# PRODECON AS

## Annual Report 2024

*[English translation of Norwegian original]*

# Revenue statement

## Prodecon AS

| Operating income and operating expenses | Note | 2024 | 2023 |
|---|---|---|---|
| Revenue | | 89 845 867 | 86 923 248 |
| Other income | | 816 629 | 1 235 442 |
| Leieinntekt | | 533 489 | 629 556 |
| **Total income** | | **91 195 985** | **88 788 246** |
| | | | |
| Raw materials and consumables used | | 21 714 625 | 22 439 745 |
| Employee benefits expense | 1 | 50 816 952 | 47 258 580 |
| Depreciation and amortisation expenses | | 182 928 | 209 958 |
| Other expenses | 2 | 7 598 107 | 6 479 598 |
| **Total expenses** | | **80 312 613** | **76 387 880** |
| | | | |
| **Operating profit** | | **10 883 373** | **12 400 366** |
| | | | |
| **Financial income and expenses** | | | |
| Other interest income | | 242 571 | 50 078 |
| Other interest expenses | | 28 438 | 449 |
| Other financial expenses | | 5 670 | 0 |
| **Net financial items** | | **208 463** | **49 629** |
| | | | |
| **Net profit before tax** | | **11 091 836** | **12 449 995** |
| | | | |
| Skattekostnad | 3 | 2 456 996 | 2 755 154 |
| | | | |
| **Net profit after tax** | | **8 634 840** | **9 694 841** |
| | | | |
| **Net profit or loss** | | **8 634 840** | **9 694 841** |
| | | | |
| **Attributable to** | | | |
| Ordinary dividend | | 8 000 000 | 9 000 000 |
| Tilleggsutbytte | | 2 000 004 | 0 |
| Other equity | | 0 | 694 841 |
| Transferred from other equity | | 1 365 164 | 0 |
| **Total** | | **8 634 840** | **9 694 841** |

# Balance sheet
## Prodecon AS

| Assets | Note | 2024 | 2023 |
|---|---|---|---|
| **Non-current assets** | | | |
| **Property, plant and equipment** | | | |
| Equipment and other movables | 4 | 212 573 | 175 829 |
| **Total property, plant and equipment** | | **212 573** | **175 829** |
| **Non-current financial assets** | | | |
| Loan to group companies | 5, 6 | 0 | 2 101 426 |
| Investeringer i aksjer | 7 | 0 | 2 000 004 |
| Other long-term receivables | 6 | 15 967 | 45 814 |
| **Total non-current financial assets** | | **15 967** | **4 147 243** |
| **Total non-current assets** | | **228 539** | **4 323 072** |
| **Current assets** | | | |
| **Debtors** | | | |
| Accounts receivables | 5 | 11 783 977 | 18 224 177 |
| Other short-term receivables | | 165 744 | 127 806 |
| **Total receivables** | | **11 949 721** | **18 351 983** |
| Cash and cash equivalents | 8 | 22 357 625 | 9 288 371 |
| **Total current assets** | | **34 307 346** | **27 640 353** |
| **Total assets** | | **34 535 885** | **31 963 425** |

# Balance sheet
## Prodecon AS

| Equity and liabilities | Note | 2024 | 2023 |
|---|---|---|---|
| **Paid-in capital** | | | |
| Share capital | 9 | 3 438 000 | 3 438 000 |
| Share premium reserve | | 512 000 | 512 000 |
| Other paid-up equity | | 130 049 | 130 049 |
| **Total paid-up equity** | | **4 080 049** | **4 080 049** |
| **Retained earnings** | | | |
| Other equity | | 803 706 | 2 168 870 |
| **Total retained earnings** | | **803 706** | **2 168 870** |
| **Total equity** | **10** | **4 883 755** | **6 248 919** |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade payables | | 5 282 918 | 4 724 593 |
| Tax payable | 3 | 2 456 996 | 2 755 154 |
| Public duties payable | | 6 883 720 | 2 923 056 |
| Dividends | | 8 000 000 | 9 000 000 |
| Other current liabilities | 5 | 7 028 497 | 6 311 703 |
| **Total current liabilities** | | **29 652 130** | **25 714 506** |
| **Total liabilities** | | **29 652 130** | **25 714 506** |
| **Total equity and liabilities** | | **34 535 885** | **31 963 425** |

Lysaker, 03.06.2025
The board of Prodecon AS

| Svante Hagman | Emilie Hamon | Roy Themte |
|---|---|---|
| chairman of the board | member of the board | member of the board/General Manager |

## Accounting principles

The annual financial statements have been prepared in accordance with the Accounting Act and generally accepted accounting principles for small enterprises.

### Group

The group consists of Prodecon Holding AS (parent company) and its subsidiaries Prodecon AS and Høviken AS (both 55% owned by Prodecon Holding AS).

Other companies included in the group are NP Eiendom AS (100% owned by Høviken AS), Nor AS (100% owned by NP Eiendom AS), as well as Nor Festningsåsen AS and BKS 2 AS (both wholly owned subsidiaries of Nor AS).

Consolidated financial statements have not been prepared, as the group as a whole falls within the Accounting Act's definition of a small enterprise.

### Revenue Recognition

Revenue from the sale of goods is recognized at the time of delivery. Services are recognized as income as they are delivered. At year-end, a specific assessment is made of earned but not invoiced operating income.

### Classification and Valuation of Balance Sheet Items

Assets intended for long-term ownership or use are classified as fixed assets. Assets related to the operating cycle are classified as current assets. Receivables are classified as current assets if they are to be repaid within one year from the disbursement date. The same criteria apply for liabilities.

However, the first year's installment of long-term debt is not classified as a current liability.

Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are recorded at nominal value at the time of establishment.

Fixed assets are valued at acquisition cost. Tangible fixed assets that decline in value are depreciated on a straight-line basis over their expected useful economic life. Fixed assets are written down to fair value if the impairment is not expected to be temporary. Long-term liabilities in Norwegian kroner are recorded at nominal value at the time of establishment.

### Fixed Assets

Tangible fixed assets are capitalized and depreciated on a straight-line basis over their expected useful economic life if their useful life exceeds 3 years and their cost exceeds NOK 15,000. Maintenance of fixed assets is expensed as incurred under operating expenses. Upgrades or improvements are added to the asset's cost base and depreciated in line with the asset. The distinction between maintenance and upgrades/improvements is based on the condition of the asset at the time of purchase.

leases. Prepayments are recorded as prepaid expenses and allocated over the lease term.

### Receivables

Accounts receivable and other receivables are recorded on the balance sheet at face value less provisions for expected losses. Provisions for losses are made based on individual assessments of each receivable.
In addition, a general provision is made for other accounts receivable to cover expected losses.

### Taxation

The tax expense in the income statement includes both payable tax for the period and changes in deferred tax. Deferred tax is calculated at 22% based on temporary differences between accounting and tax values, as well as any tax loss carryforwards at the end of the fiscal year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are offset. Recognition of deferred tax assets on net tax-reducing temporary differences not offset and on tax loss carryforwards is based on assumed future earnings. Deferred tax and deferred tax assets that may be recognized in the balance sheet are presented net.

## Note 1 - Payroll Expenses

| Payroll costs | 2023 | 2022 |
|---|---|---|
| Salaries | 37 032 118 | 33 769 057 |
| Employer's national insurance contributions | 6 202 151 | 5 124 924 |
| Pension costs | 2 777 583 | 2 540 393 |
| Other personnel costs | 1 246 728 | 1 223 959 |
| **Total** | **47 258 580** | **42 658 333** |
| Number of full-time equivalents employed | 34,90 | 32,14 |

No loans or security have been granted to the CEO, board members, or other related parties.

**Mandatory Occupational Pension (OTP)**
The company is required to comply with the provisions of the Mandatory Occupational Pension Act.
A collective defined contribution pension scheme has been established, which meets the legal requirements.

Recognized pension premium expenses amount to kr 2 777 583.

## Note 2 – Other Operating Expenses

| Expensed remuneration (excl. VAT) to the auditor: | 2023 | 2022 |
|---|---|---|
| Statutory audit | 102 500 | 92 900 |
| Technical assistance – annual accounts, tax return, shareholder register statement | 17 800 | 17 000 |
| Other assistance | 0 | 3 200 |
| **Total** | **120 300** | **113 100** |

## Note 3 - Tax Expense

| Calculation of deferred tax / deferred tax asset (temporary differences) | 2023 | 2022 |
|---|---|---|
| Tangible fixed assets | -310 517 | -237 085 |
| Net temporary differences | -310 517 | -237 085 |
| Tax loss carryforwards | 0 | 0 |
| Differences not included in the calculation of deferred tax / deferred tax asset | 0 | 0 |
| **Basis for deferred tax (+) / deferred tax asset (-)** | **-310 517** | **-237 085** |
| 22% deferred tax (+) / deferred tax asset (-) | -68 314 | -52 159 |
| Of which deferred tax asset not recognized in the balance sheet | 68 314 | 52 159 |
| **Deferred tax (+) / deferred tax asset (-) in the balance sheet** | **0** | **0** |

In accordance with the option available for small enterprises, the net deferred tax asset is not recognized in the balance sheet.

| Basis for tax expense | 2023 | 2022 |
|---|---|---|
| Accounting result before tax | 12 449 995 | 7 002 598 |
| Permanent differences | 0 | 0 |
| Basis for tax expense for the year | 12 449 995 | 7 002 598 |
| Change in temporary differences | 73 432 | 33 942 |
| Basis for payable tax in the income statement | 12 523 426 | 7 036 540 |
| Use of tax loss carryforwards | 0 | 0 |
| **Taxable income (basis for payable tax in the balance sheet)** | **12 523 426** | **7 036 540** |

## Note 3 - Tax Expense (continued)

| Breakdown of tax expense | 2023 | 2022 |
|---|---|---|
| Payable tax (22%) | 2 755 154 | 1 548 039 |
| Under (+) / over (-) provisioned in prior year | 0 | 0 |
| Total payable tax | 2 755 154 | 1 548 039 |
| Change in deferred tax | 0 | 0 |
| **Tax expense** | **2 755 154** | **1 548 039** |

| Payable tax on the balance sheet | 2023 | 2022 |
|---|---|---|
| Payable tax on the income statement (22%) | 2 755 154 | 1 548 039 |
| **Payable tax on the balance sheet** | **2 755 154** | **1 548 039** |

## Note 4 - Fixed Assets

| | Equipment, fixtures, etc. | Lease improvements | Total |
|---|---|---|---|
| Acquisition cost 01.01.2023 | 1 979 549 | 387 084 | 2 366 633 |
| Additions | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 |
| Acquisition cost 31.12.2023 | 1 979 549 | 387 084 | 2 366 633 |
| Accumulated depreciation 31.12.2023 | -1 821 490 | -369 315 | -2 190 805 |
| **Book value 31.12.2023** | **158 060** | **17 769** | **175 829** |
| Depreciation for the year | 190 578 | 19 380 | **209 958** |
| Expected useful economic life | 3-5 years | 3 years | |
| Depreciation method | Linear | Linear | |

## Note 5 - Group

**Intercompany balances with companies in the same group:**

| | Accounts receivable | | Receivables | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Companies within the same group | 0 | 705 482 | 2 101 426 | 819 492 |

| | Accounts payable | | Liabilities | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Companies within the same group | 0 | 0 | 0 | 64 520 |

**Transactions with companies in the same group:**

| | Revenue | |
|---|---|---|
| | 2023 | 2022 |
| Companies within the same group | 0 | 0 |

## Note 6 - Receivables and Liabilities

| | **0** | **0** |
|---|---|---|
| Receivables with maturity beyond 1 year | 2 101 426 | 819 492 |
| Long-term debt with maturity beyond 5 years | 0 | 0 |

The item Other long-term receivables on the balance sheet consists of accrued prepaid rent (leasing).

## Note 7 - Investments in Shares

The item consists of shares in Tavler AS. The shares are recorded at acquisition cost.
It is assessed that there is no need for impairment of the shareholding as of December 31, 2023.

## Note 8 - Bank deposits

| **Restricted bank deposits** | **0** | **0** |
|---|---|---|
| Tax withholding funds | 281 | 281 |

## Note 9 - Share capital

The share capital of NOK 3,438,000 consists of 3,438 shares with a nominal value of NOK 1,000 each. All shares have equal rights.

***Overview of the company's shareholders as of 31.12.2023:***

| Name | Position | # of shares | Ownership |
|---|---|---|---|
| Prodecon Holding AS | Indirectly owned 50% by board member Morten Jevne and 50% by board member / CEO Roy Themte | 1 891 | 55,00% |
| BKLP Holding AS | | 309 | 8,99% |
| Taugbøl Holding AS | | 309 | 8,99% |
| Kulpen AS | | 217 | 6,31% |
| Rune Hauglin | | 92 | 2,68% |
| FJALV Holding AS | Owned by board member Jørgen Waack Viken and related parties | 241 | 7,01% |
| Visyn AS | Owned by the chair of the board Terje Urnes and related parties | 137 | 3,98% |
| Storekrak AS | Owned by board member Jostein Nørbech | 121 | 3,52% |
| Smalvann Holding AS | | 121 | 3,52% |
| **Total** | | **3 438** | **100,00%** |

## Note 10 - Equity

| | **Share capital** | **Share premium** | **Other contributed equity** | **Other equity** | **Total** |
|---|---|---|---|---|---|
| Equity 01.01. | 3 438 000 | 512 000 | 130 049 | 1 474 029 | 5 554 078 |
| Result of the year | | | | 9 694 841 | 9 694 841 |
| Allocated dividend | | | | -9 000 000 | -9 000 000 |
| **Equity 31.12.** | **3 438 000** | **512 000** | **130 049** | **2 168 870** | **6 248 919** |

**English version:**

To the General Meeting of
Prodecon AS

**INDEPENDENT AUDITOR'S REPORT**

**Conclusion**
We have audited the financial statements of Prodecon AS, which show a profit of NOK 8,634,840. The financial statements comprise the balance sheet as of December 31, 2024, the income statement for the financial year ended on that date, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:
- The financial statements comply with applicable legal requirements, and
- The financial statements give a true and fair view of the company's financial position as of December 31, 2024, and its results for the financial year ended on that date, in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

**Basis for the conclusion**
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are described below in the section "Auditor's responsibilities for the audit of the financial statements." We are independent of the company in accordance with the requirements of relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

**Management's responsibility for the financial statements**
The board of directors and the CEO (management) are responsible for preparing the financial statements and for ensuring that they provide a true and fair view in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. Management is also responsible for such internal control as it determines 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 must assess the company's ability to continue as a going concern and disclose, as applicable, matters related to going concern. The going concern assumption is applied in the financial statements unless management either intends to liquidate the company or cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**
Our objective is 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 will always detect a material misstatement.
Misstatements can arise from fraud or error and are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of the auditor's responsibilities, please see:
*https://revisorforeningen.no/revisjonsberetninger*

Drammen, June 3, 2025

**Borge Revisjon AS**
Auditor registration number: 994 503 235

Marius Borge
State Authorized Public Accountant