.

C4 Upstream transportation and distribution: Accounts for GHG emissions from intercompany, supplier, and customer flows paid for by KK Group. The calculation is based on weight, distances and transport modes from supplier and transport reports, where available, and direct spend reports for the remainder combined with extrapolation and use of estimates, where necessary.

C6 Business travel: The calculation is based on the business travel booking reports combined with extrapolation. Emissions are based on UK BEIS with RF for CO₂e.

C9 Downstream transportation and distribution: Accounts for GHG emissions from transportation of our products after the point of sale that are not paid for by KK Group. The calculation is based on weight, distances and transport modes from supplier and transport system reports, where available, combined with extrapolation and use of estimates, where necessary.

GHG emissions intensity ratio

GHG emissions intensity ratio represents total Scope 1+2+3 market or location-based emissions in CO₂e tonnes divided by total revenue in kDKK.

Notes

The Gross GHG, Scope 2, market-based emissions were updated from the previously reported number in our 2023 Sustainability Report of 1,867 Tonnes to 3,357 Tonnes as the previously reported number did not include all sites.

Scope 3 GHG emissions split on main categories

	Unit	
Main scope 3 categories*		
Category 1: Purchased goods and services	Tonnes	373,028
Category 4: Upstream transportation and distribution	Tonnes	50,144
Category 6: Business travel	Tonnes	4,50
Category 9: Downstream transportation and distribution	Tonnes	28,811
Total scope 3 GHG emissions	Tonnes	456,486
Total GHG emissions, location-based	Tonnes	470,314
Total GHG emissions, market-based	Tonnes	460,120
GHG emissions intensity ratio		
Net turnover reconciled to the Financial Statements	kDKK	7,682,161
GHG emission intensity ratio, location-based	Tonnes/kDKK	0.061
GHG emissions intensity ratio, market-based	Tonnes/kDKK	0.060

* In 2023, KK Group focused on calculating Scope 3 (C1) inventory as it represents the most significant scope 3 emissions. In 2024, we reported the top 90% of our GHG inventory according to SBTi.

Note 4 – Waste

Accounting principles

Waste

We report the total amount of solid waste in tonnes, split by hazardous waste and non-hazardous waste, as reported internally on a monthly basis based on invoices from the external waste handlers for all locations except for offices with less than 50 employees.

Hazardous waste includes batteries, chemicals, combustion waste, electronic waste, mixed hazardous packaging, as well as solvents and detergents.

Non-hazardous waste includes bio waste, metals mix, non-hazardous packaging, paper, plastic, and wood.

The waste is reported on recovery operation types.

Waste treatment types according to the standard and the total amount and percentage of non-recycled waste are reported as well.

Waste

	Unit	
Total waste generated	Tonnes	4,575
of which is hazardous	Tonnes	33
of which is prepared for reuse	Tonnes	0
of which is recycled	Tonnes	4,113
of which is recovered in other ways	Tonnes	45
Total hazardous waste not recovered	Tonnes	174
of which is sent for incineration	Tonnes	100
of which is sent for landfill	Tonnes	74
Total non-hazardous waste not recovered	Tonnes	239
of which is sent for incineration	Tonnes	213
of which is sent for landfill	Tonnes	26
Total waste not recovered	Tonnes	413
Total percentage of waste not recovered	%	9%

Notes

The increase in our total waste generated is due to our recent acquisition of Nissens Cooling Solutions. It mainly represents recycled metals and wood. This resulted in a positive development in the total percentage of not recovered waste, that is now at a low level of 9%.

Note 5 – Employees

Accounting principles

Number of employees

We report employee characteristics, including total number of employees by head count at the end of the reporting period broken down by gender, countries of operations with more than 50 employees, employment type and age.

Employee turnover

We report the total number of employees who have left KK Group during the reporting period. This number includes all employees and is calculated based on the total number of retirements, voluntary or involuntary resignations, etc.

Employee turnover rate

We report the total rate of employee turnover rate based on the total employee turnover divided by the average number of employees on the payroll during the year.

Share of underrepresented gender in Senior Management

We report the share of underrepresented gender in senior management based on headcount at the end of the reporting period. Senior management is defined as the Executive Management team and their direct reports, where these reports manage reports in the same legal entity.

Number of employees – Headcount at year-end

	Unit	2024		Total	Female	Male
		Female	Male			
Number of employees per country						
China	Number	107	267	374	64	
Czech	Number	46	241	287	0	
Denmark	Number	210	534	744	168	
India	Number	95	379	474	71	
Poland	Number	666	781	1,447	554	
Slovakia	Number	78	223	301	0	
Other countries	Number	8	47	55	8	
Total number of employees	Number	1,210	2,472	3,682	865	1,611
Number of employees by employment type						
Permanent employees	Number	1,146	2,209	3,355	865	1,611
Temporary employees	Number	64	263	327	0	
Total number of employees	Number	1,210	2,472	3,682	865	1,611
Number and % of employees by age						
Employees < 30 years old	Number %	223 18%	637 26%	860 23%	160 19%	391 24%
Employees 30 < 50 years old	Number %	748 62%	1,445 58%	2,193 60%	521 60%	941 59%
Employees > 50 years old	Number %	239 20%	390 16%	629 17%	184 21%	279 17%
Total number of employees	Number %	1,210 33%	2,472 67%	3,682 100%	865 35%	1,611 65%

Notes

KK Group's number of employees grew to 3,682 by the end of 2024, up by 49% from the previous year. This change reflects the integration of the acquisitions mentioned and additional hiring in response to business expansion needs.

Note 6 – Health and Safety

Accounting principles

Employees covered by health and safety management systems

We report the percentage of employees in own workforce covered by the health and safety management system. The number is calculated based on headcount at the end of the reporting period.

Fatalities linked to work-related injuries or illness

We report the number of work-related fatalities in our own workforce and workers working at our sites. The numbers reported are based on fatalities reported via the health and safety management system during the reporting period.

Total Recordable Incidents (TRI)

We report the total recordable work-related incidents, which include fatalities, lost time cases, medical treatment cases, and restricted work cases, with one or more days of absence in our own workforce. The numbers reported are based on incidents reported via the health and safety management system during the reporting period.

Total Recordable Incident Rate (TRIR)

We report the rate of TRI per million working hours. The working hours are calculated based on own workforce hours registered in the system or standard working hours excluding holidays, sick leave, maternity leave, etc. The calculation method differs based on the information available in the system used for each country.

Lost Time Injury Frequency Rate (LTIFR)

LTIFR is the total of fatalities and lost time cases that have caused at least one day of absence divided by the total number of working hours that is calculated in the same way as for the total rate of recordable work-related incidents per million working hours.

Total number of recordable work-related illness

We report the number of recordable work-related illnesses according to the International Labour Organization (ILO) list of Occupational Diseases. The numbers reported are based on illnesses reported via the health and safety management system during the reporting period.

Notes

The total recordable incidents rate previously reported in our 2023 Sustainability Report for 2023 was updated from 3.96 to 4.4, as the number previously reported only included restricted work cases.

Note 7 – Governance

Accounting principles

Share of underrepresented gender in Board of Directors

We report the share of underrepresented gender on our Board of Directors defined as the Board of Directors for KK-Group A/S (CVR: 66821110) at the end of the reporting period. Information has been sourced from the Central Business Register (CVR) and employee-elected members have been excluded from the calculation.

Incidents of corruption or bribery

We report the number of incidents of corruption or bribery discovered by our legal department in the reporting period. Incidents are counted when they lead to dismissal or discipline of own workers or when they relate to terminating/not renewing contracts with business partners due to violations related to corruption or bribery.

Number of convictions related to anti-corruption and anti-bribery laws

We report the number of convictions related to anti-corruption and anti-bribery laws in the reporting period.

Amount of fines related to anti-corruption and anti-bribery laws

We report the amount of fines in kDKK from convictions related to anti-corruption and anti-bribery laws in the reporting period.

Other Sustainability Disclosures

SASB Data overview

For further transparency on our sustainability data, we have included selected indicators from the IFRS sustainability disclosures issued by the Sustainability Accounting Standard Board (SASB) for Electrical and Electronic Equipment.

	Unit	
Energy Management		
Total energy consumed	GJ	160,000
Percentage grid electricity	%	50
Percentage renewable	%	50
Hazardous Waste Management		
Amount of hazardous waste generated	Tonnes	33
Percentage recycled	%	100
Business Ethics		
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	kDKK	0
Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	kDKK	0

Sustainable Development Goals



Where we can influence society at large
 Our products and services play a crucial role in the global shift towards renewable energy, contributing to cost-effective energy options with low or zero GHG emissions. We will focus on increasing energy efficiency, electrification, and advancing clean energy technologies, solutions, and services.



Where we can create positive impacts
 Our products are central to the generation of efficient renewable energy and feature in 51,000+ wind turbines around the globe. This helped save around 490 million tonnes of CO2e in 2024.



Where we can reduce the negative impact of our operations
 We seek to become a company that operates with responsibility and consideration for the environment throughout all aspects of our supply chain and understands the importance of mitigating any adverse effects on people and the environment including focus on reduction of material utilised in our products and waste generated. We innovate clean energy and energy efficient solutions and integrate them, influencing society and positively impacting the environment. We recognise the significance of promoting equal opportunities for all, enhancing diversity, and eradicating all forms of discrimination by focusing on equality from multiple perspectives.



CHAPTER 4

Management's Statement and Auditor's Reports

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of KK Wind Solutions Holding A/S and its subsidiaries (KK Group) for the financial year 1 January - 31 December 2024.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the parent company financial statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been 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 KK Group and the parent company at 31 December 2024, and of the results of KK Group and parent company operations and consolidated cash flows for the financial year 1 January - 31 December 2024.

It is our opinion that KK Group's consolidated sustainability statement has been prepared in accordance with the accounting principles stated and

provides a fair and balanced picture of the organization's sustainability results.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of KK Group and the parent company, of the results for the year, and of the financial position of KK Group and the parent company, as well as a description of the most significant risks and elements of uncertainty facing KK Group and the parent company.

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

Ikast, 14 March 2025

Executive Board

Mauricio Fernando Quintana, CEO

Bjørn Reinhardt Mogensen, CFO

Board of Directors

Pernille Lyngvold Erenbjerg, Chair

Simon Krogsgaard Ibsen, Vice Chair

Elke Elfriede Eckstein

Fabrice Roger Daniel Bregier

Jesper Ridder Olsen

Independent Auditor's Report

To the Shareholders of KK Wind Solutions Holding A/S

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2024 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2024 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of KK Wind Solutions Holding A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information, for both the Group and the Parent Company,

as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is

materially inconsistent with the financial statements. If we believe that our knowledge obtained during the audit of the financial statements appears to be materially misstated.

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

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

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and presentation of the Consolidated Financial Statements and the Parent Company Financial Statements in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and the requirements of the Parent Company Financial Statements Act. Management is also responsible for providing a true and fair view in accordance with the requirements of the Danish Financial Statements Act, and for such disclosures as Management determines is necessary for the preparation of financial statements that are not materially misstated, whether due to

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether

due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events

or conditions may cause the Group's or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit in accordance with the applicable group audit standards, to obtain appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. Management is responsible for the direction, supervision, and performance of the audit work performed for 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.

Aarhus, 14 March 2025
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Mads Melgaard
State Authorised
Public Accountant
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Independent Limited Assurance Report on Selected ESG Data Included in the Consolidated Sustainability Statement

To the Stakeholders of KK Wind Solutions Holding A/S
KK Wind Solutions Holding A/S engaged us to provide limited assurance on selected ESG data included in the consolidated sustainability statement for the period 1 January - 31 December 2024 stated on page 89 and marked with an eye icon “the “selected ESG data”).

Our conclusion

Based on the procedures we performed and the evidence we obtained, nothing came to our attention that causes us not to believe that the selected ESG data for the period 1 January - 31 December 2024 for KK Wind Solutions Holding A/S are prepared, in all material respects, in accordance with the applied accounting principles developed by KK Wind Solutions Holding A/S as stated on pages 90-97 (the “ESG accounting principles”).

This conclusion is to be read in the context of what we state in the remainder of our report.

What we are assuring

The scope of our work was limited to assurance over the selected ESG data for the period 1 January - 31 December 2024 stated in the 2024 Annual Report of KK Wind Solutions Holding A/S on page 89.

We express limited assurance in our conclusion.

Corresponding information

With effect from the current financial year, the selected ESG data have become subject to a limited assurance engagement. Please note that the comparative ESG information stated in the consolidated sustainability statement prior to 2024 have not been subject to assurance, which also appears in the consolidated sustainability statement.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 ‘Assurance engagements on greenhouse gas statements’. The quantification of greenhouse gas emissions is subject to inherent uncertainty because of incomplete scientific knowledge used to determine the emissions factors and the values needed to combine emissions of different gasses.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement

in relation to both the risk assessment including an understanding of internal procedures performed in response to the risks; consequently, the level of assurance a limited assurance engagement is substantially less than the assurance that would have been provided in a reasonable assurance engagement.

Our independence and quality control We have complied with the independence and other ethical requirements in the International Standards Board for Accountants’ International Code of Ethics for Professional Accountants, which is founded on fundamental principles of objectivity, professional competence and confidentiality and professional behavior requirements applicable in Denmark.

PricewaterhouseCoopers applies International Standard on Quality Management 1, ISQM 1, within our firm to design, implement and operate our quality management including policies or procedures to ensure compliance with ethical requirements, standards and applicable legal and regulatory requirements.

Our work was carried out by an independent multidisciplinary team with experience in reporting and assurance.

Understanding reporting and measurement methodologies

The selected ESG data need to be read and understood together with the ESG accounting principles. The ESG accounting principles used for the preparation of the selected ESG data are the accounting principles developed by the company, which Management is solely responsible for selecting and applying.

The absence of a significant body of established practice on which to draw to evaluate and measure sustainability data allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the selected ESG data. In doing so and based on our professional judgement, we:

- Evaluated the appropriateness of the ESG accounting principles used, their consistent application in the selected ESG data;
- Made inquiries and conducted interviews with management with responsibility for management and reporting of the selected ESG data to assess reporting and consolidation process, use of company-wide systems and controls performed;
- Performed limited substantive testing on a sample basis to underlying documentation and evaluated the appropriateness of quantification methods and compliance with the ESG accounting principles used for preparing the selected ESG data at corporate head office and in relation to selected KK Wind

Solutions Holding A/S' reporting sites;

- Performed analytical review and trend explanation of the selected ESG data; and
- Evaluated the obtained evidence.

Management's responsibilities

Management of KK Wind Solutions Holding A/S is responsible for:

- Designing, implementing and maintaining internal control over information relevant to the preparation of the selected ESG data in the 2024 Annual Report that are free from material misstatement, whether due to fraud or error;
- Establishing objective ESG accounting principles for preparing the selected ESG data;
- Measuring and reporting the information in the selected ESG data based on the ESG accounting principles; and
- The content of the consolidated sustainability statement.

Our responsibility

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the selected ESG data for the period 1 January – 31 December 2024 are prepared, in all material respects, in accordance with the ESG accounting principles;
- Forming an independent conclusion, based on the procedures performed and the evidence obtained; and
- Reporting our conclusion to the stakeholders of KK Wind Solutions Holding A/S.

Aarhus, 14 March 2025

PricewaterhouseCoopers Statsautoriseret
Revisionspartnerselskab
CVR No 3377 1231

Mads Melgaard
State Authorised
Public Accountant
mne34354

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Building on more than 40 years of experience in electro-mechanical systems for wind, KK Group capabilities span development of state-of-the-art technologies, high quality lean manufacturing, cost-efficient supply chain solutions and flexible service of wind turbines.

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