

Nissens Cooling Solutions A/S

Vejlevej 19, 8700 Horsens

CVR no. 40 21 21 16

Annual Report

1 January 2024 – 31 December 2024

The Annual Report was presented and approved at the Annual General Meeting of the Company on May 8th 2025

Allan Gabriel Zandberg
Chairman of Annual General Meeting

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Statement by management on the annual report

The Board of Directors and the Executive Board have today discussed and approved the annual report of Nissens Cooling Solutions A/S for the financial year 1 January 2024 - 31 December 2024.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January 2024 - 31 December 2024.

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

We recommend that the annual report be approved at the annual general meeting.

Horsens, May 8th 2025

Executive Board:

Mauricio Fernando Quintana
CEO

Board of Directors:

Bjørn Reinhardt Mogensen

Chairman

Allan Gabriel Zandberg

Mauricio Fernando Quintana

Independent Auditor's Report

To the Shareholder of Nissens Cooling Solutions A/S

Opinion

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

We have audited the Financial Statements of Nissens Cooling Solutions 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 a summary of significant accounting policies ("the 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements 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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Aarhus, May 8th 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Claus Lyngsø Sørensen

State Authorised Public Accountant

mne34539

Thomas Bernth Jensen

State Authorised Public Accountant

mne47814

Management's review

Company details

Name	Nissens Cooling Solutions A/S
Address, postal code, city	Vejlevej 19, 8700 Horsens, Denmark
CVR.no.	40 21 21 16
Registered office	Horsens
Financial year	1 January - 31 December
Board of Directors	Bjørn Reinhardt Mogensen / Chairman Allan Gabriel Zandberg Mauricio Fernando Quintana
Executive board	Mauricio Fernando Quintana
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Management's review

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

In kDKK	2024	2023	2022	*2021	2020/2021
Key figures					
Revenue	1,020,287	1,084,660	1,123,311	638,032	1,032,676
Profit/loss before financial income and expenses	-179,909	-128,628	-173,549	-60,268	-3,369
Net financials	-4,333	-6,644	-1,070	5,847	-3,426
Profit/loss for the year	-145,660	-106,812	-135,700	-42,328	-4,306
Balance sheet total	385,082	403,690	419,550	451,106	610,816
Investment in property, plant and equipment	2,974	6,094	28,698	9,757	10,184
Equity	-76,015	69,645	26,457	162,157	204,485
Average number of employees	135	205	227	232	266

Financial ratios					
Gross margin	-6.2%	0.9%	-2.0%	5.4%	14.1%
EBIT margin	-17.6%	-11.9%	-15.5%	-9.4%	-0.3%
Return on assets	-45.6%	-31.2%	-39.9%	-11.4%	-0.8%
Current ratio	80.2%	126.7%	114.0%	191.2%	177.2%
Solvency ratio	-19.7%	17.3%	6.3%	35.9%	33.5%

*The financial period 2021 consist of 8 months and is therefore not directly comparable with other financial years. For further comments on change of the financial year, please see the accounting policies.

For terms and definitions, please see the accounting policies.

Management's review

Business activities

Nissens Cooling Solutions A/S is specialized in the development and production of customized cooling solutions for a number of application areas. The Cooling Solutions business unit fully manufactures products for its own end customers in two sub-segments; Wind and Industrial applications.

The wind business delivers cooling systems and modules to the wind industry, whereas the industrial business is focused on cooling solutions for special vehicles and industrial applications such as construction equipment, mining machinery, agricultural machines and special equipment.

Business and Financial review

The Company's income statement for the year ended 31 December 2024 shows a loss before tax of DKK 184 million and the balance sheet at 31 December 2024 shows equity of DKK -76 million.

The net revenue for the financial year amounts to DKK 1,020 million, in line with expectations. The net income for the year is DKK -146 million compared to net income of DKK -107 million last year.

Market conditions in the wind industry continue to be challenging. Introduction of new product platforms from the global wind turbine manufacturers and the geopolitical instability impacts timing of orders.

The financial year is impacted by one-time costs related to transformation of and optimization of the operations footprint as well as the optimization of the supply chain and supply sourcing.

During 2024 the Company have spent funds to close the operation in Denmark and transfer machinery to other production sites. The Company and its parent KK Wind Solutions Holding A/S have made a refinancing plan which will make sure that the Company has sufficient financing to continue the Company's operations.

Management considers the results of Nissens Cooling Solutions A/S as unsatisfactory.

Financing and outlook

In February 2025 the company has received a group contribution of 200MDKK from KK-Group A/S.

Furthermore the Company's established financing agreement with its parent company, KK-Group A/S is unchanged.

Based on this, Management has assessed the Company a going concern.

Knowledge resources

At Nissens Cooling Solutions A/S, we wish for all employees to be able to live up to the constantly changing demands relating to the working processes. As a result, Nissens Cooling Solutions A/S attaches great importance to the training and education of the employees in order for each of them to be able to deliver high performance as well as flawless products and services. The training takes place in both internal and external courses, and with this approach, a profound know-how of the processes related to the processing of aluminium and the development of applications for thermal solutions is gained.

Statement on corporate social responsibility and on approach to data ethics, cf. sections 99a and 99d of the Danish Financial Statements Act

As a leading systems supplier to the renewable energy industry, KK Wind Solutions A/S recognizes its responsibility to work actively with sustainability to benefit its customers, employees, and the societies in which it operates. Please refer to the integrated Annual Report 2024, published on 14 March 2025

Management's review

by KK Wind Solutions Holding A/S, CVR No. 39 06 70 48 which includes the Group's statement on corporate social responsibility and on the approach to data ethics, cf. sections 99a and 99d of the Danish Financial Statements Act:

(<https://www.kkwindsolutions.com/Files/Files/Reports/KK-Wind-Solutions-Annual-Report-2024.pdf>).

Outlook

The global business environment for the Nissens Cooling Solutions Group's products sold to the Wind Industry and Industrial segment is expected to continue to be under pressure due to the current economic environment. The change in production setup during 2024 has been executed and is expected to deliver more cost competitiveness in the future.

In 2025 the Company expect to maintain a revenue at a range between 950 MDKK – 1050 MDKK.

In FY25 the Company expects an improved EBIT through several improvement initiatives executed during 2024. The Company expects an EBIT in a range between 30 MDKK – 80 MDKK.

Special risks apart from generally occurring risks in industry

Market risks

Customer and market-related risks are short-term present but are long-term assessed as limited as the perspectives of the industries the Company operates in are prosperous.

The Company is overall reliant on effective international trade relations between nations.

Nissens Cooling Solutions A/S has no specific risks besides what is common to the industry and the above mentioned operating risk.

Currency risks

The majority of the Company's activities implies currency risks in connection with the purchase and sale of goods and services in foreign currencies.

The reporting currency for NCS Group is DKK. The majority of sales are in DKK, EUR, USD and CNY. The primary currencies exposing NCS Group to foreign exchange risk related to purchases include USD and CNY. As NCS Group also operates in Czech, foreign exchange exposure related to CZK also exists.

NCS Group employs hedging strategies defined in the Financial Policy to mitigate the foreign exchange exposure which mainly include the use of forward contracts for a term up to one year. The currency exposure is continuously monitored and effectiveness of hedging strategies is evaluated to minimize potential risks.

The foreign exchange risk related to other currencies is considered low.

Credit risks

The Company's activities imply a credit risk in connection with sales to customers throughout the world. We take measures to cover these outstanding debts in the best possible way, for instance by taking out credit insurances.

Inflation of material prices, freight rates and energy cost related risks

Continued inflationary pressure on material prices, freight costs, energy costs and other cost elements may impact margins on the short to medium term until the effects can be mitigated.

Interest rate risks

The Nissens Cooling Solutions A/S is exposed to an interest rate risk, as the Group's mortgage and bank financing has variable rates of interest.

The risk is monitored and hedging is applied when relevant.

Financial statements

Income statement

For the period 1 January - 31 December

Note	DKK'000	2024	2023
4	Revenue	1,020,287	1,084,660
	Change in inventories of finished goods and work in progress	-47,256	-27,672
	Expenses for raw materials and consumables	-919,962	-970,200
	Other operating income	26,070	24,181
	Other external costs	-142,327	-101,670
	Gross margin	-63,188	9,299
5	Staff costs	-102,969	-118,410
	Depreciation, amortization and impairment of intangible fixed assets and property, plant and equipment	-13,752	-19,517
	Loss before financial income and expenses	-179,909	-128,628
6	Financial income	1,506	34
7	Finance expenses	-5,839	-6,667
	Loss before tax	-184,242	-135,261
8	Tax on profit/loss for the year	38,582	28,449
	Net loss for the year	-145,660	-106,812

Financial statements

Balance sheet

As at 31 December

Note	DKK'000	2024	2023
	Assets		
	Development projects	4,925	2,557
	Acquired intangible assets	5,147	6,678
	Development projects in progress	19,873	15,056
9	Total intangible fixed assets	29,945	24,291
	Land and buildings	22,822	25,197
	Plant and machinery	3,950	24,759
	Other fixtures and fittings, tools and equipment	657	1,289
	Property, plant and equipment in progress	0	166
10	Total tangible fixed assets	27,429	51,411
15	Deferred tax asset	42,815	29,427
	Deposits	500	260
	Fixed asset investments	43,315	29,687
	Total fixed assets	100,689	105,389
	Raw materials and consumables	0	6,748
	Work in progress	0	41,563
	Finished goods and goods for resale	0	4,697
	Prepayments for goods	0	647
	Inventories	0	53,655
	Trade receivables	113,934	113,131
11	Receivables from group entities	114,683	85,322
	Other receivables	15,810	17,220
	Corporation tax	34,175	28,574
12	Prepayments	3,479	396
	Receivables	282,081	244,643
	Cash	2,312	3
	Total current assets	284,393	298,301
	Total assets	385,082	403,690

Financial statements

Balance sheet

As at 31 December

Note	DKK'000	2024	2023
	Equity and liabilities		
	Equity		
13	Share capital	1,000	1,000
	Reserve for development projects	17,840	15,212
	Retained earnings	-94,855	53,433
	Total equity	-76,015	69,645
	Provisions		
16	Other provisions	16,110	4,510
	Total provisions	16,110	4,510
	Mortgage debt	78,577	78,569
	Other payables	15,580	15,552
17	Long-term debt	94,157	94,121
	Trade payables	23,589	63,945
	Payables to group entities	299,920	147,108
	Other payables	26,292	23,533
	Income tax payable	0	69
	Deferred income	1,029	759
	Short-term debt	350,830	235,414
	Total liabilities	461,097	334,045
	Total equity and liabilities	385,082	403,690
2	Financing and outlook		
3	Subsequent events		
18	Contingent assets, liabilities and other financial obligations		
19	Charges and securities		
20	Related parties and ownership		

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Statement of changes in equity

DKK'000	Share capital	Reserve for development projects	Retained earnings	Total
Equity 1 January 2024	1,000	15,212	53,433	69,645
Cash contribution	0	0	0	0
Net loss for the year	0	0	-148,288	-148,288
Changes related to capitalized development costs	0	2,628	0	2,628
Equity at 31 December 2024	1,000	17,840	-94,855	-76,015

DKK'000	Share capital	Reserve for development projects	Retained earnings	Total
Equity 1 January 2023	1,000	16,260	9,197	26,457
Cash contribution	0	0	150,000	150,000
Net loss for the year	0	0	-105,764	-105,764
Changes related to capitalized development costs	0	-1,048	0	-1,048
Equity at 31 December 2023	1,000	15,212	53,433	69,645

Financial statements

Overview of notes for the financial statements

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Financial statements

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1 Accounting policies

The annual report of Nissens Cooling Solutions A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The annual report is presented in DKK'000.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Foreign currency translation

On initial recognition, foreign currency transactions are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the rate at the transaction date and the rate at the date of payment are recognised in profit or loss as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the date of the statement of financial position. The difference between the exchange rates at the end of the year and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised in profit or loss as financial income or financial expenses

Leases

The Group has chosen IAS 17 as interpretation for classification and recognition of leases. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset (or assets), even if that asset (or those assets) is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Financial statements

Notes

1 Accounting policies (continued)

Finance leases are capitalized at the commencement of the lease at the inception date's fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition. Income from the sale of finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Expenses for raw materials and consumables

Expenses for raw materials and consumables includes the cost of goods used in generating the year's revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the Company's core activities, including gain on sale of fixed assets.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions as well as other social security contributions, etc. made to the Company's employees. The item is net of refunds made by public authorities.

Financial statements

Notes

1 Accounting policies (continued)

Amortisation, depreciation and impairment losses

The item comprises depreciation and write-down of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	2-20 years
Development projects	1-5 years
Buildings	20-25 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	2-10 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, financing costs from factoring agreements, dividends declared from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Financial statements

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1 Accounting policies (continued)

Balance sheet

Intangible assets

Intangible assets comprise software licences and other acquired rights and development projects.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are demonstrated, and where the Group intends to complete and use the individual project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings or the net selling price can cover production costs, selling and administrative expenses and development costs. Other development costs are recognised under research and development costs in the income statement as incurred. Rights and development projects are measured at cost less accumulated amortisation and impairment.

Cost comprises external expenses as well as internal directly related wages and salaries attributable to the development project. Other development costs are recognised in the income statement as they arise.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Property, plant and equipment comprise land and buildings, leasehold improvements, production equipment, machinery and other fixtures, fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and write-downs.

The cost of self-constructed assets includes the cost of direct materials and labour, etc. directly used in the production process and a portion of the relating production overheads.

Impairment of fixed assets

The carrying amount of intangible fixed assets, property, plant and equipment and investments in subsidiaries and associates is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there are indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Financial statements

Notes

1 Accounting policies (continued)

Inventories

Inventories are measured using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and indirect cost of production.

Production overheads include the indirect cost of materials, wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the cost.

Receivables

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Prepayments

Prepayments, recognised in current assets, comprise costs incurred concerning subsequent financial years.

Cash

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

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

Financial statements

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1 Accounting policies (continued)

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, reconstructions etc. Provisions are recognised when as a result of a past event the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Warranty commitments include expenses for remedial action in respect of the contract work within the warranty period. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience.

Provisions expected to be settled after more than one year after the balance sheet date are measured at the net present value of the expected payments. Other provisions are measured at net realisable value.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carry forward are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Financial statements

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1 Accounting policies (continued)

Liabilities

The Company has chosen IAS 39 as interpretation for impairment of liabilities. Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Omission of a cash flow statement

With reference to §86, subsection 4 of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flow is part of the consolidated cash flow statement for KK Wind Solutions Holding A/S, CVR No. 39 06 70 48.

Financial highlights

Definitions of financial ratios

Gross margin ratio	$\frac{\text{Gross margin} \times 100}{\text{Revenue}}$
EBIT-margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Current ratio	$\frac{\text{Current assets total} \times 100}{\text{Short-term liabilities}}$

Financial statements

Notes

2 Financing and outlook

In February 2025 the company has received a group contribution of 200MDKK from KK-Group A/S.

Furthermore the Company's established financing agreement with its parent company, KK-Group A/S is unchanged.

Based on this, Management has assessed the Company a going concern.

3 Subsequent events

No events materially affecting the assessment of the company have occurred after the balance sheet date.

4 Revenue

Segments
DKK'000

	2024	2023
Wind	690,106	639,600
Industry	330,181	445,060
	1,020,287	1,084,660

Geographical information

DKK'000	2024	2023
Denmark	102,510	143,319
Rest of Europe	762,894	841,123
Rest of the world	154,883	100,218
	1,020,287	1,084,660

5 Staff costs

DKK'000	2024	2023
Wages and salaries	97,914	111,514
Pensions	3,346	4,841
Other social security costs	1,709	2,055
Total employee benefit expense	102,969	118,410
Average number of full-time employee	135	205

Management remuneration is not disclosed with reference to the Danish Financial Statements Act section 98b, 3 (2).

Management fee paid related to the Company's management amounts to DKK 0 thousand (2023 5,524kDKK).

Financial statements

6	Financial income		
	DKK'000	2024	2023
		<hr/>	<hr/>
	Other financial income	46	11
	Interest income, other	0	23
	Foreign exchange rate gains	1,460	0
		<hr/>	<hr/>
		1,506	34
		<hr/> <hr/>	<hr/> <hr/>
7	Financial expenses		
	DKK'000	2024	2023
		<hr/>	<hr/>
	Interest expenses, group entities	1,597	0
	Other finance expenses	4,242	4,090
	Foreign exchange rate loss	0	2,577
		<hr/>	<hr/>
		5,839	6,667
		<hr/> <hr/>	<hr/> <hr/>
8	Tax on profit/loss for the year		
	DKK'000	2024	2023
		<hr/>	<hr/>
	Estimated tax charge for the year	33,527	26,371
	Adjustments in respect of current income tax of previous year	-8,333	-10,016
	Deferred tax for the year	4,664	2,987
	Adjustments in respect of deferred income tax of previous year	8,724	9,108
		<hr/>	<hr/>
		38,582	28,449
		<hr/> <hr/>	<hr/> <hr/>

Financial statements

9 Intangible fixed assets

DKK'000	Acquired intangible assets	Development projects and patents	Development projects in progress	Total
Cost 1 January 2024	6,611	29,828	15,056	51,495
Additions for the year	0	0	12,281	12,281
Disposals for the year	0	0	-607	-607
Transfers for the year	3,783	3,074	-6,857	0
Cost 31 December 2024	<u>10,394</u>	<u>32,902</u>	<u>19,873</u>	<u>63,169</u>
Amortisation and impairment at 1 January 2024	4,054	23,150	0	27,204
Depreciation for the year	1,415	4,605	0	6,020
Amortisation and impairment at 31 December 2024	<u>5,469</u>	<u>27,755</u>	<u>0</u>	<u>33,224</u>
Carrying amount 31 December 2024	<u>4,925</u>	<u>5,147</u>	<u>19,873</u>	<u>29,945</u>

Development projects comprise of development cost for new technology and products. New technology and products are expected to strengthen the Company's market position.

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10 Tangible fixed assets

DKK'000	Land and buildings	Plant and machin- ery	Other fix- tures and fittings, tools and equipment	Property, plant and equip- ment in progress	Total
Cost 1 January 2024	97,365	121,520	7,619	166	226,670
Additions for the year	54	541	0	1,871	2,466
Disposals for the year	0	-103,813	-369	0	-104,182
Transfers for the year	0	2,037	0	-2,037	0
Cost 31 December 2024	97,419	20,285	7,250	0	124,954
Depreciations and impairments at 1 January 2024	72,168	96,761	6,330	0	175,259
Depreciation for the year	2,429	4,710	593	0	7,732
Disposals	0	-85,136	-330	0	-85,466
Depreciations and impairments at 31 December 2024	74,597	16,335	6,593	0	97,525
Carrying amount 31 Decem- ber 2024	22,822	3,950	657	0	27,429

11 Receivables from group entities

KK-Group has entered into an agreement for a cash pool arrangement with Nordea Bank, where KK-Group A/S is the account holder and Nissens Cooling Solutions A/S is the sub-account holder along with the other Nissens Cooling companies. The terms and conditions of the cash pool arrangement grant Nordea Bank the right to settle withdrawals and balances among themselves, whereby only the net balance of the total cash pool accounts constitutes KK-Group A/S' balance with Nordea Bank.

12 Prepayments

Prepayments recognised under assets comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements

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13 Equity

The share capital consists of:

	Nominal value
1 shares of DKK 100.0 thousand nominal value each	100
52 shares of DKK 10.0 thousand nominal value each	520
5 shares of DKK 5.0 thousand nominal value each	25
1 share of DKK 4.0 thousand nominal value each	4
4 shares of DKK 3.4 thousand nominal value each	14
5 shares of DKK 2.6 thousand nominal value each	13
5 shares of DKK 2.3 thousand nominal value each	11
4 shares of DKK 1.7 thousand nominal value each	7
306 shares of DKK 1.0 thousand nominal value each	306
	<u>1,000</u>

There have been no changes in the share capital during the last 5 years.

14 Proposed distribution of profit DKK'000

	2024	2023
Retained earnings	-145,660	-106,812
	-145.660	-106,812

15 Deferred tax DKK'000

	2024	2023
Provision for deferred tax at 1 January	29,427	-17,332
Tax related to the income statement	13,388	-12,095
Tax on shareholders' equity items	0	0
Deferred tax at 31 December	42,815	-29,427
Intangible assets	6,588	5,344
Property, plant and equipment	-384	102
Inventories	0	340
Trade and other receivables	637	707
Provisions and other liabilities	-6,301	-1,289
Tax loss	-43,355	-34,631
	42,815	29,427

Tax value and taxable loss carry-forwards are recognised based on expected utilisation within a few years from the balance sheet. There is a total unrecognised deferred tax asset related to tax losses of sales of property of kDKK 1,453 which, due to the uncertainty of the future utilization, has not been recognised in the balance sheet.

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16 Other provisions

Provisions comprise anticipated expenses relating to restructuring costs, warranty commitments, pending disputes etc.

DKK'000	2024	2023
Balance at beginning of year at 1 January	4,510	18,897
Reversed in the year	-541	-3,007
Provision in the year	14,745	1,448
Utilized in the year	-2,604	-12,828
Balance at 31 December	16,110	4,510

Provisions expected to be utilized within a year are estimated to amount to kDKK 1,500.

17 Long-term debt

DKK'000	Debt at 1 January 2024	Debt at 31 December 2024	Payment within 1 year	Payment between 1 - 5 years	Debt after 5 years
Mortgage debt	78,569	78,577	0	21,067	57,510
Other payables	15,552	15,580	0	0	15,580
	94,121	94,158	0	21,067	73,090

18 Contingent assets, liabilities and other financial obligations

Recourse and non-recourse guarantee commitments

The Company is jointly taxed with its parent company, A. P. Møller Holding A/S (management company), and is jointly and severally liable with the other jointly taxed entities for the payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Other contingent liabilities

The Company is party to a minor number of pending disputes. The outcome of these cases is not expected to have any material impact on the financial position of the Company, neither individually nor collectively.

Rent liabilities and payments under operating leases concerning rent, cars, gas, and plant amount to kDKK 2,587 (31 December 2023 kDKK 5,366).

The remaining terms are 0-2 years.

Financial statements

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19 Charges and securities

As security for mortgage debt totaling DKK 78,577 thousand, the Company has granted charges on land and buildings, carried at DKK 18,819 thousand at 31 December 2024 (31 December 2023 DKK 20,966 thousand).

20 Related parties and ownership

Controlling interest

APMH Invest XXI ApS, Copenhagen K, Denmark

APMH Invest A/S, Copenhagen K, Denmark

A.P. Møller Holding A/S, Copenhagen K, Denmark

A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, Copenhagen K, Denmark

KK-Group A/S, Ikast, Denmark

KK Wind Solutions Holding A/S, Ikast, Denmark

Transactions

The 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)(6) of the Danish Financial Statements Act. All transactions between Nissens Cooling Solutions A/S and the related parties are on arm's length terms.

Consolidated financial statements

The Company is included in the group annual report of

KK Wind Solutions Holding A/S, Ikast, CVR no. 39 06 70 48

A.P. Møller Holding A/S, Copenhagen K, CVR no. 25 67 92 88