
CS WIND Offshore Holding A/S

Nørredybet 1, DK-9220 Aalborg Øst

Annual Report for 2023

CVR No. 31 07 48 35

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 19/7 2024

Christian Eichen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of CS WIND Offshore Holding A/S for the financial year 1 January - 31 December 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Aalborg Øst, 19 July 2024

Executive Board

Young Jin Oh
CEO

Henrik Olesen
Manager

Board of Directors

Seong Gon Gim
Chairman

Knud Bjarne Hansen

Henrik Olesen

Kyoo-Deuk Hwang

Independent Auditor's report

To the shareholder of CS WIND Offshore Holding 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of CS WIND Offshore Holding A/S for the financial year 1 January - 31 December 2023, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company is dependent on additional liquidity being made available either by further payments on current contracts to be claimed and obtained or further financial support from the ultimate shareholder. As stated in Note 1, contract negotiations stalled in June 2024 and according to budget CS WIND Offshore Group will as a consequence lack liquidity at the latest in August 2024. Due to the financial position of the Company material financial support must be provided to ensure the necessary liquidity to continue the operations in the remaining part of 2024 unless contract negotiations are completed, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's report

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.

Independent Auditor's report

Aarhus, 19 July 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Claus Lindholm Jacobsen

State Authorised Public Accountant

mne23328

Thyge Belter

State Authorised Public Accountant

mne30222

Company information

The Company	CS WIND Offshore Holding A/S Nørredybet 1 9220 Aalborg Øst CVR No: 31 07 48 35 Financial period: 1 January - 31 December Incorporated: 29 November 2007 Financial year: 17th financial year Municipality of reg. office: Aalborg
Board of Directors	Seong Gon Gim, chairman Knud Bjarne Hansen Henrik Olesen Kyoo-Deuk Hwang
Executive Board	Young Jin Oh Henrik Olesen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Management's review

Key activities

The company's main activity is investing in subsidiaries.

Development in the year

The income statement of the Company for 2023 shows a loss of TDKK 359,457, and at 31 December 2023 the balance sheet of the Company shows a negative equity of TDKK 156,713.

The result has not lived up to our expectations and is not satisfactory. The result for the year is negatively affected by the result in the subsidiary CS WIND Offshore A/S.

Capital resources

CS WIND Offshore Holding A/S is a part of CS WIND Offshore DK Holding A/S Group. For a description of the capital resources and liquidity for the coming year, refer to note 1 to the financial statements.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Gross loss		-11	-18
Income from investments in subsidiaries		-359,451	-290,717
Financial income	3	5	4
Profit/loss before tax		-359,457	-290,731
Tax on profit/loss for the year		0	0
Net profit/loss for the year		-359,457	-290,731
 Distribution of profit			
		2023	2022
		TDKK	TDKK
Proposed distribution of profit			
Proposed dividend for the year		0	20,000
Reserve for net revaluation under the equity method		-152,044	-310,715
Retained earnings		-207,413	-16
		-359,457	-290,731

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Investments in subsidiaries	4	0	224,499
Fixed asset investments		0	224,499
Fixed assets		0	224,499
Receivables from group enterprises		160	172
Receivables		160	172
Cash at bank and in hand		3	1
Current assets		163	173
Assets		163	224,672

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital		5,000	5,000
Reserve for net revaluation under the equity method		0	153,959
Retained earnings		-161,713	45,700
Proposed dividend for the year		0	20,000
Equity		-156,713	224,659
Provisions relating to investments in group enterprises		156,867	0
Provisions		156,867	0
Other payables		9	13
Short-term debt		9	13
Debt		9	13
Liabilities and equity		163	224,672
Going concern	1		
Staff	2		
Contingent assets, liabilities and other financial obligations	5		
Related parties	6		
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Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	5,000	153,959	45,700	20,000	224,659
Exchange adjustments	0	-177	0	0	-177
Ordinary dividend paid	0	0	0	-20,000	-20,000
Other equity movements	0	-1,738	0	0	-1,738
Net profit/loss for the year	0	-152,044	-207,413	0	-359,457
Equity at 31 December	5,000	0	-161,713	0	-156,713

Notes to the Financial Statements

1. Going concern

The financial statements for CS WIND Offshore Holding A/S are prepared under the going concern assumption.

CS WIND Offshore Holding A/S is a part of the CS WIND Offshore DK Holding A/S Group, which was acquired by CS Wind Corporation, South Korea, in 2023. In that connection, a new agreement for external financing was completed in February 2024. The new financing agreement was established to ensure that sufficient cash was available to continue operations and carry out the plans for the coming years.

Due to the execution of significant contracts it became evident during the first half of 2024 that further payments on current contracts had to be claimed and obtained in order to cover increased costs. Contract amendments to the current contracts have been negotiated and drafted but negotiations stalled in June 2024 due to disagreement on the total compensation package. According to budgets CS WIND Offshore Group will as a consequence lack liquidity at the latest in August 2024 and will not be able to continue as Going Concern if further funds are not provided by the ultimate shareholder.

The ultimate parent company, CS Wind Corporation, who owns 100% of the share capital, has issued a declaration of financial support, which expires by approval of the Annual Report for 2024. Due to the financial position of the Company material financial support must be provided to ensure the necessary liquidity to continue the operations in the remaining part of 2024 unless contract negotiations, cf. above, is completed and provides the necessary liquidity in accordance with the budget for 2024.

Management of CS WIND Offshore Group expects that negotiations on existing contracts that stalled in June 2024 will be reopened later in July or August 2024 and that the outcome of this will provide the necessary liquidity to ensure the basis for going concern.

On this basis a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

	<u>2023</u>	<u>2022</u>
2. Staff		
Average number of employees	<u>0</u>	<u>0</u>

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
3. Financial income		
Interest received from group enterprises	<u>5</u>	<u>4</u>
	<u>5</u>	<u>4</u>

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
4. Investments in subsidiaries		
Cost at 1 January	70,540	70,540
Cost at 31 December	70,540	70,540
Value adjustments at 1 January	153,959	465,546
Exchange adjustment	-177	-158
Net profit/loss for the year	-359,451	-290,717
Dividend to the Parent Company	-20,000	-20,000
Other equity movements, net	-1,738	-712
Value adjustments at 31 December	-227,407	153,959
Equity investments with negative net asset value transferred to provisions	156,867	0
Carrying amount at 31 December	0	224,499

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
CS WIND Offshore A/S	Aalborg	44.000.000	100%

5. Contingent assets, liabilities and other financial obligations

Charges and security

Other contingent liabilities

The Danish 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 CS WIND Offshore DK Holding A/S, which is the management company of the joint taxation purposes. Moreover, the Danish 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.

Notes to the Financial Statements

6. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
CS WIND Offshore DK Holding A/S	Aalborg

Notes to the Financial Statements

7. Accounting policies

The Annual Report of CS WIND Offshore Holding A/S for 2023 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 2023 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of , the Company has not prepared consolidated financial statements.

Income statement

Other external expenses

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

Gross loss

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

Income from investments in subsidiaries

Financial income and expenses

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

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 Danish group entities. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Notes to the Financial Statements

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.

Equity

Dividend

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

Financial liabilities

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