PCH Engineering A/S

Ved Klædebo 4, DK-2970 Hørsholm

Annual Report for 1 January - 31 December 2021

CVR No 20 89 13 86

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 20/4 2022

Allan Gabriel Zandberg
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of PCH Engineering A/S for the financial year 1 January - 31 December 2021.

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 at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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

Hørsholm, 20 April 2022

Executive Board

Mauricio Fernando Quintana
CEO

Board of Directors

Søren Bæk Just Chairman	Kim Wichmann-Hansen	Mauricio Fernando Quintana

Independent Auditor's Report

To the Shareholder of PCH Engineering 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of PCH Engineering A/S for the financial year 1 January - 31 December 2021, 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.

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, 20 April 2022
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

Company Information

The Company	PCH Engineering A/S Ved Klædebo 4 DK-2970 Hørsholm CVR No: 20 89 13 86 Financial period: 1 January - 31 December Municipality of reg. office: Hørsholm
Board of Directors	Søren Bæk Just, Chairman Kim Wichmann-Hansen Mauricio Fernando Quintana
Executive Board	Mauricio Fernando Quintana
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Income Statement 1 January - 31 December

	Note	2021	2020
		kDKK	kDKK
Gross profit/loss		**51.182**	**62.303**
Staff expenses	2	-14.049	-15.073
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2.977	-6.691
Profit/loss before financial income and expenses		**34.156**	**40.539**
Financial income	3	961	876
Financial expenses	4	-373	-887
Profit/loss before tax		**34.744**	**40.528**
Tax on profit/loss for the year	5	-7.644	-8.919
Net profit/loss for the year		**27.100**	**31.609**

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	10.000	0
Retained earnings	17.100	31.609
	27.100	**31.609**

Balance Sheet 31 December

Assets

	Note	2021	2020
		kDKK	kDKK
Completed development projects		10.914	4.882
Development projects in progress		0	1.653
Intangible assets	6	**10.914**	**6.535**
Other fixtures and fittings, tools and equipment		311	386
Leasehold improvements		248	294
Property, plant and equipment	7	**559**	**680**
Deposits		600	602
Fixed asset investments		**600**	**602**
Fixed assets		**12.073**	**7.817**
Raw materials and consumables		12.643	14.178
Inventories		**12.643**	**14.178**
Trade receivables		17.693	27.609
Receivables from group enterprises		34.924	41.199
Other receivables		532	368
Prepayments		77	223
Receivables		**53.226**	**69.399**
Cash at bank and in hand		**19.002**	**1**
Currents assets		**84.871**	**83.578**
Assets		**96.944**	**91.395**

Balance Sheet 31 December

Liabilities and equity

	Note	2021	2020
		kDKK	kDKK
Share capital	8	1.064	1.064
Reserve for development costs		8.513	5.098
Retained earnings		60.783	47.098
Proposed dividend for the year		10.000	0
Equity		**80.360**	**53.260**
Provision for deferred tax		1.429	1.429
Provisions		**1.429**	**1.429**
Other payables		0	1.377
Long-term debt	9	**0**	**1.377**
Credit institutions		0	18.383
Trade payables		5.247	5.139
Corporation tax		7.644	9.025
Other payables	9	2.264	2.782
Short-term debt		**15.155**	**35.329**
Debt		**15.155**	**36.706**
Liabilities and equity		**96.944**	**91.395**

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Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend for the year	Total
	kDKK	kDKK	kDKK	kDKK	kDKK
Equity at 1 January	1.064	5.098	47.098	0	53.260
Development costs for the year	0	5.556	-5.556	0	0
Depreciation, amortisation and impairment for the year	0	-2.141	2.141	0	0
Net profit/loss for the year	0	0	17.100	10.000	27.100
Equity at 31 December	**1.064**	**8.513**	**60.783**	**10.000**	**80.360**

Notes to the Financial Statements

1 Key activities

The Company's key activity is development, production and sale of monitoring solutions.

2 Staff expenses

	2021 kDKK	2020 kDKK
Wages and salaries	12.860	14.171
Pensions	634	481
Other social security expenses	197	146
Other staff expenses	358	275
	14.049	**15.073**
Average number of employees	**30**	**30**

3 Financial income

	2021 kDKK	2020 kDKK
Interest received from group enterprises	848	876
Other financial income	113	0
	961	**876**

4 Financial expenses

	2021 kDKK	2020 kDKK
Interest paid to group enterprises	0	516
Other financial expenses	133	336
Exchange adjustments, expenses	240	35
	373	**887**

5 Tax on profit/loss for the year

	2021 kDKK	2020 kDKK
Current tax for the year	7.644	9.025
Deferred tax for the year	0	-106
	7.644	**8.919**

Notes to the Financial Statements

6 Intangible assets

	Completed development projects	Development projects in progress
	kDKK	kDKK
Cost at 1 January	61.363	2.397
Additions for the year	0	7.123
Disposals for the year	-36.686	0
Transfers for the year	9.520	-9.520
Cost at 31 December	34.197	0
Impairment losses and amortisation at 1 January	56.480	744
Amortisation for the year	2.745	0
Reversal of amortisation of disposals for the year	-36.686	0
Transfers for the year	744	-744
Impairment losses and amortisation at 31 December	23.283	0
Carrying amount at 31 December	**10.914**	**0**

Development activities comprise internal salaries as well as purchased goods and consultancy services. The development projects serve as a basis for forward-looking product deliveries to the company's customers.

Notes to the Financial Statements

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	kDKK	kDKK
Cost at 1 January	2.216	573
Additions for the year	80	32
Disposals for the year	-75	0
Cost at 31 December	2.221	605
Impairment losses and depreciation at 1 January	1.830	280
Depreciation for the year	155	77
Impairment and depreciation of sold assets for the year	-75	0
Impairment losses and depreciation at 31 December	1.910	357
Carrying amount at 31 December	**311**	**248**

8 Share capital

The share capital consists of 1,064 shares of a nominal value of kDKK 1,000. No shares carry any special rights.

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

Notes to the Financial Statements

9 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2021	2020
	kDKK	kDKK
Other payables		
Between 1 and 5 years	0	1.377
Long-term part	0	1.377
Other short-term payables	2.264	2.782
	2.264	**4.159**

10 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:		
After 5 years	600	600
	600	**600**

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of A.P. MØLLER HOLDING A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Including to group enterprises

Contingent liabilities, including	600	600

Notes to the Financial Statements

11 Related parties

	Basis

Consolidated Financial Statements

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Name	Place of registered office
KK Wind Solutions Holding A/S, business registration no. 39 06 70 48	Ikast, Denmark

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of PCH Engineering A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in kDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

12 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

12 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with A.P. MØLLER HOLDING A/S. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Development projects, patents and licences

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

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

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

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Notes to the Financial Statements

12 Accounting Policies (continued)

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

Other fixtures and fittings, tools and equipment	5-7	years
Leasehold improvements	5	years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of paid deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

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

The cost of raw materials and consumables equals landed cost.

Receivables

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

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

12 Accounting Policies (continued)

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.