

Harco Heavy Lifting A/S

Måde Industrivej 36, 6705 Esbjerg Ø

CVR no. 41 03 41 49

Annual report 2025

Approved at the Company's annual general meeting on 27 April 2026

Chair of the meeting:

.....
Allan Jensen Vestergaard

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Harco Heavy Lifting A/S for the financial year 1 January - 31 December 2025.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2025 and of the results of the Company's operations for the financial year 1 January - 31 December 2025.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Esbjerg, 27 April 2026
Executive Board:

.....
Steen Dyrmosé

Board of Directors:

.....
Allan Jensen Vestergaard
Chairman

.....
Jess Jung Poulsen

.....
Anders Brunbjerg Mikkelsen

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Independent auditor's report

To the shareholder of Harco Heavy Lifting A/S

Opinion

We have audited the financial statements of Harco Heavy Lifting A/S for the financial year 1 January - 31 December 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2025 and of the results of the Company's operations for the financial year 1 January - 31 December 2025 in accordance with the Danish Financial Statements Act.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the 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:

- u 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.
- u 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.
- u Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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Independent auditor's report

- u 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.
- u Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- u Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Esbjerg, 27 April 2026
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Mads Klausen
State Authorised Public Accountant
mne46588

Morten Østergaard Koch
State Authorised Public Accountant
mne35420

Management's review

Company details

Name	Harco Heavy Lifting A/S
Address, Postal code, City	Måde Industrivej 36, 6705 Esbjerg Ø
CVR no.	41 03 41 49
Established	19 December 2019
Registered office	Esbjerg
Financial year	1 January - 31 December
Board of Directors	Allan Jensen Vestergaard, Chairman Jess Jung Poulsen Anders Brunbjerg Mikkelsen
Executive Board	Steen Dyrmosé
Auditors	EY Godkendt Revisionspartnerselskab Bavnehøjvej 5, 6700 Esbjerg, Denmark

Management's review

Operating review

Principal activities

The offshore wind industry continues to push for standardized solutions that reduce installation cost and CO2 footprint. HARCO's response to this demand has been a changed business model – a transition that has defined our 2025 performance.

During the past 12 months, we have developed a rental led model that:

- u Shifts earnings from transactional to recurring, raising customer lifetime value and smoothing cyclicality.
- u Standardizes equipment and processes, improving safety, uptime and execution speed across mobilization, installation and demobilization.
- u Aligns with customer preferences to convert CAPEX to OPEX, particularly on multi asset projects and long term campaigns.

This transformation marks a fundamental strategic repositioning of HARCO towards higher quality of revenue, increased customer lifetime value and improved long-term scalability.

Investing in the future is expensive, and 2025 ended with a reported loss after tax of DKK 4 million.

The loss is not a sign of weakening market position; rather a strategic and expected outcome:

- u It reflects the intentional removal of one off sales and one time transformation costs.
- u During the year, HARCO deliberately replaced approximately 75% of its legacy, one off equipment sales revenue with recurring rental revenue.
- u The transition has removed short term sales revenue and required front loaded investment in rental assets and systems; however, it has materially upgraded the quality, predictability and lifetime margin of our earnings.

Transitioning Harco

We have exchanged scale for quality in the short term to unlock higher margin, repeatable revenue in the medium and long term. The assets, professionalism, business upgrades and capabilities we built in 2025 are the income engine for 2027, 2028, 2029 and beyond.

What changed in 2025?

- u We executed a fundamental business model shift from services and equipment sales to a rental led, recurring revenue model built on standardized, modular heavy lifting solutions delivered “as a service.”
- u We invested in rental fleet, people, and a scalable ERP/IT architecture to enable multi year growth.
- u We demonstrated safe, efficient execution on live offshore projects, validating the modular “lifting-as a service” approach with vessel operators, energy companies, and OEMs.
- u ... and we finalized the decision to expand with a new production facility and offices at our headquarters in Esbjerg.

Commercial traction

The market has responded well to our changes. Recognizing our ambition to change our business model to suit their request for standardized solutions, reduced installation cost and a lower CO2 footprint, our clients have responded with an overwhelming interest.

- u Standard rental offering scaled from zero at the start of the year to a meaningful share of activity by year end.
- u Customer feedback emphasizes availability, reduced operational complexity and lower total cost of ownership.
- u Customers have adopted the new model well; our order book is ~2x the same period last year, and we are ~10% ahead of budget on revenue run rate.
- u Q1 2026 delivered above budget, confirming momentum into the new year.

Management's review

Development in activities and financial matters

Revenue for 2025 increased by +30% compared to 2024.

The transition from sales to rental cut a large block of immediate revenue, replacing it with a recurring base that grows as fleet utilization rises. This supports the underlying market demand and initial progress in executing the new strategic direction.

Adjusted for one-off items, EBITDA for 2025 amounted to DKK 9.0 million related to strategic investments and platform strengthening.

The result before tax was a loss of DKK 5.3 million. The result primarily reflects revenue reshaping effects and one-off strategic and transition-related timing impacts, rather than any weakening of HARCO's market position or relevance.

Adjusted for one-off items of DKK 9 million related to strategic investments and platform strengthening, the result before tax for 2025 amounted to a DKK 3.7 million profit.

Strategic investments and platform strengthening

During 2025, HARCO significantly strengthened its operating platform to support the transition and future scalability. EBITDA for the year includes one-off investments totalling DKK 12.7 million, primarily related to:

- u Establishment of a strengthened and professionalized management team
- u Implementation of a focused strategy and operational structure
- u Upgrade of IT architecture, resulting in improved business processes, enhanced marketing capabilities, and strengthened governance framework. The upgrade includes complete implementation of new ERP system that is fully scalable and expensed in 2025.

These investments are foundational rather than ongoing. They are considered essential in enabling scalable rental growth and operational excellence and hence supporting the planned growth in the coming 5 years.

In short: These investments are designed to lower unit cost, increase uptime, and scale with demand.

Outlook

The 2026 budget reflects the next phase of the strategic transformation.

Strategic priorities:

- u Scale the rental asset base
- u Improve fleet utilization
- u Translating higher revenue quality into improved profitability
- u Ensuring cash flow through-out the transition period

Q1 2026 was realized above budget, indicating a strong beginning of 2026 and continued positive momentum.

To accelerate the realization of HARCO's strategic potential and to support customer processes for larger, long-term projects, HARCO considers a strategic partnership with a strong financial investor or industrial partner to be increasingly warranted. Such a partnership would strengthen HARCO's ability to convert large-scale opportunities into contracted rental revenue.

Management projects continued revenue growth as well as positive EBITDA for 2026. The key focus remains on disciplined execution of the strategy supporting the HARCO's vision for 2030.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2025	2024
	Gross profit	71,775,290	47,009,524
3	Staff costs	-71,131,889	-41,952,600
	Amortisation/depreciation	-5,163,255	-2,471,547
	Profit/loss before net financials	-4,519,854	2,585,377
	Income from investments in group enterprises	949,868	0
4	Financial income	179,056	0
5	Financial expenses	-1,897,811	-703,275
	Profit/loss before tax	-5,288,741	1,882,102
6	Tax for the year	1,242,950	-577,403
	Profit/loss for the year	-4,045,791	1,304,699

Recommended appropriation of profit/loss

Net revaluation reserve according to the equity method	949,868	0
Retained earnings/accumulated loss	<u>-4,995,659</u>	<u>1,304,699</u>
	<u>-4,045,791</u>	<u>1,304,699</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2025</u>	<u>2024</u>
	ASSETS		
	Fixed assets		
7	Intangible assets		
	Acquired patents	45,674	68,510
	Acquired other similar rights	<u>91,071</u>	<u>112,499</u>
		136,745	181,009
8	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	22,795,812	4,100,809
	Leasehold improvements	420,324	669,540
	Property, plant and equipment under construction	<u>20,983,641</u>	<u>7,472,606</u>
		44,199,777	12,242,955
9	Investments		
	Investments in group enterprises	987,163	0
	Deposits	<u>761,010</u>	<u>752,915</u>
		1,748,173	752,915
	Total fixed assets	<u>46,084,695</u>	<u>13,176,879</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	<u>946,499</u>	<u>19,692</u>
		946,499	19,692
	Receivables		
	Trade receivables	23,677,443	23,730,282
10	Construction contracts	465,051	5,433,165
	Receivables from group enterprises	4,092,182	1,640,401
	Deferred tax assets	874,842	0
	Joint taxation contribution receivable	420,902	0
	Other receivables	4,128,897	1,780,331
	Prepayments	<u>1,092,043</u>	<u>168,177</u>
		34,751,360	32,752,356
	Cash	0	2,642,248
	Total non-fixed assets	<u>35,697,859</u>	<u>35,414,296</u>
	TOTAL ASSETS	<u>81,782,554</u>	<u>48,591,175</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2025</u>	<u>2024</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	400,000	400,000
	Net revaluation reserve according to the equity method	949,868	0
	Retained earnings	<u>17,993,769</u>	<u>22,989,428</u>
	Total equity	<u>19,343,637</u>	<u>23,389,428</u>
	Provisions		
	Deferred tax	0	1,315,206
	Other provisions	<u>1,000,090</u>	<u>1,829,982</u>
	Total provisions	<u>1,000,090</u>	<u>3,145,188</u>
	Liabilities other than provisions		
11	Non-current liabilities other than provisions		
	Bank debt	<u>15,684,590</u>	<u>0</u>
		<u>15,684,590</u>	<u>0</u>
	Current liabilities other than provisions		
11	Short-term part of long-term liabilities other than provisions	5,228,330	0
	Bank debt	17,183,638	10,242,215
10	Construction contracts	0	2,604,952
	Trade payables	14,610,847	6,284,915
	Payables to group enterprises	193,537	0
	Joint taxation contribution payable	0	305,172
	Other payables	2,357,852	2,619,305
	Deferred income	<u>6,180,033</u>	<u>0</u>
		<u>45,754,237</u>	<u>22,056,559</u>
	Total liabilities other than provisions	<u>61,438,827</u>	<u>22,056,559</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>81,782,554</u></u>	<u><u>48,591,175</u></u>

1 Accounting policies

2 Capital ratio

12 Contractual obligations and contingencies, etc.

13 Security and collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 January 2024	400,000	0	31,684,729	32,084,729
Transfer through appropriation of profit	0	0	1,304,699	1,304,699
Extraordinary dividend recognised under equity	0	0	-10,000,000	-10,000,000
Equity at 1 January 2025	400,000	0	22,989,428	23,389,428
Transfer through appropriation of loss	0	949,868	-4,995,659	-4,045,791
Equity at 31 December 2025	400,000	949,868	17,993,769	19,343,637

The share capital consists of 400,000 shares of DKK 1.

The share capital has remained DKK 400,000 since the establishment.

Financial statements 1 January - 31 December

Notes to the financial statements

Accounting policies

The annual report of Harco Heavy Lifting A/S for 2025 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Pursuant to section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK).

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 and 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.

Public grants

Public grants to cover expenses are recognised in the income statement when it is deemed likely that all grant criteria have been met. Grants which must be repaid under certain circumstances are recognised only where they are not expected to be repaid.

Income statement

Revenue

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

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Financial statements 1 January - 31 December

Notes to the financial statements

Accounting policies (continued)

Other operating income

Other operating income comprise items secondary to the principal activities of the Company, including, compensations, governmental grants, refund of wages and salaries, gains on the disposal of fixed assets, etc. Compensation and grants are recognised when there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received.

Work performed for own account and capitalised

Work performed on own account and risk and recognised as assets includes staff costs regarding work performed in the financial year in relation to the construction of one or more assets recognised in the balance sheet.

Raw materials and consumables

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

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 comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

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

Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit/loss from investments in group entities

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares.

The item includes dividend received from group entities.

Financial statements 1 January - 31 December

Notes to the financial statements

Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

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

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

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

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

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

As regards self-produced assets, the cost includes the cost of materials and labour, etc. directly relating to the production.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

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

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Deposits

Deposits comprise deposits for rental agreements.

Financial statements 1 January - 31 December

Notes to the financial statements

Accounting policies (continued)

Investments in group entities

Equity investments in group entities are measured according to the equity method.

On initial recognition, equity investments in group entities are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in group entities measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in group entities is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

Receivables

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

Receivables are measured at amortised cost.

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 has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Financial statements 1 January - 31 December

Notes to the financial statements

Accounting policies (continued)

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. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

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

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in group entities and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

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 that are expected to mature more than one year after the balance sheet date are discounted at average bond yields.

Financial statements 1 January - 31 December

Notes to the financial statements

Accounting policies (continued)

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Capital ratio

As part of the preparation of the financial statements for 2025, Management and the Board of Directors have assessed the Company's liquidity and capital resources based on the updated forecast for 2026.

The forecast for 2026 includes continued growth in activities and significantly improved earnings. The forecast for 2026 also reflects the continued shift from transactional sales to a rental-led business model and the increased need for liquidity to build and maintain the fleet of rental assets.

The forecast for 2026 is based on strategic priorities to scale the rental asset base, improve fleet utilization and manage CAPEX within existing credit facilities and 2026 earnings.

The Company's bank and financing partner has confirmed the availability of loans and credit facilities, all of which are uncommitted, to support the expected growth and related CAPEX as set out in the forecast for 2026. The confirmation obtained is conditional upon realization of the 2026 forecast.

The confirmation obtained includes a reduction of the current credit facility, to be replaced by a corresponding long-term loan for the financing of rental assets, as well as amendments to the existing covenants to reflect changes in the business model and the increase in the Company's asset base.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	<u>2025</u>	<u>2024</u>
Staff costs		
Wages/salaries	64,839,593	38,493,091
Pensions	5,374,408	3,075,150
Other social security costs	917,888	384,359
	<u>71,131,889</u>	<u>41,952,600</u>
 Average number of full-time employees	 <u>79</u>	 <u>49</u>
 Financial income		

Interest receivable, group entities	132,907	0
Other financial income	<u>46,149</u>	<u>0</u>
	<u>179,056</u>	<u>0</u>

Financial expenses

Interest expenses, participating interests	0	256,315
Other financial expenses	<u>1,897,811</u>	<u>446,960</u>
	<u>1,897,811</u>	<u>703,275</u>

Tax for the year

Estimated tax charge for the year	947,098	571,172
Deferred tax adjustments in the year	<u>-2,190,048</u>	<u>6,231</u>
	<u>-1,242,950</u>	<u>577,403</u>

Intangible assets

DKK

Acquired
patents

Acquired other
similar rights

Total

Cost at 1 January 2025	<u>159,854</u>	<u>150,000</u>	<u>309,854</u>
Cost at 31 December 2025	<u>159,854</u>	<u>150,000</u>	<u>309,854</u>
Impairment losses and amortisation at 1 January 2025	91,344	37,501	128,845
Amortisation for the year	<u>22,836</u>	<u>21,428</u>	<u>44,264</u>
Impairment losses and amortisation at 31 December 2025	<u>114,180</u>	<u>58,929</u>	<u>173,109</u>
Carrying amount at 31 December 2025	<u><u>45,674</u></u>	<u><u>91,071</u></u>	<u><u>136,745</u></u>

Financial statements 1 January - 31 December

Notes to the financial statements

Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
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Cost at 1 January 2025	7,288,427	991,150	7,472,606	15,752,183
Additions	8,264,577	0	29,157,182	37,421,759
Disposals	-479,212	0	0	-479,212
Transferred	15,646,147	0	-15,646,147	0
Cost at 31 December 2025	<u>30,719,939</u>	<u>991,150</u>	<u>20,983,641</u>	<u>52,694,730</u>
Impairment losses and depreciation at 1 January 2025	3,187,618	321,610	0	3,509,228
Depreciation	4,869,775	249,216	0	5,118,991
Disposals	<u>-133,266</u>	<u>0</u>	<u>0</u>	<u>-133,266</u>
Impairment losses and depreciation at 31 December 2025	<u>7,924,127</u>	<u>570,826</u>	<u>0</u>	<u>8,494,953</u>
Carrying amount at 31 December 2025	<u><u>22,795,812</u></u>	<u><u>420,324</u></u>	<u><u>20,983,641</u></u>	<u><u>44,199,777</u></u>

Property, plant and equipment under construction comprise ongoing production of traverse systems for rental.

Investments

DKK

Investments in
group
enterprises

Deposits

Total

Cost at 1 January 2025	0	752,915	752,915
Additions	37,295	8,095	45,390
Cost at 31 December 2025	37,295	761,010	798,305
Value adjustments at 1 January 2025	0	0	0
Profit/loss for the year	949,868	0	949,868
Value adjustments at 31 December 2025	949,868	0	949,868
Carrying amount at 31 December 2025	987,163	761,010	1,748,173

Group entities

<u>Name</u>	<u>Domicile</u>	<u>Interest</u>
Harco Services NL B.V.	Netherlands	100%
Harco Heavy Lifting Limited	England	100%

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	<u>2025</u>	<u>2024</u>
Construction contracts		
Selling price of work performed	3,274,375	25,194,438
Progress billings	<u>-2,809,324</u>	<u>-22,366,225</u>
	<u>465,051</u>	<u>2,828,213</u>
recognised as follows:		
Construction contracts (assets)	465,051	5,433,165
Construction contracts (liabilities)	<u>0</u>	<u>-2,604,952</u>
	<u>465,051</u>	<u>2,828,213</u>

Non-current liabilities other than provisions

	Total debt at 31/12 2025	Short-term portion	Long-term portion	Outstanding debt after 5 years
DKK				
Bank debt	<u>20,912,920</u>	<u>5,228,330</u>	<u>15,684,590</u>	<u>0</u>
	<u>20,912,920</u>	<u>5,228,330</u>	<u>15,684,590</u>	<u>0</u>

Contractual obligations and contingencies, etc.

The Company is jointly taxed with its parent, Harco Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes and withholding taxes on interest, royalties and dividends falling due for payment.

The Company is part of a dispute concerning violation of competitor's patent rights. Management has in consultation with legal advisors assessed that the outcome of this dispute is not expected to have a significant impact on the financial position of the Company.

Other financial obligations

The Company has entered into rent agreements with remaining contract terms up to 10 years. Rent obligations amounts to DKK 83,545 thousand at 31 December 2025, of which DKK 5,473 thousand falls due within one year.

The Company has entered into operational leasing contracts for cars with remaining contract terms up to 3 years. Lease liabilities amounts to DKK 1,689 thousand at 31 December 2025, of which DKK 980 thousand falls due within one year.

The Company has, as part of its normal course of business, entered into customary executory contracts.

Security and collateral

The Company has provided a ownership mortgage of DKK 15,000 thousand as collateral for bank debt of DKK 17,184 thousand at 31 December 2025. The ownership mortgage comprises receivables inventories, property, plant and equipment and intangible assets with a carrying amount of DKK 73,089 thousand at 31 December 2025.

The Company has issued a bank guarantee of DKK 5,136 thousand as security for a rent agreement concerning new production facilities under construction.