FairWind A/S

Lysholt Allé 6, 7100 Vejle

CVR no. 31 42 92 93

Annual report 2021

Approved at the Company's annual general meeting on 27 June 2022

Chair of the meeting:

....
Martin Oehlenschlæger

Contents

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 FairWind 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 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.

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

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

Vejle, 27 June 2022
Executive Board:

John Jørgen Funch

Board of Directors:

Mike Winkel Chair	Alan Ramilton	Nils Henrik Tholander
Per Olof Martin Frankling	Wolfgang Müller	Helene Anna Rasmusson Egebøl

Independent auditor's report

To the shareholders of FairWind A/S

Opinion

We have audited the financial statements of FairWind A/S for the financial year 01.01.2021 - 31.12.2021, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor’s report. We are independent of the Entity 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 Entity’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 skepticism 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- 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 Entity'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 Entity to cease to continue as a going concern.
- 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.

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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Aarhus, 27 June 2022
Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Jacob Tækker Nørgaard State Authorised Public Accountant mne40049	Thomas Aamand Lund State Authorised Public Accountant mne47764

Management's review

Company details

Name	FairWind A/S
Address, Postal code, City	Lysholt Allé 6, 7100 Vejle
CVR no.	31 42 92 93
Established	16 May 2008
Registered office	Vejle
Financial year	1 January - 31 December
Website	www.fairwind.com
Telephone	+45 75 11 76 20
Board of Directors	Mike Winkel, Chair Alan Ramilton Nils Henrik Tholander Per Olof Martin Frankling Wolfgang Müller Helene Anna Rasmusson Egebøl
Executive Board	John Jørgen Funch
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab City Tower, Værkmestergade 2, 8000 Aarhus C
Bankers	Jyske Bank A/S Enghavevej 32, 7100 Vejle

Management's review

Financial highlights

DKK'000	2021	2020	2019	2018	2017
Key figures					
Revenue	522,031	499,167	468,281	290,702	337,245
Gross profit	144,397	167,808	99,924	112,863	125,672
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	24,024	14,826	-33,922	15,273	14,805
Operating profit/loss	13,250	-549	-49,149	3,419	5,651
Net financials	-10,239	-20,975	-2,691	-7,340	-5,458
Profit before tax	44,432	7,894	2,266	13,372	15,722
Profit for the year	41,941	13,165	13,556	14,238	15,187
Total assets	431,023	354,423	460,029	326,548	266,929
Investments in property, plant and equipment	1,366	9,064	10,426	23,746	18,064
Equity	130,509	92,743	97,073	80,337	67,955
Financial ratios					
Return on assets	3.4%	-0.1%	-12.5%	1.2%	2.3%
Equity ratio	30.3%	26.2%	21.1%	24.6%	25.5%
Return on equity	37.6%	13.9%	15.3%	19.2%	24.6%
Average number of full-time employees	238	344	92	47	85

For terms and definitions, please see the accounting policies.

Management's review

Business review

FairWind A/S's principal activities are technical installation of wind turbines and other related services.

Financial review

The profit for the year amounts to DKK 41,941 thousand (2020: DKK 13,165 thousand) and total equity amounts to DKK 130,509 thousand (2020: DKK 92,743 thousand), which is close in line with the expectations set forth in the annual report 2020.

Fairwind A/S was acquired by Force Bidco A/S per 28th of September 2021.

FairWind Group's Management considers the development in turnover and profit levels for the year satisfying given the circumstances in the market outside of the company's control.

Like most industries, also the Wind industry in general and FairWind Group was impacted by the global Covid-19 pandemic and the following disruptions to the supply chain of our customers impacting the execution of projects.

Financial risks and use of financial instruments

General risks

FairWind A/S is not exposed to specific risks which are not common for the type of business activities performed by the group except for currency risks mentioned below.

Interest risks

Fairwind A/S financing is based on bank borrowings (revolver) both with a floating rate. The revolver is with a margin on top of the CIBOR for DKK (3 months) reference rate and are as such subject to change.

Liquidity risks

Fairwind A/S revolver is currently valid until 31. March 2026 and is considered sufficient for the activites in the Group.

Currency risks

FairWind A/S has activities in a variety of countries around the world. Some countries have volatile currencies, which expose the group to currency risks due to increase or decrease in local currencies compared to DKK.

Research and development activities

Fairwind A/S has no significant research and development activities.

Statutory CSR report

The FairWind group's CSR policy and responsibility are valid for all employees in entities in the group as well as subcontractors and suppliers.

FairWind has displayed social responsibility since our beginning

In the FairWind group, we are conscious of our social responsibility and wish to operate a business that shows consideration for individuals, the community, and the environment we are a part of. Being accountable towards our CSR policy, FairWind and our employees will account for our ambitions, how to achieve them and the results hereof. Year on year, FairWind will attempt to expand focus areas to constantly force ourselves to develop and improve the CSR outcome and results.

We seek a dialogue

Dialogue is a basic tool for management to run operations smoothly and to achieve results in cooperation with partners and stakeholders. FairWind has years of experience in taking responsibility and working towards all parties by engaging in a constructive dialogue throughout all phases of any project. Dialogue means that we achieve our goals to the satisfaction of our direct customers, our suppliers and other business partners.

Management's review

We encourage cooperation between all parties in our operations and close circle of the value chain to find coherent solutions – not just for the benefit of FairWind but for the whole supply chain. This requires close collaboration and detailed insight into our projects. FairWind is a natural centre point for cooperation because we are always closely connected to our partners.

How FairWind Group focuses on the UN sustainability goals

As per the FairWind Vision & Mission statement, we exist to contribute towards maturing the market of installation and service of renewable energy devices and finding innovative ways of reducing the installation cost of clean energy.

Since energy production is by far the largest source to emission of carbon dioxide globally, and the emission is one of the main reasons to global warming, FairWind is indirectly contributing to solving the required 'Climate Action'. By being involved in technical installation of more than 10 GW from 2019- 2021, estimated to be covering close to 20 million households, we are contributing to a habitable planet for our children and future generations.

Also, FairWind is utilizing cross-border work, meaning that we often employ people from low-cost countries, which both keeps the project costs down, ensuring a good business case for renewable energy, but also economic growth in those less-wealthy countries. This as the technicians' salaries flow into these countries, the technicians are trained by FairWind, and unemployment in those countries is affected positively, hence we are also contributing towards local economic growth through decent work. Conclusively, FairWind focuses on delivering to 3 of the 17 global sustainable development goals; Affordable and Clean Energy (7), Climate Action (13), Local economic growth through decent work (8).

Through our main operation of installing wind turbines, this year (2021) we can proudly share that we have been involved in the installation of close to 3.5 GW and ~425,000 Service Hours and hence is one of the key players in green transformation of earth. Also, FairWind has technicians and person working in the interest of FairWind from ~20 different nations. Our ambitions for the coming years are to continuously grow GW installation as well as maintain or steadily grow our global footprint with focus on reducing our CO_2 emission towards 2025. During this development it is key for FairWind as a global player to be compliant with the UN 10 principles for Global compact.

UN GLOBAL COMPACT - the FairWind group's commitment to the 10 principles

The relationship to our suppliers and subcontractors is a natural extension of the Global Compact principles.

FairWind's contracts with suppliers and subcontractors are governed by various guidelines from the company, that help to ensure high quality and adherence to required standards going backwards in the supply chain. FairWind commits its subcontractors to contractually live up to applicable national collective agreements. If this is not complied with, it is considered a significant breach of contract.

FairWind supports and respects the protection of internally proclaimed human rights within the boundaries of what is influenced by the company.

- FairWind ensures that the company does not contribute to the violation of human rights
- FairWind maintains the freedom of assembly and acknowledges the right of collective bargaining
- FairWind supports the elimination of all forms of forced labour
- FairWind supports the elimination of child labour
- FairWind supports the elimination of discrimination related to work and employment conditions
- FairWind supports a precautionary approach to environmental challenges
- FairWind takes initiatives to promote greater environmental responsibility
- FairWind encourages development and dispersion of environmental technologies
- FairWind opposes all forms of corruption, extortion and bribery

Management's review

Code of conduct – legislation

FairWind's Code of Conduct is a set of principles for ethical behaviour. It defines what we in FairWind believe is a responsible ethical, social and environmental practice. As a global company, FairWind has personnel from more than 20 different nationalities with different religious beliefs, cultures and political views. FairWind personnel are subject to various local laws and regulations. Although the Code of Conduct is applicable and enforceable in any country where FairWind performs its activities, personnel are also subject to the national laws and regulations in their respective countries of activity and to any laws in their own countries. FairWind will comply with the laws of every jurisdiction in which it operates. Where a local law sets higher standards than those set out in our Code of Conduct, the local law takes precedence. The Code of Conduct proposes a set of minimum standards. FairWind business units may set stricter standards, when these do not conflict with the Code of Conduct. The full version of FairWind's Code of Conduct is available online at http://fairwind.com.

Target & results

The risk regarding human rights primarily relates to breach on human rights in the supply chain, in relation to suppliers operations in foreign countries.

The risk regarding anticorruption for FairWind primarily relates to corruption and bribery in the value chain, in relation to suppliers operations in foreign countries.

With zero breaches of the Code of Conduct FairWind in 2021 has delivered to our target.

Achieving the target & future ambitions

FairWind has over the course of the last years strengthened our efforts on specific elements such as the Anti-Bribery Policy and Anti-harassment Policy as well as a Business Guideline & Rules training. Also, in the recent years all new office employees, technicians, subcontractors and suppliers have received the Code of Conduct as part of the onboarding process and FairWind has started tracking and documenting this process. During 2021, FairWind launched a public and anonymous whistle blower section on our company web page extending the previous whistle blower process through ethics@fairwind.com.

The target for 2022 will remain 0 breaches of the Code of Conduct.

Safety culture

Target & results

In FairWind safety is non-negotiable as every employee has the right to feel safe. While our Safety culture is driven by the FairWind HSE department, we are also in close dialogue with customers to understand and be compliant with their demands. However, FairWind always strives to exceed these as safety must be embedded in daily activities. For 2021 key measures were defined:

- For 2021 FairWind had a target of 0 fatal accident
- For 2021 FairWind had a target for Lost time injury frequency at max 3.5 measured per 1,000,000 hours
- For 2021 FairWind had a target for Total injury frequency at max 6.0 measured per 1,000,000 hours

In 2021, unfortunately our North America Business Unit experienced a FairWind technician fatality on a Time & Material site run by a FairWind customer. Incident reporting and action plan is still in progress.

During 2021, FairWind counted 8 work related incidents which resulted in a Lost Time Injury frequency of 3.1 and within the target of 3.5. Comparing to 2020 where FairWind had 9 Lost time case, we are one injury less but also with less hours recorded and thus performance remains at last year's level, but a level which is better than industry benchmarks. For total recordable incidents rate FairWind counted 33, which result in being above 10 per million hour and with a slight worse performance when comparing to last year.

As a summary of the last years combined HSE efforts, it is however worth highlighting the trend over the course of the last 5 years has massively improved, with incident measures being 1/3 per working hours measure against 2016 baseline.

Management's review

Achieving the target & future ambitions

Our most significant risk for social and employee related matters relate to work-related accidents.

Our Quality, HSE and HR departments have continued to measure the number of work-related incidents and reports these at all management meetings as part of the FairWind company dashboard. This to ensure that the management pay attention to the targets, actuals, and ambitions.

As FairWind year-on-year has the ambitions of improving, a HSE action plan has been developed and launched. Key part of the continuous improvement is implementing digital IT reporting tool to increase the transparency over the safety concerns. Every FairWind Technicians will have an access with possibility to report, and react in the right time before an issue escalate to become an incident. The process is a part of behavioural change program.

On top, as proactive measurements FairWind also launched several Safety Campaigns during 2021 such as:

- Slip, trip and fall
- Home office tips
- World Day for Health and Safety
- Working in high temperatures
- Safety Stand Down Hand Injuries
- Drive Safely at Work
- Falling Objects Campaign
- Internal safety alerts
- FairWind fit body and strong mind

In the onboarding procedure it is stated that all new employments receive all internal policies and safety procedures, and the company's department monitors that all policies and regulations are up to date and being followed. Also, supported by the HSE organization, FairWind carries out mandatory workplace evaluations and is continuously working to improve any matters that does not live up to the requirements.

In 2021 our HSE department also intensified the measuring of leading indicators to be proactive on improving and this has provided us with data to set new and more ambitious targets for 2022. The health & safety targets are:

- Fatal accidents at 0
- Lost Time Injury Frequency below 3.2 measured per 1,000,000 hours (as per client comparison)
- Total recordable Injury Frequency below 6 measured per 1,000,000 hours
- Minimum 1 health & safety campaign per quarter
- Minimum 3 safety walks per Manager in average
- Internal HSE awareness training for site management (min. 30%)

Environment and climate

Target & results

The environment and climate are high priorities in the FairWind Group. The overarching aim in these matters is that FairWind is perceived by our customers, employees, suppliers and authorities as a conscious company.

FairWind is certified according to ISO 14001 and the climate priority is also an embedded part of the FairWind vision to: "FairWind to become a leading turbine installation and service player in both onshore and offshore with strategic regional strongholds based on our commitment to green transformation on earth".

We have not been issued any enforcement notices from environmental authorities in 2021 and our own self-regulation has not revealed any violations of environmental law either.

Management's review

Our target for 2021 was to continue our low environmental impact measured through the KPI "environmental frequency rate," (occurrences per 100.000 project site hours) where the target was set at 0.75. The result for 2021 is considered satisfactory as FairWind has managed to continue the trend of reducing the "environmental frequency rate" now to 0.3 per 100,000 project site hours (2019 = 0.8, 2020 = 0.4).

All 8 environmental events recorded in 2021 were related to minor chemical spillage: diesel or hydraulic oils – strictly connected to our activities, and mainly from cars/ generators at project sites. All events are considered minor and none of the events will have larger environmental implication.

In 2021 FairWind also had the target of running an internal environmental campaign. The target for this was achieved, as FairWind ran the campaign Eco challenge day(s) in Q4 2021 and this with a follow up early 2022.

Achieving the target & future ambitions

Fairwind as its core business in itself contributes to several UN Sustainability goals including Clean Energy and Climate action. Our work itself includes very limited risk in relation to environment and climate, but still FairWind secures the company's environmental arrangements through detailed internal control systems such as:

- Checking waste & chemical management on site
- Determining environmental aspects and impacts
- Including clear rules and environmental policies in an EHS Plan issued for each project
- Including control measures related to environmental aspects in risk assessments issued for each project
- Carrying out audits on site (where waste and chemical management are the crucial points for checking)
- Monitoring environmental indicators (EFR) from site
- Carrying out internal audits (especially in warehouse where environmental aspects are visible and can influence on employees directly)
- Developing environmental campaigns among employees
- Promoting pro-environmental behaviors

Also, in relation to the external environment, FairWind has always adjusted working processes locally to comply with any relevant environmental legislation. The 2022 goals for the environmental area are:

- Environmental penalties from authorities = 0
- Environmental Frequency Rate <= 0.7
- Minimum 1 environmental campaign per year
- CO_2 emission from flight per hour = 0.48 kg/project hour

Finally, FairWind also has targets for 2022 through a shared commitment with one of the OEMs in the industry on reducing our global environmental footprint in the Supply Chain. This includes:

- FairWind commits to 100% electricity consumption from renewable energy sources latest by 2030
- FairWind commits to a 50% reduction in waste from products delivered to the OEM latest by 2030

Account of the gender composition of Management, cf. §99b

The target & result

FairWind sees it as a corporate social responsibility to contribute to solving the task of gender equality. We believe that diversity among our employees, including even gender distribution, contributes positively to the work environment, the company's performance and our competitiveness.

FairWind has a target of having 15 % of board members in FairWind being women before 2024. By the end of 2021, however, the board has not yet found a suitable woman willing to join the board.

Management's review

Also, FairWind has a target of a year-on-year increased percentage of managers and middle managers being female. As per 31/12-2021 status is that FairWind has increased this number to 24 female managers or middle managers equivalent to 25% of the total group, which is slightly less when comparing to 2020 (27%) of the total group.

Achieving the target & future ambitions

In FairWind the Board of Directors end of 2021 consists of a Chairman and three members, of which none are currently female. In 2022 one woman joined the board and thereby reaching the target in 2022.

Despite operating in a male dominated industry, on the level for manager and middle manager FairWind has been fairly successful in attracting women. This success is driven by a continuous focus on attracting women to these positions. In recent years, FairWind has focused on a recruitment process where all candidates are treated equally and since this initiative started, the number of female leaders has grown year on year.

Quality culture

The target & result

FairWind quality strategy is focused on two main aspects; customer satisfaction as well as the skills and competences of our staff. For 2021 FairWind's quality measures were primarily related to snagging on delivered towers and the targets were:

- Less than 6 snags for Onshore turbines in total – with differentiated client targets between 5 and 10
- Less than 5 snags for Offshore preassembly

In 2021, FairWind delivered on the good side of ambitions for snagging with an Onshore average result of 4.9, which is also a strong improvement compared to the adjusted result of ~8 for 2020.

For Offshore the final total was 0.2 comfortable on the good side of the target, but also measured on a low volume.

After having formalized our customer satisfaction and loyalty survey back in 2018, FairWind has continued this practice into 2021. It was the ambition to improve scores to, and results exceeded previous years with a comfortable margin with satisfaction of 4.43 (2019 = 4.05, 2020 = 4.02) and for loyalty of 4.23 (2019 = 4.24, 2020 = 4.25).

Achieving the target & future ambitions

In 2021 FairWind further formalized our approach to quality management by:

- Pilot of QHSE digital app based tool including reporting module. Full implementation in 2022
- Action plans from customer satisfaction process
- Formalizing our risk assessment process, running minimum once a year, and in 2021 in total 21 assessment were conducted and 330 risks identified
- Initiated the development of customer complaint processes (NCR's)
- Improved process for: Lessons Learned process, snagging reporting process, Competence development & evaluation process, Project documentation process
- Took part in 3 customer audits; ISO9001, ISO14001, and ISO45001 re-certification audit; SCC certification (acc. To SHE Checklist Contractors (SCC) 2017/6.0) for FairWind Holland B.V.
- Conducting 16 internal audits

Also, snagging levels in 2021 have been reported and communicated on leadership as well as board meetings, ensuring the constant monitoring of performance. On top of this, NCR's have been an often-discussed topic at our weekly operational meetings and learning and action plans from the customer satisfaction survey have been an agenda point on several leadership meetings.

Continuing the improvement process, FairWind has set targets for new measures going into 2022. These are:

- Average number of snagging below 5, 6 and 10 respectively for the Onshore OEMs, but with total Onshore average of 6 and 5 for Offshore

Management's review

- Customer satisfaction scores at 4.1 or above
- Minimum 2 supplier audits (CTQs) carried out
- Develop minimum 12 Improvement Program Reports

Charity & Social events

FairWind also contributes to society through charity and in 2021 the key mentions are:

A recurring charity and social event for FairWind is a ‘day of fun’ with gifts to a local Orphan home (Poland, near Stettin), something FairWind has supported for more than a decade, which was also the case 2021.

In 2021, FairWind supported the charity event focusing on funding for cancer related research & development of a cure.

Closing statement

The FairWind Group’s CSR policy is long term and future oriented but also an important point of orientation in the daily operations for FairWind’s managers and employees, our subcontractors, and suppliers. FairWind is confident that our CSR policy and related activities will in 2021 also ensure progress and results. At FairWind we will continuously work on expanding our CSR policy as more relevant areas are included. It is our belief that a sound CSR policy changes as our surroundings, supply chain, and society change.

Data ethics

The FairWind Group does not have a policy on dataethics as the Group is not treating data in scope nor using algorithms, nor is this an integrated part of the business strategies or activities.

Events after the balance sheet date

Fairwind Group’s operations in Ukraine and Russia has been impacted by the Russian invasion of Ukraine on 24 February 2022. Projects in Ukraine are currently fully on hold and new project in Russia are cancelled or postponed indefinite. While this is an impact to future growth potential in the region Management sees this as an non-adjusting event not impacting the financials of the 2021 Annual report, and no material impact to expectations for 2022 and not impacting our outlook above.

Outlook

Management expects the company to continue the positive development and expects 2022 group revenue at the level of 1b DKK and EBITDA margin in the range of 5-8%. The guidance for 2022 including EBITDA margin is subject to significant uncertainty due to the ongoing COVID-19 effect, geopolitical situation, supply chain shortages and internal challenges at our customers.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2021	2020
2	Revenue	522,031	499,167
	Cost of sales	-322,182	-286,256
	Other operating income	9,783	0
	External expenses	-65,235	-45,103
	Gross profit	144,397	167,808
3	Staff costs	-120,373	-152,982
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-991	-15,375
	Profit/loss before net financials	23,033	-549
	Income from investments in group entities	31,638	29,418
4	Financial income	209	343
5	Financial expenses	-10,448	-21,318
	Profit before tax	44,432	7,894
6	Tax for the year	-2,491	5,271
	Profit for the year	41,941	13,165

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Fixed assets		
7	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	1,011	16,521
		1,011	16,521
8	Investments		
	Investments in group entities	150,001	125,864
	Deposits, investments	229	237
		150,230	126,101
	Total fixed assets	151,241	142,622
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	848	1,071
		848	1,071
	Receivables		
	Trade receivables	70,691	49,092
9	Work in progress for third parties	74,319	26,136
	Receivables from group entities	101,458	98,743
11	Deferred tax assets	12,708	12,957
	Income taxes receivable	0	345
	Other receivables	3,485	4,494
	Prepayments	9,942	12,185
		272,603	203,952
	Cash	6,331	6,778
	Total non-fixed assets	279,782	211,801
	TOTAL ASSETS	431,023	354,423

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	785	785
	Net revaluation reserve according to the equity method	113,023	89,564
	Retained earnings	16,701	2,394
	Total equity	130,509	92,743
	Liabilities other than provisions		
12	Non-current liabilities other than provisions		
	Bank debt	0	5,200
	Subordinate loan capital	0	9,832
	Payables to group entities	97,512	0
		97,512	15,032
	Current liabilities other than provisions		
	Current portion of non-current liabilities other than provisions	0	2,600
	Bank debt	23,666	120,466
	Trade payables	60,757	51,944
	Payables to group entities	95,793	56,983
	Income taxes payable	4,231	0
	Other payables	18,555	14,655
		203,002	246,648
	Total liabilities other than provisions	300,514	261,680
	TOTAL EQUITY AND LIABILITIES	431,023	354,423

1 Accounting policies
13 Contractual obligations and contingencies, etc.
14 Collateral
15 Related parties
16 Fee to the auditors appointed by the Company in general meeting
17 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 1 January 2021	785	89,564	2,394	92,743
17	Transfer, see "Appropriation of profit"	0	27,728	14,307	42,035
	Exchange adjustment	0	-4,269	0	-4,269
	Equity at 31 December 2021	785	113,023	16,701	130,509

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of FairWind A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

In accordance with section 112(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.

In 2021 the income statement is prepared using the income statement classified by nature. In previous years the income statement was prepared using the income statement classified by function.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Force Bidco A/S.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

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.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

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.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

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 include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

Goodwill is amortised over its estimated useful life determined on the bases of Management's experience of the specific business areas, longest for strategically acquired enterprises with strong market positions and long-term earnings profiles.

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

Goodwill (maximum useful life)	15 years

The period is 15 years due to strategically acquired group entities with strong markets positions and long-term earning profiles.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Fixtures and fittings, tools and equipment	2-10 years

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

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 Company and its Danish group entities are jointly taxed. 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

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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

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".

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in subsidiaries 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 subsidiaries 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 subsidiaries 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. Impairment losses on goodwill are not reversed.

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.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

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 is used as discount rate.

Other receivables consists of VAT etc.

Work in progress for third parties

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 an assessment of the stage of completion for each wind turbines 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.

Cash

Cash comprise cash.

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 subsidiaries 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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.

Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	2021	2020
2	Segment information		
	Breakdown of revenue by geographical segment:		
	Europe	139,383	94,220
	Scandinavia	342,974	392,220
	Rest of the world	39,674	12,727
		522,031	499,167
3	Staff costs		
	Wages/salaries	104,837	136,355
	Pensions	5,164	5,931
	Other social security costs	10,329	10,555
	Other staff costs	43	141
		120,373	152,982
	Average number of full-time employees	238	344

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the Executive Board and the Board of Directors in the group and in the parent company is not disclosed.

		2021	2020
4	Financial income		
	Interest receivable, group entities and exchange adjustments of receivables and payables, group entities	173	294
	Other financial income	36	49
		209	343
5	Financial expenses		
	Interest expenses, group entities and exchange adjustments of receivables and payables, group entities	4,719	17,120
	Other financial expenses	5,729	4,198
		10,448	21,318
6	Tax for the year		
	Estimated tax charge for the year	4,231	0
	Deferred tax adjustments in the year	-1,507	-5,068
	Tax adjustments, prior years	-233	-203
		2,491	-5,271

Financial statements 1 January - 31 December

Notes to the financial statements

7 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment
Cost at 1 January 2021	84,854
Additions in the year	1,366
Disposals in the year	-74,274
Cost at 31 December 2021	11,946
Impairment losses and depreciation at 1 January 2021	68,333
Amortisation/depreciation in the year	991
Amortisation/depreciation and impairment of disposals in the year	-58,389
Impairment losses and depreciation at 31 December 2021	10,935
Carrying amount at 31 December 2021	1,011
Depreciated over	2-10 years

8 Investments

DKK'000	Investments in group entities	Deposits, investments	Total
Cost at 1 January 2021	36,300	237	36,537
Additions in the year	678	0	678
Disposals in the year	0	-8	-8
Cost at 31 December 2021	36,978	229	37,207
Value adjustments at 1 January 2021	89,564	0	89,564
Exchange adjustment	-4,269	0	-4,269
Dividend distributed	-3,910	0	-3,910
Share of the profit/loss for the year	31,638	0	31,638
Value adjustments at 31 December 2021	113,023	0	113,023
Carrying amount at 31 December 2021	150,001	229	150,230

Financial statements 1 January - 31 December

Notes to the financial statements

8 Investments (continued)

Name	Domicile	Interest
Subsidiaries		
FairWind GmbH	Germany	100%
FairWind Ukraine ApS	Denmark	100%
FairWind Installation Ltd.	United Kingdom	100%
FairWind Offshore ApS	Denmark	100%
FairWind Installation Ltd.	South Africa	100%
FairWind Sp. Z.o.o	Poland	100%
Wind Service Sweden AB	Sweden	100%
Swedish Wind Service AB	Sweden	100%
FairWind Rüzgar Enerji Hizmetteri Anonim Sikerti	Turkey	100%
Geos Construction LLC	Ukraine	100%
FairWind Ukraine LLC	Ukraine	100%
FairWind Poland Sp. Z.o.o	Poland	100%
FairWind Inc.	United States	100%
FairWind Canada Inc.	Canada	100%
FairWind Finland Oy.	Finland	100%
FairWind Holland B.V.	Holland	100%
European Wind Academy Sp. Z.o.o	Poland	100%
FairWind RUS LLC	Russia	100%
White Strit LLC	Kazakhstan	100%
FairWind Installation SLU	Spain	100%
FairWind Argentina S.A.U.	Argentina	100%
FairWind AUS PTY Ltd.	Australia	100%
FairWind Logistics Sp. Z.o.o	Poland	100%
VestWind A/S	Denmark	100%

	DKK'000	2021	2020
9	Work in progress for third parties		
	Selling price of work performed	476,621	320,927
	Progress billings	-402,302	-294,791
		74,319	26,136
	recognised as follows:		
	Work in progress for third parties (assets)	74,319	26,136
		74,319	26,136

		2021	2020
10	Share capital		
	Analysis of the share capital:		
	7,850 shares of DKK 100.00 nominal value each	785	785
		785	785

The Company's share capital has remained DKK 785 thousand over the past 5 years.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000		2021	2020
11	Deferred tax		
	Deferred tax at 1 January	-12,957	-9,617
	Adjustment of deferred tax	-1,507	-5,068
	Joint taxation	4,517	4,122
	Changes in allocation of taxable income to foreign tax branches	-2,579	-2,394
	Other deferred tax	-182	0
	Deferred tax at 31 December	-12,708	-12,957

Deferred tax assets primarily relates to tax losses.

12 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 thousand falls due for payment after more than 5 years after the balance sheet date.

13 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company is party to pending legal actions. In Management's opinion, the outcome of these legal actions will not affect the Company's financial position negatively, except for what is already reflected in the receivables and payables recognised in the balance sheet at 31 December 2021.

Other contingent liabilities

Operating lease obligations:

The Company has entered into operating leasing agreements with a combined lease payment of DKK 5,518 thousand. The remaining term of the leases is 18 to 50 months.

Guarantees:

The Company has issued work guarantees of DKK 20,794 thousand for services delivered.

Contingent liabilities regarding group entities:

The Company is jointly taxed with Force Holdco A/S. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes and withholding taxes relating to the respective joint taxations.

The Company has provided the following guarantees for subsidiaries:

- Unlimited guarantee for FairWind Offshore A/S for bank loans from Jyske Bank
- Unlimited guarantee for FairWind Ukraine ApS for bank loans from Jyske Bank
- Work guarantees for subsidiaries work under frame agreements

14 Collateral

Trade receivables and work in progress for third parties with a carrying amount of DKK 145,010 thousand have been provided as collateral for bank loans and overdrafts amounting to DKK 23,666 thousand at 31 December 2021.

Financial statements 1 January - 31 December

Notes to the financial statements

15 Related parties

FairWind A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Force Bidco A/S	Vejle, Denmark	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Force Holdco A/S	Vejle, Denmark	www.cvr.dk
Force Bidco A/S	Vejle, Denmark	www.cvr.dk

Related party transactions

FairWind A/S was engaged in the below related party transactions:

DKK'000	2021	2020
Receivables from related parties	0	3,199
Subordinate loan capital	0	-9,832
Subordinate loan capital, interest	0	-394
Payables to parent company	-97,645	-1,075

16 Fee to the auditors appointed by the Company in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act, as audit fees are disclosed for the group as such in the consolidated financial statements for Force Holdco A/S.

DKK'000	2021	2020
17 Appropriation of profit		
Recommended appropriation of profit		
Net revaluation reserve according to the equity method	27,634	18,109
Retained earnings/accumulated loss	14,307	-4,944
	41,941	13,165