KK Wind Solutions®

Part of the energy evolution

Annual Report 2024

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 14 March 2025.

Allan Gabriel Zandberg
Chair of the General Meeting

Contents

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

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 acquisitions we have made over the recent years. This will enable continuously improving the profitability for our company while putting us in the best position to enjoy future growth and expansion.

As we continue to navigate the challenges posed by geopolitical and economic uncertainties, our commitment serving our customers, to sustainability and to innovation will remain unwavering. Together, we will build on this years' achievements and drive further success in the years to come.

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


Pernille Erenbjerg
Chair


Mauricio Quintana
CEO

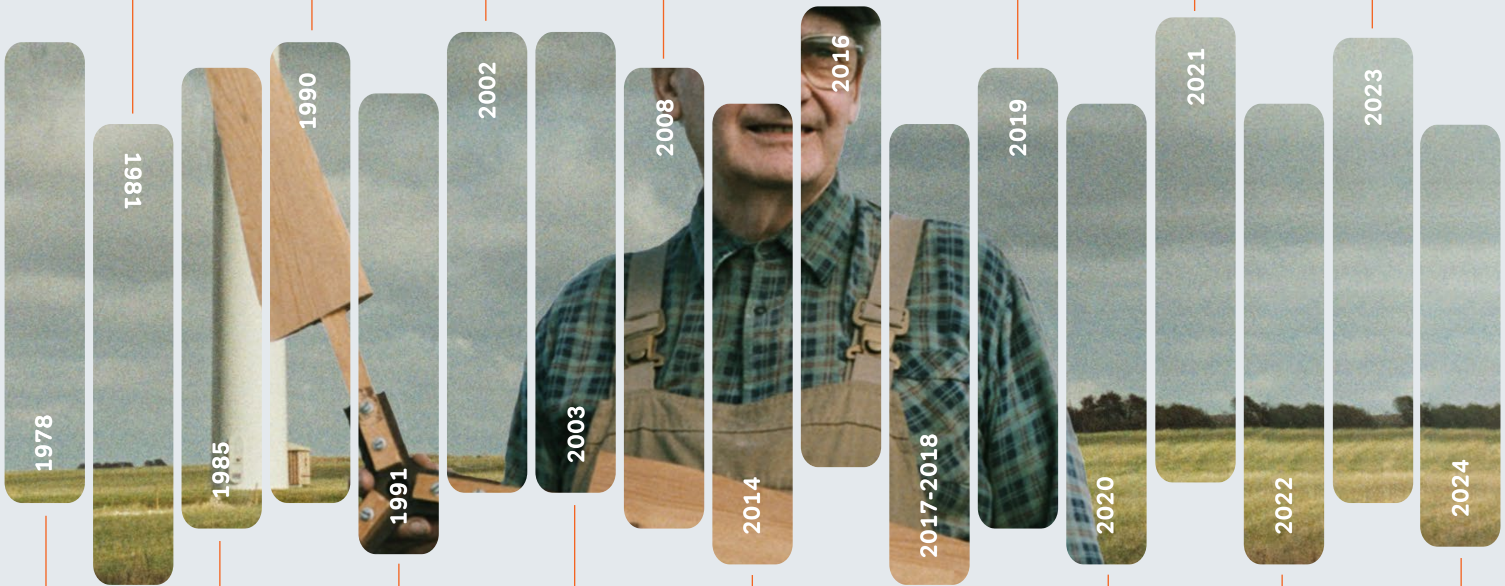
IN BRIEF

The facts and figures behind 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 electrical control systems for a wind turbine, the 22kW Riisager.

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

1985 – We launch the industry's first SCADA system.

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

1991 – The world's first offshore wind farm 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. An office and 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. New office in 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 PCH Engineering and advance with vibration monitors. We establish a new production facility in Taichung, Taiwan.

2022 – We acquire ConverterTec's R&D department and IP portfolio and strengthen our offerings within power conversion.

2023 – We acquire the converters and controls business from Vestas, including production facilities in Hammel, Denmark, Chennai, India and Tianjin, China.

2024 – We acquire Nissens Cooling Solutions Group which has a footprint in Denmark, Czechia, Slovakia and China.

Highlights

Product offerings

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

Ownership

A.P. MØLLER

Key customers across product offerings

SIEMENS Gamesa RENEWABLE ENERGY

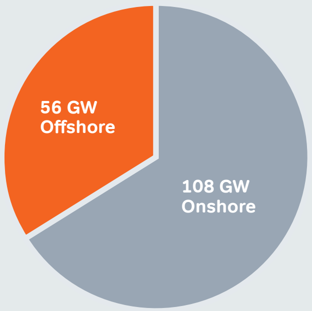
Vestas

LIEBHERR

Ørsted

Stiesdal

Wind Turbines equipped with KK Group systems

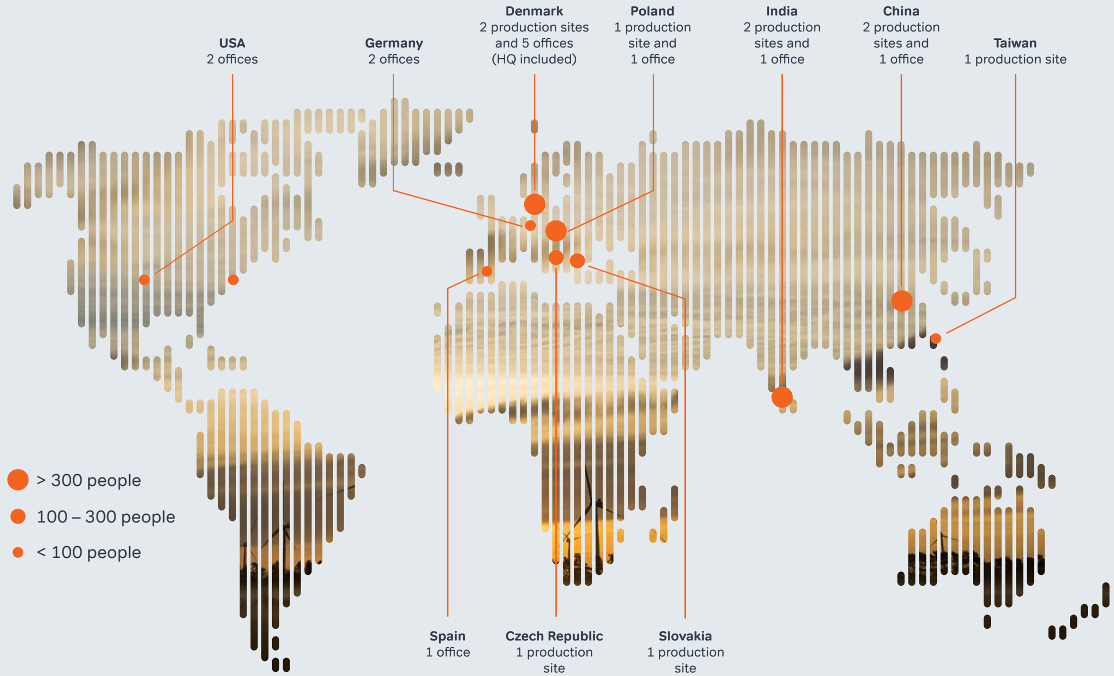


70%

of the global offshore capacity is equipped with KK Group systems

Global Footprint

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

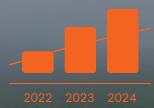
+50

years of experience in cooling solutions for industrial applications

Revenue in mDKK

7,682

2,581 (2022) 5,486 (2023)



Total assets in mDKK

9,280

5,519 (2022) 7,403 (2023)

Average number of employees

3,557

1,655 (2022) 2,312 (2023)

Cash Flow from Operations in mDKK

363

-48 (2022) 1,262 (2023)

100%

of the electricity consumed in 2024 is from renewable sources

TRIR (Total Recordable Incident Rate)

3.5

7.6 (2022) 4.4 (2023)

Normalized EBITDA in mDKK

632

264 (2022) 500 (2023)

Emissions avoided in MTonnes CO_2e

490

432 (2023)

Employee engagement %

77

74 (2023)

Information about 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**	**2021**	**2020**
Income statement					
Revenue	7,682,161	5,486,054	2,581,240	2,550,148	2,579,690
Normalized result before depreciation, amortization and impairment losses, etc. (Normalized EBITDA)	631.511	499.603	264.494	368.490	349.497
Result before depreciation, amortization and impairment losses, etc. (EBITDA)	486,662	474,727	223,043	364,172	347,331
Result before financial items (EBIT)	-2,809	107,955	-11,698	170,376	166,092
Financial items, net	-292,910	-164,829	-67,876	-29,063	-45,109
Result for the year	**-226,134**	**-51,668**	**-55,329**	**101,853**	**82,461**
Average number of employees	3,557	2,312	1,655	1,526	1,394
Balance sheet					
Total assets at 31 December	9,280,259	7,403,071	5,519,231	4,139,431	3,933,419
Total equity at 31 December	2,226,224	2,406,315	1,514,831	1,577,725	1,478,616
Cash flow statement					
Cash flow from operating activities	363,422	1,261,811	-48,325	393,079	371,841
Purchase of property, plant and equipment	-51,499	-41,932	-58,927	-47,141	-62,212
Financial ratios					
Net margin	-2.9%	-0.9%	-2.1%	4.0%	3.2%
Return on equity	-9.8%	-2.6%	-3.6%	6.7%	5.7%
Solvency ratio	24.0%	32.5%	27.4%	38.1%	37.6%

The financial highlights for all presented financial years have been updated compared to last year to reflect the Group's 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 to support acquisitions and other growth initiatives, with repayment structured to align with anticipated cash flows.

Equity
The year-end 2024 equity of 2,226 mDKK provides a solvency ratio of 24%, maintaining a solid foundation for continued growth and investment.

Financial Outlook 2025

In 2025, we anticipate a flat growth with an improvement of our profit driven by synergies related to footprint change, process enhancements and efficiencies, as well as procurement savings.

Revenue is expected to range between 7,400 and 7,900 mDKK. KK Group is expected to achieve an EBITDA margin of 7-9 % (normalized EBITDA margin 8-10 %). Total investments are expected to amount to approx. 200-300 mDKK.

The result after tax is expected to improve compared to 2024, however still at an absolute negative level.

Sustainability Review

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 the ambition of securing 40% female representation in the Board of Directors up from 20% in 2023.

No incidents of corruption or bribery were recorded in 2024.

Sustainability data summary

	Unit	2024	2023
ENVIRONMENT			
Energy consumption	MWh	44,611	18,388
Share of renewable sources in total energy consumption	%	58%	36%
Share of renewable electricity	%	100%	57%
Gross GHG, Scope 1 and 2, market-based	Tonnes	3,634	4,848
Gross GHG, Scope 3	Tonnes	456,486	216,391
Total GHG emissions, market-based	Tonnes	460,120	221,239
GHG emissions avoided	Million Tonnes	490	432
SOCIAL			
Number of employees by headcount at year-end	Number	3,682	2,476
Employee turnover rate	%	27%	17%
Share of underrepresented gender in Senior Management	%	15%	12%
Fatalities linked to work related injuries or illness	Number	0	0
Lost Time Injury Frequency Rate (LTIFR)	Rate	1.68	0.88
GOVERNANCE			
Share of underrepresented gender in the Board of Directors	%	40%	20%
Incidents of corruption or bribery	Number	0	0

STRATEGY

Our plan is to always be part 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 and we strongly value this partnership, and our mutual reliance is the cornerstone of a sustainable and long-term business relationship."
>
> — Oliver Dreier, Senior Vice President, Direct Material Procurement at Vestas

One of the secrets to our success lies in co-creation. Together with our partners, we develop cutting-edge solutions that keep pace with the dynamic demands of the renewable energy market. This two-way exchange fosters a culture of constant learning, enabling us to stay ahead of the curve while empowering our customers to do the same. In 2024, Siemens Gamesa granted us the title of official strategic partner.

> "KK Group is a technically competent development partner for Siemens Gamesa Renewable Energy and is well integrated with our teams. With KK Group's investment in product cost-out, you have developed positively in means of competitiveness, while keeping a high quality. We appreciate this path for the mutual benefit of both parties."
>
> — Anders Helbo Mortensen, Head of Nacelle Module Technology at Siemens Gamesa Renewable Energy

Looking ahead, we are more committed than ever to deepening our collaborations, whether by exploring uncharted challenges or expanding our reach.

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.

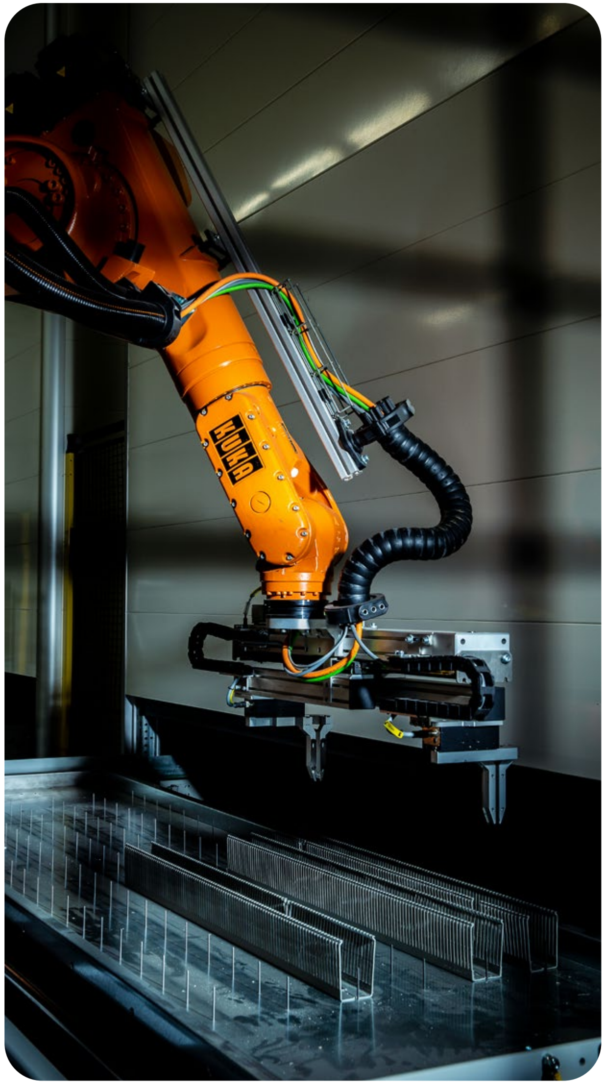
The already installed fleet of turbines is aging. Therefore, it requires continuous monitoring and service to ensure lifetime extension. As both onshore and offshore turbines are increasing in energy density and size, the demand for digital and monitoring solutions and service agreements become essential 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 constraints of maintaining legacy products.

Operationally, the closure of our Horsens production site has been a pivotal step in streamlining our footprint. By consolidating into three core production sites, we have optimized our capacity and improved our efficiency. This transition positions us to deliver more effectively while reducing our environmental impact.

One of this year's highlights is the introduction of a powerful new calculation model tool, enabling precise and optimal design for the coolers in our product range.

Monitoring Solutions: Monitoring Solutions offers hardware, software, and services to monitor wind turbines' and industrial machinery's health and performance. This includes condition monitoring systems (CMS) and vibration monitoring systems (VMS) that help customers reduce maintenance costs, extend asset lifespan, and prevent complete loss of assets. The business model is based on hardware sales, software licenses, and recurring revenue from monitoring services.

In 2024, Monitoring Solutions continued their efforts in providing advanced technological solutions for 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°C[1] 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 2030[2].

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

Finding the balance between progress 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 the product portfolio including internally developed technology to de-risk the business model and reduce the levelized cost of energy of customer products.
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 working on identifying and reducing the risk of supply chain disruption by ensuring that critical components are sourced from dual/multiple suppliers in different regions/countries to avoid disruptions caused by natural disasters, political instability or trade barriers.
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 backups of critical systems and has developed a disaster recovery plan. KK Group annually assess the maturity of its cyber security and continuously implements improvements. A Security Operations Center (SOC) solution is implemented to monitor and act.
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 the geopolitical tensions' effect on the market demand to detect early warning signs for a reduction or shift in demand in order to proactively adapt its strategy and production.
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 the currency risk on an ongoing basis and mitigates it up to 24 months ahead using forward contracts on a net position basis. Interest rate risk is managed by balancing floating and fixed rates in the debt portfolio using interest rate swaps.

Double Materiality 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.

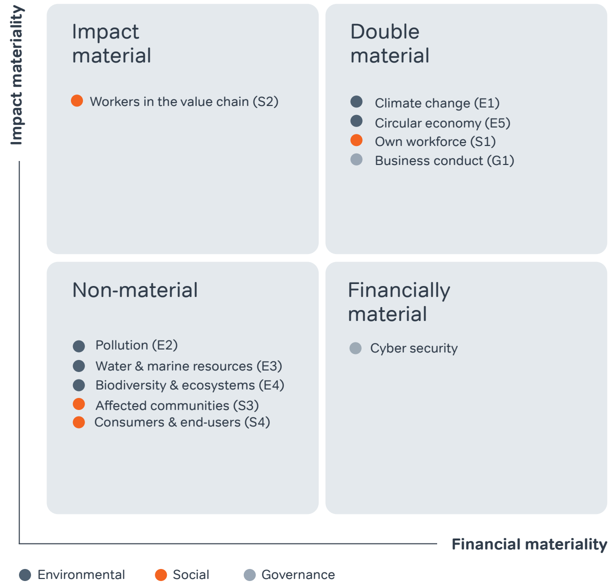
Sustainability matters and materiality decisions
IROs have been identified on the lowest possible level of the ESRS topology. A sustainability matter is deemed material if at least one of the IROs is above the threshold.

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.

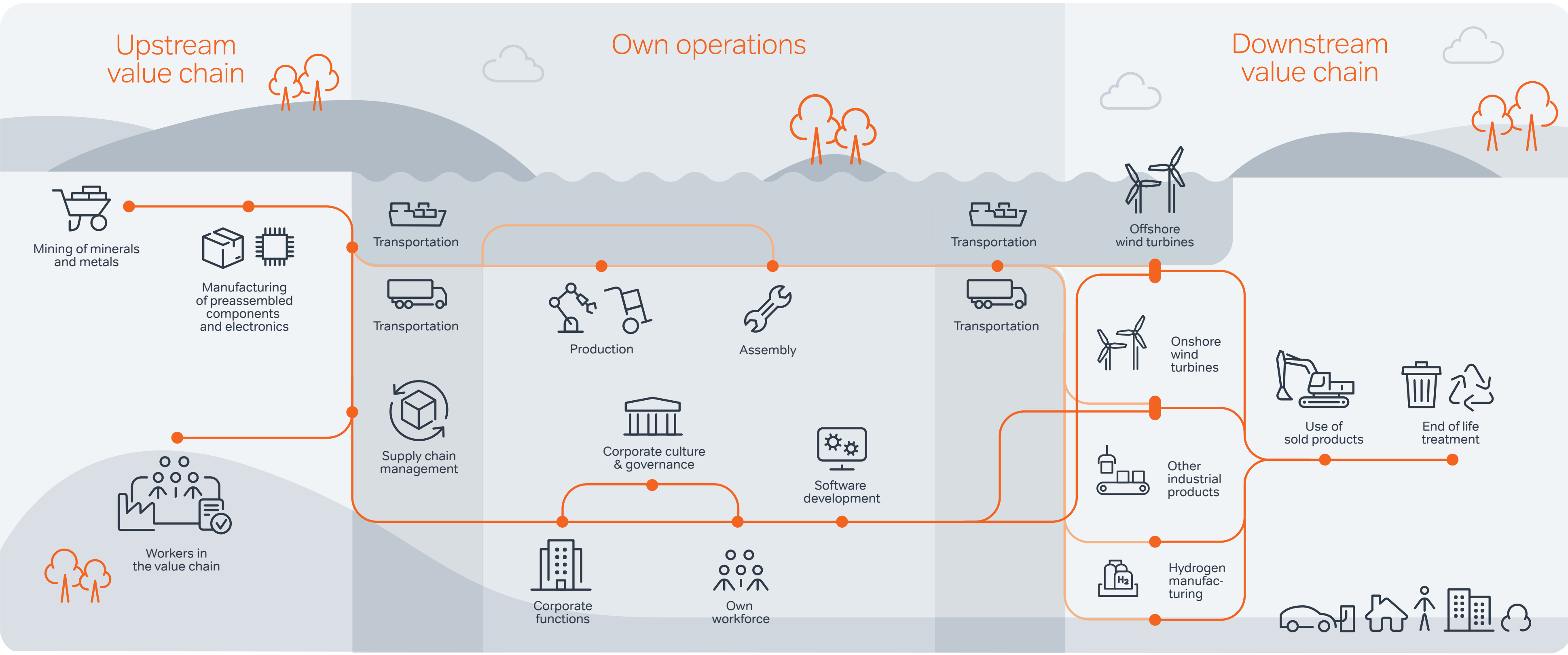
From the additional matters assessed, only Cyber Security was deemed material.

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 IROs identified based on the information collected from the interviews and the thresholds set.
- **Step 4 – Workshop:** Workshop held with KK Group Executive Management to review and assess preliminary scoring from Step 3, which was split into material, potentially material and non-material topics. Culminating in an overall assessment regarding the set thresholds and validity check of the outcome of material and non-material sustainability matters.
- **Step 5 – Documentation:** Any changes following the above procedures were incorporated into relevant 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 being part of an owner 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 Krogsgaard 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 Executive Management and is focused on three major tasks:
- Setting, agreeing and updating the sustainability strategy.
- Deploying the strategy based on the agreed road-map and linked sustainability program.
- Reporting and communicating on progress.

Data ethics
KK Group policies handle data related to customers and employees in accordance with the GDPR legislation, EU Data Boundary, our privacy policy and procedures for classification and management of documents and data.

Data privacy is ensured through secure storage. Data ethics are embedded within our existing policies, aligning with the Group IT and People and Culture policies.

Our policies on data ethics comply with the Danish Financial Statements Act, section 99d.

In 2024, we have approved the utilisation of one tool for Artificial Intelligence (AI) data processing and developed a policy for processing data using AI that complies with our internal policies and relevant legislation. Using other AI tools requires explicit approval from the Global IT 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
Board Member

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
Board Member

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
Board Member

Jesper Ridder Olsen became part of our Board of Directors in 2019. He brings extensive experience wihtin 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
Board Member – 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 KK Group in 2024. Anita Vrou has worked in the electronics industry since 2007, at Flextronics, Vestas and now KK Group.

Edin Dizdarevic
Board Member – 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.

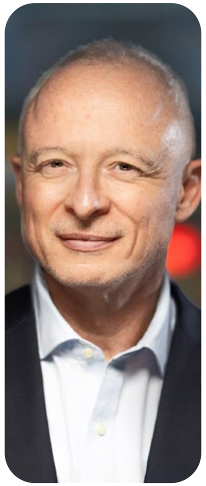
Troels Møller
Board Member – Employee Elected Representative

Troels Møller became part of KK Group in connection with the acquisition from Vestas in 2023. He was elected to the Board of Directors in KK Group in 2024. He has functioned as a union representative for the past 11 years, focusing on areas including favorable salary and working conditions for our employees.

* 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 Holding A/S.

Executive Management

Executive Board



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.

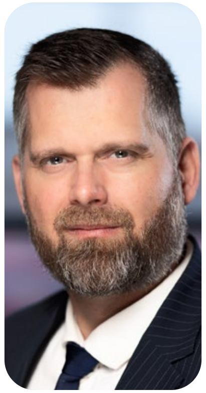
KK Leadership Team

Birgitte Ladefoged
Chief Human Ressource 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.

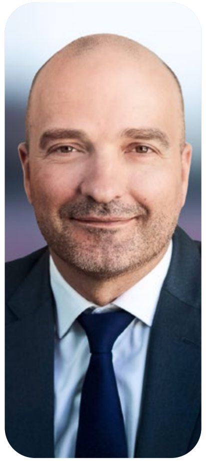
Johnny Nymann Stephansen
Chief Technology Officer

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.



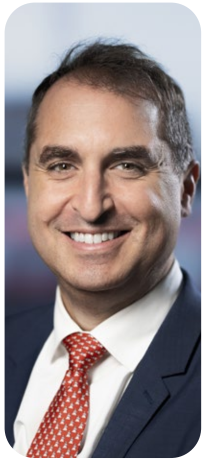
Kasper Vestergaard Larsen
Chief Procurement Officer

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.



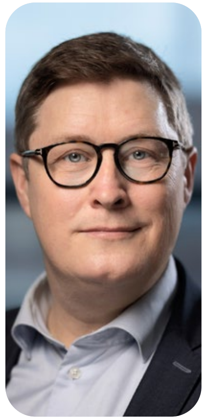
Kenneth Svinth
Chief Commercial Officer

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.



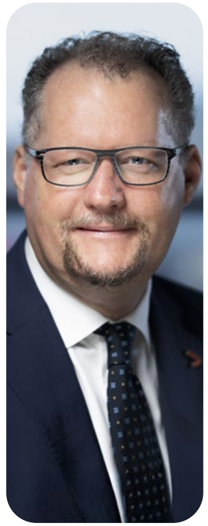
Michael Dallala
Chief Corporate Development Officer

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 CTO and was appointed CCO in 2015. With extensive experience in the wind industry, including leadership roles at Vestas and AREVA Wind, 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 converters & controls business acquisition.



Thomas R. Olsen
Chief Operations Officer

Thomas R. Olsen joined KK Group in 2016 and has served as COO since 2017. He brings significant experience in global supply chain management, operations management, global procurement and operational excellence, having previously held various positions within organizations such as MAN B&W, Flextronics, and Johnson Controls.

Memberships and 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 and creating a foundation for future knowledge workers and specialists in technological development. KK Group joined Engineer the Future in 2020, with the aim of inspiring a new generation of Green Power experts and supporting the longevity of industries that depend on strong engineering capabilities.

Ratings

- **EcoVadis:** A platform for assessing companies' sustainability across environment, labor, ethics, and supply chains – providing ratings to showcase improvement and drive responsible business practices. As the standards rise every year, achieving a good score remains challenging. In 2024, KK Group was ranked in the top 25 percent of companies assessed by EcoVadis, with a score of 63/100.

KK Group is a long-standing participant of the **UN Global Compact**, and we appreciate this initiative.

We adhere to the ten principles that the UN Global Compact established, which include topics such as human rights, labor rights, environment, and anti-corruption, demonstrating our dedication to sustainability.

Sustainability 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.

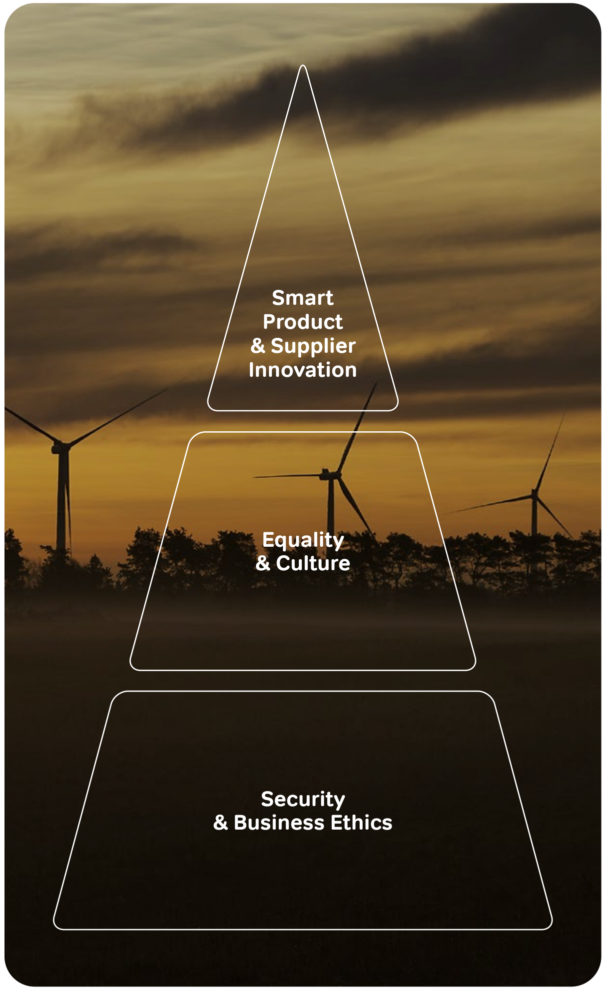
Sustainability Program
To provide strategic direction for our entire organization, KK Group Sustainability Program is split into three transformational tracks:

- **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.



SUSTAINABILITY PERFORMANCE

Doing our part in sustainable change for the long run

Our Business Model on page 14, the Sustainability performance on pages 29-40 and the Consolidated Sustainability Statement on pages 88-98 fulfill the Danish Financial Statements Act 99a requirements.

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 CO_2e 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.

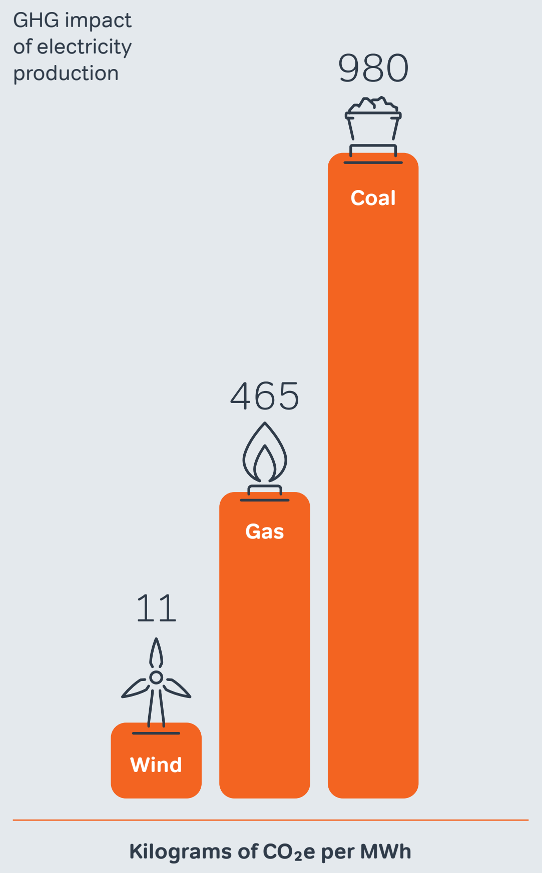
KK Group has played a significant role in the growth of wind power over the past 40 years, with a proud record of contributing to the reduction global greenhouse gas (GHG) emissions. To maintain this profile, we continue to optimize our portfolio and reduce the impact of our production and locations.

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 CO_2e emissions in 2024[1], as most of our installations are replacing coal-powered electricity. This equals the yearly emissions of around 142 million EU households[2].

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 CO_2e with a direct and indirect (scope 1+2) market-based impact of 3,634 tonnes of CO_2e.

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.



https://www.energy.gov/eere/wind/articles/how-wind-can-help-us-breathe-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.

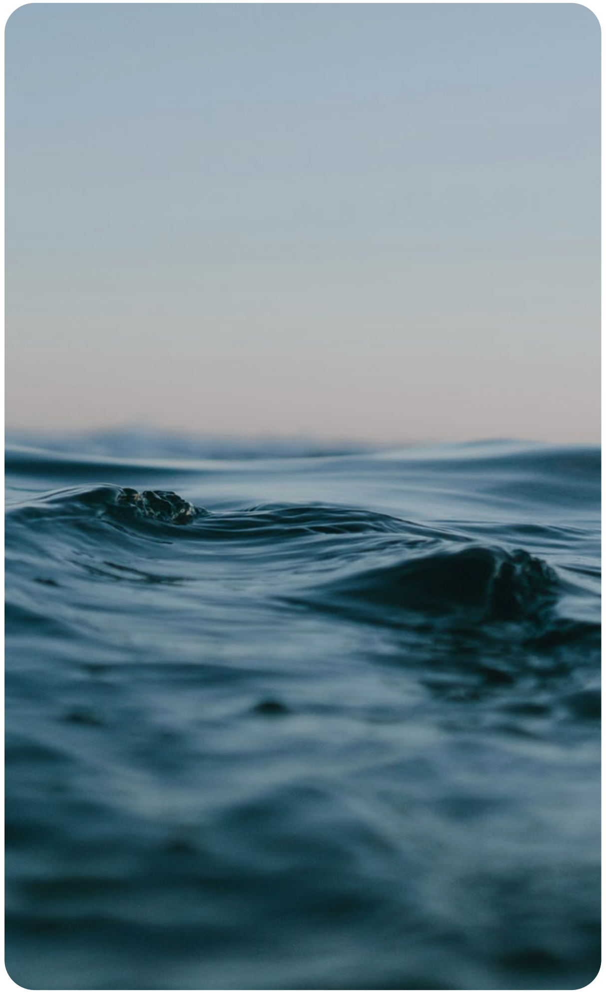
Raw reality
When it comes to the indirect scope 3 climate emissions, our focus is on category 1 – the purchase of goods and services – or more specifically, the mining and processing of raw materials, particularly copper, aluminum, and steel.

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 CO_2e per million DKK of turnover we create. If we were to pay a 750 DKK tax per ton of CO_2e 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.

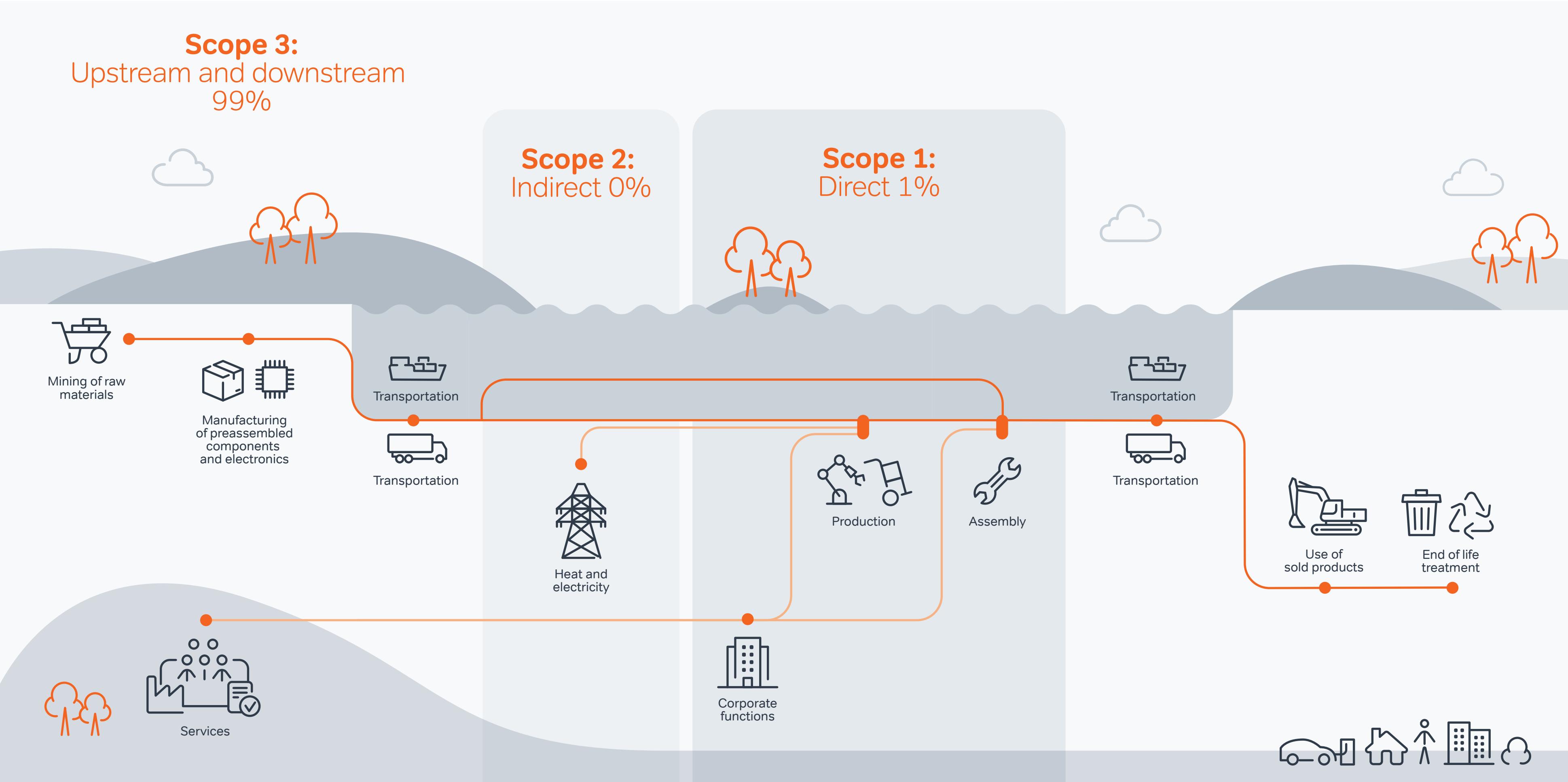
To stimulate our sustainable business transformation, we are considering an internal shadow price on carbon among other initiatives. Even without this tool, we see a substantial potential for innovation in future products like our newly launched Bionic Busbar™. Outlining further initiatives are needed 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



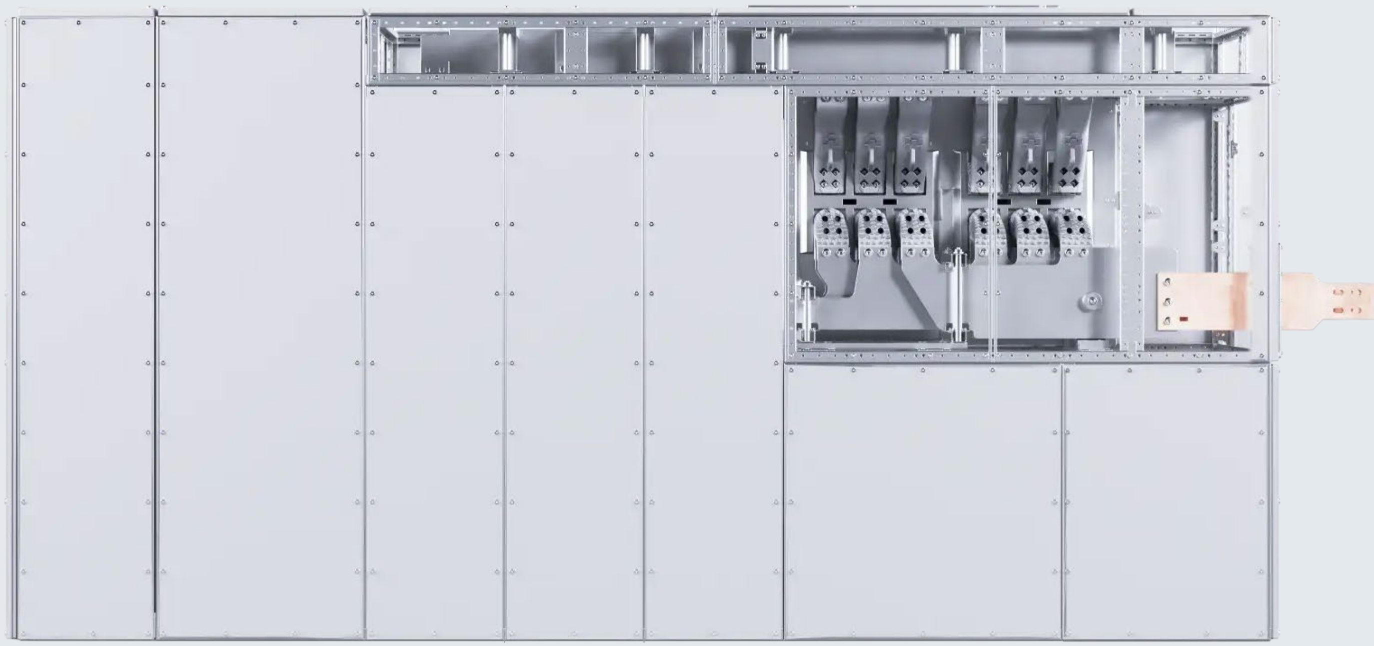
Total tonnes of CO_2e in 2024: 460,120

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-2050-net-zero-copper-demarnd/

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.

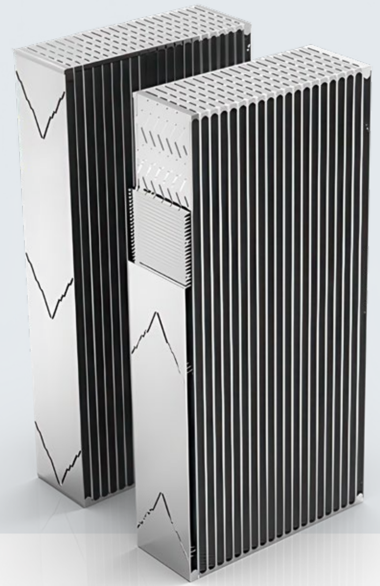
Our cooling technologies

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 CO_2e. This is a significant achievement in our ongoing efforts to create more sustainable solutions.

All cooling solutions and heat exchangers are made of aluminum. However, it is important to note that mining aluminum, and particularly extracting it from bauxite, comes with a high energy cost. By optimizing our technologies and reducing the amount of aluminum 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 at KK Group, we conducted an annual Employee Engagement Survey in September 2024 involving employees with a tenure of three months or more. Management strongly encourages participation in the survey, which is anonymous and conducted by an independent third party. We are developing actions based on the survey insights, to reinforce aspects of our organizational culture.

Each manager conducts follow-up meetings with their teams to share results, discuss insights, and gather additional feedback. This is also the basis for managers and their teams to create a targeted action plan, which is reviewed on a quarterly basis to track progress.

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

The overall result seen in this year's survey indicates an overall improvement. The employee engagement percentage improved reaching 77% (2023: 74%). A proud moment for our company and a strong indication of our employees' engagement in the ongoing 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 with Polish technical schools

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

The partnership is designed to promote practical education and industry collaboration with the aim of strengthening our talent pipeline. Students will gain practical experience through career training opportunities with KK Group, exposing them to the latest technology and fostering the acquisition of essential skills and knowledge in their respective fields.

In addition to practical training, the company plans to conduct educational sessions and workshops, allowing students to network with industry professionals and gain insight into real-world challenges and opportunities which they may encounter 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 2,390 walks up from 2,067 walks in 2023.

We are committed to working with our own workforce by the continuous implementation of the before mentioned actions and improving them in the coming years.

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 said: “Yes, if you’re ready to make an impact, you’ll find unmatched support and endless possibilities here. It’s 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, which is included as an appendix to their contract and/or have their own equivalent 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 audit committee, which oversees and assesses the effectiveness of the implementation of the Whistleblower Policy.

In 2024, three cases were reported in the group Whistleblower platform. We fully investigated two cases and concluded that neither was substantiated. As the panel did not receive a response on the third case over the past 10 months from the person who filed it, the case was closed.

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

Cyber Security

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.

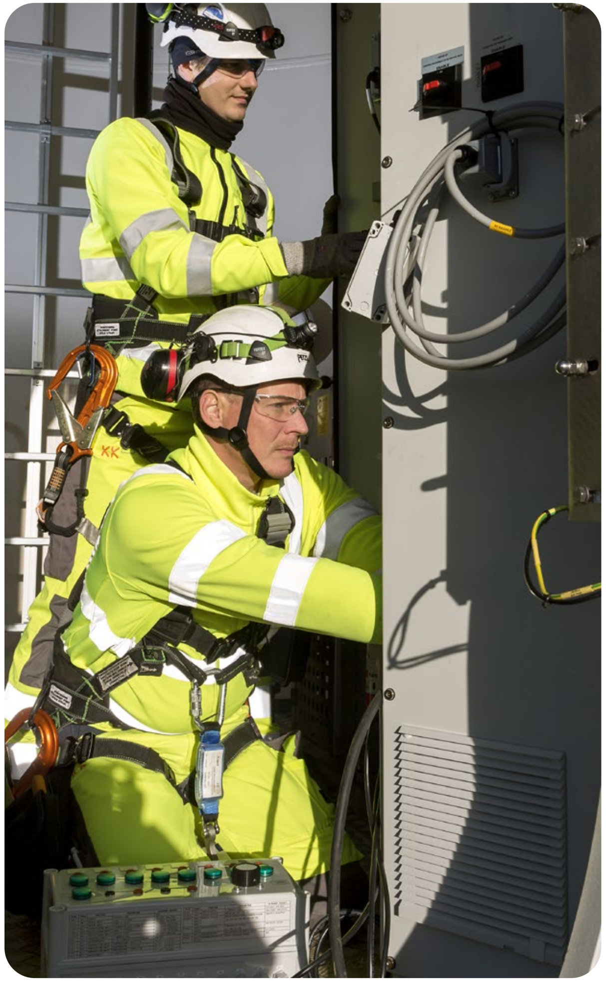
With the increasing reliance on digital systems to monitor and control wind turbines, the risk of cyber-attacks has grown. The wind turbine industry is significantly affected by NIS2.

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.

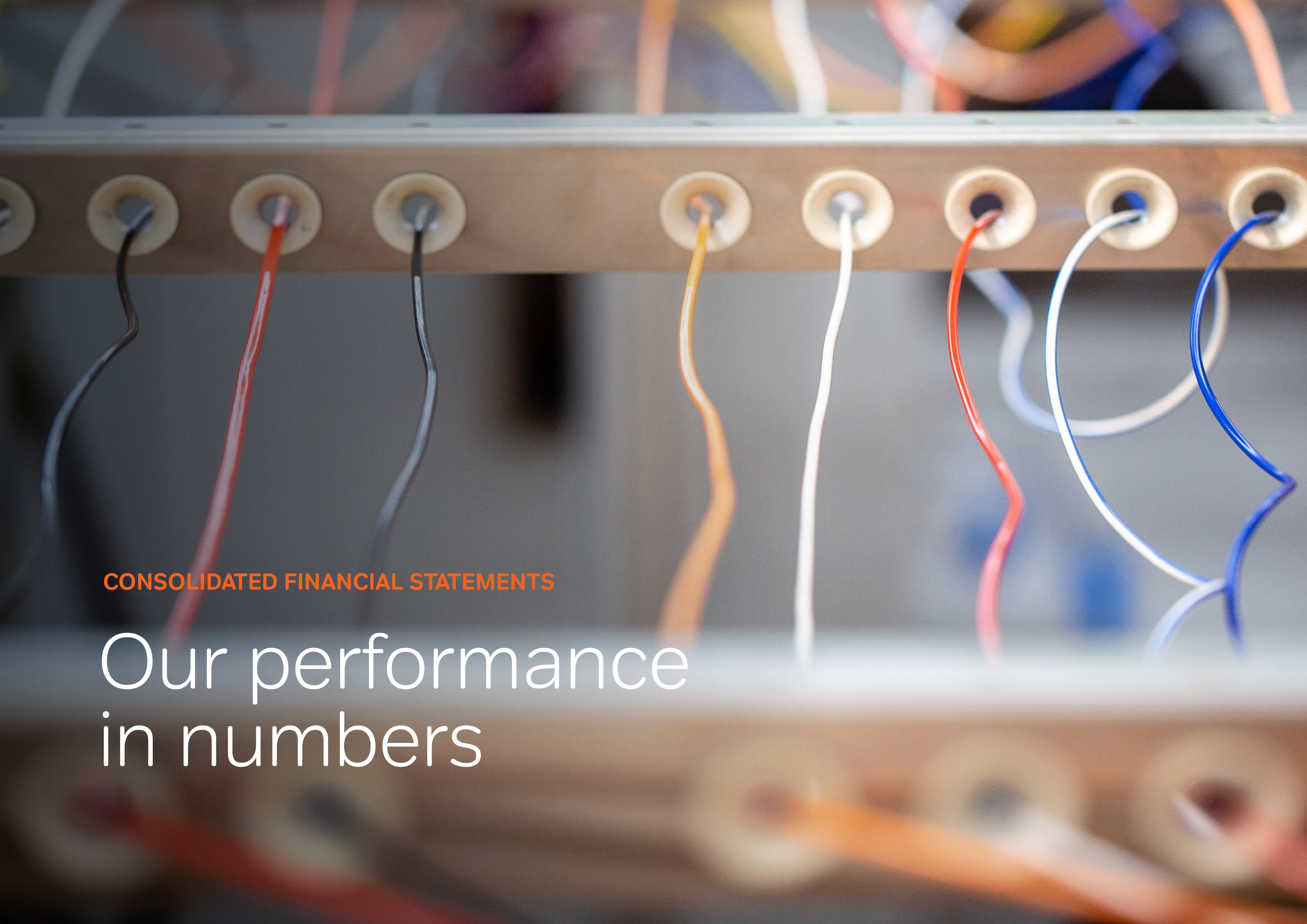
To better secure our IT environment, in 2024, we have implemented a Security Operation Center (SOC) solution, which monitors and acts if any of our computers are compromised or infected.

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.



CHAPTER 2

Financial Statements



CONSOLIDATED FINANCIAL STATEMENTS

Our performance in numbers

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	2024	2023
	Result for the year	**-226,134**	**-51,668**
	Exchange rate adjustments of foreign subsidiaries		
	Translation impact arising during the year	28,416	-20,467
	Cash flow hedges		
	Value adjustment of cash flow hedges for the year, currency hedges	40,644	23,370
	Reclassification to the income statement of previously deferred value adjustment, currency hedges	-14,356	-19,672
	Value adjustment of cash flow hedges for the year, interest rate hedges	-6,116	0
5.1	Tax on cash flow hedges	-4,438	-814
	Total items that have been or may be reclassified subsequently to the income statement	**44,150**	**-17,583**
	Other comprehensive income, net of tax	**44,150**	**-17,583**
	Total comprehensive income for the year	**-181,984**	**-69,251**

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 and liabilities

Note	Amounts in kDKK	31 December 2024	31 December 2023	1 January 2023
	Share capital	20,553	20,553	15,008
	Reserves	21,825	-22,325	-4,742
	Retained earnings	1,883,846	2,408,087	1,504,565
	Proposed dividend	300,000	0	0
4.5	Total equity	2,226,224	2,406,315	1,514,831
4.4	Borrowings, non-current	3,598,615	2,621,943	1,723,117
4.4	Lease liabilities, non-current	222,056	100,384	84,196
3.8	Provisions	45,514	43,736	25,437
4.2	Derivatives	8,124	0	0
5.1	Deferred tax	291,536	263,813	264,402
4.4	Payables to group enterprises	351,289	0	0
	Other payables	15,580	0	8,500
	Total non-current liabilities	4,532,714	3,029,876	2,105,652
4.4	Borrowings, current	45,157	37,700	14,864
4.4	Lease liabilities, current	62,835	40,400	24,053
3.8	Provisions	48,717	37,421	21,765
	Trade payables	2,112,990	1,630,209	547,402
2.1	Contract liabilities	22,499	21,711	12,196
	Tax payables	29,372	27,030	8,416
4.2	Derivatives	0	1,092	0
4.4	Payables to group enterprises	0	0	1,096,899
	Other payables	170,333	166,528	126,129
	Deferred income	29,418	4,789	47,024
	Total current liabilities	2,521,321	1,966,880	1,898,748
	Total liabilities	7,054,035	4,996,756	4,004,400
	Total equity and liabilities	9,280,259	7,403,071	5,519,231

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	2024	2023
	Cash and cash equivalents at 1 January	619,879	201,328
	Currency translation effect on cash and cash equivalents	19,723	-4,622
	Net cash flow for the year	192,180	423,173
	Cash and cash equivalents at 31 December	831,782	619,879
	Cash and bank balances	831,782	619,879
	Cash and cash equivalents at 31 December	831,782	619,879

Consolidated Statement of Changes in Equity

Amounts in kDKK	Share capital	Translation reserve	Reserve for cash flow hedges	Retained earnings	Proposed dividend	Total equity
Equity at 1 January 2023	15,008	-7,856	3,114	1,504,565	0	1,514,831
Result for the year	0	0	0	-51,668	0	-51,668
Exchange rate adjustments of foreign subsidiaries	0	-20,467	0	0	0	-20,467
Cash flow hedges	0	0	3,698	0	0	3,698
Tax on other comprehensive income	0	0	-814	0	0	-814
Other comprehensive income, net of tax	0	-20,467	2,884	0	0	-17,583
Total comprehensive income for the year	0	-20,467	2,884	-51,668	0	-69,251
Sale of own shares	0	0	0	18,032	0	18,032
Purchase of own shares	0	0	0	-7,296	0	-7,296
Capital increase	5,545	0	0	944,454	0	949,999
Total transactions with shareholders	5,545	0	0	955,190	0	960,735
Equity at 31 December 2023	20,553	-28,323	5,998	2,408,087	0	2,406,315
Result for the year	0	0	0	-526,134	300,000	-226,134
Exchange rate adjustments of foreign subsidiaries	0	28,416	0	0	0	28,416
Cash flow hedges	0	0	20,172	0	0	20,172
Tax on other comprehensive income	0	0	-4,438	0	0	-4,438
Other comprehensive income, net of tax	0	28,416	15,734	0	0	44,150
Total comprehensive income for the year	0	28,416	15,734	-526,134	300,000	-181,984
Purchase of own shares	0	0	0	-11,479	0	-11,479
Effect of business combination of entities under common control	0	0	0	13,372	0	13,372
Total transactions with shareholders	0	0	0	1,893	0	1,893
Equity at 31 December 2024	20,553	93	21,732	1,883,846	300,000	2,226,224

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 prepared in accordance with IFRS as adopted by the EU, please refer to note 1.1.

Notes to the Consolidated Financial Statements

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 A/S for several years, the assets and liabilities of the Group will be measured based on the carrying amounts included in the consolidated financial statements of A.P. Møller Holding A/S.

The below reconciliation shows the adjustments made by the Group in restating the consolidated 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.

		Consolidated figures			
		1 January 2023	2023		31 December 2023
Amounts in kDKK	Comments	Equity	Result for the year	Other comprehensive income	Equity
KK Wind Solutions Holding Group prepared in accordance with the Danish Financial Statements Act		1,291,843	-163,817		2,071,196
Amortization of goodwill	1	226,958	111,840		338,797
Provision for expected credit losses	2	-3,970	309		-3,661
Exchange rate adjustments of foreign subsidiaries	3			-20,467	-17
Cash flow hedges	4			3,698	
Tax on other comprehensive income	5			-814	
KK Wind Solutions Holding Group prepared in accordance with IFRS		1,514,831	-51,668	-17,583	2,406,315

Comments regarding the adjustments made by the Group in restating the consolidated 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. According to IFRS, no amortization of goodwill takes place. Instead, an annual impairment test is performed to ensure that 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 accounted for impairment losses for financial assets by using an incurred loss approach. According to IFRS, a forward-looking expected credit loss approach must be applied. As a consequence, an additional impairment of trade receivables and contract assets is recognised along with the related tax effect on deferred 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 consolidated 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 accordance with IFRS and in accordance with the Danish Financial Statements Act except for a reclassification between cash flow from operating activities and cash flow from financing activities as financial expenses paid and financial income received are now included as part of financing activities, as these are net costs of obtaining the financial resources rather than a result of operations. Further, a minor 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 aims to focus on 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 processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. The transactions are presented in classes of similar items 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 notes. The provisions in IFRS contain extensive disclosure requirements. Management provides the specific disclosures required by IFRS in the consolidated financial statements unless the information is not applicable or is considered immaterial to the users of the consolidated financial statements.

Consolidation

The consolidated financial statements incorporate the financial statements of the parent company, KK Wind Solutions Holding A/S, and its subsidiaries. Subsidiaries are entities 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 parent 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, intra-group balances, 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 combinations and from acquisitions and disposals of intangible assets, property, plant and equipment as well as other non-current assets. The cash flow effect from business combinations is shown separately. The commencement of leases is treated as non-cash transactions.

Cash flow from financing activities comprises changes to the amount of share capital as well as the raising and repayment of loans and interest-bearing debt, repayment of lease liabilities, financial expenses paid, financial income received, purchase and sale of own shares together with distribution of dividends to shareholders.

Cash and cash equivalents consist of cash.

Climate-related matters

In preparing the consolidated financial statements, management assesses how 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 mitigate them. Management assesses that climate-related matters do not have a significant impact on the 2024 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, amendments to existing 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 or amended and revised accounting standards and interpretations which are not yet applicable. The Group will adopt these new or amended standards and interpretations when they become mandatory. With the exception of IFRS 18: Presentation and Disclosure in Financial Statements, it is expected that the future implementation of the new or amended standards and interpretations will not have a material impact on the consolidated financial statements.

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

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	Result for the year x 100 / Revenue
Return on equity	Result for the year x 100 / Average equity
Solvency ratio	Equity at year-end x 100 / Total assets at year-end

1.2 Material Accounting Estimates and Judgments

The preparation of the consolidated financial statements requires management to make accounting estimates and judgments on an ongoing basis and form assumptions that affect the reported amounts. The estimates and judgments are based on historical experience and various other assumptions, including climate-related matters that are reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. If necessary, changes are recognized in the period in which the estimate is revised. Management considers the accounting estimates and judgments to be reasonable and appropriate based on currently available information. The actual amounts may differ from the amounts estimated as more detailed information becomes available, since the estimates and judgments are by nature uncertain and unpredictable.

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

Material accounting estimates and judgments	Estimate/ Judgment	Risk	Note
Method for recognition of revenue	Judgment	Medium	2.1
Determination of cash-generating units	Judgment	Medium	3.1
Useful lives of property, plant and equipment	Estimate	Low	3.2
Key assumptions used during impairment tests	Estimate	High	3.4
Business combinations - fair value measurements	Estimate	High	3.5
Valuation of inventories	Estimate	Medium	3.7
Provision for product warranty	Estimate	Medium	3.8
Contingent consideration	Estimate	Medium	4.3
Deferred tax assets	Estimate	Medium	5.1

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 arising from contracts with customers is disclosed in note 4.2.

Future performance obligations

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

Amounts in kDKK	31 December 2024	31 December 2023	1 January 2023
Within one year	3,427,277	3,113,148	1,778,238
Between one and five years	417,346	365,739	0
Total	3,844,623	3,478,887	1,778,238

Material accounting estimates and judgments

Method for recognition of revenue

Management applies judgment when determining whether revenue is to be 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 over time (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 between the expenses incurred and the total expected expenses of the contracts.

Material accounting policies

Revenue

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

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 (products that are produced according to the specific requirements from one customer, and which cannot be used by other customers), and revenue related to service contracts are recognized over time. Revenue related to such products is recognized using an output method based on units delivered, whereas revenue related to service contracts is recognized using an input method (the 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 activies 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	2024	2023
Remuneration of employees		
Short-term employment benefits	1,123,899	671,120
Post-employment benefits, defined contribution plans	56,899	34,453
Termination benefits	24,935	3,121
Other social security costs	88,043	43,360
Total remuneration	**1,293,776**	**752,054**
Of which:		
Recognized in the cost of assets	-40,187	-28,827
Expensed as staff costs	**1,253,589**	**723,227**
Average number of employees	**3,557**	**2,312**

Fees and remuneration of key management personnel, the Executive Board and Board of Directors

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

Amounts in kDKK	2024	2023
Remuneration of key management personnel		
Short-term employment benefits	33,204	28,534
Post-employment benefits, defined contribution plans	1,526	969
Other social security costs	225	203
Total remuneration of key management personnel	**34,955**	**29,706**

The total remuneration of the Executive Board amounts to 12,051 kDKK of which 223 kDKK relates to post-employment benefits (15,904 kDKK and 35 kDKK in 2023). The Board of Directors of KK Wind Solutions Holding A/S, registered in 2024 and 2023, has been remunerated from A.P. 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 (16,354 kDKK in 2023).

Bonus incentive agreements for the Executive Board and other management have been granted, and can be triggered by achievement of a split between the Group's financial performance 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	2024	2023
Depreciation	197,714	130,947
Amortization	268,713	233,604
Impairment losses, net	0	0
Depreciation, amortization, and impairment losses, net	466,427	364,551

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

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

Amounts in kDKK	2024	2023
Losses	-23,044	-2,221
Gain/loss on sale of non-current assets, etc., net	-23,044	-2,221

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

3.1 Intangible Assets

Amounts in kDKK	Goodwill	Customer relations	Other acquired intangible assets	Develop-ment projects in progress	Completed develop-ment 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	Develop-ment projects in progress	Completed develop-ment projects	Total
Cost						
At 1 January 2023	1,530,453	1,057,414	524,762	68,808	134,775	3,316,212
Addition	0	0	552	25,690	0	26,242
Acquired in business combinations	303,599	619,095	310,123	0	0	1,232,817
Disposal	0	0	0	0	-2,039	-2,039
Transfers	0	0	-1,813	-76,953	76,953	-1,813
Exchange rate adjustment	-421	0	-965	0	0	-1,386
At 31 December 2023	1,833,631	1,676,509	832,659	17,545	209,689	4,570,033
Amortization and impairment losses						
At 1 January 2023	0	320,339	171,049	0	55,442	546,830
Amortization	0	106,163	72,775	0	54,666	233,604
Disposal	0	0	0	0	-1,299	-1,299
Transfers	0	0	-1,241	0	0	-1,241
Exchange rate adjustment	0	0	93	0	0	93
At 31 December 2023	0	426,502	242,676	0	108,809	777,987
Carrying amount						
At 31 December 2023	1,833,631	1,250,007	589,983	17,545	100,880	3,792,046

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

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

Material accounting estimates and judgments

Determination of cash-generating units

Judgment is applied in the definition of cash-generating units to which goodwill is allocated for impairment testing and in the selection of methodologies and assumptions applied in impairment tests. During 2024, two cash-generating units exist based on the management structure and internal financial reporting. The two cash-generating units align with how management evaluates performance and allocates resources as they operate as distinct business areas with individual cost structures, revenue streams and cash flow. The two cash-generating units do not comprise any smaller operational segments that generate cash inflows 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 fair value at the date of acquisition less accumulated amortization and less any accumulated impairment losses.

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

Other acquired intangible assets

Other intangible assets acquired in business combinations are measured at fair value at the date of acquisition less accumulated amortization and less any accumulated impairment losses.

The amortization period of other acquired intangible assets is 5-10 years depending on the 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	Property, plant and equipment under construction	Total
Cost					
At 1 January 2023	111,532	97,362	77,329	5,866	292,089
Addition	2,775	7,173	13,914	18,070	41,932
Acquired in business combinations	220,526	153,697	49,476	914	424,613
Disposal	0	-6,284	-55,260	0	-61,544
Transfers	467	6,829	-4,770	-713	1,813
Exchange rate adjustment	-1,267	3,897	581	260	3,471
At 31 December 2023	334,033	262,674	81,270	24,397	702,374
Depreciation and impairment losses					
At 1 January 2023	11,582	38,205	34,453	0	84,240
Depreciation	17,410	44,773	29,350	0	91,533
Disposal	0	-5,860	-52,810	0	-58,670
Transfers	408	-408	1,241	0	1,241
Exchange rate adjustment	1,318	4,726	1,201	0	7,245
At 31 December 2023	30,718	81,436	13,435	0	125,589
Carrying amount					
At 31 December 2023	303,315	181,238	67,835	24,397	576,785

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

Material accounting estimates and judgments

Useful lives

The depreciation period of the assets recognized is based on historical experience, the expected future development related to the use of the assets and the market in which KK Group is operating. Reassessment is done annually to ascertain that the depreciation basis applied is still 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 less any accumulated impairment losses. Historical cost comprises the cost of acquisition 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	Other fixtures and fittings, tools and equipment	Total
Cost				
At 1 January 2024	171,050	10,625	21,350	203,025
Addition	128,940	10,896	16,796	156,632
Acquired in business combinations	92,450	10,889	9,213	112,552
Disposal	-37,941	-6,077	-5,190	-49,208
Transfers	0	-181	181	0
Exchange rate adjustment	4,009	62	6	4,077
At 31 December 2024	**358,508**	**26,214**	**42,356**	**427,078**
Depreciation and impairment losses				
At 1 January 2024	56,919	4,130	7,203	68,252
Acquired in business combinations	30,798	5,464	3,821	40,083
Depreciation	49,269	6,814	11,562	67,645
Disposal	-18,916	-4,784	-4,403	-28,103
Transfers	0	-181	181	0
Exchange rate adjustment	1,710	33	2	1,745
At 31 December 2024	**119,780**	**11,476**	**18,366**	**149,622**
Carrying amount				
At 31 December 2024	**238,728**	**14,738**	**23,990**	**277,456**

As part of the Group's activities, different lease agreements are entered into. The leased assets are primarily real estate property, company cars and forklifts and the like for use at the production facilities. In some instances, the lease agreements include options for extending the lease term. Such options are included in the lease term only if these are reasonably certain to be 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. For identified leases, a right-of-use asset and corresponding lease liability are recognized on the lease commencement date, i.e. the date at which the leased asset becomes available for use by the Group.

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 lease term or the asset's useful life. The right-of-use asset is periodically adjusted to include certain 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 under other operating expenses. For all classes of assets, non-lease components, i.e., the service element, which are included as part of the lease payment, are not separated from the lease components and thereby 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 extension options, please refer to notes 4.2 and 4.3.

3.4 Impairment Tests

No impairment losses and no reversal of impairment losses have been recognized in neither 2024 nor 2023. The impairment test performed in relation to goodwill is described below. No indications of impairment were present for other assets in 2024 or 2023.

Impairment - assessment input
In performing the impairment test related to goodwill, which is done annually, the recoverable amount of each cash-generating unit is determined on the basis of its value in use. The estimated value in use is calculated using certain key assumptions for the expected future cash flows and applied discount factors.

The cash flow projections are derived from financial budgets and business plans for the Group. These projections are based on past performance and management's expectations of future market development for the individual cash-generating units, along with market outlook information from external sources.

The discount rates applied incorporate the time value of money and the specific risks linked to the underlying cash flow. Additionally, any uncertainties related to past performance and potential variations in the projected cash flows' amount or timing are typically accounted for in the discount rates.

Impairment - key assumptions applied
The outcome of impairment tests is subject to estimates of the future demand for energy transitions and sustainable solutions as well as inflation and the discount rates applied. Management determines the key assumptions for each impairment test by considering past experience, as well as market analysis and future expectations based on supply and demand trends.

The value in use calculation is highly sensitive to the terminal growth rate, which is determined based on the future expected economic growth rate, and replacement CAPEX during the terminal period, which is determined based on management's plans and expectations for the future.

For both cash-generating units identified, the future development in demand for sustainable solutions within wind energy onshore and offshore is uncertain. Additionally, the Paris Agreement adopted in 2015 will, together with increased focus on sustainable value chains and sustainability reporting, determine the extent of the demand. For the cash-generating unit, Cooling Solutions, the future demand from other industrial markets (i.e. automotive, rail and defense markets) is uncertain as well.

Impairment – results of impairment assessments
In the cash-generating unit Power and Controls, Monitoring Solutions and Service, the estimated future cash flows are based on the budget for 2025 and business plans and projections for 2026-2028. The business plans and projections are based on a market by market approach, assessing the organic business potential for each of the key markets (i.e. onshore wind/offshore wind), and estimating the volume growth, sales prices, and contribution margins for each business unit. An assessment of the EBITDA margin is also performed based on management’s expectations including gains from efficiency and synergies achieved in the coming year. Further, the capital expenditure and working capital required to maintain and organically grow the business are considered. Management utilizes insights from customer expectations for future industry projects where the Group is anticipated to play a role, benchmarking these against market data.

The average annual revenue growth rate in the forecast period 2025-2028 is 12.4% (18.8% for 2024-2027 in 2023) 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 1.4% (0.9% for 2024-2027 in 2023), 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% (2.0% in 2023). A discount rate of 13.2% (14.2% in 2023) p.a. pre-tax has been applied. The impairment test showed headroom between the value in use and the carrying amount in both 2024 and 2023.

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 sensitivity test performed indicates that there is room for a reasonable change in the key assumptions, individually.

In the cash-generating unit Cooling Solutions, the estimated future cash flows are based on the budget for 2025 and business plans and projections for 2026-2028. The business plans and projections are based on a market by market approach, assessing the organic business potential for each of the key markets (i.e. onshore wind/offshore wind/industrial market), and estimating the volume growth, sales prices, and contribution margins for each business unit, including synergies coming from the business combination. An assessment of the EBITDA margin is also performed based on management’s expectations including gains from efficiency and synergies achieved in the coming year. Further, the capital expenditure and working capital required to maintain the business are considered. Management utilizes insights from customer expectations for future industry projects where the Group is anticipated to play a role, benchmarking these against market data.

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 assets

For other intangible assets, property, plant and equipment and right-of-use assets, the carrying 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, as described below.

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 largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment in prior years are reviewed for possible reversal of the impairment at the end of each reporting period, whereas impairment of goodwill is never reversed. Any reversal of impairment is limited so that the carrying amount of 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 to cooling solutions while at the same time expanding the customer base in the wind, Power-to-X, and other industries. It also allows the Group to better integrate power electronics and cooling solutions and thereby enhance the value-add while reducing complexity for customers by offering complete system solutions within cooling, controls, and power converters. By leveraging complementary strengths, the combined business will gain scale and efficiency and become more competitive and better equipped to meet future customer needs.

As the combination is a business combination of entities under common control, which is, as described under material accounting policies, recognized using the book value method (pooling of interests method without changing comparative figures), no new goodwill is recognized relating to the combination. Instead, the difference between the consideration transferred and the acquired net assets is reflected within equity. Consequently, KK Group has only recognised the existing goodwill in Nissens Cooling Solutions amounting to 414,131 kDKK as an addition in 2024.

The consideration to be paid consists fully of contingent consideration. The amount to be paid is dependent on the development in the fair market value of the shares of the combined business 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 ealier date. The fair market value is calculated as the value creation of the combined equity using normal valuation techniques for determining fair value. The consideration to be paid will be within the range of 0 DKK to 410 mDKK. At acquisition date, the fair value of the contingent consideration was estimated at 325 mDKK. Since acquisition date, the fair value of the contingent consideration has increased to 351 mDKK. The lender can at payment date decide to convert the amount payable into share capital of the parent company.

The acquisition of Nissens Cooling Solutions contributed revenue of 1,065,415 kDKK and a result after tax of -168,034 kDKK in the 2024 financial year. As the acquisition was closed on 1 January 2024, the amounts cover the entire financial year.

At 28 February 2023, KK Wind Solutions Holding A/S acquired 100% of Vestas' Converter and Controls business including three converter and controls factories located in Hammel (DK), 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 Tianjin Co. Ltd. The acquisitions in Denmark and 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 of entities not under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of an acquiree comprises the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired 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 financial 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 directly in profit or loss as a bargain purchase.

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

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 combining parties are reflected at their carrying amounts. Under the book value method, no new goodwill arising as 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 obtained.

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	31 December 2023	1 January 2023
Raw materials and consumables	982,451	1,062,346	429,061
Work in progress	352,027	145,359	111,041
Finished goods and goods for resale	237,432	143,754	61,863
Inventories at 31 December	1,571,910	1,351,459	601,965

Amounts recognized in the consolidated income statement

Amounts in kDKK	2024	2023
Costs of inventories recognized as an expense	5,001,407	3,714,020
Write-down of inventories recognized as an expense	28,932	18,619

Material accounting estimates and judgments

Valuation of inventories

The net realizable value of the inventories is estimated at the amount at which the inventories are expected to be sold. The inventories are written down to the net realizable value when the cost of the inventories is expected to be non-recoverable due to obsolescense or declining demand. Estimates are used when recognizing inventory provisions. The estimates depend upon complex and subjective judgments about among others excess quantities, condition and nature 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 generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realizable value is determined allowing for marketability, obsolescence and development 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 depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs 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	2024	2023
Interest expenses on liabilities	-242,458	-194,486
Interest expenses on lease liabilities	-9,566	-6,833
Interest expenses on liabilities, group enterprises	-7,444	-6,684
Interest income on loans and receivables	11,454	31,541
Net interest expenses	-248,014	-176,462
Exchange rate gains	21,037	17,739
Exchange rate losses	-54,000	-25,778
Net foreign exchange gains/losses	-32,963	-8,039
Cash flow hedges reclassified from other comprehensive income	14,356	19,672
Fair value adjustment, contingent consideration, group enterprises	-26,289	0
Net fair value gains/losses	-11,933	19,672
Financial expenses, net	-292,910	-164,829
Of which:		
Financial income	46,847	68,952
Financial expenses	-339,757	-233,781

Material accounting policies

Financial income and financial expenses are recognized in the income statement at amounts that relate to the year. Financial items comprise interest, realized and unrealized currency adjustments of financial assets and financial liabilities as well as the interest portion of financial lease payments. Additionally, realized and unrealized gains and losses on derivatives not classified as hedging contracts and the ineffective part of derivatives used to hedge future cash flows are included along with income and expenses relating to cash flow hedges transferred from other comprehensive income on realization of the hedged items, bank charges and fees, etc.

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 when a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period using generally acknowledged valuation techniques based on relevant observable swap curves and currency exchange rates. Derivatives are only used for economic hedging purposes and not as speculative investments.

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

Any ineffective portion of hedge transactions is recognized in the income statement as financial 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 the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expenses are denominated in foreign currencies) and the Group's net investments in foreign subsidiaries.

In order to mitigate part of the currency risk, the Group hedges 60-100% of the net exposure in USD and PLN using forward contracts with a maturity of maximum 24 months. CNY is also 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 occur, a fundamental change in the business model or operations would be required, significantly altering the Group's exposure. 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 will continue to monitor the performance of the hedging instruments relative to the hedged risks.

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 be 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 positions at 31 December 2024, 31 December 2023 and 1 January 2023 keeping all other variables constant. Furthermore, it is assumed that the exchange rate sensitivity has a symmetrical impact, meaning that 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 the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates, while the Group's interest-bearing financial assets primarily consist of cash at financial institutions. In accordance with the financial policy, the Group targets to have a minimum of 50% gross debt at fixed interest rate throughout the remaining tenor of drawn debt.

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

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

		Next interest rate fixing		
Amounts in kDKK	Carrying amount	0-1 year	1-5 years	After 5 years
31 December 2024				
0-3%	98,760	25,527	68,258	4,975
3-6%	3,714,129	620,142	3,054,389	39,598
6%-	467,063	218	393,580	73,265
Total	4,279,952	645,887	3,516,227	117,838
31 December 2023				
0-3%	14,013	6,829	7,184	0
3-6%	2,761,572	18,732	2,356,255	386,585
6%-	24,842	13,733	11,109	0
Total	2,800,427	39,294	2,374,548	386,585
1 January 2023				
0-3%	1,744,913	4,530	1,718,307	22,076
3-6%	1,174,570	1,109,083	37,576	27,911
6%-	23,646	7,984	15,662	0
Total	2,943,129	1,121,597	1,771,545	49,987

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 financial instrument 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, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The credit risk stemming from financing activities is deemed to be low as credit risk towards financial counterparties is mitigated through the following actions:
1) The Group prefers solely to transact with financial institutions with a strong credit rating defined as a minimum credit rating of 'A3', 'A-' and/or 'A-' for Moody's, S&P or Fitch, respectively. In countries where this is not feasible for local banks, exemptions from the rule are approved by the CFO. For derivatives, counterparties with an investment grade may be used, and
2) The Group only enters into derivative transactions under applicable standard contracts, such as ISDA agreements.

Trade receivables are primarily associated with counterparties in the energy sector, leading to a certain degree of risk concentration within this industry and among a few key customers. This is caused by the inherently concentrated nature of the wind turbine manufacturing market, which naturally results in exposure to specific customers. However, the majority of customers undergo credit scoring by an independent third party establishing the initial credit limit. These limits are continuously monitored by the respective key account managers. Overall credit risk is further 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 aging of receivables, historical loss experience, forward-looking information, and individual assessments where relevant.

Trade receivables from customers are assessed for expected credit losses based on groups with similar loss patterns. Contract assets, representing unbilled work in progress, are included in the same grouping as trade receivables due to their comparable credit risk profiles. 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 liabilities, when they fall due. The Group ensures liquidity through a detailed short-term cash forecasting and through financial flexibility. Flexibility in cash resources ensures that the Group can act fast and appropriately in case of unforeseen changes in liquidity. The liquidity reserves consist of cash and undrawn credit facilities.

Short-term liquidity is managed through cash pool arrangements and committed facilities. Long-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 facility agreement providing covenant relief until Q4 2025. Thereafter, the net leverage covenant prohibits a ratio exceeding 5.2x until September 2027. The parent company is to be excluded when calculating the ratio, meaning the ratio only applies to KK-Group A/S and companies controlled directly or indirectly by KK-Group A/S.

Amounts in kDKK	31 December 2024	31 December 2023	1 January 2023
Borrowings, lease liabilities and payables to group enterprises	4,279,952	2,800,427	2,943,129
Net interest-bearing debt (net cash position)	3,448,170	2,180,548	2,741,801
Cash and bank balances	831,782	619,879	201,328
Undrawn revolving credit facilities > 12 months	500,000	900,000	150,000
Liquidity reserve	1,331,782	1,519,879	351,328

Supply chain finance

The Group offers supplier finance arrangements (SCF) in key markets. No guarantees are provided in connection with these arrangements. The payment terms for financial liabilities under the SCF program are typically within 95 – 135 days, while the payment terms for comparable trade payables that are not part of the program are of a similar maximum length.

At 31 December 2024, trade payables with a carrying amount of 247,796 kDKK are part of the supplier finance arrangement (59,756 kDKK at 31 December 2023 and 24,402 kDKK at 1 January 2023). All of the trade payables have been paid by the finance provider at 31 December 2024, at 31 December 2023 and at 1 January 2023, respectively. All amounts are included in the line item trade payables in the consolidated balance sheet.

Maturities of liabilities and commitments

Amounts in kDKK	Carrying amount	Cash flows including interest 0-1 year	1-5 years	After 5 years	Total
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	Carrying amount 31 December 2023	Fair value	Carrying amount 1 January 2023	Fair value
Carried at amortized cost						
Trade receivables	1,114,889	1,114,889	667,452	667,452	406,317	406,317
Other receivables	167,425	167,425	93,062	93,062	1,149,622	1,149,622
Cash and bank balances	831,782	831,782	619,879	619,879	201,328	201,328
Financial assets at amortized cost	2,114,096		1,380,393		1,757,267	
Derivatives	39,233	39,233	11,336	11,336	5,539	5,539
Total financial assets	2,153,329		1,391,729		1,762,806	

Financial liabilities Amounts in kDKK	Carrying amount 31 December 2024	Fair value	Carrying amount 31 December 2023	Fair value	Carrying amount 1 January 2023	Fair value
Carried at amortized cost						
Bank and other credit institutions	3,643,772	3,644,384	2,659,643	2,665,402	1,737,981	1,743,744
Lease liabilities	284,891		140,784		108,249	
Trade payables	2,112,990	2,112,990	1,630,209	1,630,209	547,402	547,402
Payables to group enterprises	0	0	0	0	1,096,899	1,096,899
Other payables	185,913	185,913	166,528	166,528	134,629	134,629
Financial liabilities at amortized cost	6,227,566		4,597,164		3,625,160	
Derivatives	8,124	8,124	1,092	1,092	0	0
Carried at fair value through the income statement						
Payables to group enterprises	351,289	351,289	0	0	0	0
Financial liabilities at fair value through the income statement	351,289		0		0	
Total financial liabilities	6,586,979		4,598,256		3,625,160	

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 reasonably 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 business 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 calculated as the value creation of the combined equity using normal valuation techniques for determining 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-derivative financial assets that give rise to cash flows that are solely payments of principal and interest. The financial assets are initially measured at fair value less transaction costs, except for trade receivables that 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 bad debt) for all debt instruments not held at fair value through profit or loss. The expected credit losses are based on 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 approximation of the original effective interest rate. For trade receivables and contract assets, the Group applies a 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 each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities at amortized cost
Financial liabilities at amortized cost consist of borrowings (loans, bank overdrafts and lease liabilities), trade payables and other liabilities. These are initially recognized at the fair value less transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

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 where it is reasonable that the Group will exercise those options. These terms are used to maximize operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term, if the lease is reasonably certain to be extended or not terminated.

The assessment is reviewed if a significant event or a significant change in circumstances occurs 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: Additions, net	Disposals	Business combi-nations	Other and foreign exchange	Net debt at 31 December 2024
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: Additions, net	Disposals	Business combi-nations	Other and foreign exchange	Net debt at 31 December 2023
Borrowings:							
Bank and other credit institutions	1,737,981	898,933	0	0	0	22,729	2,659,643
Payables to group enterprises	1,096,899	-1,096,899	0	0	0	0	0
Total borrowings	2,834,880	-197,966	0	0	0	22,729	2,659,643
Classified as non-current borrowings	1,723,117						2,621,943
Classified as current borrowings	14,864						37,700
Classified as current payables to group enterprises	1,096,899						0
Leases:							
Lease liabilities	108,249	-38,433	70,117	-363	0	1,214	140,784
Total leases	108,249	-38,433	70,117	-363	0	1,214	140,784
Classified as non-current	84,196						100,384
Classified as current	24,053						40,400
Total borrowings and leases	2,943,129	-236,399	70,117	-363	0	23,943	2,800,427

4.5 Equity

	Number of shares	Nominal value (kDKK)	Number of shares	Nominal value (kDKK)	Number of shares	Nominal value (kDKK)
	31 December 2024		31 December 2023		1 January 2023	
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

	B-shares			C-shares		
Development in own 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 result for the year and other comprehensive income. Proceeds from the purchase and sale of own shares and dividends from such shares are recognized in equity.

The translation reserve comprises exchange rate adjustments arising from translation of the financial statements of foreign entities from their functional currency into the presentation currency of the Group. On disposal of a foreign entity, the cumulative amount of exchange 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 derivative financial instruments that are designated and qualify as cash flow hedges of future transactions. 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:

	Net deferred tax		
	31 December	31 December	1 January
Amounts in kDKK	2024	2023	2023
Intangible assets	297,178	263,056	265,893
Property, plant and equipment	5,526	-3,866	17,270
Provisions, etc.	-26,881	-12,817	-5,986
Tax loss carryforward	-85,618	0	0
Other	11,872	5,429	-16,597
Total	202,077	251,802	260,580
Recognized in the consolidated balance sheet as:			
Deferred tax assets	-89,459	-12,011	-3,822
Deferred tax liabilities	291,536	263,813	264,402
Total	202,077	251,802	260,580

Change in deferred tax, net during the year Amounts in kDKK	2024	2023
Deferred tax at 1 January	251,802	260,580
Intangible assets	-18,245	-2,836
Property, plant and equipment	-10,136	-21,135
Provisions, etc.	-11,289	-6,831
Tax loss carryforward	-47,613	0
Other	4,527	21,488
Recognized in the income statement	-82,756	-9,314
Other, including business combinations	32,838	814
Exchange rate adjustments	193	-278
Deferred tax at 31 December	202,077	251,802

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

Unrecognized deferred tax assets

Amounts in kDKK	31 December 2024	31 December 2023	1 January 2023
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 temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively. Deferred tax is not recognised for differences on the initial recognition of assets or liabilities where, at the time of the transaction, neither accounting nor taxable profit/loss 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 tax value of tax loss carry-forwards is included in deferred tax assets to the extent that these 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 is expected to crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement, or alternatively in the statement of other comprehensive income or in equity if the deferred tax relates to items recognized in other comprehensive income or in equity.

In the balance sheet, set-off is made between deferred tax assets and deferred tax 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: 27,491 kDKK), land and buildings with a carrying amount of 115,692 kDKK have been provided as collateral (2023: 50,984 kDKK).

The Group is a partner in Middelgrundens Vindmøllelaug I/S, in which the partners are jointly and severally liable. The partnership has not yet prepared financial statements for 2024, but 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 A/S, the Danish companies in the Group are jointly and severally liable for taxes payable, etc. in Denmark.

The Group is party to a small number of disputes, lawsuits and legal actions, including tax disputes. It is the view of management that the outcome of these legal actions will have no other significant impact on the Group's financial position beyond what has been recognized and stated in the consolidated financial statements.

5.4 Related Parties

	Management		Parent company		Other related parties	
Amounts in kDKK	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	2024	2023
Statutory audit	3,759	3,328
Other assurance engagements	294	0
Tax and VAT advisory services	518	335
Other services	12,956	5,618
Total fees to auditors appointed at the Annual General Meeting	**17,527**	**9,281**

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	Ownership share
KK-Group A/S	Denmark	100.0%
KK Wind Solutions A/S	Denmark	100.0%
KK Wind Solutions GmbH	Germany	100.0%
KK Wind Solutions India Private Limited	India	100.0%
KK Wind Solutions Polska Sp. Z.o.o	Poland	100.0%
KK Wind Solutions Service Holding U.S. Inc.	USA	100.0%
KK Wind Solutions Service U.S. Inc.	USA	100.0%
KK Wind Solutions Taiwan Co. Ltd.	Taiwan	100.0%
KK Wind Solutions Tianjin Co. Ltd	China	100.0%
PCH Engineering A/S	Denmark	100.0%
Nissens Cooling Solutions A/S[1]	Denmark	100.0%
Nissens Cooling Solutions Inc.[1]	USA	100.0%
Nissens Cooling Solution Czech S.R.O.[1]	Czech Republic	100.0%
Nissens Cooling System (Tianjin) Co. Ltd.[1]	China	100.0%
Nissens Cooling Solutions SK, s.r.o.[1]	Slovakia	100.0%
Nissens Cooling Solutions North SK, s.r.o.[1]	Slovakia	100.0%

[1] NCS International Holding ApS and subsidiaries have been acquired during 2024. Please refer to note 3.5 for further information. NCS International Holding ApS has along with KKWSH ApS and NCS International A/S subsequently been merged with KK-Group A/S with KK-Group A/S being the continuing company.

All above subsidiaries are consolidated in the Group. For all subsidiaries, the ownership share and the voting rights are equal.

PARENT COMPANY FINANCIAL STATEMENTS

Part of something bigger

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

Assets

Note	Amounts in kDKK	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**

Equity and liabilities

Note	Amounts in kDKK	2024	2023
8	Share capital	20,553	20,553
	Retained earnings	2,170,885	2,484,719
	Proposed dividend	300,000	0
	Total equity	**2,491,438**	**2,505,272**
9	Credit institutions, non-current	499,291	499,192
10	Payables to group enterprises	351,289	0
	Total non-current liabilities	**850,580**	**499,192**
9	Credit institutions, current	8,613	9,836
	Trade payables	3,246	1,702
	Tax payables	0	7,337
	Other payables	4,926	8,140
	Total current liabilities	**16,785**	**27,015**
	Total liabilities	**867,365**	**526,207**
	Total equity and liabilities	**3,358,803**	**3,031,479**

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

Amounts in kDKK	2024	2023
Remuneration of employees		
Wages and salaries	13,299	17,972
Pensions	445	143
Other social security costs	45	84
Total remuneration	13,789	18,199
Including remuneration of the Executive Board	1,205	1,590
Average number of employees	3	3

The Board of Directors, registered in 2024 and 2023, has been remunerated from A.P. 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.

Bonus incentive agreements for the Executive Board and other management have been granted, and can be triggered by achievement of a split between the Group's financial performance and personal KPIs.

The parent company 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. The purchase price corresponds to fair value of the shares on the grant day.

2 Financial Income

Amounts in kDKK	2024	2023
Interest income on loans and receivables, group enterprises	26,690	58,666
Other financial income	32,299	0
Net foreign exchange gains	0	88
Total financial income	58,989	58,754

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	2024	2023
Cost at 1 January	1,463,316	1,463,316
Additions for the year, capital increase	950,000	0
Additions for the year, acquisition of subsidiary	325,000	0
Cost at 31 December	2,738,316	1,463,316

Investments in subsidiaries are specified below:

Name	Place of registered office	Votes and ownership	Equity	Result for the year
KK-Group A/S	Ikast, Denmark	100%	1,439,213	-123,469

At 31 December 2023, KK Wind Solutions Holding A/S owned the subsidiary KKWSH ApS, and at 1 January 2024, KK Wind Solutions Holding A/S acquired the subsidiary NCS International Holding ApS. During 2024, both subsidiaries were merged with KKWSH ApS' subsidiary KK-Group 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	2024	2023
Deferred tax asset at 1 January	20	0
Amounts recognized in the income statement for the year	22	20
Deferred tax asset at 31 December	42	20

The parent company has assessed the recoverability of the deferred tax asset and has concluded that the deferred tax assets will be recoverable through the Danish joint taxation 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 ealier 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 875 million for selected facilities with Danske Bank in KK-Group A/S. The net book value of the related debt amounts to DKK 750 million at 31 December 2024.

The parent company has issued a joint and unlimited surety guarantee for all facilities with Jyske 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 amounts to 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. A.P. Møller og Hustru 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, which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act. All transactions between KK Wind Solutions Holding A/S and the 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, write-down is made to this lower value.

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

CHAPTER 3

Consolidated Sustainability Statement

Sustainability Data Overview and Notes

	Unit	Note	2024	2023	Target and year
ENVIRONMENT					
Energy consumption 👁	MWh	2	44,611	18,388	
Gross GHG, Scope 1 👁	Tonnes	3	3,503	1,491	Net zero by 2030
Scope 1 GHG emissions from regulated emission trading schemes 👁	%	3	0%	0%	
Gross GHG, Scope 2, location-based 👁	Tonnes	3	10,325	5,759	
Gross GHG, Scope 2, market-based 👁	Tonnes	3	131	3,357	Net zero by 2030
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	2,476	
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% by 2027
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	20	
Total Recordable Incident Rate (TRIR) 👁	Rate	6	3.51	4.4	3.7 by 2025
Lost Time Injury Frequency Rate (LTIFR)	Rate	6	1.68	0.88	1.4 by 2025
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 reported in 2024.

Sustainability governance
Further details regarding the role of the administrative, management, and supervisory bodies, including information provided to and sustainability matters addressed by them are presented in the Governance section of this report.

DMA
We conducted our initial DMA and included further details regarding the materiality assessment process as part of the Double Materiality Assessment subsection of this 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	2024	2023
Fossil energy consumption			
Fuel from crude oil	MWh	3,032	1,023
Fuel for Natural gas	MWh	12,752	5,100
Purchased electricity and heat	MWh	3,083	5,733
Total fossil energy consumption	**MWh**	**18,867**	**11,856**
Share of fossil sources in total energy consumption	**%**	**42%**	**64%**
Renewable energy consumption			
Purchased electricity and heat	MWh	25,744	6,532
Total renewable energy consumption	**MWh**	**25,744**	**6,532**
Share of renewable sources in total energy consumption	**%**	**58%**	**36%**
Total Energy consumption	MWh	44,611	18,388
Energy intensity ratio			
Net turnover reconciled to the Financial Statements	kDKK	7,682,161	5,486,054
Energy intensity ratio	**MWh pr. kDKK**	**0.006**	**0.003**

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 mainly linked to our recent acquisition of Nissens Cooling Solutions, whose production process consumes more 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 CO_2e according 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 CO_2e equivalents (CO_2e).

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 m^2 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 from IEA 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 have selected the following priority Scope 3 categories (C) – C1, C4, C6, and C9 – which collectively 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 our different purchase 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 system 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 system combined with extrapolation. Emissions are based on UK BEIS with RF and with WTT kg CO_2e.

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 CO_2e 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	2024	2023
Main scope 3 categories*			
Category 1: Purchased goods and services	Tonnes	373,028	216,391
Category 4: Upstream transportation and distribution	Tonnes	50,144	N/A
Category 6: Business travel	Tonnes	4,503	N/A
Category 9: Downstream transportation and distribution	Tonnes	28,811	N/A
Total scope 3 GHG emissions	**Tonnes**	**456,486**	**216,391**
Total GHG emissions, location-based	**Tonnes**	**470,314**	**223,641**
Total GHG emissions, market-based	**Tonnes**	**460,120**	**221,239**
GHG emissions intensity ratio			
Net turnover reconciled to the Financial Statements	kDKK	7,682,161	5,486,054
GHG emission intensity ratio, location-based	**Tonnes/kDKK**	**0.061**	**0.041**
GHG emissions intensity ratio, market-based	**Tonnes/kDKK**	**0.060**	**0.040**

* In 2023, KK Group focused on calculating Scope 3 (C1) inventory as it represents the most significant scope of GHG 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	2024	2023
Total waste generated	**Tonnes**	**4,575**	**1,914**
of which is hazardous	Tonnes	338	109
of which is prepared for reuse	Tonnes	0	0
of which is recycled	Tonnes	4,117	1,673
of which is recovered in other ways	Tonnes	45	6
Total hazardous waste not recovered	**Tonnes**	**174**	**54**
of which is sent for incineration	Tonnes	100	50
of which is sent for landfill	Tonnes	74	4
Total non-hazardous waste not recovered	**Tonnes**	**239**	**181**
of which is sent for incineration	Tonnes	213	180
of which is sent for landfill	Tonnes	26	1
Total waste not recovered	**Tonnes**	**413**	**235**
Total percentage of waste not recovered	**%**	**9%**	**12%**

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 resgninations, 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

		2024			2023		
	Unit	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**
Number of employees per country							
China	Number	107	267	**374**	64	154	**218**
Czech	Number	46	241	**287**	0	0	**0**
Denmark	Number	210	534	**744**	168	453	**621**
India	Number	95	379	**474**	71	318	**389**
Poland	Number	666	781	**1,447**	554	644	**1,198**
Slovakia	Number	78	223	**301**	0	0	**0**
Other countries	Number	8	47	**55**	8	42	**50**
Total number of employees	**Number**	**1,210**	**2,472**	**3,682**	**865**	**1,611**	**2,476**
Number of employees by employment type							
Permanet emplyees	Number	1,146	2,209	**3,355**	865	1,611	**2,476**
Temporary emplyees	Number	64	263	**327**	0	0	**0**
Total number of employees	**Number**	**1,210**	**2,472**	**3,682**	**865**	**1,611**	**2,476**
Number and % of employees by age							
Employees < 30 years old	Number | %	223 | 18%	637 | 26%	**860 | 23%**	160 | 19%	391 | 24%	**551 | 22%**
Employees 30 < 50 years old	Number | %	748 | 62%	1,445 | 58%	**2,193 | 60%**	521 | 60%	941 | 59%	**1,462 | 59%**
Employees > 50 years old	Number | %	239 | 20%	390 | 16%	**629 | 17%**	184 | 21%	279 | 17%	**463 | 19%**
Total number of employees	**Number | %**	**1,210 | 33%**	**2,472 | 67%**	**3,682 | 100%**	**865 | 35%**	**1,611 | 65%**	**2,476 | 100%**

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 did not include 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	2024	2023
Energy Management			
Total energy consumed	GJ	160,600	66,197
Percentage grid electricity	%	0%	28%
Percentage renewable	%	58%	36%
Hazardous Waste Management			
Amount of hazardous waste generated	Tonnes	338	109
Percentage recycled	%	48%	51%
Business Ethics			
Total amount of monetray losses as a result of legal proceedings associated with bribery or corruption	kDKK	0	0
Total amount of monetary losses as a result of legal reoceedings associated with anti-competitive behavior regulations	kDKK	0	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 CO_2e 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 the 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 or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial 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 of Consolidated Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group'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 and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Mads Melgaard	**Claus Lyngsø Sørensen**
State Authorised	State Authorised
Public Accountant	Public Accountant
mne34354	mne34539

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 procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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

PricewaterhouseCoopers applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent multidisciplinary team with experience in sustainability 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

Claus Lyngsø Sørensen
State Authorised
Public Accountant
mne34539

Wind
Solutions®

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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