

Mammoet Denmark Brande A/S

Sjællandsvej 5
DK-7730 Brande

CVR no. 27 38 44 04

Annual report 2021

The annual report was presented and approved
at the Company's annual general meeting on
Friday 8th July 2022.

DocuSigned by:

Michael Hansen

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chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Mammoet Denmark Brande A/S for the financial year 1 January – 31 December 2021.

The annual report has been 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 assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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

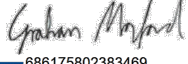
We recommend that the annual report be approved at the annual general meeting.


Brande 8 July 2022
Executive Board:

DocuSigned by:

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Michael Christian Hansen

Board of Directors:

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686175802383469...
Graham Farraday Mosford
Chairman

DocuSigned by:

ACE330D28B174CA...
Raffaele Hendrikus
Tripadelli

DocuSigned by:

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Michael Christian Hansen



Independent auditor's report

To the shareholder of Mammoet Denmark Brande A/S

Opinion

We have audited the financial statements of Mammoet Denmark Brande A/S for the financial year 1 January – 31 December 2021 comprising 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 Company's assets, liabilities and financial position 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.

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 responsibility 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 that 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.



Independent auditor's report

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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.



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Independent auditor's report

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 Statements Act. We did not identify any material misstatement of the Management's review.

Aalborg, 8 July 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A handwritten signature in black ink, appearing to be 'Steffen S. Hansen', written over a horizontal line.

Steffen S. Hansen
State Authorised
Public Accountant
mne32737

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Management's review

Company details

Mammoet Denmark Brande A/S
Sjællandsvej 5
DK-7730 Brande

Telephone: +45 97 18 13 46
Website: www.mammoetwind.com
E-mail: info@mammoetwind.com

CVR no.: 27 38 44 04
Established: 29 September 2003
Registered office: Ikast-Brande
Financial year: 1 January – 31 December

Board of Directors

Graham Farraday Mosford, Chairman
Raffaele Hendrikus Tripadelli
Michael Christian Hansen

Executive Board

Michael Christian Hansen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Østre Havnegade 22D
DK-9000 Aalborg
CVR no. 25 57 81 98

Annual general meeting

The annual general meeting will be held on 8 July 2022.

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Management's review

Financial highlights

DKK'000	2021	2020	2019	2018	2017
Gross profit	74,016	79,853	83,247	53,665	56,858
Operating profit	3,922	16,118	21,370	12,450	13,278
Profit/loss from financial income and expenses	-2,409	-242	-3,049	-2,138	-2,491
Profit for the year	469	12,570	13,714	7,835	8,410
Total assets	146,167	144,847	143,121	120,472	86,137
Equity	35,147	34,678	22,109	8,395	560
Investment in fixtures and fittings, tools and equipment	-13,104	-23,359	-18,682	-24,462	-3,290
Solvency ratio	24.0%	23.9%	15.4%	7.0%	0.7%
Average number of full- time employees	74	69	69	50	52

The financial ratios have been calculated as follows:

Solvency ratio

$$\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$$

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Management's review

Operating review

Principal activities

The Company's principal activity is to operate as transport company for the wind turbine industry. The transport company is partly engaged in the transport of wind turbine components domestically in Denmark and partly in wind turbine projects throughout Scandinavia.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK 469 thousand as against DKK 12,570 thousand in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 35,147 thousand as against DKK 34,678 thousand at 31 December 2020.

Outlook

In 2022, Management expects to see operations marginally increase compared to 2021 as projects to be executed during 2021 have extended into 2022. Competition in the market is putting pressure on the level of achievable margin.

Capital resources

Through intercompany funding, the Company has sufficient cash resources.

Safety and environmental matters

We work target-orientated and structured to continually improve environment and safety in our everyday work at the sites all over the world.

The Mammoet Management has zero tolerance for actions and decisions that may undermine safety to even the slightest extent, both when it comes to commercial issues as well as work undertaken by subcontractors.

It is an uncompromising stance that builds naturally on one of our core values.

With years of experience in the wind energy industry - we are acutely aware of the risks that are imminent whenever you are constructing a wind farm. We are dealing with large and heavy components, we take them to great heights, we often have challenging transport conditions - and there is always the weather that needs to be taken into consideration.

It demands a lot from everyone on site - cooperation, a keen sense of responsibility and a great deal of common sense.

However, it all begins with Management, and our conscious and systematic work with safety and safety education of our employees.

At Mammoet, we have set up a management system for which we are certified under ISO 9001 that describes the daily work in a number of procedures, instructions and policies that give the tools not only to improve but as a minimum also to ensure that all requirements in the ISO 14001 standard to which we are certified for environment as well as ISO 45001 for occupational health and safety are complied with at all times.

During 2021, Mammoet Denmark did not experience any major safety or environmental incidents. As the weight and dimensions of wind turbine components have grown, there has been a shift to move transports to quieter periods, typically in the evening or during the night. This change increases the complexity of operations for which Mammoet has the resource to manage.

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Management's review

Operating review

Operating risks

The Company's most significant operating risks are related to the ability to position itself as one of the best in the market for transportation of wind turbine components. To achieve this, the Company continues to invest in people and equipment. Through 2021, we increased our headcount by 10% and invested DKK 13.1 million in fixed assets.

Foreign exchange risks

The majority of income and expense incurred by the company is in either DKK or EUR, therefore the exchange rate risk is considered insignificant as fluctuations are minimal.

Interest rate risks

The majority of borrowing is between the company and its immediate parent.

Credit risks

The significant proportion of the Company's income is earned from a small number of customers. The Company's credit risk policy is to actively monitor the credit worthiness of customers and cooperative partners to minimize the risk of default.

Events after the balance sheet date

The conflict in Ukraine is not directly affecting the performance of Mammoet Denmark Brande A/S. However as a consequence, we are seeing a large increase in our fuel costs of approx. 60% compared to 2020/21. This issue is industry wide.

Mammoet Denmark Brande A/S is currently in the process of being merged with its Parent Company, Mammoet Denmark A/S, with Mammoet Denmark Brande A/S as the surviving company. This is following the winding down of the operational activity in Mammoet Denmark A/S in 2017/18.

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Income statement

DKK'000	Note	2021	2020
Gross profit		74,016	79,853
Staff costs	2	-60,379	-53,920
Depreciation, amortisation and impairment losses		-9,715	-9,815
Profit before financial income and expenses		3,922	16,118
Other financial income		1,726	1,432
Other financial expenses	3	-4,135	-1,674
Profit before tax		1,513	15,876
Tax on profit for the year	4	-1,044	-3,306
Profit for the year	5	469	12,570

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Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Property, plant and equipment	6		
Fixtures and fittings, tools and equipment		71,403	72,642
Property, plant and equipment under construction		0	892
		<u>71,403</u>	<u>73,534</u>
Investments			
Deposits		1,450	1,441
		<u>1,450</u>	<u>1,441</u>
Total fixed assets		<u>72,853</u>	<u>74,975</u>
Current assets			
Receivables			
Trade receivables		23,683	47,377
Receivables from group entities		8,783	5,378
Contract work in progress	7	33,357	9,493
Other receivables		7,412	7,387
Prepayments		78	235
		<u>73,313</u>	<u>69,870</u>
Cash at bank and in hand		1	2
		<u>1</u>	<u>2</u>
Total current assets		<u>73,314</u>	<u>69,872</u>
TOTAL ASSETS		<u>146,167</u>	<u>144,847</u>

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Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital	8	500	500
Retained earnings		<u>34,647</u>	<u>34,178</u>
Total equity		<u>35,147</u>	<u>34,678</u>
Provisions			
Provisions for deferred tax	9	<u>5,592</u>	<u>4,548</u>
Total provisions		<u>5,592</u>	<u>4,548</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Other credit institutions, current liabilities		18,392	18,921
Prepayments received from customers	7	0	1,807
Trade payables		10,821	14,519
Payables to group entities		70,665	54,597
Corporation tax		0	2,769
Other payables		<u>5,550</u>	<u>13,008</u>
		<u>105,428</u>	<u>105,621</u>
Total liabilities other than provisions		<u>105,428</u>	<u>105,621</u>
TOTAL EQUITY AND LIABILITIES		<u><u>146,167</u></u>	<u><u>144,847</u></u>
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Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	500	34,178	34,678
Transferred over the profit appropriation	0	469	469
Equity at 31 December 2021	500	34,647	35,147

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1 Accounting policies

The annual report of Mammoet Denmark Brande A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of SHV Holdings B.V.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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 rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currencies are translated at the exchange rates at the transaction date.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement as the services are provided (percentage of completion method).

Income from the sale of goods and finished goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received.

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

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

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1 Accounting policies (continued)

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared. To the extent that dividends exceeds accumulated earnings after the acquisition date, dividends are recognised as a reduction in the cost of the equity investment.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Fixtures and fittings, tools and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-10 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

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1 Accounting policies (continued)

Gains and losses on the disposal of assets are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments

Other receivables and deposits are recognised at amortised cost.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of assets are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Contract work in progress

Contract work in progress are measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual work. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual work.

When the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual contract work is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise total work in progress where the selling price of the work performed exceeds billings. Net liabilities comprise total work in progress where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

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1 Accounting policies (continued)

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

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DKK'000	<u>2021</u>	<u>2020</u>
2 Staff costs		
Wages and salaries	51,080	44,993
Pensions	4,094	3,677
Other social security costs	590	1,245
Other staff costs	<u>4,615</u>	<u>4,005</u>
	<u>60,379</u>	<u>53,920</u>
Average number of full-time employees	<u>74</u>	<u>69</u>
<p>In accordance with section 98b(3) of the Danish Financial Statements Act, remuneration of the Executive Board and the Board of Directors has not been disclosed.</p>		
3 Other financial expenses		
Interest expense to group entities	0	510
Other financial costs	3,453	338
Exchange adjustments costs	<u>682</u>	<u>826</u>
	<u>4,135</u>	<u>1,674</u>
4 Tax on profit for the year		
Current tax for the year	0	4,889
Deferred tax for the year	1,044	-1,368
Adjustment of tax concerning previous years	<u>0</u>	<u>-215</u>
	<u>1,044</u>	<u>3,306</u>
5 Proposed profit appropriation		
Retained earnings	<u>469</u>	<u>12,570</u>

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6 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2021	211,579	892	212,471
Additions	13,104	0	13,104
Disposals	-30,489	0	-30,489
Transfers	892	-892	0
Cost at 31 December 2021	195,086	0	195,086
Depreciation and impairment losses at 1 January 2021	-139,936	0	-139,936
Depreciation for the year	-9,715	0	-9,715
Reversed depreciation and impairment losses on assets sold	25,968	0	25,968
Depreciation and impairment losses at 31 December 2021	-123,683	0	-123,683
Carrying amount at 31 December 2021	71,403	0	71,403
Assets held under finance leases	5,488	0	5,488

7 Contract work in progress

DKK'000	31/12 2021	31/12 2020
Selling price of work performed	213,096	30,716
Progress billings	-179,739	-23,030
	33,357	7,686
Construction contracts (assets)	33,357	9,493
Construction contracts (equity and liabilities)	0	-1,807
	33,357	7,686

8 Contributed capital

Contributed capital consists of 500 shares of a nominal face value of DKK 1,000. No shares carry any special rights.

No changes have been made to contributed capital during the past five years.

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9 Provisions for deferred tax

DKK'000	31/12 2021	31/12 2020
Deferred tax at 1 January	4,548	8,569
Deferred tax adjustment for the year in the income statement	1,044	-2,653
Deferred tax adjustment regarding previous years	0	-1,368
	<u>5,592</u>	<u>4,548</u>

10 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income, etc. Mammoet Denmark fuS is the administrative company for the joint taxation. Danish entities are also jointly and severally liable for Danish tax in the form of dividend tax and interest tax.

The Company is party to a legal case for which a ruling was received in February 2021. The ruling means that the Group is to pay DKK 6.4 million. The Company, has, in line with advice from its lawyers, appealed the ruling as it is deemed to be based on a wrong conclusion. The Company has recognised 50% of the ruling in 2021 annual report. The remaining ruling has not been recognised as a liability or asset due to uncertainty of the appeal.

DKK'000	31/12 2021	31/12 2020
Operating lease obligations		
Within 1 year	6,771	3,735
Between 1 and 5 years	19,168	11,881
	<u>25,939</u>	<u>15,616</u>
Rental obligations, non-cancellable	<u>17,729</u>	<u>20,604</u>

11 Related party disclosures

Mammoet Denmark Brande A/S A/S' related parties comprise the following:

Control

Mammoet Europe Holding 8.V., Karel Doormanweg 47,3115 JD Schiedam, the Netherlands

Mammoet Europe Holding B.V holds the majority of the contributed capital in the Company

Mammoet Denmark Brande A/S is part of the consolidated financial statements of Mammoet Europe Holding B.V, registered office, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Mammoet Europe Holding B.V can be obtained by contacting the Company or at the following website: www.shv.nl

Mammoet Europe Holding B.V is part of the consolidated financial statements of SHV Group, which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of SHV Group can be obtained by contacting the Company.

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Related party transactions

DKK'000	<u>2021</u>	<u>2020</u>
Sale of goods to a subsidiary	221,763	47,018
Purchase of goods from a subsidiary	-67,334	-7,663
Purchase of services from a subsidiary	-37,712	-25,095

Remuneration to the Parent Company's Executive Board and Board of Directors is not disclosed as outlined in note 2.

Payables to group entities are disclosed in the balance sheet, and interest expense is disclosed in note 3.