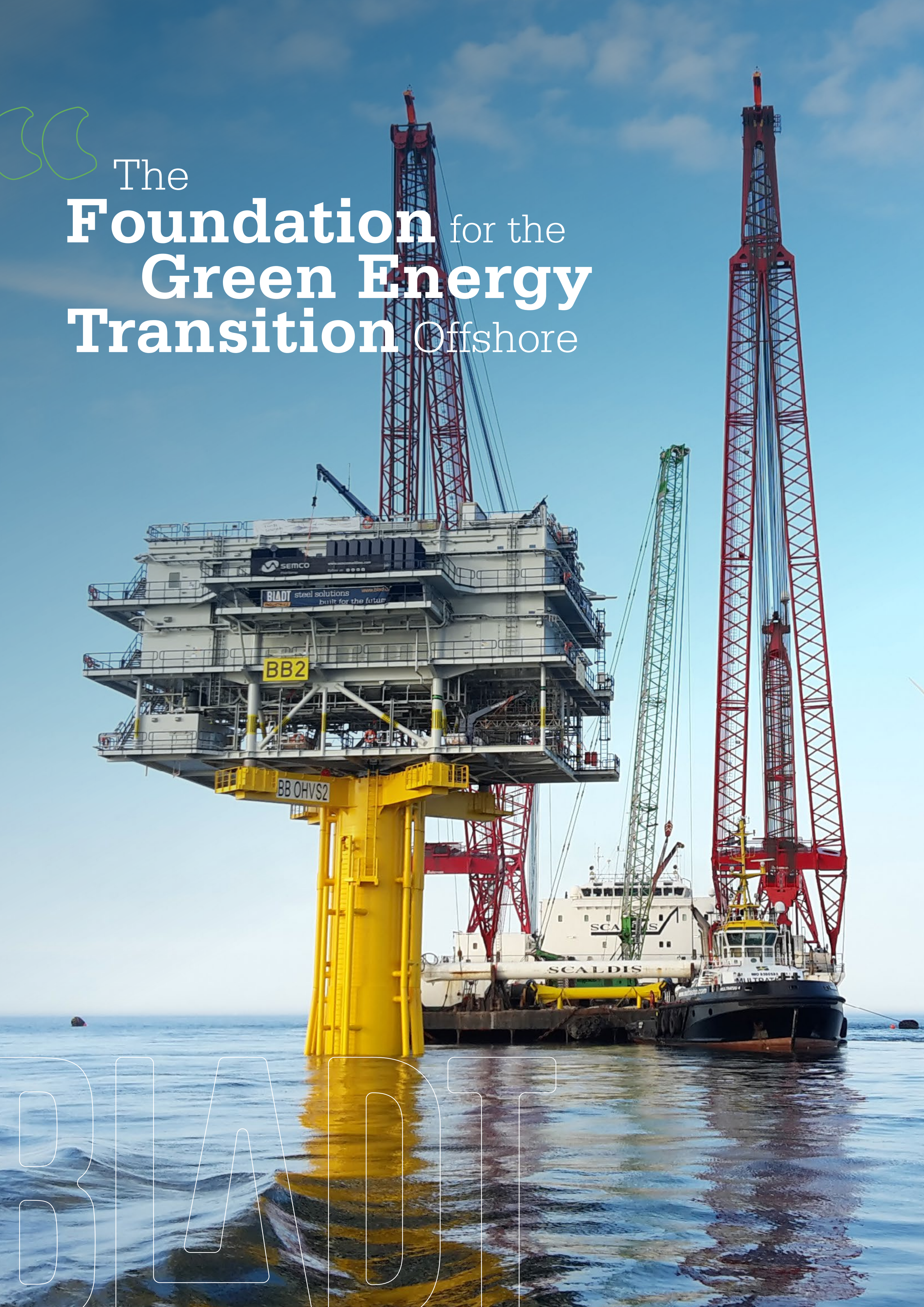
BLADT

Annual report
2021

Bladt Holding A/S
CVR: 34 07 34 30, Nørredybet 1, 9220 Aalborg Øst

The **Foundation** for the **Green Energy Transition** Offshore



Content

Management **Review**

Bladt - becoming a **pure-play renewable energy** company

Bladt Holding A/S is the parent company of Bladt Industries Holding A/S and thereby of Bladt Industries A/S and its subsidiaries. Jointly, these companies comprise the Bladt Group with Bladt Industries A/S as the Group's operating company.

In 2021, Bladt decided on a new strategic direction. With this change, the company will focus solely on the growing offshore wind market and thereby become a pureplay renewable energy company delivering the foundation for the green energy transition offshore. This is a natural progression of the company's development being a pioneer in the offshore wind segment and today being recognized as an important and integrated part of this value chain, Offshore wind is truly the new DNA of Bladt.

The company has over the past 18 month been through a successful turnaround positioning the company as a key player within the offshore wind industry. Key elements of the new management teams strategy plan were to divest or wind down the challenged infrastructure division and to immediately discontinue the Oil & Gas division, allowing Bladt to focus only on a growing global offshore wind sector.

As part of the new strategy, it was decided to refocus and upgrade the existing Lindø facilities to deliver so-called XXL monopiles, being the predominant foundation type used for the future supersized offshore wind turbines. With this upgrade to the facilities, expected to be operational by mid-2022, Bladt will double its size.

Since entering the offshore wind industry in 2002, Bladt has built a solid position as a well-known supplier with a proven track record with the delivery of monopiles, transition pieces, jackets and offshore transformer stations. The decision to focus solely on offshore wind and become a one-stop shop within this industry is therefore a logical next step for Bladt in support of the global fight against climate change.

With the experience gained through more than 50 years in the infrastructure and oil & gas businesses, large-scale, quay-side based production facilities in both Aalborg and Lindø paired with the recent decision to transform into a pureplay renewable energy company, Bladt stands ready to leverage the many opportunities that the offshore wind market represents and has already successfully delivered more than 20 substations and 2,900 foundations.

Three main factors define the future of offshore wind and guide the new Bladt strategy:

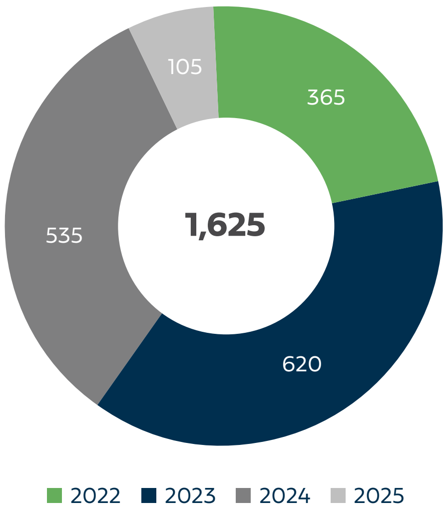
- There is a global political ambition to deploy approximately 150 gigawatts by 2030 (current installed capacity today is 22 gigawatts).
- The price of electricity from offshore wind has been reduced thanks to the development of the new super-sized wind turbine generators. This means that today, offshore wind offers energy at prices lower than or equal to coal, gas, nuclear and even onshore wind.
- The Bladt client base, i.e. the offshore wind developers, has committed to spend approximately EUR 30 billion per annum until 2030 (in total approximately EUR 200 billion). This client base consists of major energy companies and oil & majors transforming into renewable energy companies.

Furthermore, there is a proven undersupply situation in the market in particular for XXL monopiles. An area where Bladt is able to deliver.

Despite the new strategy being fairly recent, it has already, along with the creation of a new management team with a total of more than 150 years of offshore wind experience, paid off in terms of order backlog as Bladt can report:

- Record-high order backlog increased more than 5-fold in the past 12 months to an unprecedented level of approximately DKK 12 billion (revenue) and approximately DKK 1.6 billion (Contribution)
- Sold out capacity until mid-2025 at the production facility in Aalborg
- Sold out capacity until mid-2024 at the production facility at Lindø
- A number of recent orders from customers in the US

Contribution order backlog as of 31 December 2021 (DKK million)



Customers are the source of our success. We focus on developing strong relations with our customers as trusted partners by meeting and exceeding their requirements and expectations.

The employees of Bladt are key to ensuring the success of the group. Their experience, qualifications and dedication as well as their buy-in to the Bladt purpose of being a pureplay renewable energy company delivering the foundation for the green energy transition offshore, are of pivotal importance. It is in fact the very backbone of the continued development of Bladt and the range of products and services we offer.

Safety first will always be the first priority for Bladt Group. We believe that the health, safety and welfare of our employees and our partners must be an integral part of everything that we do, and we continuously strive to create a zero-accident culture.

Quality is paramount for Bladt Group and for our customers. It is part of the "Bladt DNA" to deliver high quality solutions to our clients.

Financial Highlights for the Group

DKKm	2021	2020	2019	2018[1]	2017[1]
Key figures					
Revenue from continuing operations	2,046.9	1,956.2	1,756.5	-	-
Revenue discontinued operations.	130.7	249.2	411.5	-	-
Revenue total	2,177.6	2,205.4	2,167.9	1,455.3	3,086.3
Contribution from continuing operations	171.8	287.2	159.6	-	-
Contribution discontinued operations	8.8	-73.8	65.5	-	-
Contribution total	180.6	213.4	225.1	273.8	206.5
Gross profit from continuing operations	13.9	130.5	-30.4	-	-
Gross profit from discontinued operations	-5.0	-100.1	33.1	-	-
Gross profit total	8.9	30.4	2.7	64.0	-0.5
EBITDA[2] from continued operations	5.9	136.0	-28.8	-	-
EBITDA[2] from discontinued operations	-9.7	-106.0	26.9	-	-
EBITDA[2] total	-3.8	30.1	-1.9	87.6	57.1
Earnings before interest and tax (EBIT)	-44.1	81.4	-75.4	14.6	-31.4
Profit/loss from financial income and expenses	-6.9	-14.1	-16.8	-21.2	2.1
Profit for the year	-47.1	-25.8	-53.9	-3.8	-17.5
Revenue from continued operations excl. NRI[3]	2,151.9	1,956.2	1,841.5	-	-
Contribution from continued operations excl. NRI[3]	276.8	287.2	244.6	-	-
Gross profit from continued operations excl. NRI[3]	152.3	152.7	115.4	-	-
EBITDA from continued operations excl. NRI[3]	144.3	158.2	117.0	-	-
EBIT from continued operations excl. NRI[3]	94.4	103.6	70.4	-	-
Non-current assets	526.8	386.2	417.0	378.4	437.6
Current assets	1,553.8	1,718.0	1,020.6	784.4	931.8
Total assets	2,080.6	2,104.2	1,437.6	1,162.8	1,369.4
Equity	510.0	482.0	359.6	406.0	410.1
Non-current liabilities	390.2	248.2	352.3	345.6	363.6
Current liabilities	1,180.4	1,374.0	725.8	411.1	595.7
Net cash (net of interest bearing debt)	265.0	288.5	-73.9	119.9	-81.7
Investment in property, plant, and equipment [4]	149.8	20.9	82.4	13.8	3.7
Cash flows from operating activities	85.4	255.4	-136.6	266.8	-72.9
Cash flows from investing activities	-83.1	-15.8	-45.8	-13.8	45.0
Cash flows from financing activities	-25.8	41.9	68.7	-51.6	-16.5
Free cash flows	-23.5	281.5	-113.7	201.4	-44.5
Financial ratios					
Operating margin (%)	-2.0	3.7	-4.3	1.0	-1.0
Solvency ratio (%)	24.5	22.9	25.0	34.9	29.9
Return on equity (%)	-8.9	19.4	-19.7	3.6	-7.5
ROIC (%)	-15.0	21.0	-17.3	3.0	-5.3
ROIC excl. non-recurring items [3] (%)	32.1	30.1	17.3	15.2	9.8
Average number of employees	403	491	436	370	566

The financial ratios have been prepared in accordance with the note 18 of the parent's company financial statements.

1) Numbers have not been restated according to discontinued operations.
2) Earnings before interest, tax, depreciation, and amortization
3) Reconciliation of non-recurring items NRI see note 33.
4) Investment in right-of-use assets included

Highlights of 2021

The financial result of Bladt's new core business area has been strong and robust. Accordingly, looking only at the future core business of Bladt, the offshore wind business, the performance has been above expectations following some significant process improvements related to management of contracts, internal risk, financial and project controlling, imposing rigorous focus on project performance.

2021 Continued operations excl. non-recurring items (DKK million)

Revenue	2,152
Contribution	277
EBITDA	144
EBIT	94

The strong performance of the core business of Bladt combined with the attractive market dynamics, the strong order backlog covering several projects, geographical regions, clients and products, as well as the investment in Lindø results in Bladt being a revitalized company.

The total financial result of 2021 has however naturally been affected by past times performance and refocusing of the company in accordance with the new Bladt strategy.

Continuing Operations

The continuing operations, being business relating to the offshore wind industry providing foundations and substations, show a contribution of DKK 172 million compared to a contribution of DKK 287 million in 2020. The contribution was negatively impacted by the settlement of an offshore wind legacy project dispute regarding a specific project delivered in 2014, while the financial performance of the ongoing wind projects exceeded expectations due to an increase in activity and strong project execution resulting in a contribution excl. non-recurring items of DKK 277 million in 2021.

Accordingly, the short fall in the 2021 financials stems predominantly from the above-mentioned project delivered in 2014 which has afterwards involved disagreement regarding the settlement of variation orders and claims between Bladt and the customer at this specific project. Accordingly, Bladt commenced arbitrational proceedings in previous years and in 2021 accepted to settle one of the two arbitration cases relating to the project.

It should be noted that the offshore wind business in general has overperformed our expectations in 2021. Revenue also increased to DKK 2,046 million from DKK 1,956 million in 2020.

Profit for the year before tax amounts to DKK -51 million (2020: DKK +67 million). However, adjusted for the settlement of the offshore wind legacy project and other non-recurring items, profit for the year amounts to DKK 87 million exceeding the expectations for the year 2021.

The cash flow for the year is showing a net DKK -24 million (2020: DKK 281 million). The 2020 net cash flow was positively affected by DKK 150 million in capital increase. Taking this into consideration, the main change from 2020 to 2021 is due to initiated investments at Lindø as well as working capital changes.

At the end of 2021, total assets amounted to DKK 2,081 million (2020: DKK 2,104 million), which is at the same level as in 2020.

Total equity has increased to DKK 510 million (2020: DKK 482 million). The increase of equity is positively affected by the capital injection of DKK 75 million by the end of December 2021 (paid on 5th January 2022).

Infrastructure Division - Discontinued Operations

When founded in 1965, the Infrastructure division was the original business and cornerstone of the Bladt Group. In 2020, management decided to divest the infrastructure division as part of its decision to transform the company into a pureplay renewable energy company. The divestment took place during 2021, meaning that the division is presented as "discontinued operations" in the financial statements and in note 11.

The discontinued operations is showing a negative profit before tax of DKK 10 million (2020: DKK -106 million). The result relates the divestment of the infrastructure activities.

No events of significant importance to the financial statements and annual report for 2021 have occurred after the end of the financial year. Concerning events after the balance sheet date, we refer to note 31.

Market **Outlook**

The offshore wind market continues to grow globally

In accordance with the new Bladt strategy, the Group continued to play an important role in servicing markets outside Europe. In 2021, several substations, XXL monopiles and transition pieces were contracted for the EU and US markets. The long-term working relationship with Semco Maritime has been deepened and strengthened even further to utilise our position in the market.

In Taiwan, the joint venture, Century Bladt Foundation Co., Ltd., together with a Taiwanese partner, has progressed and has started the execution of orders and established production facilities for our first jacket contract, the Changfang and Xidao project. The joint venture will allow Bladt Group to take part in the Taiwanese offshore wind market and to create the base for a close collaboration with an Asian supply chain within components to the offshore wind industry.

Furthermore, Bladt Group has established an Asian supply chain to supply components to Century Bladt Foundation Co., Ltd.

In the US, Bladt Group has followed the market development with interest. The current US administration has significantly raised the ambitions for offshore wind. In late 2020, Bladt Group signed an alliance agreement with American Burns & McDonnell to pursue local content possibilities in the US offshore wind market.

At Bladt, we are always open to pursue the opportunities when a new global offshore wind market arises. We believe that the globalisation of the offshore wind market provides attractive commercial opportunities for Bladt Group, and we are entering 2022 with the strongest order backlog ever.

Market Developments

The markets of Bladt are the global markets for offshore wind. As expected, the European offshore wind markets for foundations and substations under fabrication – which are driven by gigawatts to be installed in the coming years – were increased in 2021 compared to 2020. 2022 is expected to be a year of further increased activities. Looking forward, the offshore wind market, both in terms of gigawatts and in terms of tonnage of foundations, is expected to show double-digit annual growth rates in the years to follow.

Offshore Wind – from Northern Europe to Global Growth

Offshore wind is expected to enter a phase of significant growth. We see a further transition from a European market to a global market. Analysts expect the demand for offshore wind to double every 4-5 years, and approx. 60-70% of the global growth is expected to take place in Europe. Overall, both the established European markets as well as emerging overseas markets are expected to contribute to the significant growth of offshore wind in terms of gigawatt installed.

The expected +20% annual average market growth rates in the coming years for offshore wind are driven by the competitiveness of energy from clean offshore wind. The latest auctions on offshore wind have proven the industry long-term competitive compared to other energy sources. Overall, these factors combined will make offshore wind an attractive energy source with a bright future.

Another driver of the expected offshore wind market growth is the expansion of offshore wind internationally. Traditionally, offshore wind has been solely a Northern European business (North Sea, Irish Sea, Baltic Sea). In recent years, this has been supplemented/expanded by rest of world (excl. China) regions. By 2020, 99% of installed gigawatt is in Europe. By 2030, it is expected that 57% is installed in Europe, 19% in North America, and 18% in East Asia.

In the coming years, further countries will join the ranks of offshore wind producing countries. In 2020, five countries (UK, Germany, Netherlands, Belgium, and Denmark) have approx. 97% of the installed capacity. By 2030, it is expected that 8 other countries will account for 56% of the buildout from 2021 to 2030.

The US offshore wind market is expected to take off initially on the East Coast. The US administration's new target is expected to add 60 gigawatts by 2030 and 110 gigawatts by 2050. By 2035, the Taiwanese market will grow and add 15.5 gigawatt of offshore wind capacity. During the coming decade, markets such as France, Ireland, Poland, Japan, Vietnam, and South Korea are also expected to build commercial scale offshore wind farms.

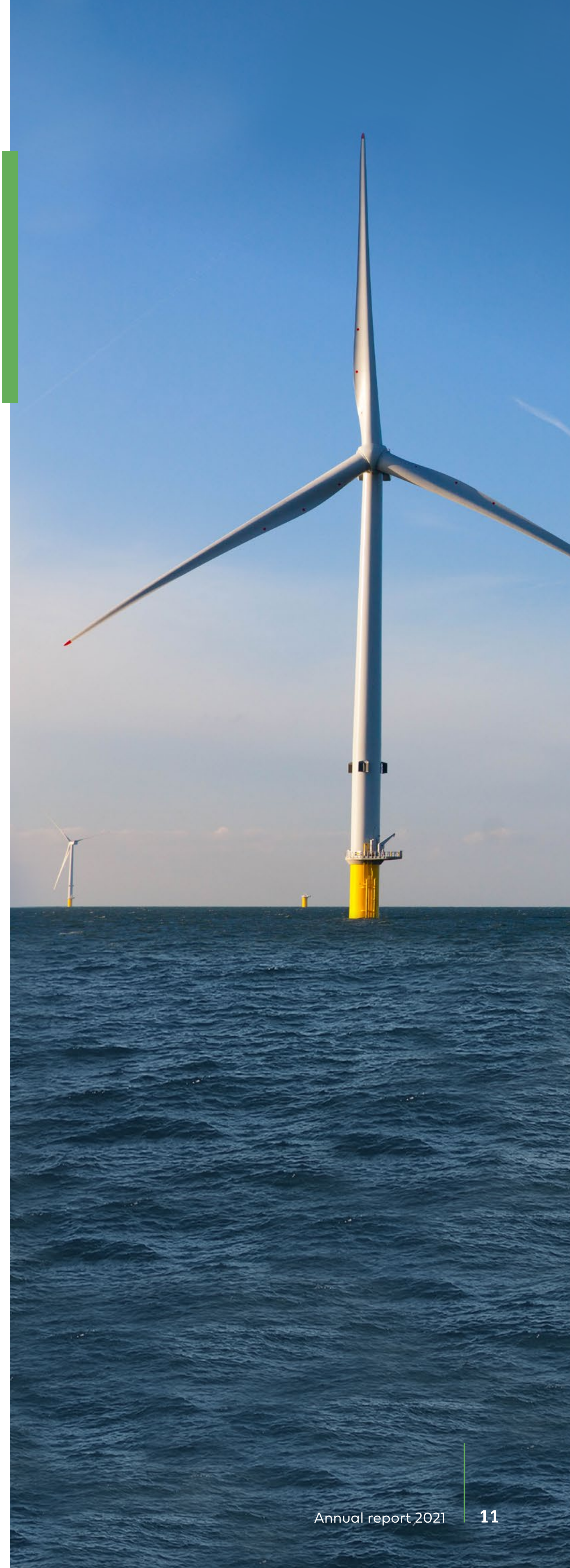
The commitment from the offshore wind developers to invest in offshore has reached new hights. Furthermore, most oil & gas majors have ventured into offshore wind and other renewable sources of energy to diversify their business and are committing funds to this.

The expectation is that between 2022 and 2030, there will be an annual spend of EUR 30 billion globally (excl. China), totalling approx. EUR 200 Billion by 2030.

The XXL monopile foundation types, including transition pieces, are expected to continue to be a cost-efficient foundation solution for offshore wind turbines. Monopiles are expected to continue to increase in size, from XXL to MEGA, to meet the increased super-sized wind turbine generator size and deeper waters. Already now, the market and some customers are pursuing opportunities to further develop monopiles to include transition pieces equipment. However, jacket foundations are still projected to continue to play a role where soil conditions or geographic locations require more sophisticated solutions. In the UK with larger turbines and deeper waters, and in Taiwan with seabed conditions and the risk of natural disasters, jacket foundations are for many future projects the obvious choice.

Bladt Group is focused on capitalising on this expected market growth. This position builds on our very strong track record within delivery of offshore wind foundations and substations to date. It is complemented by the international cooperation with strong local players in emerging markets.

We strive to further develop long-term relationships with benefit to all parties and to maintain our global competitiveness.



Outlook
2022

In 2021, the industry improved compared to 2020. Bladt Group has experienced a higher activity level. This trend supports the outlook for 2022. The increased activities within the global offshore wind market have an improving impact on our order backlog as well as on the outlook for 2022 and beyond.

Bladt Group is experiencing the strong impact of the global renewable energy transition which is leading to substantially higher activity levels in new wind park projects globally. Due to the ever increasing sizes off the wind farms, the lead time is also increasing, meaning that many tenders of upcoming projects are for years beyond 2022.

We expect our continuing business and our expansion into the XXL business to perform in 2022 at the same level as in 2021. Bladt enters the year 2022 with a strong order backlog covering several projects, geographical regions, clients and products, and with this increased and strong order book for the coming years and the investment in Lindø, we have built the foundation for future green growth. The profit for 2022 is expected at a level similar to the profit for 2021 adjusted for the non-recurring items.

Projects in **focus**

Kaskasi II, Germany

Courseulles sur Mer, France

In 2021, Bladt was awarded the contract for delivery of 64 transition pieces for the Courseulles sur Mer project by Saipem.

Each transition piece is roughly 24 meters high with a diameter at top flange of 6.0 meter. At load out, the weight of each transition piece is 550 tons.

The Courseulles sur Mer offshore wind farm will be located in the bay of the Seine off the coast of Normandy, France, and will have a combined output of 448 megawatts.

The offshore wind farm is being developed by Éolien Maritime France, a joint venture between EDF Renewables and Enbridge.

The foundations from Bladt to Saipem will be finalised in 2022.

Changfang and Xidao, Taiwan

Early in 2019, Copenhagen Infrastructure Partners entered into a contract with Century Wind Power and Century Bladt Foundation Co. Ltd., a joint venture between Bladt and Taiwanese Century Wind Power.

The contract comprises 62 jacket foundations, each with at weight of 1,300 tons. This is the first project for Century Bladt Foundation Co. Ltd to carry out in the joint venture.

The production commenced in early 2020 and is currently ongoing.

Changfang and Xidao Offshore Wind Farms are located 13-15 kilometres off the western coast of Taiwan. With a total capacity of up to approximately 600 megawatts, the wind farm will supply CO2-free power corresponding to the annual power consumption of more than half a million Taiwanese households.

Hornsea Two, UK

In 2019, Bladt was awarded the contract for delivery of 135 transition pieces for the Hornsea Two project.

Each transition piece is roughly 20 meters high with a diameter of 6.5 meter. At load out, the weight of each transition pieces is 350 tons including a 90 tons concrete external platform.

The Hornsea Two Wind Farm is designed, built and will be operated, by Ørsted.

The Hornsea Two Wind Farm Project will be placed in the North Sea, 100 kilometres off the Yorkshire coast. The entire project consists of a total of 165 turbines. As each turbine is 8.0 megawatt, the combined accumulated output will be 1.4 gigawatt. The handover of foundations from Bladt to Ørsted was completed and finalised in the second quarter of 2021.

Kaskasi II, Germany

RWE Kaskasi GmbH is responsible for the erection of the Kaskasi II Offshore Wind Farm (KAS OWF) in the German Bight, North Sea, within the German Exclusive Economic Zone (EEZ). Bladt signed a contract with RWE in April 2020 for the fabrication of 38 transition pieces and 39 monopiles, including the monopile for the substation. The load out of the foundations is ongoing and will be completed in first quarter of 2022.

On three out of the 38 foundations, RWE will install so-called "collars" to improve the structural integrity of the entire foundation. These have been delivered by Bladt in 2021.

The offshore wind farm will have a total of 605 megawatts. Once up and running, the offshore wind farm will be able to supply the equivalent of around 400,000 households per year with green electricity.

In May 2019, Bladt was awarded a contract for the delivery of a complete and fully installed substation to the wind farm. The contract is a turnkey contract (EPCI contract), which includes design, fabrication, offshore installation, test and commission. Further, the contract includes delivery of a transition piece and design of a monopile for the substation.

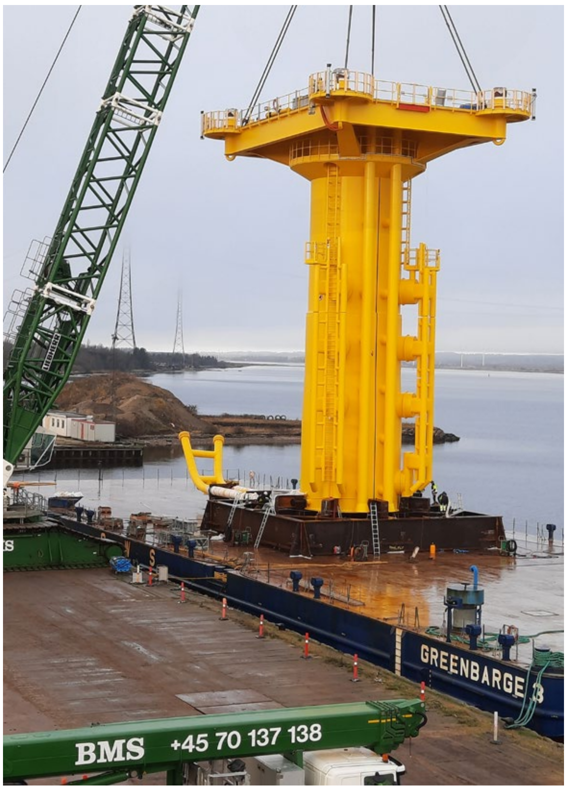
In July 2020, prefabrication of the steel for the 1,400 tons substation was started at sup suppliers. Final assembly and equipment of the topside was started in 2021 and will be ready for load out and installation in 1st quarter 2022.

Arcadis Ost, Germany

In April 2020, Bladt was awarded a contract for the delivery of a complete and fully installed substation to the Arcadis Ost Offshore Wind Farm in Germany. The contract is a turnkey contract (EPCI contract), which includes design, fabrication, offshore installation, test and commission.

End of March 2020, prefabrication of the 1,000 tons steel was started at sub suppliers in Poland. Final assembly and equipment of the topside was started in 2021. The topside will be ready for load out and installation in 2nd quarter 2022. Bladt will deliver the offshore substation ready for production in 3rd quarter 2022.

Arcadis Ost is controlled and developed by Parkwind GmbH. The substation will be installed in the Baltic Sea in German territorial waters about 19 kilometres off the coast of the island Rügen. The park has a total installed capacity of 247 megawatts.



Vineyard Wind, Massachusetts, USA

In May 2019, Bladt was awarded a contract for the delivery of a complete substation, including a jacket foundation to the US project Vineyard Wind Offshore Wind Farm. The contract was awarded after Bladt had finalised a FEED study for the employer. The contract is a turnkey contract (EPC contract) which includes design, procurement and construction. The substation will be produced in Europe.

Design of the 3,500-ton topside, 2,000-ton jacket and 1,200-ton piles was restarted in November 2020 after a period of suspension due to changed site conditions. The design will be finalised through 2021, and the fabrication will commence late 2021. Sail away for final installation on the offshore site is planned for 2nd quarter 2023.

Vineyard Wind is owned by Copenhagen Infrastructure Partners (CIP) and Avengrid. The Vineyard Wind Farm Zone is located approximately 24 kilometres south of the island Martha's Vineyard. The park has a total installed capacity of 800 megawatts.

Mayflower, Massachusetts, USA

In January 2020, Bladt and Semco Maratime was awarded a contract for the delivery of a complete substation, including a jacket foundation to the US project Mayflower Offshore Wind Farm. The contract is a turnkey contract (EPC contract) which includes design, procurement and construction. Design of the 4,500 ton topside, 3,000 ton jacket and 1,600 ton piles has been ongoing in 2021 with fabrication expected to commence in 2022 and with final installation on site expected in 2024. As of 31 December 2021, there is uncertainty around the continuation of the project in its current form due to changing client requirements. As a consequence, the project is not included in the above-mentioned 31 December 2021 order backlog. This uncertainty is not expected to have effect on the reported or future financial results of Bladt.

Mayflower is owned by Shell and Ocean Winds. The park is installed next to Vineyard Wind approx. 48 kilometres south of the island Martha's Vineyard in Massachusetts. The park has a total installed capacity of 1,200 megawatts.

Kaskasi II, Germany


Kaskasi II, Germany

Borkum Riffgrund 03 and Gode Wind 03, Germany

In 2021, Bladt signed a contract with Ørsted for the supply of a total of 41 XXL monopiles for the two German offshore wind farms Gode Wind 03 and Borkum Riffgrund 03. The monopiles are up to 9.5 meters in diameter and weigh approximately 1,200-1,400 tons each.

The fabrication will be done at the new Bladt XXL facility at Lindø, commencing in 2022 and delivering in 2023.

The two wind farms will have a total capacity of 1,142 megawatts (Gode Wind 03: 242 megawatts, Borkum Riffgrund 03: 900 megawatts).

Costal Virginia Offshore Wind, US

In October 2021, Bladt was awarded a contract for the fabrication of 176 transition pieces for the world's largest offshore wind project so far – Coastal Virginia Offshore Wind– for the US utility company Dominion Energy Virginia.

In October 2021, Bladt and Semco Maritime, in a consortium, were furthermore awarded a turnkey contract for three offshore substations for the project. The contract comprises three 880 megawatt offshore substations. The scope of work includes design, engineering, procurement and manufacturing. Bladt is responsible for design, procurement and manufacturing of steel structures and jacket foundations, in total about 14,000 ton of steel constructions.

Feed study and optimisation of the design has been executed in 2021. In 2022, the design will be finalised and certified after which the procurement and production will start. Load out and installation will take place in 2024-2025.

The Coastal Virginia Offshore Wind project is controlled and developed by Dominion Energy and will be established 40 kilometres off Virginia Beach with a 2.6 gigawatt capacity, supplying up to 660,000 households in Virginia and eliminating up to 5 million tons of CO_2 emissions per year.

Further new Projects

In 2021, Bladt in addition to above projects was awarded contracts for 99 XXL monopiles to be manufactured at the new Bladt XXL facility at Lindø, commencing in 2023 with delivery in 2024. Finally, Bladt together with Semco Maritime were in 2021 also awarded a turnkey contract for three offshore substations. The design was ongoing in 2021, and the production start will be 2nd quarter 2022. Assembly, equipment, test, and commissioning will be executed in Aalborg from 2023 until loadout in 2024.

Corporate **Governance**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Governance, Board of Directors and **Management**

In 2012, Bladt Holding A/S acquired all shares in Bladt Industries Holding A/S and thereby in Bladt Industries A/S. Nordic Capital CV1 is the ultimate majority shareholder in Bladt Holding A/S, and a number of executives and board members hold shares and warrants in Bladt Holding A/S.

By virtue of its ownership, the group is subject to the "Guidelines for responsible ownership and corporate governance" laid out by the Active Owners Denmark (AOD). It is the intention of Bladt to comply with the guidelines including substantiating any deviation. Further information regarding the guidelines is available at AOD's website www.aktiveejere.dk.

The organisation of the tasks of the Board of Directors and the Executive Board is, among other things, based on the Danish Public Companies Act, the Danish Financial Statements Act, the articles of association of the company, and the rules of procedures for the Board of Directors of the company. The Board of Directors and the Executive Board apply these requirements and procedures according to good practices in comparable companies. Additionally, Bladt intends to comply with AOD's "Guidelines for responsible ownership and corporate governance" as described above.

The Board of Directors consists of six members. Two members are representatives of the ultimate majority shareholder (Thomas Mejdell and Olof Faxander). Those two and four more members are elected at the annual general meeting and are independent of the ultimate majority shareholder (Bjarne Moltke Hansen, Jørgen Huno Rasmussen, Kirstine Damkjær and Nina Udnes Tronstad).

The Board of Directors represents international business experience in the areas of industry, business development, large-scale contracting, offshore wind, M&A transactions, finance management, and general management and are deemed to possess the necessary competences and seniority.

Rules of procedures have been adopted by the Board of Directors governing the board conduct. Additionally, the Board of Directors employs the following subcommittees: Nomination Committee, Audit Committee, Remuneration Committee, Large Projects committee and XXL Committee.

The following board members are represented in the individual committees:

1. Nomination Committee: Bjarne Moltke Hansen, Olof Faxander, Jørgen Huno Rasmussen
2. Audit Committee: Kirstine Damkjær, Thomas Mejdell
3. Remuneration Committee: Bjarne Moltke Hansen, Olof Faxander, Jørgen Huno Rasmussen
4. Large tender committee: Bjarne Moltke Hansen, Olof Faxander, Jørgen Huno Rasmussen, Nina Udnes Tronstad

Four ordinary board meetings are held per year. Among other things, the Board of Directors determines the strategy of the company, decides the composition of the Executive Board, monitors Executive Board compliance with the strategy and the procedures of the company, and is an active sparring partner to the management of the company. The Executive Board and management of the company prepare a monthly report to the Board of Directors detailing the company's operational and financial performance as well as capital resources.

The Audit Committee operates according to its charter approved by the Board of Directors and refers to the Board of Directors. The tasks of the Audit Committee as specified in its charter include:

- To monitor the financial reporting process and the company's presentation of financial statements
- To monitor the adequacy and application of accounting policies and of significant accounting estimates
- To monitor whether the company's systems of internal controls and risk management practices function efficiently
- To monitor the external statutory audit of the company's annual financial statements
- To monitor the independence of the external auditor
- To make recommendations to the Board of Directors concerning the appointment of external auditors

Four Audit Committee meetings are held per year. The Audit Committee has organised and formalised its tasks in its annual plan approved by the Board of Directors.

Board of Directors and Diversity in management

This section constitutes Bladt Group's report on the gender composition in management, cf. section 99b of the Danish Financial Statements Act.

It is the objective of Bladt to promote diversity, including obtaining a reasonable representation of the underrepresented gender in the Board of Directors, in order to strengthen the breadth of the Bladt's perspectives and competences and to further improve decision processes. It is also the objective of the Board of Directors to ensure that its members supplement each other in the best possible way with regard to e.g., competences, age, background, gender, and nationality as relevant to the needs of Bladt. The recommendation of candidates for the Board of Directors will thus always be based on an assessment of the competences and experience of the individual candidate, how they match the needs of Bladt and of the contribution to the overall efficiency and skill set of the Board of Directors.

At present, 33% of the Board of Directors elected at the general assembly are women.

Generally, diversity is seen as a strength to Bladt Group, which can contribute positively to Bladt Group's development, robustness, and fulfilment of established strategies and plans. Diversity in age, gender, experience, and skills is given high priority.

The Board of Directors wants an open and open-minded culture, where the individual employee can utilise his or her competences in the best possible way regardless of gender. Bladts employees, regardless of gender, must find that they have the same opportunities for career and management positions. Bladt Group appoints managers under the premise that the best suited is always employed/appointed regardless of gender.

Bladt Group's policy on the underrepresented gender focuses on how Bladt Group ensures a balanced composition of men and women in management positions. A balanced composition requires a focus on "Women in management".

Currently, the gender distribution in other managerial positions is 15% women and 85% men.
Bladt offers all employees the opportunity to develop professional and personal competencies through participation in internal and external opportunities for courses and education. It is Bladt's goal that women and men generally participate equally in these offers.

Bladt wants to inspire all employees to become part of Bladt management. Managers at all levels must be aware of employees with personal and professional competencies that could form the basis for development to a position at management level.

When reviewing the results from Bladt's people development interviews and follow-up interviews, the manager must form an impression of the employee's managerial potential. Any employee's wishes and aspirations for managerial careers must be part of any development interview with the individual employee.

In order to attract more women to apply for jobs at Bladt, Bladt has, amongst other initiatives, had women to front Bladt at different sales fairs.

The 2022 objectives are:

- To ensure and maintain a representation of women in the Board of Directors corresponding to 25-30% of the board members elected at the Annual General Meeting.
- To ensure that the employees view the company as having a modus operandi and culture in which individual employees have equal career opportunities regardless of gender, nationality, race, religious beliefs, etc.

Capital Structure

Bladt Holding has three share classes. Group management, the Audit Committee, and the full Board of Directors regularly evaluate the sufficiency of the company's capital structure and whether the capital structure is aligned with the interests of the company and its stakeholders. The overall objective is to ensure a capital structure that facilitates profitable long-term growth and value creation.


BLADT

Internal Controls and Presentation of **Accounts** and **Annual Financial Statements**

The group's internal controls and risk management regarding presentation of the accounts and the annual financial statements are organised with a view to substantially reduce the risk of significant errors, omissions, and/or imperfections in the presentation of the accounts. To ensure this, management has established relevant policies, procedures, and control mechanisms. The Board of Directors – both directly and via the Audit Committee – and management evaluate significant risks and internal controls in regard to the group's presentation of accounts on an ongoing basis.

On behalf of the Board of Directors, the Audit Committee monitors the presentation of accounts and annual financial statements as well as the sufficiency and efficiency of the internal controls, including financial reporting standards, accounting principles, and significant accounting estimates and judgments on an ongoing basis. These and other issues are being reported to the Board of Directors by the Audit Committee prior to the approval of the annual financial statements and throughout the year when relevant.

In addition to the audited annual financial statements, Bladt Groups Executive Board and management prepare an unaudited monthly report to the Board of Directors detailing the company's performance including the financial position and development, performance against budget, capital resources, order backlog, as well as the health, safety, and quality performance.

Organisation
and **Society**

Corporate **Social Responsibility** and **Human Resources**

This section constitutes the statutory reporting on corporate responsibility, cf. section99a of the Danish Financial Statements Act.

Corporate social responsibility is a key enabler for Bladt as a business, supporting sustainable long-term performance by managing non-financial risks that can impact our reputation and market position. Bladt is a steel contractor working within the offshore wind market. We continuously evaluate which CSR-related risks are material to our business activities.

In line with the new strategic direction i.e. with the new focus solely on the offshore wind market and thereby becoming a pureplay renewable energy company delivering the foundation for the green energy transition offshore, we have also committed ourselves to help limit climate change. As pure-play renewable energy company, we therefore also aspire to have an impact on the UN Sustainable Development Goals (SDGs). Specifically, we aim at contributing to SDGs 7, 8 and 12 being:

- GOAL 7: Affordable and Clean Energy
- GOAL 8: Decent Work and Economic Growth
- GOAL 12: Responsible Consumption and Production

In 2020, a new risk emerged in the form of the COVID-19 pandemic. It quickly became clear that all businesses needed to take their part of the responsibility in order to protect employees, business, and society as a whole. The risk of COVID-19 continued to be an important factor in relation to Bladt's work in relation to CSR in 2021. Particularly, how to ensure the safety of employees, the continuation of our business, and the greater social responsibility in fighting COVID-19 has been viewed as one of the greatest risks of all in 2021.

Last year, we sought to initiate an analysis as to the amount of steel available in the market and potential bribery risk in connection with a potential shortage. However, COVID-19 restrictions in the beginning of 2021 prevented the completion of the analysis, and new restrictions in the end of 2021 have further halted the process. However, we expect to initiate the project again as soon as conditions are normalised.

Since 2018, Bladt has had CSR framework focus consisting of statements on the following areas: human rights, social conditions, environmental and climate issues as well as Bladt's zero tolerance policy on corruption. The CSR framework also detail how CSR is established in our business strategy and business activities. Bladt has a Code of Conduct for employees and for suppliers that stipulates that Bladt respects and supports human rights, labour rights, respect for the environment, anti-corruption, social responsibility, responsibility for the local environment, trade sanctions, personal data protection, responsible accounting methods, and respect for tax legislation. Our supply chain reflects directly at Bladt, and we encourage collaboration to lift the CSR for everyone to become better partners at the same time as establishing minimum requirements. At Bladt, the social responsibility is utilised in policies, programmes and activities which aim to ensure that Bladt takes its share of social responsibility. Bladt is constantly working on improving its efforts. This is done risk-based and in line with approved CSR principles.

We consider it fundamental to maintain a culture focused on embedding responsible business behaviours. Therefore, all employees are expected to act in accordance with the requirements of the company's CSR framework at all times. The aim is to build a culture where our people are empowered to make the right decisions and know where to go to seek help or guidance. Our CSR framework sets out clear expectations on ethical conduct, and Bladt offers training and support to help people understand the right thing to do.

Bladt has an established CSR Committee to enforce and further embed the culture, which is chaired by Bladt's CEO, and focuses on Bladt's responsible business priorities relating to our employees, trust and integrity, health and safety, and resource efficiency.

In 2021, Bladt has provided CSR framework training as part of the induction programme for all new employees, and therefore they receive training in the main areas to ensure that all requirements are known and to emphasise the importance of the CSR culture to new employees.

Because Bladt has a zero-tolerance policy on corruption, a clear focus is always on potential risk in this area. The principle is applied internally to employees as well as externally to our business partners. It is based on a promise to uphold a deep ethical integrity regardless of which country we operate in and combat any kind of corruption. The vision is deeply embedded within Bladt and has led to a reputation of high integrity, which we are proud of and work to maintain.
Bladt has identified an area which entails a particular risk that stakeholders' rights will be negatively affected by the activities of Bladt Group. The risk concerns suppliers failing to comply with Bladt's requirements of Code of Conduct, particularly in relation to labour rights. The assessment hereof has been tightened, as Bladt Group has increased its international cooperation.

Due to this risk, Bladt continuously works with a comprehensive approach to its CSR work to ensure ongoing updates aiming to meet market requirements.

The updated corporate responsibility programme focuses on:

- developing an inclusive, diverse workplace to drive innovation and performance, and
- supporting our employees in making the right decisions via speak up channels;
- continuously improving employee wellbeing and standards of safety for employees and those we work with; and
- continuously improving our suppliers' compliance with our Responsible Partner Programme.

The work is planned risk-based around two main initiatives:

(1) A Responsible Partner Programme, where the aim is to intensify activities towards suppliers regarding certain requirements coming from Bladts Code of Conduct. In the process, Bladt has drawn upon expertise from large customers aiming to meet their demands, but also to prepare for further similar situations.

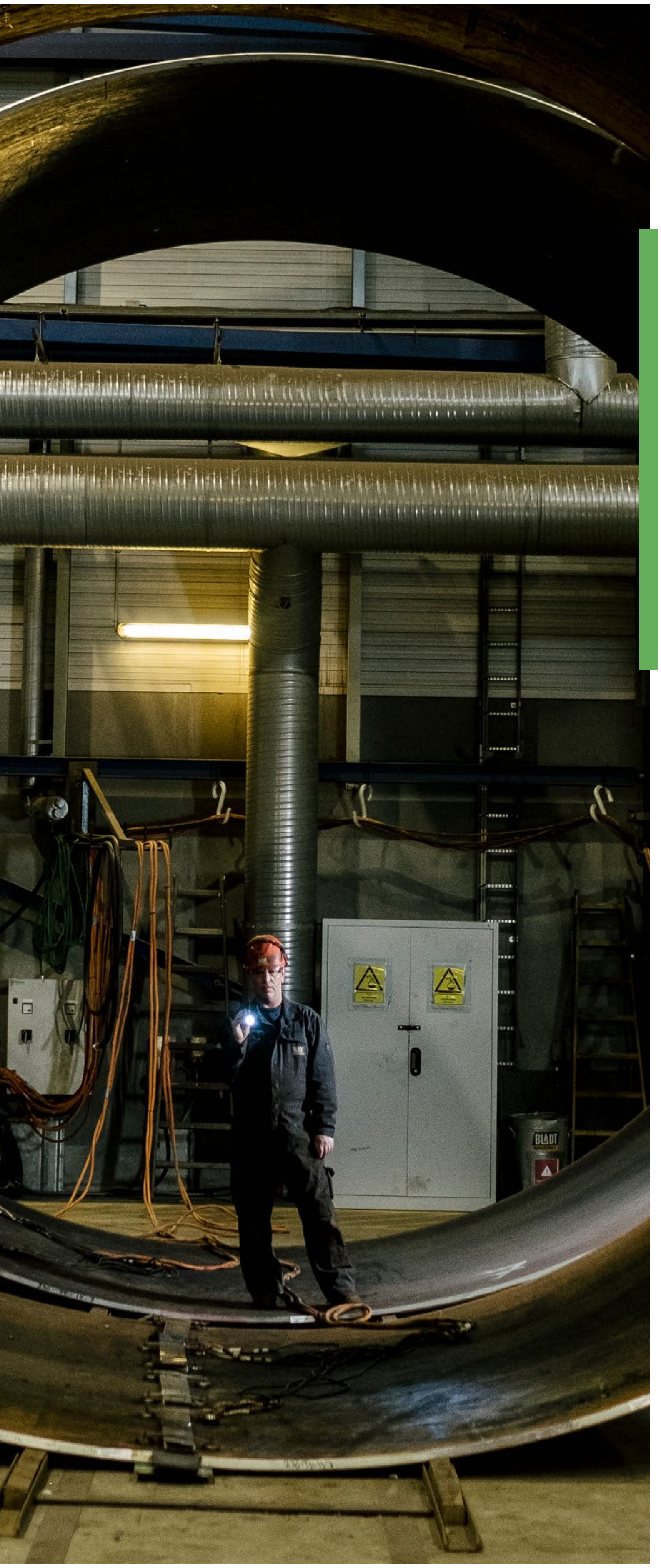
(2) Introducing, formalising, and implementing stronger and clearer internal compliance procedures and processes in relation to a number of CSR-related topics aiming to structure and increase the overall compliance level to a more ambitious standard. An example is improving existing procedures (e.g. Code of Conduct and Staff Handbook) with several more elaborating and specific policies and procedures. In that connection, a more formal and professional set-up for ensuring compliance is planned.

Bladt works with suppliers and their supply chains to provide fully compliant, cost-effective equipment, goods, services, and solutions. Most of our supplier relationships are often long-term, so we aim to work with suppliers who share Bladt Groups' values and who embrace standards of ethical behaviour consistent with our own.

Bladt's policy is to identify and select suppliers, who meet our standards, and support them by managing risks throughout the lifecycle of any commercial arrangement. Bladt Group continues to engage with our suppliers for ongoing assurance at all stages of a project. If areas of non-compliance are identified, the supplier and Bladt will collaborate and agree on an action plan of appropriate improvement measures. These shall mitigate and remedy the adverse impacts caused by the breaches or non-compliance and enable the supplier to identify and prevent similar occurrences in the future. Bladt requires our suppliers to engage actively and without reservation in these activities.

Bladt's Code of Conduct supports our commitment to human rights. For example, this results in due diligence being carried out during the supplier evaluation stage for all new suppliers, on a continuous basis, against non-financial risks, including human rights, working hours, harassment and unlawful discrimination, speak-up procedure, slavery, human trafficking, and child labour. Bladt's Code of Conduct also includes a strict zero tolerance policy on corruption. Going forward, Bladt will continue to work on the corporate responsibility programme.

In 2021, no breaches of the Supplier Code of Conduct were detected. Going forward, Bladt expects to continue working with implementing our Responsible Partner Programme.



Health and Safety

Bladt has a collective focus on employee well-being as well as on the health and safety of employees and those who work on, or visit, our sites. Bladt's safety culture and our employees demand high standards for all aspects of health and safety.

This safety culture is supported both by Bladt's Health and Safety Policy and the principles contained within our Code of Conduct for employees. Our Health and Safety Objectives are:

- to experience zero severe and fatal accidents.
- to continuously work on improving health and safety working conditions.
- to reduce the numbers of accidents to zero.

Bladt recognises that good mental and physical health contributes to better decision-making, greater productivity, and higher levels of employee satisfaction.

Bladt's business is highly complex, and our employees are exposed to many risks. These range from slips, trips, and falls in an office environment, confined space working, and machinery hazards within manufacturing. Many of our employees operate heavy equipment, work at height, or do physically demanding work in high-risk environments.

Bladt is certified in accordance with ISO 45001, Occupational Health and Safety Management System. To ensure consistency, all employees are required to comply with our Health and Safety Policy, which outlines and prescribes the responsibilities and arrangements in place for ensuring safety. It is the responsibility of Bladt Group as well as the management and line managers to ensure that employees comply with the policy. In 2021, the QHSE policy was updated and communicated to employees.

Bladt aims to mitigate or manage safety risks by finding new ways to enhance safety standards, increase awareness, and continually drive a strong safety culture, e.g., all staff is required to make reverse parking to focus their mindset on safety from the minute they enter a Bladt site.

Bladt aims to reduce exposure levels to hazardous substances and to seek alternatives, where possible. We provide our employees with health surveillance to understand and reduce the impact of workplace health risks.

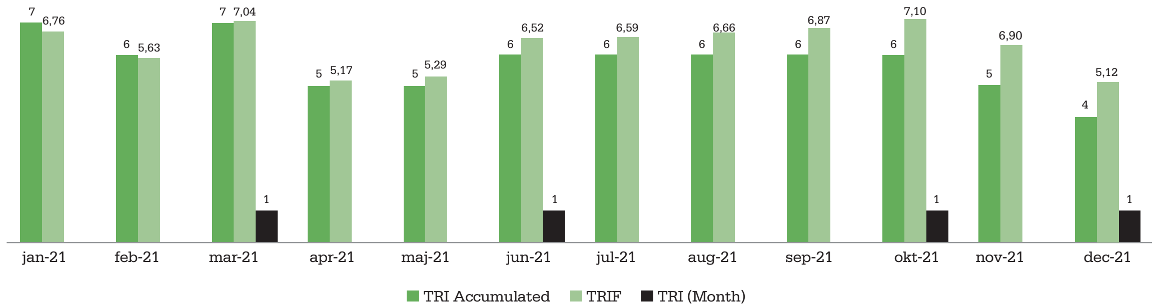
We use the Total Recordable Incident Rate/Frequency (TRIF), Lost Time Incident Rate/Frequency (LTIF), and Fatalities (FAT) as key performance indicators to measure our safety performance.

In 2021, a significant focus area was to reduce TRIF – a key performance indicator for Bladt Group's health and safety performance. This has resulted in the TRIF being reduced from 8,63 (2020) to 5,12 (2021). Accounting practice for calculation of TRIF is the following:

TRIF (Total Recordable Incident Frequency) is calculated

$$TRIF = \frac{(FAT+TPD+LWC+RWC+MTC) \times 1.000.000}{\text{Total working hours}}$$

Bladt total, TRI monthly, TRI accumulated & TRIF



Where:

FAT = Total recorded fatalities

TPD = Total permanent disability

LWC = Lost Work Case (an injury which causes absence for more than one day after the accident.

RWC = Restricted Work Case (an injury causing one not to be able to continue doing the same work)

MTC = Medical Treatment Case (an injury causing one to receive medical treatment at medical facilities)

FAC = First Aid Case (smaller injuries which can be solved at the work place)

Total working hours are registered in a central system for all employees. Accidents, as described above, are registered for all employees working under Bladt management, including white collar workers, blue collar workers and contractors.

The overall goal is always to strive for a LTIF and FAT performance of zero. Despite this intention, Bladt unfortunately saw one accident in 2021; fortunately, we experienced no severe or deadly accidents during 2021.

Bladt continues to have a very strong focus on safety and improvement (We CARE) and will continue to work towards our Health and Safety objectives in 2022.

Environment

Bladt aims to comply with all applicable environmental regulations and laws, which govern Bladt's activities. In order to show consideration for the next generation, Bladt supports initiatives towards a cleaner and more environmentally friendly production process in order to secure a minimisation of negative consequences for the environment, and Bladt is committed to limiting our impact on the environment. Bladt will continuously work on climate and environmental management to limit our impact on the environment, e.g., by way of reducing raw material and energy consumption, reducing and recycling waste and investing in the environment.

Bladt's environmental risks are related to the use of steel in production and energy consumption. In our work to address our environmental impacts, we work with six key environmental objectives:

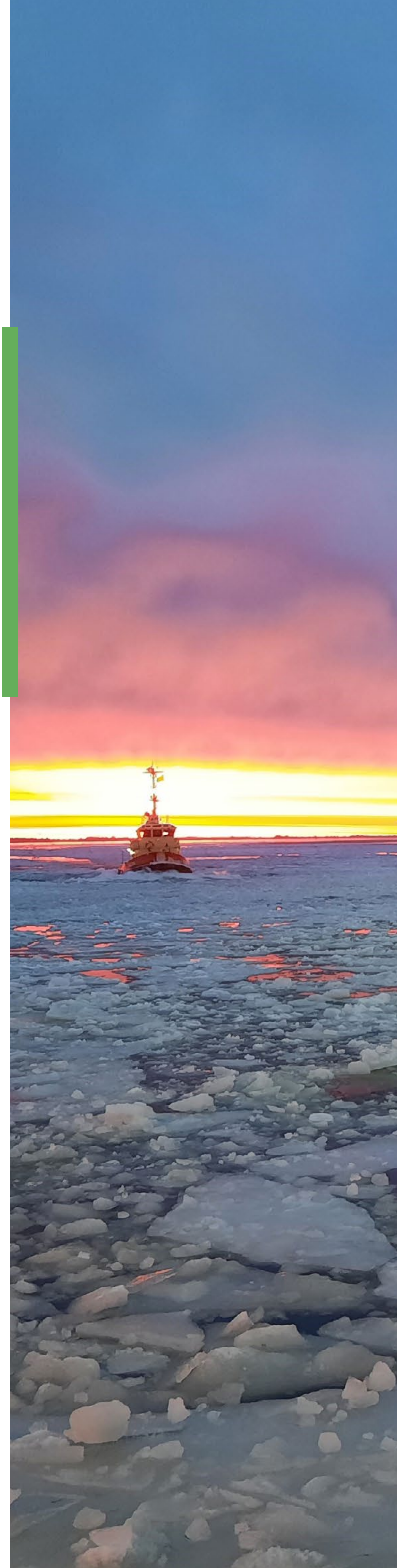
- minimise emissions
- reduce the electrical power consumption
- reduce resource consumption and waste in our operations, incl. waste in an end-of-life scenario
- focus on the lifecycle perspective in our products and in our waste handling operation
- increase recycling of raw materials and production waste.
- Reduce our carbon footprint

In 2021, Bladt established new environmental goals related mainly to energy consumption. The goals cover matters related to energy efficiency on sites, as well as the implementation of an environmental management system.

As a result, environmental management was a major focus area in 2021, as Bladt has been in the process of the ISO14001 implementation and certification throughout the year.

Besides this major project, there has been focus on waste management and separate collection to improve recycling and reduce the waste. Several incentives and experiments have been initiated. These are still in an early stage, so the results are expected to mature in 2022.

Regarding energy consumption, several energy projects have been initiated, e.g., applying more LED in the production halls, and a number of compressors have been exchanged. In 2021, an energy mapping was initiated with the ambition to implement energy management. The mapping was finalised in December 2021 and formed valuable input to lower the energy consumption in the production.




S 180°
E 90°
N 0°

Human **Resources**

Bladt conducts People Development Dialogues and Employee Satisfaction surveys on an annual basis supported by online tools. More than 87% of the salaried employees and 37% of the blue collars participated in the Employee Satisfaction survey in Q4 2021, providing a strong basis for the dialogue on the requirements for professional development. Moreover, the updated organisational structure of Bladt Group in 2021 is, among other things, aimed at further improving both project and people management.

The training and education of apprentices continue to be significant to Bladt. At the end of 2021, 10 apprentices were under training, 9 within welding and 1 electrician apprentice. This is an investment ensuring both a qualified employee base for Bladt's further growth as well as a contribution to the important task of educating skilled professionals for the local communities.

In 2021, Bladt employed in average 403 employees which is 88 less than in 2020. The decrease in the number of employees is mainly due to the aforementioned discontinued infrastructure business. With the upgrade of the existing Lindø facilities to deliver XXL monopiles - expected to be operational by mid-2022 - Bladt will double its size and we expect to see a significant uptick in number of employees.

The ratio of absence due to illness showed a minor increase in 2021 compared to 2020 – presumably because of the COVID-19 situation. In 2021, the focus on follow-up and dialogue in case of absence has continued in order to keep the ratio within the blue-collar work force at a low level.

In 2022, Bladt will continue to put a strong focus on employee satisfaction and wellbeing.

Anti-corruption

Bladt has a special focus on facilitation payments and bribery as these have been identified as one important risk factor in the industry and in the countries where we operate. Our overall CSR risk assessment shows that corruption has a low probability due to the very strict policies and rigorous screening of suppliers both before and during an engagement. The biggest risks relate to new employees and their familiarity with the internal policies and suppliers. To mitigate the employee risk, Bladt Group keeps communication high, and new employees are included in a mandatory introductory programme, where anti-corruption is a topic. All new employees are included in the programme. To mitigate the supplier risk, Bladt Group has updated our supplier screening and initiated the Responsible Partner Programme described in the section "Suppliers".

Bladt Group has a zero-tolerance policy on corruption, and the principle is applied internally to employees as well as externally to our business partners. It is based on a promise to uphold a deep ethical integrity regardless of which country we operate in and to combat any kind of corruption. The vision is deeply imbedded within Bladt and has led to a reputation of high integrity, which we are proud of and work to maintain. One key focus area in 2021 has been the introduction programme for all new employees. During 2021, there has not been any incidents of non-compliant behaviour in Bladt. In 2022, we will continue our focus on introduction programmes as well as the analysis of bribery risks in relation to steel shortages, as mentioned earlier.

Data ethics

In 2021, Bladt has worked structured and targeted to implement procedures and guidelines to ensure that a setup is established to achieve sufficient respect for customer and employee data, and also that compliance with and observance of the legislation is ensured.

In this connection, Bladt has adopted a number of policies and procedures in this area, including at group level a Privacy Policy, which describes the general principles employees must adhere to in relation to good data ethics, and furthermore what minimum requirements Bladt has adopted as applicable to the respective business units.
The Privacy Policy describes, among other thing:

- Which types of data are collected
- Who data is shared with, including which data processors Bladt has agreements with
- When data is deleted
- The data subject's rights, including withdrawal of consent

The policies have been fully implemented by new independent sub-policies for some business areas and by updating existing policies for other areas, and they are also contained in Bladt's Code of Conduct.

Bladt's data governance and data ethics policies set out a number of guiding principles:

- Data of customers, employees or business partners is not used without the necessary legal basis
- Personal data is protected so that it does not end up in the wrong hands
- Only necessary data is collected
- Data is stored only for as long as necessary and in accordance with the law

Bladt has established procedures to ensure that all employees are familiar with the Privacy Policy and the Code of Conduct, and is in the process of establishing an annual recurring training session in this area.

Moreover, Bladt has centralised the responsibility for the implementation, maintenance of policies and underlying policies, as well as associated guidelines and procedures in Bladt's Compliance organisation, which also conducts the annual training and conducts checks on compliance with good data ethics.

Risk Management

At Bladt, risk management is an essential and integrated element of the execution of the project portfolio, of the realisation of the objectives of Bladt, and of the further development of the company's business system and processes. The following section includes a non-exhaustive description of risks related to Bladt's activities and the management of these risks.

Commercial Risks

The main commercial risks of the group are related to (a) the execution of current projects, (b) ensuring a pipeline of future projects, and (c) adapting the capabilities and scale of operations to the changing demands in the market.

To execute projects, Bladt relies on the competences of employees and selected suppliers. Bladt employs a highly skilled work force across a large range of disciplines such as project management, welding, production and material management, site logistics, planning, quality assurance and control, HSE, contract management, tender management, controlling, finance, and administration. This qualified work force is the cornerstone of successful project execution. Bladt's project managers master a variety of proven project management tools that are continuously developed and adapted to the specific project at hand. Project managers are supported throughout the execution of projects by specialists within legal, contract and financial management, quality, health and safety, planning etc. Physical production of very large structures may be impacted by adverse weather conditions. To mitigate such impact, Bladt Group calculates with standard periods of adverse weather when planning projects as well as ensuring flexibility in production facilities to quickly adapt to the impact of weather changes and other non-controllable factors.

A strong cooperation with selected suppliers that Bladt works closely with on the individual projects further ensures a successful project execution. Such cooperation improves competitiveness, enhances expanding capacity, and mitigates risks by having projects completed at independent sites, thereby reducing reliance on any single site. Significant suppliers are evaluated and monitored closely before and during the project so that potential issues – e.g. within quality, capacity, capability, HSE, or CSR – are dealt with prior to the project, and any issues that could arise during the project are mitigated in a timely manner. Furthermore, major suppliers are incentivised to avoid inadequate performance on their part via targeted contractual milestones, bonuses, penalties, and warranties. To this end, Bladt's project and contract managers work with standard sub-supplier contracts. Such standard supplier contracts are from time to time updated by Bladt's legal team in cooperation with project management and procurement department.

Prior to contracting a potential project, the contract and calculations are reviewed in accordance with defined procedures for tendering. During the project execution phase, projects are reviewed frequently by project management, group management, and top management using standard project reporting templates. Such reviews focus on financial performance, project progress, execution issues, as well as actual and potential risks. These reviews are an integrated part of project execution and risk management.

Securing a pipeline of potential new projects, winning new projects, and adapting capacity and capabilities to the future needs of the marketplace are of paramount importance to the longer-term profitable growth of Bladt. Therefore, management regularly tracks and reviews developments in the potential project pipeline and, based on this, adapts the in-house and sourced capacities and capabilities to the project pipeline.

Execution of major projects and developments in the business pipeline are also regularly reviewed at all board meetings.

In order to further ensure the continued competitiveness and strong market position, Bladt closely monitors ongoing and potential developments in relevant technologies regarding end-products – for instance, in innovative offshore wind foundation and substation designs as well as regarding fabrication, assembly and transportation processes. As examples, in 2021, Bladt Group continued to participate in the development and testing of various new automated robot welding techniques for large offshore steel structures and has developed an innovative supply chain concept for jacket foundations for offshore wind turbines.

Financial Risks

Bladt's financial risks are described in note 29 to the financial statements.

Insurance Risks

Bladt takes out statutory insurances as well as insurances which are considered adequate in order to mitigate unwanted risks. At regular intervals, Bladt conducts a review of the insurances in cooperation with an external insurance specialist. Additionally, Bladt takes out project-specific insurances depending on the requirements of the individual projects.

Board of **Directors**

Bjarne Moltke Hansen, Chairman

- Member of Remuneration Committee, Nomination Committee and Large tender committee of Bladt Group
- Professional board member in a number of companies. Previously Group Executive Vice President of FLSmidth & Co. A/S and CEO of Aalborg Portland Holding A/S and Cembrit Holding A/S
- Chairman of the Board of Aalborg Portland Holding A/S, Randers Tegl A/S, Pindstrup Mosebrug A/S, RM Rich. Müller A/S and Rich. Müller-Fonden
- Member of the Board of LKAB, PPC Ltd, Odico A/S and the Danish SDG Investment Fund, Investment Committee

Olof Faxander, Member

- Member of Renumeration Committee, Nomination Committee and Large tender committeee of Bladt Group
- Member of the Board of Orchid Orthopedic Solutions Inc., Quant AB and Resman AS

Thomas Mejdell, Member

- Member of Audit Committee of Bladt Group
- Member of the Board of Resman AS, Macrobond Group AB and Sortera Group AB

Jørgen Huno Rasmussen, Member

- Member of Renumeration Committee, Nomination Committee and Large tender committee of Bladt Group
- Professional board member in a number of companies. Previously CEO of FLSmidth & Co. A/S and Hoffmann A/S
- Deputy Chairman of the Board of Rambøll Gruppen A/S, Terma A/S, STIBOFONDEN and Stibo Holding A/S.
- Member of the Board of Haldor Topsøe A/S, Otto Mønsted Aktieselskab, Thomas B. Thriges Fond, Thrige Holding A/S and Aase og Jørgen Münters fond

Kirstine Damkjær, Member

- Member of Audit Committee of Bladt Group
- Professional board member in a number of companies. Previously CEO of Eksport Kredit Finansiering A/S and EKF Danmarks Eksportkredit
- Member of the Board of Africa Finance Corporation, Bank Invest A/S, PensionDanmark, and Thomas Lloyd Energy Impact Trust Plc

Nina Udnes Tronstad, Member

- Member of Large tender committee of Bladt Group
- Professional board member in a number of companies. Previously Senior Executive of former Statoil, Aker Solutions and Kvaerner
- Chair of the Board of Source Energy
- Member of the Board of Norges Bank, Prosafe and Fishency Innovation

Executive **Board**

Anders Søe-Jensen, CEO

- Previously Senior Advisor of Bain & Company, CEO & President of GE Offshore Wind, President of Vestas Offshore and CEO of ASN-Marine
- Chairman of the Board of Blue Power Partners HoldCo A/S and Blue Power Partners A/S
- Member of the Board of BPP Offshore Wind A/S

Michael Glavind-Kristensen, CFO

- Previously CEO of DEME Offshore DK and CFO of A2SEA

Peter Rindebæk, Deputy CEO and COO

- Previously Factory Manager of Nitram Dental A/S, Factory Manager of Rimas and Production Managerof Danalight A/S
- Chairman of the Board of AKKC, DI Aalborg and Gardin Nyt Randers ApS
- Member of the Board of Confederation of Danish Industry

Managerial posts in group companies and subsidiaries of Bladt Holding A/S have not been included in the above lists.

Statement by the **Executive Board** and **Board of Directors**

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

The Annual Report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Group and the Company and of the results of the Group and Company operations and cash flows for 2021.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Company, of the results for the year and of the financial position of the Group and the Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Company.

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

Aalborg, 2 February 2022

Board of Directors

Bjarne Moltke Hansen Chairman	Olof Faxander	Jørgen Huno Rasmussen
Thomas Mejdell	Nina Udnes Tronstad	Kirstine Damkjær

Executive Board

Anders Søe-Jensen	Michael Glavind-Kristensen	Peter Rindebæk

Independent **Auditors' Report**

To the Shareholders of Bladt Holding A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2021 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Bladt Holding A/S for the financial year 1 January - 31 December 2021, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("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 Group 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.

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 Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement 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 Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in 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 Group's and the Parent 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 Group or the Parent 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 judgment 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 2 February 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Claus Lindholm Jacobsen
State Authorised Public Accountant
mne23328

Thyge Belter
State Authorised Public Accountant
mne30222

Consolidated financial **Statements**


Odense Lindø

Consolidated
Income Statement

DKK'000	Note	2021	2020
Revenue	4	2,046,892	1,956,226
Direct production expenses	5, 6	-1,875,126	-1 669,023
Contribution		**171,766**	**287,203**
Other production expenses		-157,910	-156,700
Gross profit		**13,856**	**130,503**
Selling costs	5	-16,602	-14,573
Administrative expenses	5, 6, 7	-41,313	-34,502
Operating profit		**-44,059**	**81,428**
Share of profit in equity accounted investments	17, 18	7,916	-61
Finance income	8	283	1,200
Finance expenses	9	-15,080	-15,233
Profit/loss before tax		**-50,940**	**67,334**
Tax on profit for the year	10	11,560	-10,408
Profit from continuing operations		**-39,380**	**56,926**
Profit from discontinuing operations	11	-7,736	-82,722
Profit/loss for the year		**-47,116**	**-25,796**
Profit appropriation/distribution of loss:			
Shareholders of Bladt Holding		-47,250	-26,006
Non-controlling interests		134	210
		-47,116	**-25,796**

Earnings per share:			
Basic earnings per share (DKK)	12	-1.58	-0.88
Diluted earnings per share (DKK)	12	-1.58	-0.88

Earnings per share for continuing operations:			
Basic earnings per share (DKK)	12	-1.39	1.20
Diluted earnings per share (DKK)	12	-1.39	1.19

Consolidated Statement of **Comprehensive Income**

DKK'000	Note	2021	2020
Profit/loss for the year		**-47,116**	**-25,796**
Items that will be reclassified to the income statement when specific conditions are met			
Foreign exchange adjustments on translation of foreign entitles		122	-444
Other comprehensive income after tax		**122**	**-444**
Total comprehensive income for the year		**-46,994**	**-26,240**
Profit appropriation/distribution of loss:			
Shareholders of Bladt Holding		-47,128	-26,450
Non-controlling interests		134	210
		-46,994	**-26,240**

Consolidated Statement of **Financial Position**

DKK'000	Note	2021	2020
ASSETS			
Non-current assets			
Intangible assets	13,14		
Goodwill		195,200	195,200
Trademarks		16,100	16,100
Other intangible assets (software)		2,103	2,027
		213,403	**213,327**
Property, plant and equipment			
Land and buildings	15	359	485
Plant and machinery	15	68,616	86,621
Fixtures and fittings, other plant and equipment	15	552	799
Property, plant and equipment under construction	15	80,560	5,228
Right-of-use assets	16	110,874	68,079
		260,961	**161,212**
Other non-current assets			
Investments in joint ventures	17	3,554	4,579
Investments in associated companies	18	11,827	1,000
Deferred tax assets	10	37,009	6,094
		52,390	**11,673**
Total non-current assets		**526,754**	**386,212**
Current assets			
Inventories	19	5,263	4,505
Contract assets	4	204,069	111,801
Receivables	20	421,338	604,338
Subscribed capital unpaid	22	75,211	0
Prepaid expenses	21	5,943	3,006
Corporation tax	10	0	0
Restricted cash	28	577,226	550,466
Cash at bank and in hand		264,961	288,475
Assets held for sale	11	0	155,373
Total current assets		**1,554,011**	**1,717,964**
TOTAL ASSETS		**2,080,765**	**2,104,176**

DKK'000	Note	2021	2020
EQUITY AND LIABILITIES			
Equity	22		
Share capital		265,111	189,814
Share premium		350,405	350,405
Reserve own shares		-9,381	-6,461
Other reserves		-1,303	-1,425
Retained earnings		-95,721	-51,419
Equity attributable to shareholders of Bladt Holding A/S		**509,111**	**480,914**
Non-controlling interests		1,054	1,093
Total equity		**510,165**	**482,007**
Liabilities			
Non-current liabilities			
Provisions	23	6,000	5,000
Earn out in connection with business combinations	24	168,750	168,750
Lease liabilities	16	87,456	50,230
Other non-current liabilities		27,948	24,171
Total non-current liabilities		**290,154**	**248,151**
Current liabilities			
Loans from credit institutions	25	100,000	100,000
Lease liabilities	16	27,824	21,661
Contract liabilities	4	826,809	885,878
Trade payables		249,368	144,938
Tax payable	10	208	747
Other payables		76,237	96,469
Liabilities directly associated with assets held for sale	11	0	124,325
Total current liabilities		**1,280,446**	**1,374,018**
Total liabilities		**1,570,600**	**1,622,169**
TOTAL EQUITY AND LIABILITIES		**2,080,765**	**2,104,176**

Consolidated statement of **cash flows**

DKK'000	Note	2021	2020
Profit/loss for the year before tax		**-60,858**	**-38,720**
Adjustment for non-cash operating items etc.:			
Depreciation, amortisation, and impairment losses	6	49,984	54,602
Other non-cash operating items, net		0	5,000
Profit/loss in joint arrangements	17, 18	-7,916	61
Financial income	8	-283	-1,200
Financial expenses	9	15,080	15,233
Cash generated from operations (operating activities) before changes in working capital		**-3,993**	**34,976**
Changes in working capital	27	105,248	232,116
Cash generated from operations (operating activities)		**101,255**	**267,092**
Interest received	8	283	1,200
Interest paid	9	-15,080	-15,233
Corporation tax received/paid	10	-747	2,378
Net cash flows from operating activities		**85,711**	**255,437**

DKK'000	Note	2021	2020
Acquisition of property, plant, equipment and software	15	-81,569	-18,061
Acquisition at associated companies (shares)		-1,840	0
Disposal of property, plant and equipment	15	296	2,231
Cash flows from/used in investing activities		**-83,113**	**-15,830**
External financing:			
Repayment of bank loans and overdrafts		0	-80,418
Payment of lease liabilities	16	-26,066	-24,619
Payment of earn out		0	-1,875
Shareholders:			
Proceeds from issuance of shares		3,034	150,292
Purchase of own shares		-3,848	-3,915
Proceeds from the sale of own shares		928	2,529
Dividend paid to non-controlling interests		-160	-136
Cash flows from financing activities		**-26,112**	**41,858**
Cash flows for the year		**-23,514**	**281,465**
Cash and cash equivalents at the beginning of the year		288,475	6,533
Foreign exchange adjustment of cash and cash equivalents		0	477
Cash and cash equivalents at 31 December		**264,961**	**288,475**
Cash at bank and in hand		264,961	288,475
Cash and cash equivalents at the end of the year		**264,961**	**288,475**

Consolidated Statement of **Change in Equity**

DKK'000

	Share capital	Share premium	Reserve own shares	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity 1 January 2021	189,814	350,405	-6,461	-1,425	-51,419	480,914	1,093	482,007
Total comprehensive income for 2021								
Profit/loss for the year	0	0	0	0	-47,250	-47,250	134	-47,116
Other comprehensive income	**0**	**0**	**0**	**0**	**-47,250**	**-47,250**	**134**	**-47,116**
Other comprehensive income/loss	0	0	0	122	0	122	-13	109
Total other comprehensive income/loss	**0**	**0**	**0**	**122**	**0**	**122**	**-13**	**109**
Total comprehensive income for the year	**0**	**0**	**0**	**122**	**-47,250**	**-47,128**	**121**	**-47,007**
Transactions with owners:								
Issued shares (note 22)	75,297	0	0	0	2,948	78,245	0	78,245
Purchase of own shares (note 22)	0	0	-3,848	0	0	-3,848	0	-3,848
Proceeds from the sale of own shares (note 22)	0	0	928	0	0	928	0	928
Dividend	0	0	0	0	0	0	-160	-160
Equity as at 31 December 2021	**265,111**	**350,405**	**-9,381**	**-1,303**	**-95,721**	**509,111**	**1,054**	**510,165**

DKK'000

	Share capital	Share premium	Reserve own shares	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity 1 January 2020	39,521	350,405	-2,546	-981	-27,942	358,457	1,095	359,552
Total comprehensive income for 2020								
Profit/loss for the year	0	0	0	0	-26,006	-26,006	210	-25,796
Other comprehensive income	**0**	**0**	**0**	**0**	**-26,006**	**-26,006**	**210**	**-25,796**
Other comprehensive income/loss	0	0	0	-444	0	-444	-76	-520
Total other comprehensive income/loss	**0**	**0**	**0**	**-444**	**0**	**-444**	**-76**	**-520**
Total comprehensive income for the year	**0**	**0**	**0**	**-444**	**-26,006**	**-26,450**	**134**	**-26,316**
Transactions with owners:								
Issued shares (note 22)	150,293	0	0	0	0	150,293	0	150,293
Proceeds from the sale of own shares (note 22)	0	0	0	0	2,529	2,529	0	2,529
Purchase of own shares (note 22)	0	0	-3,915	0	0	-3,915	0	-3,915
Dividend	0	0	0	0	0	0	-136	-136
Equity as at 31 December 2020	**189,814**	**350,405**	**-6,461**	**-1,425**	**-51,419**	**480,914**	**1,093**	**482,007**

Summary of Notes to the Consolidated Financial Statements

1 Accounting policies

Bladt Holding A/S is a limited liability company domiciled in Denmark. The financial statements section of the annual report is for the period 1 January – 31 December 2021 and include comparative figures for the period 1 January – 31 December 2020.

The consolidated financial statements and the Parent Company financial statements of Bladt Holding A/S for 2021 and 2020 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act applicable to reporting class C, large enterprises.

On 2nd February 2022, the Executive Board and the Board of Directors discussed and approved the annual report of Bladt Holding A/S for 2021. The annual report will be presented to the shareholders of Bladt Holding A/S for approval at the annual general meeting.

Basis of preparation

The consolidated financial statements and the Parent Company financial statements have been presented in Danish kroner, rounded to the nearest thousand.

The consolidated financial statements and the Parent Company financial statements are prepared in accordance with the historical cost basis and fair value where that is relevant.

Implementation of new standards

The group has implemented IFRS 8 Segments an IAS 33 Earnings per shares standards for 2021, refer to note 3 and note 12, respectively.

There were no new standards or interpretations for 2021 which could be applicable for the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The accounting policies are unchanged.
The accounting policies set out below have been used consistently in respect of the financial year.

Description of accounting policies

Consolidated financial statements

The consolidated financial statements comprise the Parent Company Bladt Holding A/S and subsidiaries in which Bladt Holding A/S has a controlling interest.

The Group has a controlling influence in a company if it has power over the company, is exposed to or has the right to a variable return on its involvement in the company and has the possibility to influence this return using its power over the company.

Companies in which the Group exercises a significant, but not controlling influence on the operational and financial decisions are classified as associates. A significant influence exists when the Group directly or indirectly owns or disposes of more than 20%, but less than 50%, of the voting rights.

Joint arrangements are activities or companies in which the Group through collaboration agreements with one or more parties has a joint controlling influence. Joint controlling influence means that decisions about the relevant activities require unanimity among the parties who have the joint controlling influence.

Joint arrangements are classified as joint ventures or joint operations. Joint operations are defined as activities where the participants enjoy direct rights to assets and are directly liable for liabilities, whereas joint ventures are defined as activities where the participants have rights to the net assets only. A group chart is included on page 78.

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements prepared in accordance with the Group accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group transactions, balances and unrealized gains on intra-group transactions are eliminated. Unrealized gains on transactions with associates are eliminated in proportion to the Group's ownership share of the enterprise. Unrealized losses are eliminated in the same way as unrealized gains to the extent that impairment has not taken place.

In the consolidated financial statements, assets and liabilities of subsidiaries are recognized in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly owned are included in the Group's profit/loss and equity, respectively, but are disclosed separately.

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the sales proceeds amount and the carrying amount of net assets including goodwill at the date of disposal less cost of disposal.

Enterprises acquired or formed during the year are recognized in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognized in the consolidated financial statements up to the date of disposal. The comparative figures are not restated for acquisitions.

Accounting policies (continued)

Business combinations

For acquisitions of businesses over which Bladt Holding A/S obtains control, the acquisition method is used. The acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Intangible assets are recognized if they are separable or arise from a contractual right. Deferred tax is recognized and measured according to IAS 12.

The date of acquisition is the date when Bladt Holding A/S effectively obtains control of the acquired business.

Any excess of the consideration transferred, the value of non-controlling equity interests in the acquired enterprise and the fair value of any previously held equity interests over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill. Goodwill is not amortized but is tested for impairment annually, or more frequently if there are indications of impairment. The first impairment test is performed within the end of the acquisition year. Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for the impairment test.

The consideration transferred by a business consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed, and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed conditions, this part of the consideration is recognized at fair value at the date of acquisition. Costs attributable to business combinations are recognized in profit or loss as incurred.

If uncertainties regarding identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the consideration exist at the date of acquisition, initial recognition will take place on the basis of provisional values. If, subsequently, it becomes apparent that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement is adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures are restated. Subsequently, goodwill is not adjusted. Subsequent changes to estimates of contingent considerations are recognized in profit or loss.

Non-controlling interests

On initial recognition, non-controlling interests are measured at either fair value or their proportional share of the fair value of identifiable assets, obligations and contingent liabilities in the acquired company. In the first case, goodwill is thus included concerning non-controlling interests' share of ownership of the acquired company, while in the latter case, goodwill concerning non-controlling interests is not included. Measurement for non-controlling interests are elected a transaction-by-transaction basis and explained in the notes.

Foreign currency translation

Bladt Holding AS uses DKK as its functional and presentation currency. For each of the reporting entities in the Group, a functional currency is determined. The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in other currencies than the functional currency are foreign currency transactions.

On initial recognition, foreign currency transactions are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the transaction date and the date of payment are recognized in profit or loss as financial income or financial expenses.

For derivative financial instruments related to foreign currency, that do not qualify for hedge accounting, changes in fair value are recognized in the income statement.

Receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates at end of the reporting period. The difference between the exchange rates at the end of the reporting period and at the date at which the receivable or payable arose or was recognized in the latest annual report is recognized in profit or loss as financial income or financial expenses.

In the consolidated financial statements, the income statements of entities with another functional currency than DKK are translated at the exchange rates at the transaction date, and the statement of financial position items is translated at the exchange rates at end of the reporting period. An average exchange rate for each month is used as approximation to the extent that this does not significantly distort the presentation of the underlying transactions. Foreign exchange differences arising on translation of the opening balance of equity of such foreign operations at the exchange rates at the end of the reporting period and on translation of the income statements from the exchange rates at the transaction date to the exchange rates at the end of the reporting period are recognized in other comprehensive income and a separate translation reserve with equity.

On recognition in the consolidated financial statements of associated and joint ventures with another functional currency than DKK, the share of profit/loss for the year is translated at average exchange rates, and the share of equity, including goodwill, is translated at the exchange rates at the end of the reporting period. Foreign exchange differences arising on the translation of the share of the opening balance of equity of foreign associates and joint ventures at the exchange rates at the end of the reporting period, and on translation of the share of profit/ loss for the year from average exchange rates to the exchange rates at the end of the reporting period, are recognized within Other Comprehensive Income in a separate other reserve in exchange rate adjustments.

Segment information

An operating segment is a component of an entity:
a) that engages in business activities from which it may earn revenues and incur expenses,
b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
c) for which discrete financial information is available.

For management purposes, the Group is organized into business areas based on its products and services and has 1 reportable segment, as follows:

- Offshore Wind

No operating segments have been aggregated to form the above reportable operating segments. The Chief Executive Office and the Board of Directors are the Group's chief operating decision maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on earnings before interest and tax (EBIT). The Group's financing (including finance costs and finance income), depreciation and amortization and income taxes are managed on a Group basis and are not allocated to the operating segment.

The Group has classified an operating segment, Infrastructure, as a discontinued operation in 2021. Although the disposed segment is material, the Group has not disclosed the results within the segment disclosures under IFRS 8.

Income statement

Revenue

Contracts for delivery of constructions are recognized over time when (based on hours spent) both of the following criteria are met:

- there is no alternative use for the completed construction should the contract be cancelled;
- the customer has an obligation to pay for the sales value of the work completed to date should the contract be cancelled by the customer.

The Group's products are customized according to the specifications of the customer and are not interchangeable between projects. There is no alternative use for the Group's products.

The Group's contracts generally meet these criteria, and accordingly, revenue corresponds to the value of work performed during the year (the percentage of completion method).

Revenue is recognized by reference to the stage of completion when the total income and expenses on the construction contract and the stage of completion at the end of reporting period can be measured reliably, and it is probable that future economic benefits, including payments, will flow to the company.

When the income from a construction contract cannot be determined reliably, revenue is recognized only corresponding to the costs incurred to the extent that it is probable that they will be recovered.

Revenue is measured at the consideration to which the group expects to become entitled ex. VAT and taxes charged on behalf of third parties and excluding a significant financing component, if any. All discounts granted are deducted from revenue.

Direct production expenses

Direct production expenses comprise costs incurred directly in generating the revenue. Such costs include raw materials and consumables, wages and salaries, subcontractors and warranties.

Other production expenses

Other production expenses comprise of costs incurred which are not directly related to generating revenue. Such costs include indirect production costs, amortization of right of use assets, depreciation and impairment losses regarding production plant and wages and salaries.

Selling costs

Selling costs relating to sales staff, advertising, exhibitions and depreciation and impairment losses are recognized as selling costs.

Administrative expenses

Administrative expenses comprise costs incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation and impairment losses for administrative assets.

Share of profit in equity accounted investments

The proportionate share of the results after tax of the individual joint venture and associates is recognized

Accounting policies (continued)

in the consolidated income statement after elimination of the proportionate share of any intra-group profits/losses. Referring to note 17, investment in joint ventures, and note 18, investments in associated companies.

Financial income and expenses

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

Borrowing costs relating to general borrowing or loans directly relating to acquisition, construction or development of qualifying assets are included in the cost of such assets.

Tax on profit for the year

Bladt Holding A/S is jointly taxed with all Danish subsidiaries. The current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. The jointly taxed companies are taxed under the on-account tax scheme.

This year's taxes, which comprise the current tax for the year and changes in deferred tax, are included in the annual profit, in other comprehensive income or directly to equity.

Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the preference shares – share classes B and C) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Statement of financial position

Intangible assets

Goodwill

Goodwill is initially recognized in the statement of financial position at cost as described under "Business combinations". Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortized.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition based on the level at which goodwill is monitored for financial reporting purposes.

Trademarks

Trademarks, including those acquired in business combinations, are measured at cost less accumulated amortization and impairment losses. The Group's trademarks comprise solely of Trademarks with indefinite useful lives and is not amortized, but are tested for impairment annually.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The trademark Bladt is considered to have a strategic importance for the potential growth of Bladt Holding.

Other Intangible assets (software)

Costs from software maintenance are recognized as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed three years.

Property, plant and equipment

Plant and machinery and fixtures and fittings, other plant 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 when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub suppliers, and wages and salaries as well as borrowing costs relating to specific and general borrowing directly attributable to the construction of the individual asset. Further, the cost includes the present value of the initial estimate of the cost to dismantling and removing the asset and restoring the site on which the asset is located.

Subsequent costs, e.g. in connection with replacement of components of property, plant and equipment, are recognized in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for the Group. The replaced components are derecognized in the statement of financial position and recognized as an expense in profit or loss. All costs incurred for ordinary repairs and maintenance are recognized in profit or loss as incurred.

Where individual components of an item of property, plant and equipment have different useful lives, they are depreciated separately. Depreciation is provided on a straight-line basis over the expected useful lives of the assets/components. The expected useful lives are as follows:

Building	10-15 years
Plant and machinery	3-20 years
Fixtures and fittings, tools and equipment	3-5 years

Depreciation is calculated on the basis of the residual value and impairment losses, if any. The residual value is determined at the date of acquisition and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

When changing the depreciation period or the residual value, the effect on the depreciation is recognized prospectively as a change in accounting estimates.

Depreciation is recognized in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less disposal costs and the carrying amount at the date of disposal. Gains or losses are recognized in the income statement as depreciation.

Right-of-use assets

'Right-of-use assets' are assets arising from a lease agreement. Right-of-use assets are initially measured at cost consisting of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received and the initial estimate of refurbishment costs and any initial directs costs incurred.

The right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets can be adjusted due to modifications to the lease agreement or reassessment of lease term.

Payments associated with short-term leases and leases of low-value are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less. Low-value assets comprise assets with a value below DKK 30 thousand.

Investments in joint ventures and associated companies

Investments in joint ventures and associated companies are recognized according to the equity method. Investments in joint ventures and associated companies are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus the proportionate share of unrealized intra-group profits and losses and plus additional value on acquisition, including goodwill. Investments in joint ventures and associates are tested for impairment when impairment indicators are identified.

Joint ventures and associated companies with a negative net asset value are measured at DKK 0. If the Group has a legal or actual liability to cover the shortfall in the associate or joint venture, this is included under liabilities.

Impairment of non-current assets

Goodwill and trademarks with indefinite useful lives

Goodwill and trademarks with indefinite useful lives are tested for impairment annually.

The carrying amount of goodwill is tested for impairment together with the other non-current assets of the cash-generating unit (CGU) to which goodwill is allocated. The assets of the CGU are written down to the recoverable amount over the income statement if the carrying amount is higher. The recoverable amount of a CGU is generally determined as the present value of the expected future net cash flows from the entity or activity (cash-generating unit) to which goodwill is allocated (value in use).

Trademarks

The trademark is tested for impairment annually and when there is an indication that assets may be impaired, the recoverable amount of the related CGU asset is determined. Value in use is the present value of the future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.

Accounting policies (continued)

Other non-current assets
The carrying amount of other non-current assets is subject to an impairment test if there are any indicators of impairment. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.

Recognition of impairment losses in the income statement
An impairment loss is recognized if the carrying amount of an asset or a cash-generating unit, respectively, exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognized in the income statement as production costs, distribution costs and administrative expenses, respectively. However, impairment losses on goodwill are recognized in a separate line item in the income statement.

Impairment of goodwill is not reversed. Impairment of other assets is reversed only to the extent of changes in the assumptions and estimates underlying the impairment calculation. Impairment is only reversed to the extent that the asset's increased carrying amount does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Inventories
Inventories are measured at the lower of cost in accordance with the FIFO method and the net realizable value. Finished goods and commodities, goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realizable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Contracts assets and liabilities (constructions contracts)
Contracts are measured at the sales value of the work performed less progress billings, anticipated losses and for net assets, expected credit losses, cf. the description under "Receivables" below. Moreover, before the work is commenced, a binding agreement must have been entered into to the effect that penalties covering at least costs and a reasonable margin incurred will be enforced if the contract is subsequently terminated.

The sales value is measured by reference to the percentage of completion at the end of the reporting period and total expected income from the contract. Measuring progress is determined by the input method on the basis of an assessment of Bladt's addition of value by work performed, which is measured as the proportion of the value of labor hours incurred for work performed to date relative to the total estimated labour costs.

Variation orders, claims etc. are included in the total consideration if the change has been approved by the customer or it is probable that Bladt Group has an enforceable right to payment for the work. Variable consideration comprising of variation orders which have not yet been approved, claims not settled, performance bonuses etc. are included in the contract consideration if payment is probable, however, only up to an amount which makes is highly probable that a significant amount of revenue attributable to the respective contracts will not be reversed in a subsequent period.

When it is probable that the total contract costs will exceed the total contract revenue, the anticipated loss on the contract is recognized as an expense and a provision immediately.

When income and expenses on a construction contract cannot be determined reliably, contract revenue is recognized only to the extent that contract costs incurred are probable to be recoverable.

Where the selling price of work performed exceeds progress billings on construction contracts and anticipated losses, the excess is recognized under receivables. If progress billings and anticipated losses exceed the selling price of a construction contract, the deficit is recognized under liabilities.

Prepayments from customers are recognized under liabilities.

Selling costs and costs incurred in securing contracts are recognized in the income statement as incurred.

Receivables
Receivables are measured at amortized cost less write down for expected credit losses. Write-down is made on a portfolio level for receivables with no indication for impairment and on an individual level for receivables with indications of impairment. The Group uses the simplified approach and measures all credit losses as the lifetime expected loss.

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

Receivables for disputed claims on completed projects are measured including interest, if the underlying contracts allow for such interest.

Restricted cash
Restricted cash includes the Escrow accounts. It is advance payment received from one customer. The restricted cash is measured at cost.

Discontinued operations
A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

Equity
Dividends
Proposed dividends are recognized as a liability at the date when they are adopted at the annual general meeting (declaration date). Proposed dividend payment for the year is disclosed as a separate item under equity.

Other reserve
The other reserve comprises foreign exchange differences arising on translation of financial statements of foreign operations that have a functional currency different from DKK.

Corporation tax and deferred tax
Current tax payable and receivable is recognized in the statement of financial position 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. However, deferred tax is not recognized on temporary differences regarding items where temporary differences 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 assets, including the tax value of tax loss carry-forwards, are recognized under other non-current assets at the expected value of their utilization, 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 and jurisdiction.

If uncertainty over an income tax treatment exists, Management assesses whether it is probable that a tax position can be sustained, current and deferred tax is determined on this basis.

Deferred tax assets are assessed where the capitalization criteria in IAS 12 are met and are recognized only to the extent that it is probable that the assets will be capitalized. Deferred tax assets and liabilities are offset if the enterprise has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realize the assets and settle the liabilities simultaneously.

Deferred tax is recognized related to elimination of unrealized intra-group profits and losses on consolidation.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the end of the reporting period when the deferred tax is expected to crystallize as current tax. The change in deferred tax as a result of changes in tax rates is recognized in the comprehensive income for the year.

Provisions
Provisions are recognized when, as a result of past events, the Group has a legal or a constructive obligation, and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation.

The amount recognized as a provision is Management's best estimate of the expenses required to settle the obligation.

Earn out
The earn-out liability is measured at fair value. The liability is determined by discounting the expected payments, taking into account the probability of the balance of the purchase price to be paid. The pre-tax discount rate used reflects the general level of interest rates and the specific risks related to the earn out. The differences for the financial year in the discount element are recognized in financial expenses.

Changes in the fair value of the earn out which may not be attributed to the discount element of the earn out is recognized in profit or loss.

Lease liabilities
Lease liabilities arise from a lease agreement. Lease liabilities are initially equal to the present value of the lease payments during the lease term that are not yet paid.

Accounting policies (continued)

At initial recognition, each contract is assessed individually to assess the likelihood of exercising a potential extension option in the contract. The option to extend the contract period will be included in the calculation of the lease liability if it is reasonably certain that the option will be exercised.

The net present value is calculated using a discount rate corresponding to the incremental borrowing rate. The lease liability will be remeasured when changes occur due to modifications to the contract (extension, termination etc.) or indexation.

Other financial liabilities

Amounts owed to mortgage credit institutions, etc., are recognized at the date of borrowing at fair value

less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortized cost using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement under financial expenses over the term of the loan. Other financial liabilities are measured at amortized cost.

Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquired businesses are recognized in the cash flow statement from the date of acquisition. Cash flows from disposals of businesses are recognized up until the date of disposal.

Cash flows from operating activities are calculated according to the indirect method as the profit/loss after tax adjusted for non-cash operating items, changes in working capital, interest, payments, dividends and income taxes paid.

Cash flows for investing activities comprise payments in connection with acquisitions and disposals of intangible assets, property, plant and equipment and other non-current assets.

Cash flows from financing activities comprise changes in the share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less at the date of acquisition which are subject to an insignificant risk of changes in value.

Cash flows in other currencies than the functional currency is translated using average exchange rates unless these deviate significantly from the rate at the transaction date.

Cash and cash equivalents comprise demand deposits. In prior years, cash and cash equivalents comprised bank overdrafts.

Financial ratio

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios, "Recommendations and Financial Ratios".

Financial ratio definitions are described in note 18 to the Parent Company financial statements.

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Accounting estimates and judgements

Estimation uncertainty

Determination of the carrying amount of certain assets and liabilities requires judgements, estimates and assumptions concerning future events.

The estimates and assumptions are based on historical experience and other factors which management assesses to be reliable in the circumstances, but which by their nature are associated with uncertainty and unpredictability, as unexpected events or circumstances may occur.

Moreover, the Group is subject to risks and uncertainties that may cause actual outcomes to deviate from these estimates. Specific risks for the Bladt Holding Group are discussed in the Management commentary, page 36-37.

Estimates of particular importance to the financial reporting relate primarily to constructions contracts including recognition and measurement of contract variations. See description below.

Revenue over time

The Group applies the input method when recognizing revenue over time so that, the income and expenses from the individual performance obligation can be measured reliably. Expected income and expenses on the construction contracts may, however, change during the project period. Similarly, changes may be made during the construction phase in the contractual basis, and assumptions etc. may not be fulfilled.

The selling price of construction contracts is measured by reference to the stage of completion at the balance sheet date and total expected income from the individual contract. Progress is determined by the input method on the basis of an assessment of the work performed and will normally be subject to accounting estimates made by management.

Variation orders related to instructions from customers on changes in scope, specifications, designs or duration of the contract are included in revenue, when qualified.

Significant amounts of variation orders are recognized in the annual accounts as of 31 December 2021 in accordance with applied accounting policies. Receivables concerning disputed variations constitute a substantial part of receivables due cf. note 31. Although key assumptions are supported by assessments of external expert advisers, it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year which are different from the assumptions made, could require a positive or negative material adjustment to the carrying amount of the asset affected.

The business procedures, etc. of Bladt Holding A/S combined with the knowledge and experience of the project managers contribute to reliable accounting treatment of construction contracts in accordance with the accounting policies.

Impairment test, goodwill

In connection with the annual impairment test of goodwill, or when there is an indication of impairment, it is assessed whether the parts of the enterprise CGUs (cash-generating units) to which goodwill can be allocated will be able to generate adequate positive net cash flows in future to support the value of goodwill and other net assets.

In connection with the preparation of the impairment testing, estimates are to be made of expected future cash flows many years ahead which, of course, involves some uncertainty. The discount rate applied reflects this uncertainty. The impairment testing is described in note 14 to the consolidated financial statements.

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Segment reporting

The main business of the Group is offshore wind with a proven record of accomplishment within monopolies, transition pieces, substations and other special foundation types.

The group have had two main business areas, one which is Offshore Wind and the other Infrastructure that is being divested and thus treated as discontinued operations under IFRS 5. See note 11 for details on discontinued operations results.

Over the last couple of years, Bladt Group have been expanding within the Offshore Wind and in 2020 the decision was made to focus solely on the offshore business meaning that the business area Infrastructure is being divested. The Bladt group has sole focus on being "the foundation for the green energy transition" and therefore, the Offshore Wind business is the core business for the group.

The Offshore Wind is the business area delivering renewable energy. Bladt fabricates offshore substations and offshore foundations and transition pieces for clients around the world. In total, our reference list now counts more than 20 substations and more than 2,900 foundations and transition pieces.

The divisions of offshore foundations and offshore substations provide different products and services and require different technology. However, the divisions target the same offshore wind market and are organized under one business area: Offshore Wind.

Year ended 31 December 2021

DKK'000	Offshore Wind	Consolidated
REVENUES & PROFIT		
External customers	2,046,892	2,046,892
Total revenue	**2,046,892**	**2,046,892**
Direct production expenses	1,875,126	1,875,126
Contribution	**171,766**	**171,766**
Other production expenses	157,910	157,910
Gross profit	**13,856**	**13,856**
Selling costs	16,602	16,602
Administrative expenses	41,313	41,313
Operating profit	**-44,059**	**-44,059**

Other disclosures
See note 17 & 18 for investment in an associate and a joint venture

DKK'000	Offshore Wind	Consolidated
FINANCIAL POSITION		
Total assets	**2,080,577**	**2,080,577**
Total liabilities	**1,570,600**	**1,570,600**

Revenue from major customers

DKK'000	Offshore Wind	2021 (01.01.2021-31.12.2021)
Customer 1	960,944	960,944
Customer 2	486,375	486,375
Customer 3	267,704	267,704
Customer 4	210,149	210,149
Other customers	121,720	121,720
Total revenue from major customers	**2,046,892**	**2,046,892**

Year ended 31 December 2020

DKK'000	Offshore Wind	Consolidated
REVENUES & PROFIT		
External customers	1,956,226	1,956,226
Total revenue	**1,956,226**	**1,956,226**
Direct production expenses	1,669,023	1,669,023
Contribution	**287,203**	**287,203**
Other production expenses	156,700	156,700
Gross profit	**130,503**	**130,503**
Selling costs	14,573	14,573
Administrative expenses	34,502	34,502
Operating profit	**81,428**	**81,428**

Other disclosures
See note 17 & 18 for invesment in an associate and a joint venture

DKK'000	Offshore Wind	Consolidated
FINANCIAL POSITION		
Total assets	**2,104,176**	**2,104,176**
Total liabilities	**1,622,169**	**1,622,169**

Segment reporting (continued)

DKK'000 Revenue from major customers	Offshore Wind	2020 (01.01.2020 - 31.12.2020)
Customer 1	969,562	969,562
Customer 2	428,966	428,966
Customer 3	319,265	319,265
Customer 4	113,468	113,468
Other customers	124,965	124,965
Total revenue from major customers	**1,956,226**	**1,956,226**

Geographical information

DKK'000 Revenue from external customers	2021 (01.01.2021 - 31.12.2021)	2020 (01.01.2020 - 31.12.2020)
United Kingdom	224,585	619,144
Germany	601,525	545,305
Denmark	6,539	358,811
Taiwan	716,181	316,484
France	263,893	0
USA	211,345	45,173
Other	22,824	71,309
Total	**2,046,892**	**1,956,226**

The revenue information above is based on the locations of the end of use place.
All non-current operating assets are located in Denmark.

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Revenue

DKK'000	2021	2020
Transition pieces, monopiles and jackets	1,506,339	1,644,189
Substation	540,553	312,038
Offshore wind	**2,046,892**	**1,956,226**
Infrastructure	130,679	249,245
Total	**2,177,571**	**2,205,471**
Revenue from discontinued operations (note 11)	-130,679	-249,245
Revenue from continued operations	**2,046,892**	**1,956,226**

Contract assets and contract liabilities

DKK'000	2021	2020
Invoicing is based on milestones in each contract.		
Selling price of construction contracts	4,898,372	3,462,856
Total progress billing	-5,521,112	-4,236,933
	-622,740	**-774,077**
Specified as follows:		
Contract balance from contracts with customers		
Contract assets	204,069	111,801
Contract liability*	-826,809	-885,878
	-622,740	**-774,077**

* Contract liability includes amount of 577,225 thousand DKK, of which 542,225 thousand DKK is prepayment from customers and 35,000 thousand DKK in escrow accounts, in 2021 (2020: 550 466 thousand DKK). The same amount is included also in the balance sheet as Restricted cash.

Aggregate amount of construction contracts that are partially or fully unsatisfied 31 December 2021 amounts to approx. DKK 12 billion (2020: approx. DKK 3.4 billion). Management expect that approximately 25-30% of the amount will be recognized by the end of the financial year 2022 and 100% at the end of the financial year 2025. The amount does not include variable consideration which is constrained.

Set out below is the amount of revenue recognised from:

DKK'000	2021	2020
Amounts included in contract liabilities at the beginning of the year	415,393	163,795

Revenue (continued)

DKK'000	2021	2020
Timing of revenue recognition		
Goods and services transferred at a point in time	0	5,247
Goods and services transferred at over time	2,046,892	1,950,979
Total revenue from continuing operations	**2,046,892**	**1,956,226**

Performance obligations
The Group treat each projects as a separate obligation. Revenue is recognized by reference to the stage of completion when the total income and expenses on the construction contract and the stage of completion at the balance sheet date can be measured reliably and it is probable that future economic benefits, including payments, will flow to the company.

Typically 5-year warranty beyond fixing the defects that existed at the time of sale is provided to customers included in the contracts.

Settlement of arbitration proceedings
The group has in 2021 accepted a settlement in relation to arbitration proceedings regarding disagreement on variation orders and claims between Bladt and a customer on a project delivered in 2014. The settlement decreases the expected compensation by DKK 105 million before tax and the amount is recognised in revenue.

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Staff costs

DKK'000	2021	2020
Wages and salaries	225,387	275,550
Defined contribution plans	17,273	20,398
Other social security costs	5,241	5,380
	247,901	**301,328**
Number of Key management	3	3
Average number of full time employees (FTEs), excluding Key management	400	488
Total average number of full time employees (FTEs)	**403**	**491**
Staff costs are recognized as follows in the income statement:		
Direct production expenses	134,881	175,464
Other production expenses	66,917	84,902
Selling costs	14,400	12,154
Administrative expenses	31,703	28,808
	247,901	**301,328**

Staff costs concerning discontinued operations amounts to 11,699 thousand DKK in 2021 (2020: 55,249 thousand DKK).

	2021	2020
Of this figure, consideration for:		
Remuneration for Board of Directors	1,410	645
Remuneration executive board	11,175	10,403
Pension for the Executive Board	641	577
	13,227	**11,624**

Besides executive management in Bladt Holding A/S, key management also consist of the executive board in subsidiary Bladt Industries A/S.

No share payments were made to the key management in 2021 and 2020. All considerations to key management are considered as short-term employee benefits.

Management remuneration has been stated with regard to the Danish Financial Statements Act § 98b, 3.

Warrants

DKK'000	Executive management pcs	Other pcs	Total pcs
Outstanding as at 1. January 2021	2,513,247	3,991,630	6,504,877
Adjusted	0	0	0
Awards issued	534,282	313,390	847,672
Vested	0	0	0
Expired/forfeited	-235,954	-797,257	-1,033,211
Outstanding as at 31. December 2021	**2,811,575**	**3,507,763**	**6,319,338**
Outstanding as at 1.January 2020	3,359,730	2,993,380	6,353,110
Adjusted	-1,584,788	1,584,788	0
Awards issued	738,305	219,405	957,710
Vested	0	0	0
Expired/forfeited	0	-805,943	-805,943
Outstanding as at 31.December 2020	**2,513,247**	**3,991,630**	**6,504,877**

1. In 2012, Bladt Holding A/S introduced a warrant program for executive employees and some of the board members of the Group. The warrant program comprised 3,039,282 warrants as of 31 December 2021 (2020: 3,039,282 warrants). Each warrant entitles the warrant holder to subscribe for a share of a nominal value of DKK 1 in Bladt Holding A/S upon the payment of DKK 10 with the addition of 16% p.a. accumulating per year after 23 May 2012.

   Non-subscribed warrants correspond to 7.6% (2020: 7.5%) of the share capital provided that all warrants are exercised. Estimated fair value per warrant amounted to DKK 1 at the date of granting, corresponding to the payment from the warrant holders. Therefore, there was no bonus element at the date of granting.

   The warrants will vest and can be exercised in case of a change of control, and they will expire on 31 December 2024 at the latest.

2. In 2019, Bladt Holding A/S introduced a warrant program for executive employees and some of the board members of the Group. The warrant program comprised 1.869.381 warrants as of 31 December 2021 (2020: 1.964.150. Each warrant entitles the warrant holder to subscribe for a share of a nominal value of DKK 1 in Bladt Holding A/S upon the payment of DKK 6.39 with the addition of 16% p.a. accumulating per year after 11 June 2019 / 5 July 2019.

   Non-subscribed warrants correspond to 4.1% (2020: 4.9%) of the share capital provided that all warrants are exercised. Estimated fair value per warrant amounted to DKK 1 at the date of granting, corresponding to the payment from the warrant holders. Therefore, there was no bonus element at the date of granting.

   The warrants will vest and can be exercised in case of a change of control, and they will expire on 31 December 2023 at the latest.

3. In 2020, Bladt Holding A/S introduced a warrant program for executive employees and some of the board members of the Group. The warrant program comprised 563.003 warrants as of 31 December 2021 (2020: 957.170). Each warrant entitles the warrant holder to subscribe for a share of a nominal value of average DKK 0.56 in Bladt Holding A/S upon the payment of average DKK 8.27 with the addition of 16% p.a. accumulating.

   Non-subscribed warrants correspond to 1.4% (2020: 2.4%) of the share capital provided that all warrants are exercised. Estimated fair value per warrant amounted to DKK 1 at the date of granting, corresponding to the payment from the warrant holders. Therefore, there was no bonus element at the date of granting.

   The warrants will vest and can be exercised in case of a change of control, and they will expire on 31 December 2025 at the latest.

4. In 2021, Bladt Holding A/S introduced a warrant program for executive employees and some of the board members of the Group. The warrant program comprised 847.672 warrants as of 31 December 2021. Each warrant entitles the warrant holder to subscribe for a share of a nominal value of average DKK 0.64 in Bladt Holding A/S upon the payment of average DKK 9.47 with the addition of 16% p.a. accumulating.

   Non-subscribed warrants correspond to 2.1% of the share capital provided that all warrants are exercised. Estimated fair value per warrant amounted to DKK 1 at the date of granting, corresponding to the payment from the warrant holders. Therefore, there was no bonus element at the date of granting.

   The warrants will vest and can be exercised in case of a change of control, and they will expire on 31 December 2026 at the latest.

In 2021 and 2020 no expense was recognized regarding share-based payments.

6

Amortization of intangible assets and depreciation of property, plant and equipment

DKK'000	2021	2020
Depreciation of intangible assets, see note 13	9	130
Depreciation of property, plant and equipment, see note 15	22,582	27,059
Depreciation of lease assets, see note 16	26,163	26,044
Profit from sale of property, plant and equipment	1,230	1,369
	49,984	**54,602**
Depreciation is recognized as follows in the income statement:		
Other production expenses	37,275	52,122
Administrative expenses	12,709	2,480
	49,984	**54,602**

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Fees to auditors appointed at the annual General Meeting

DKK'000	2021	2020
Total fee for PWC is specified as follows:		
Statutory audit	857	415
Tax and VAT assistance	630	941
Other assistance	651	10,539
	2,138	**11,895**

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Financial income

DKK'000	2021	2020
Interest, tax etc.	283	0
Dividend from associated companies	0	1,200
	283	**1,200**
Interest and dividend on financial assets measured at amortized costs	283	1,200

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Financial expenses

DKK'000	2021	2020
Interest, banks, etc.	10,631	9,782
Interest on lease	4,449	5,451
Total	**15,080**	**15,233**
Interest on financial liabilities measured at amortized costs	15,080	14,833

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Tax

DKK'000	2021	2020
Current tax expense(+)/income(-)	156	-4,678
Deferred tax expense(+)/income(-)	-11,716	15,086
Total expense(+)/income(-)	**-11,560**	**10,408**
Tax on profit for the year relates to:		
22.0% tax on profit for the year before tax	-11,207	14,813
The tax effect of:		
Non-taxable income	-1,657	-587
Non-deductible costs	0	205
Change to tax prior years	1,304	-4,023
	-11,560	**10,408**
Effective tax rate	**22.69%**	**-15.50%**
Deferred tax		
Deferred tax(+)/Deferred tax asset(-) at 1 January	-6,094	-21,180
Adjustment to prior year	0	0
Other comprehensive income	0	0
Deferred tax(+)/Deferred tax asset(-) for the year recognized in profit/loss for the year	-11,716	15,086
Reclassification due to discontinued operations	-19,199	0
Deferred tax at 31 December	**-37,009**	**-6,094**
Deferred tax is recognized in the balance sheet as follows:		
Deferred tax liability(+)/Deferred tax asset(-)	-37,009	-6,094
Deferred tax at 31 December, net	**-37,009**	**-6,094**

Deferred tax assets / liabilities relates to:

	Balance sheet	
DKK'000	**2021**	**2020**
Intangible assets	4,087	4,087
Property, plant and equipment	-3,345	1,359
Construction contracts	53,068	59,133
Liabilities	-15,942	-20,866
Tax loss	-74,877	-48,173
Other liabilities	0	-1,634
Deferred tax liability(+)/Deferred tax asset(-)	**-37,009**	**-6,094**

Deferred tax expenses / income relates to:

	Balance sheet	
DKK'000	**2021**	**2020**
Property, plant and equipment	4,704	1,200
Construction contracts	6,065	-30,390
Liabilities	-4,924	1,914
Tax loss	26,704	21,538
Other liabilities	-1,634	-295
Total deferred tax expense(+)/income(-)	**30,915**	**-6,033**
Deferred tax income in discontinued operations *		-9,053
Total recognized deferred tax expense(+)/income(-)	**30,915**	**-15,086**

* Deferred tax expenses on the discontinued operation is 2 182 thousand DKK in 2021. The deferred tax relating to discontinued operations is not included in the above table. Refer to note 11 on discontinued operations.

	2021	**2020**
Corporation tax		
Corporation tax payable at 1 January	747	0
Adjustment to prior year	52	0
Current tax for the year	156	-854
Corporation tax paid during the year	-747	1,601
Corporation tax payable at 31 December	**208**	**747**

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Discontinued operations

At the end of 2020, the management has decided that the future core business of Bladt Industries will be the segment Offshore Wind due to an ambition of becoming a pure offshore wind OEM, delivering foundations, transition pieces, and substations globally to the offshore wind industry thus supporting Bladt Industries' vision to become "The foundation of the green energy transition offshore".

Consequently, the Infrastructure division was at the 31 December 2020 classified as a discontinuing operation and is no longer presented as a separate operating segment in the segment note (note 3). During 2021, Bladt successfully the has and fully divested the Infrastructure division with effect from 31 December 2021 The result of the Infrastructure division is shown below.

DKK'000	2021	2020
Revenue	130,679	249,245
Expenses	-140,597	-355,299
Profit before tax	**-9,918**	**-106,054**
Tax on profit for the year	2,182	23,332
Profit after tax of discontinued operations	**-7,736**	**-82,722**
Cash flows:		
Net cash from operating activities	114,760	-165,763
Net cash from investing activities	0	-417
Net cash flows from operating, investing and financing activities	**114,760**	**-166,180**
Balance Sheet:		
Assets classified as held for sale		
Property, plant and equipment	0	935
Construction contracts	0	14,079
Receivables	0	123,543
Tax asset	0	16,816
Total assets classified as held for sale	**0**	**155,373**
Liabilities directly associated with assets classified as held for sale		
Provisions	0	1,000
Lease liabilities	0	1,407
Other non-current liabilities	0	4,098
Construction contracts	0	100,321
Trade payables	0	17,499
Total liabilities directly associated with assets held for sale	**0**	**124,325**

12

Earnings per share

The following table reflects the income and share data used in the EPS calculations:

DKK'000	2021	2020
Profit attributable to ordinary equity holders of the parent:		
Continuing operations	-39,514	56,716
Discontinued operations	-7,736	-82,722
Profit attributable to ordinary equity holders of the parent for basic earnings	**-47,250**	**-26,006**
Interest on preference shares	-15,966	-9,062
Profit attributable to ordinary equity holders of the parent adjusted for the effect of interest on preference share	**-63,216**	**-35,068**
No. of ordinary shares at 01.01 (in thousand)	39,814	39,524
No. of ordinary shares at 31.12 (in thousand)	40,111	39,814
Weighted average number of ordinary shares for basic EPS*	**39,963**	**39,669**
Effects of dilution from:		
Share warrants	38	368
Weighted average number of ordinary shares adjusted for the effect of dilution **	**40,001**	**40,037**
Basic EPS - profit or loss attributable to equity holders of the parent	-1.58	-0.88
Diluted EPS - profit or loss attributable to equity holders of the parent	-1.58	-0.88

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year. There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

**The Group has equity settled share-based options (see note 5), however, as all of the potential ordinary shares from these share-based options are anti-dilutive, the diluted earnings per share is the same as basic earnings per share. The potential ordinary shares are disclosed in note 22.

To calculate the EPS for discontinued operations (Note 11), the weighted average number of ordinary shares for both the basic and diluted EPS is as per the table above. The following table provides the profit/(loss) amount used:

DKK'000	2021	2020
Profit/(loss) attributable to ordinary equity holders of the parent from discontinued operations for the basic and diluted EPS calculations	-7,736	-82,722

Earnings per share for continuing operations		
Basic, profit from continuing operations attributable to ordinary equity holders of the parent	-1.39	1.20
Diluted EPS, profit from continuing operations attributable to ordinary equity holders of the parent	-1.39	1.19
Earnings per share for discontinued operations		
Basic, profit from discontinued operations attributable to ordinary equity holders of the parent	-0.19	-2.09
Diluted, profit from discontinued operations attributable to ordinary equity holders of the parent	-0.19	-2.07

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Intangible assets

DKK'000	Goodwill	Trademarks	Other intangible assets (software)	Total
Cost at 1 January 2021	195,200	16,100	8,448	219,748
Additions	0	0	85	85
Cost at 31 December 2021	195,200	16,100	8,533	219,833
Depreciations and impairment losses at 1 January 2021	**0**	0	6,421	6,421
Depreciation	**0**	0	9	9
Depreciations and impairment losses at 31 December 2021	**0**	0	6,430	6,430
Carrying amount at 31 December 2021	**195,200**	**16,100**	**2,103**	**213,403**

Trademark was taken over upon acquisitions and it covers the name of "Bladt".
The useful lives of trademarks are deemed to be indefinite as Management assesses that the value of these trademarks can be maintained indefinitely as these trademarks are well-established trademarks in the markets in question, and as they are expected to be profit-generating for a long period.

The expected useful lives are as follows:
Other intangible assets (software) 1-3 years

DKK'000	Goodwill	Trademarks	Other intangible assets (software)	Total
Cost at 1 January 2020	195,200	16,100	8,252	219,552
Additions	0	0	196	196
Cost at 31 December 2020	195,200	16,100	8,448	219,748
Depreciations and impairment losses at 1 January 2020	0	0	6,291	6,291
Depreciation	0	0	130	130
Depreciations and impairment losses at 31 December 2020	0	0	6,421	6,421
Carrying amount at 31 December 2020	**195,200**	**16,100**	**2,027**	**213,327**

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Impairment test

Goodwill and trademarks

31 December 2021, Management made an impairment test of the carrying amount of goodwill and trademarks with indefinite lives. The management considers the Bladt Group to have only one continuing segment, Offshore wind. The entire amount of goodwill and trademarks are allocated only to the Offshore wind segment. The recoverable amount exceeds the carrying amount. The recoverable amount is based on the value in use determined using expected net cash flows based on budgets and forecast for the years 2021-2025, a discount rate before tax of 11% and a growth rate in the terminal period of 1%, which is unchanged from last year. The cash flows are estimated based on the order backlog reaching into 2025 and on the assumed market activity. The most significant assumption to form the basis of the prepared budgets is some market growth subsequently mainly based on the forecasted investment activity in offshore wind, on the assumed project win rates per segment which are expected largely unchanged compared to current levels based on the expected developments in competitive intensity and the Bladt Group's cost and market position, and on the expected development in project profitability forecast. Management assumes that in the event of reasonably probable changes in the primary assumptions forming the basis of the calculation of the recoverable amount, it will still exceed the carrying amount of the CGU.

Carrying amount of each type og intangible assets

DKK'000	Goodwill	Trademark	Total 2021
Carrying amount 1 January 2020	195,200	16,100	211,300
Impairment	0	0	0
Carrying amount 31 December 2020	195,200	16,100	211,300
Impairment	0	0	0
Carrying amount 31 December 2021	195,200	16,100	211,300

Key assumptions applied to determine the recoverable amount

Discount rate

The discount rate reflects the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate for the Group is estimated based on the weighted average cost of capital (WACC). The main components of the WACC are the market risk premium, the CGU's Beta, interest cost of debt, expected debt/enterprise value ratio and the corporate tax rate. The pre-tax discount rate is determined by an iterative computation so that value in use determined using pre-tax cash flows and a pre-tax discount rate equals value in use determined using post-tax cash flows and a post-tax discount rate (WACC). The applied average pre-tax discount rate is 11 % (2020: 17%).

Terminal revenue growth rate

The terminal growth rate is the estimated long-term rate of growth in the economy where the business operates, aligned with long term global inflation targets. The applied terminal growth rate is 1 % (2020: 1%)

Climate-related matters – The Group monitors the latest government legislation in relation to climate-related matters. At the current time, no legislation has been passed that will negatively impact the Group. The Group will adjust the key assumptions used in value-in-use calculations and sensitivity to changes in assumptions should a change be required.

Market share assumptions – When using industry data for growth rates, these assumptions are important because management assesses how the unit's position, relative to its competitors, might change over the forecast period.

Terminal growth rate - The terminal growth rate is the estimated long-term rate of growth in the economy where the business operates, aligned with long term global inflation targets.

Management estimates that reasonable probable changes in the key assumptions used to determine the recoverable amount will not result in the carrying amount of goodwill and trademark exceeding the recoverable amount.

Detailed disclosures on sensitivity are made if a reasonably possible change in a key assumption used to determine the CGU's recoverable amount would cause its carrying amount to exceed its recoverable amount.

Other intangible assets (software)

Management did not identify any need for impairment testing of other tangible or intangible assets.

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Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Assets under construction	Total
Cost at 1 January 2021	1,832	399,354	8,717	5,228	415,131
Reclassification of assets classified as held for sale	0	211	0	0	211
Cost at 1 January 2021 adjusted	1,832	399,565	8,717	5,228	415,342
Additions	0	2,415	70	78,527	81,012
Foreign exchange adjustment	-16	-3	-1	0	-20
Transferred	0	3,012	183	-3,195	0
Disposals	0	-11,988	-2,713	0	-14,701
Cost at 31 December 2021	**1,816**	**393,001**	**6,256**	**80,560**	**481,633**
Depreciations and impairment losses at 1 January 2021	1,347	312,733	7,918	0	321,998
Reclassification of assets classified as held for sale	0	161	0	0	161
Depreciations and impairment losses at 1 January 2021, adjusted	1,347	312,894	7,918	0	322,159
Depreciation	121	21,952	509	0	22,582
Foreign exchange adjustment	-11	-2	-7	0	-20
Disposals	0	-10,459	-2,716	0	-13,175
Depreciations and impairment losses at 31 December 2021	**1,457**	**324,385**	**5,704**	**0**	**331,546**
Carrying amount at 31 December 2021	**359**	**68,616**	**552**	**80,560**	**150,087**

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Assets under construction	Total
Cost at 1 January 2020	1,969	391,230	9,519	1,959	404,677
Additions	0	12,566	71	5,228	17,865
Transferred	0	1,959	0	-1,959	0
Foreign exchange adjustment	-137	-19	-19	0	-175
Disposals	0	-6,171	-854	0	-7,025
Assets classified as held for sale	0	-211	0	0	-211
Cost at 31 December 2020	**1,832**	**399,354**	**8,717**	**5,228**	**415,131**
Depreciations and impairment losses at 1 January 2020	1,290	289,519	7,891	0	298,700
Depreciation	147	26,232	680	0	27,059
Foreign exchange adjustment	-90	-17	-19	0	-126
Disposals	0	-2,840	-634	0	-3,474
Assets classified as held for sale	0	-161	0	0	-161
Depreciations and impairment losses at 31 December 2020	**1,347**	**312,733**	**7,918**	**0**	**321,998**
Carrying amount at 31 December 2020	**485**	**86,621**	**799**	**5,228**	**93,133**

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Lease assets and liabilities

DKK'000	Rental of premises	Company cars	Equipment	Total
Cost at 1 January 2021	207,680	3,954	2,614	214,248
Reclassification of assets classified as held for sale	2,220	1,417	0	3,637
Cost at 1 January 2021, adjusted	209,900	5,371	2,614	217,885
Additions	32,069	788	35,892	68,749
Disposals	-499	-865	0	-1,364
Cost at 31 December 2021	**241,470**	**5,294**	**38,506**	**285,270**
Depreciations and impairment losses at 1 January 2021	142,584	1,661	1,924	146,169
Reclassification of assets classified as held for sale	2,182	570	0	2,752
Depreciations and impairment losses at 1 January 2021, adjusted	144,766	2,231	1,924	148,921
Depreciation	24,378	1,359	436	26,173
Disposals	-162	-537	0	-699
Depreciations and impairment losses at 31 December 2021	**168,982**	**3,053**	**2,360**	**174,395**
Carrying amount at 31 December 2021	**72,488**	**2,241**	**36,146**	**110,874**

DKK'000	Rental of premises	Company cars	Equipment	Total
Right-Of-Use assets				
Cost at 1 January 2020	209,469	3,054	2,614	215,137
Additions	431	2,577	0	3,008
Disposals	0	-260	0	-260
Assets classified as held for sale	-2,220	-1,417	0	-3,637
Cost at 31 December 2020	**207,680**	**3,954**	**2,614**	**214,248**
Depreciations and impairment losses at 1 January	120,439	1,209	1,489	123,137
Depreciation	24,327	1,282	435	26,044
Disposals	0	-260	0	-260
Assets classified as held for sale	-2,182	-570	0	-2,752
Depreciations and impairment losses at 31 December 2020	**142,584**	**1,661**	**1,924**	**146,169**
Carrying amount at 31 December 2020	**65,096**	**2,293**	**690**	**68,079**

DKK'000	
Changes in the lease liabilities – 2021	**Total**
Total lease liabilities at 1 January 2021	**71,891**
Leases from discontinued operations	1,407
New leases recognised during the period	68,749
Disposals	-701
Lease payments	-30,515
Interest expenses on lease liabilities	4,449
Total lease liabilities at 31 December 2021	**115,280**

DKK'000	
Changes in the lease liabilities – 2020	**Total**
Total lease liabilities at 1 January 2020	**93,502**
New leases recognised during the period	3,008
Lease payments	-30,070
Interest expenses on lease liabilities	5,451
Total lease liabilities at 31 December 2020	**71,891**

Lease liabilities expiring within the following periods from the balance date:

DKK'000	2021	2020
0-1 years	35,506	28,167
1-2 years	29,445	21,423
2-3 years	28,670	15,017
3-4 years	12,446	15,406
4-5 years	12,423	43
> 5 years	13,583	0
Total lease liabilities, undiscontinued	**132,073**	**80,056**

Lease assets and liabilities (continued)

Lease liabilities are recognized in the balance sheet as follows:

DKK'000	2021	2020
Non-current liabilities	87,456	50,230
Current liabilities	27,824	21,661
Total lease liabilities	**115,280**	**71,891**

Recognized In the profit or loss statement:

DKK'000	2021	2020
Depreciation and impairment losses Right-of-Use	26,173	26,044
Interest expenses related to lease liabilities	4,449	5,451
Expense relating to short term leases, not capitalized	12,325	13,913
Expense relating to leases of low-value assets, not capitalized	0	0
	42,947	**45,408**

Total cash outflow from leases

DKK'000	2021	2020
Capitalised leases	30,515	30,070
Short-term leases, not capitalized	12,325	13,913
Total cash out flow from leases	**42,840**	**43,983**

Measurement of lease liabilities is based on the non-cancelled period and does not include extension options. Rented premises are non-cancellable for Bladt Group as lessee up to 2024 with an option to extend for 15 years. Lease payments in this 15 year period amounts to DKK 213,935 thousand.

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Investments in joint venture

The Group participates in Bladt//EEW Offshore Wind Foundation Group I/S and Bladt//EEW Offshore Wind Foundation Group Gwynt y Môr I/S, Bladt EEW Offshore Wind Foundation Group Baltic 2 GbR, Bladt/EEW Offshore foundation Group Baltic 2 I/S, Bladt/EEW Offshore Wind Foundation Group Veja Mate GbR, Century Bladt Foundation Co., LTD. and Bladt Semco Renewables LLC.

All of the above enterprises are considered joint arrangements as none of the parties exercise control over them. All material decisions of the enterprises require consensus.

The contractual circumstances of the enterprises imply that the parties to the arrangements only have rights to the net assets and, consequently, they are to be treated as joint ventures.

Reference is made to the group chart on page 110 for a view of ownership shares and registered offices. All joint ventures are individually considered immaterial. The financial information for these joint ventures that are accounted for using the equity method has been summarized below.

DKK'000	2021	2020
Cost value at 1 January	6,637	6,637
Costs at 31 December	**6,637**	**6,637**
Adjustments for carrying amount	-2,058	-1,861
Carrying value at 1 January	4,579	4,776
Profit and loss for the year	-1,031	-61
Exchange rate adjustment	6	-136
Carrying amount at 31 December	**3,554**	**4,579**

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Investments in associated companies

DKK'000	2021	2020
Carrying value at 1 January	1,000	1,000
Additions	1,840	0
Profit and loss for the year	8,947	0
Exchange rate adjustment	40	0
Adjustments 31 December	11,827	1,000
Carrying amount at 31 December	**11,827**	**1,000**

The Group has a 28.57% interest in Blue Power Partners HoldCo ApS.
The Groups interest is accounted for using the equity method in the consolidated financial statements.
The Group invested in 2021 in NSK Taiwan A/S Co, an associated company in Taiwan.
The Group own 19%, however management consider itself to have significant influence.

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Inventories

DKK'000	2021	2020
Raw materials and consumables	5,213	4,265
Finished goods and goods for resale	50	240
	5,263	**4,505**

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Receivables

DKK'000	2021	2020
Trade receivables *	395,085	565,814
Other receivables	26,253	38,524
	421,338	**604,338**

* See note 29 for Expected credit loss. (No credit loss is expected.)

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Prepaid expenses

DKK'000	2021	2020
Other adjustments	5,943	3,006
	5,943	**3,006**

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Equity

Capital management
The Group regularly assesses the need for adjusting its capital structure to hold the required higher return on equity up against the higher degree of uncertainty surrounding external financing.

The Group focuses on having a high equity ratio and ample cash resources to ensure as much scope for financial action as possible.

Share capital
The share capital amounts in 2021 to DKK 265,111 thousand (2020: DKK 189,814 thousand) broken down on shares with a face value of DKK 1 each for all classes of shares or multiples thereof.

During 2021, the share capital had increased by DKK 297,789 by the issue of 297,789 A-shares of DKK 1 each to managements. There were 6 share-capital increases approved during 2021 and 5 of them were registered in 2020 but the last one, amounting to DKK 23,000, was registered on 5th January 2022

As of the 21st of December 2021, the share capital had increased by DKK 75,000,000 by the issue of 73,519,913 C-shares of DKK 1 each to Nordic Capital CV1 Limited, acting as General Partner to Nordic Capital CV1 Alpha, L.P. and Nordic Capital CV1 Beta, L.P. ("Nordic Capital CV1") and 1,480,087 C-shares of DKK 1 each to others. It was approved on 21st December 2021 and registered on the 5th of January 2022.

Rights attached to newly issues A- and C-shares are valid from the date of the decision.

Number of issued shares (in thousand)	**A-shares**	**B-shares**	**C-shares**	**Total**
31/12/2019	**39,521**			**39,521**
Capital increase in 2020	292	150,000		150,292
31/12/2020	**39,814**	**150,000**		**189,814**
Capital increase in 2021	298		75,000	75,298
31/12/2021	**40,111**	**150,000**	**75,000**	**265,111**

A-shares has voting rights and each A-share of DKK 1 carries one vote. B-shares and C-shares have no voting rights.
A-shares represents ordinary shares of the Company.
B-shares and C-shares are entitle the owner to receive preferred dividend before the A-shares.

DKK'000	**2021**	**2020**
Dividend per share	**0**	**0**
Reserve own shares		
Holding at 1 January	451	16
Acquired in the year	365	435
Sold in the year	-96	0
Costs at 31 December	**720**	**451**

The shares are acquired in 2021 and 2020 from former members of Group Management.The Group´s holding of own shares represent 0.59% (2020: 0.75%) of the Group´s share capital. The value of own shares held amounts to DKK 10,309 thousand (2020: 6,461 thousand).

Other reserves
Other reserves adjustments comprises the parent company shareholders' share of exchange differences occurring from translation of financial statements stated in a functional currency other than DKK, foreign exchange adjustments regarding assets and liabilities which form part of the Group's net investments in such entities.

The reserve is dissolved through divestment of foreign entities.

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Provisions

DKK'000	2021	2020
Warranties	6,000	5,000

Warranties are determined based on past experience with warranty work. The costs are expected to be incurred in 2022-2023.

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Earn out in connection with business combinations

DKK'000	2021	2020
Contingent consideration	168,750	168,750

The contingent consideration relates to the acquisition of Bladt Industries Holding A/S.

The consideration is expected to be paid out in case of change of control. The fair value was computed at DKK 87,000 thousand at the date of acquisition in May 2012.

In 2015 Bladt Holding has bought 2.5% of the earn-out for DKK 1,700 thousand.

In 2020 Bladt Holding has bought 1.1% of the earn-out for DKK 1,875 thousand.

Refer to note 29 for disclosure of the assumptions applied to determine fair value of the liability as of the balance sheet date. The maximum of consideration to be paid under the earn-out agreement is DKK 203,848 thousand.

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Financial liabilities

DKK'000	2021	2020
Loans from credit institutions	100,000	100,000
Lease liabilities	115,280	71,891
Lease liabilities concerning discontinued operations	0	1,407
Other non-current liabilities	27,948	24,171
Carrying amount of financial liabilities	**243,228**	**197,469**

Payables to credit institutions are recognized in the balance sheet as follows:		
Non-current liabilities	87,456	50,230
Current liabilities	127,824	123,068
Carrying amount of financial liabilities to credit institutions	**215,280**	**173,298**

Movement in financial liabilities during the year		
Carrying amount beginning of year	173,298	194,909
New leases	68,749	3,008
Disposal of leasing	-701	0
Repayment according to cash flow statement	-26,066	-24,619
	215,280	**173,298**

For overview of Financial instrument categories on liabilities and assets see note 29

Financial liabilities (continued)

2021

DKK'000	Number of loans	Nominal interest	Average effective rate of interest	Carrying amount
Loans from banks				
At variable interest rates	1	4.50%	4.56%	100,000
Total loans from banks				**100,000**

2020

DKK'000	Number of loans	Nominal interest	Average effective rate of interest	Carrying a mount
Loans from banks				
At variable interest rates	1	4.25%	4.58%	100,000
Total loans from banks				**100,000**

A new bank agreement has been entered in 2021, which ensures the Group the necessary liquidity.

The new agreement include 3 facilities:
1. DKK 100 million loan with a maturity of more than 1 year.
2. RCF facility of up to DKK 235 million with maturity in 2026.
3. Loan facility up to EUR 50 million with maturity in 2026.

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Contingent liabilities and collateral Guarantees

DKK'000	2021	2020
Guarantees relating to performance, payment, advance payment and suppliers	1,277,297	1,291,480
Deposit guarantee	20,015	20,015

The Group participates in Bladt/EEW Offshore Wind Foundation Group I/S by 50%, Bladt/EEW Offshore Wind Foundation Group Gwynt y Môr I/S by 50%, Bladt/EEW Offshore Wind Foundation Group Baltic 2 GbR by 50% and Bladt/EEW Offshore Wind Foundation Group Baltic 2 I/S by 50%, Bladt/EEW Offshore Wind Foundations Group Veja Mate GbR by 50%, Bladt Industries Offshore Wind Germany GmbH by 100%, Bladt Industries Polska Sp. z o.o. by 90%, and Century Bladt Foundation Co., LTD by 33%.

The Group and parent company have guaranteed the bank debt of group enterprises. Bank debt in affiliated companies at 31 December 2021 amounts to DKK 00 thousand (2020: DKK 80 thousand).

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Changes in working capital

DKK'000	Note	2021	2020
Net change in construction contracts	4	-151,337	898,042
Change in inventories	19	-758	1,080
Change in receivables	20	183,000	27,471
Prepaid expenses/deferred income, net	21	-2,937	-335
Change in trade payables and other payables		87,975	-143,676
Change in discontinued operations	11	15,705	0
Restricted cash	28	-26,760	-550,466
Other changes		360	0
Changes in working capital		**105,248**	**232,116**

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Restricted cash

DKK'000	Note	2021	2020
Restricted cash		577,226	550,466
		577,226	**550,466**

Restricted cash includes amount of 577,225 thousand DKK, of which 542,225 thousand DKK is prepayment and 35,000 thousand DKK in escrow accounts, in 2021 (2020: 550,466 thousand DKK). The same amount is included also in the balance sheet as Restricted cash.

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Financial risks and financial instruments

Risk management policy of the Group

Due to its operating, investment and financing activities, Group is only subject to limited exposure to financial risks, including market risks (currency risks, interest risks and raw material risks), credit risks and liquidity risks.
The Group's financial risk management is centralized. Management monitors the Group's risk concentration on a monthly basis within areas such as customers, geographical areas, currencies, etc.

It is the Group's policy not to engage in active speculation in financial risks. Thus, the Group's financial management is aimed at managing and reducing the financial risks directly attributable to the Group's operations, investments and financing.

Market risks

Currency risks

The Group's sale abroad is primarily made in the currency of the customer, which is mainly EUR. The Group's suppliers are paid in EUR and DKK, primarily, which means that fluctuations in other currencies will generally not affect the profit of the Group. The Group use natural hedges for its currency exposure considering projected future cash flows and projected future exchange rate movements. Currency transactions are not made for speculation purposes.
The hypothetical effect on profit for the year and the Group's equity based on reasonably probable changes in foreign exchange rates:

Natural hedge:

Natural hedges consist of the group receiving revenue in the same currency as they have expenses.
This reduce their exchange risk exposure.

	2021							
	Nominal position				Sensitivity			
DKK'000	Cash and receivables	Financial liabilities (non-derivative)	Derivative financial instruments hedging fair value	Total	Probable changes in foreign exchange rates	The hypothetical effect on profit for the year	The hypothetical effect on equity
EUR/DKK	990,206	59,383	0	930,823	0	0	0
GBP/DKK	1,493	383	0	1,111	20%	173	173
PLN/DKK	3,416	9,876	0	-6,461	10%	-504	-504
NOK/DKK	2,472	-9	0	2,481	10%	193	193
SEK/DKK	1,324	0	0	1,324	10%	103	103
USD/DKK	52,507	130,250	0	-77,743	10%	-6,064	-6,064
KRW/DKK	0	289	0	-289	10%	-23	-23
DKK/DKK	287,130	49,196	0	237,934			
	1,338,548	**249,368**	**0**	**851,535**			

DKK'000	Cash and receivables	Financial liabilities (non-derivative)	Derivative financial instruments hedging fair value	Total	Probable changes in foreign exchange rates	The hypothetical effect on profit for the year	The hypothetical effect on equity
	2020						
	Nominal position				Sensitivity		
EUR/DKK	1,063,414	63,790	0	999,624	0	0	0
GBP/DKK	43,953	-2,594	0	46,547	20%	7,261	7,261
PLN/DKK	5,685	10,054	0	-4,369	10%	-341	-341
NOK/DKK	1,736	1,786	0	-50	10%	-4	-4
SEK/DKK	1,390	19	0	1,371	10%	107	107
USD/DKK	65,940	89	0	65,851	10%	5,136	5,136
DKK/DKK	261,161	71,794	0	189,367			
	1,443,279	**144,938**	**0**	**1,298,341**			

Sensitivity analysis assumptions

- The sensitivity stated is calculated based on the assumption of unchanged sales, price level and interest rate level.
- The sensitivity related to financial instruments is calculated based on the financial instruments recognized at 31 December 2021.
- The calculated, expected fluctuations are based on the average annual volatility of the underlying risks. A corresponding negative movement in exchange rates will have a corresponding opposing effect on the profit/loss for the year and equity.

Interest rate risks

In consequence of the Group's investing and financing activities, the Group is exposed to changes in the level of interest in both Denmark and abroad. The primary interest exposure relates to changes in CIBOR.

Reasonable possible changes in the level of interest are not expected to significantly affect profit/loss for the year and equity.

Financing activities

It is group policy to hedge interest rate risks on consolidated loans when interest payments can be hedged at a satisfactory level.

Investing activities

The Group's cash funds are placed as demand deposits.

Sensitivity analysis

A reasonably possible higher level of interest of 1%-point compared with the level of interest at the end of the reporting period will, all things being equal, have a hypothetical negative effect on profit/loss for the year and equity at year end of DKK 1,040 thousand (2020 DKK 1,182 thousand).

A reasonable, probable higher interest rate level compared to the interest rate level at the balance sheet date will have a corresponding, opposing effect on the profit/loss and equity.

Sensitivity analysis assumptions

- The sensitivity stated is calculated based on the financial assets and liabilities recognized at 31 December. Repayments, borrowings, etc. for the year have not been taken into consideration.
- The sensitivity is based on changes of 1% in CIBOR.
- The changes applied are considered fairly probable based on the present market situation and expectations of market development in the interest rate level.

The changes applied are considered fairly probable based on the present market situation and expectations.

Risks relating to raw materials

The Group uses raw materials in the form of steel when producing the Group's products.

In relation to significant purchases, the price risk is typically hedged by by indexation mechanisms in the sales contracts, or by making binding agreements on purchases when entering into sales contracts.

Financial risks and financial instruments (continued)

Liquidity risks

The Group strives to obtain the highest degree of flexibility for the purpose of lending. The Group's cash reserves consists of cash and cash equivalents of DKK 264 million and committed RCF credit facilities of DKK 235 million. DKK 264 million as cash in hand and DKK 20 million drawdown as guarantees for real estate rental deposits. Cash reserves thus total DKK 479 million at 31 December 2021 (DKK 533 million at 31 December 2020).

With the credit facilities and available liquidity, in the Management's opinion, the liquidity is adequate according to the budget.

A new banking agreement has been entered in 2021, which ensures the company the necessary liquidity and all covenants are expected to be complied with in 2022.

The Group's liabilities fall due as follows:

DKK'000

2021	**Carrying amount**	**Contractual cash flows**	**Within 1 year**	**1-3 years**	**3-5 years**	**After 5 years**
Non-derivative financial instruments						
Due earn out	168,750	168,750	0	168,750	0	0
Credit institutions and banks	100,000	100,000	100,000	0	0	0
Leasing liabilities	115,280	132,073	35,506	58,115	24,869	13,583
Trade payables	249,368	249,368	249,368	0	0	0
Tax	208	208	208	0	0	0
	633,606	**650,399**	**385,082**	**226,865**	**24,869**	**13,583**

DKK'000

2020	**Carrying amount**	**Contractual cash flows**	**Within 1 year**	**1-3 years**	**3-5 years**	**After 5 years**
Non-derivative financial instruments						
Due earn out	168,750	168,750	0	168,750	0	0
Credit institutions and banks	100,000	100,000	100,000	0	0	0
Leasing liabilities	71,891	80,056	21,661	35,166	15,064	0
Trade payables	144,938	144,938	144,938	0	0	0
Tax	747	747	747	0	0	0
	486,326	**494,491**	**267,346**	**203,916**	**15,064**	**0**

The maturity analysis is based on all undiscounted cash flows, including estimated interest payments. Interest payments are estimated based on current market conditions.

Based on the Group's expectations for its future operations and the Group's current cash resources and trade receivables exceeding the short term contractual cash outflow, no significant liquidity risks have been identified.

Credit risks

Efforts are made to minimize risks related to giving credit by effective credit management and by establishing alternative collateral in the event of large receivables.

Bank deposits

Credit risks on bank deposits arise when it is uncertain whether the counterparty will be able to meet its obligations when due. The group policy for credit risk management means that the Group's financial cooperation partners' credit ratings are monitored continuously. The Group only places bank deposits with large reputable banks. The Groups current bank is rated AA- by Standard & Poor's Credit Market Services Europe Ltd.

Trade receivables

The Group's policy for undertaking credit risks means that all major customers are credit rated before contracts are entered and then on a regular basis. If satisfactory certainty is not achieved at the credit rating of the customer, separate collateral is required for the sale.

The Group regularly receives milestone payments as the construction contracts are carried out, which reduces the credit risk. The Group does not have any significant risks relating to individual customers or cooperation partners and historically the Group has not experienced any significant losses on trade receivables.

The maturity of trade receivables is specified as follows:

DKK'000	2021	2020
Receivables not due	106,776	202,100
Maturity period:		
Up to 30 days	45,781	22,014
Between 30 and 90 days	7,004	150
More than 90 days *	235,524	341,550
Total trade receivables (note 20)	**395,085**	**565,814**

* The Group has received 126 million DKK until 26 January 2022.

None of the trade receivables were impaired at 31 December 2021 and 31 December 2020. Losses have not been realized in 2021 or 2020 on trade receivables, nor have any significant expected loss been recognizes. Please also see note 2.

Financial risks and financial instruments (continued)

Financial instrument categories

DKK'000	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables	395,085	395,085	565,814	565,814
Other receivables	26,253	26,253	38,524	38,524
Cash at bank and in hand	577,226	577,226	838,941	838,941
Financial assets at amortized costs	**998,564**	**998,564**	**1,443,279**	**1,443,279**
Earn out in connection with the acquisition of enterprises	168,750	168,750	168,750	168,750
Financial liabilities at fair value through profit or loss	**168,750**	**168,750**	**168,750**	**168,750**
Credit institutions	100,000	100,000	100,000	100,000
Lease liabilities	115,280	115,280	71,891	71,891
Trade payables	249,368	249,368	144,938	144,938
Other payables	76,237	76,237	96,469	96,469
Financial liabilities at amortized costs	**540,885**	**540,885**	**413,298**	**413,298**

Fair value of the financial instruments has generally been determined on the basis of discounted cash flow models taking into account the time value of money and credit risk.

Receivables and payables with short credit periods are assessed to have a fair value equivalent to the carrying amount.

The fair value of the contingent consideration arrangement (earn out) was estimated by applying the income approach.

The fair value estimates are based on a discount rate of 4.7% and assumed probability adjusted outcome of the earn out arrangement. This is a level 3 fair value measurement. The Earn Out is recognized at its maximum of 168,750.

Input used is classified in accordance with the following hierarchy:
Level 1: quoted prices in active markets for identical liabilities.
Level 2: inputs other than quoted prices that are observable, either directly or indirectly
Level 3: Inputs that are not based on observable market data.

Derivative Financial Instruments

The Group has no forward exchange contracts to hedge future cash flows on construction contracts.

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Related party disclosures

Bladt Holding A/S has registered the following shareholders holding 5% or more of the share capital:
- Nordic Capital CV1 Ltd, 26 Esplanade, St. Helier, Jersey
- Nordic Capital CV1 Ltd. exercises control.

There were no other related party transactions in 2020 and 2021 other than the issue of share as described in note 22.

Senior executives

Key Management includes the Group's Board of Directors and Executive Board. Companies over which such persons exercise control or joint control are also considered related parties.

Key Management's remuneration is disclosed in note 5. There have been no other transactions

Joint arrangements

Moreover, related parties include joint arrangements, see note 17.

See note 26 for Contingent liabilities and collateral guarantees.

Transactions with joint ventures have been as follows:

DKK'000	2021	2020
Sales of services	-537	4,254
Purchase of services	0	0
Receivables	0	0

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Events after the balance sheet date

On the 21st December 2021, the share capital was increased by DKK 75,023,000 by the issue of 75,023,000 ordinary shares of DKK each to existing shareholders. On 5th January 2022, the capital was paid in full.

On the 1th February 2022, the Group has entered a new 10-year long rental contract for its production facility in Lindø, with an annual rental payment of DKK 36 million.

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New financial reporting regulation

IASB has issued a number of new standards and amendments to existing standards which are not yet effective.

Bladt Group has assessed that the new standards and amendments to standards effective for annual periods beginning after 1th January 2022, are neither not relevant or have no significant effect on the financial statement of the Bladt Group.

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Non-recurring items

Alternative Performance Measures

The Group presents some financial performance measures in the Annual Report which are not defined accordingly to IFRS. Bladt is of the opinion that these measures provide valuable complementary information to investors and other relevant parties. As every Group does not calculate financial performance measures in the same manor, these are not always comparable with measures used by other companies. These financial performance measures should therefore not be regarded as a replacement for measures as defined according to IFRS.

Non-recurring items:

The Group defines non-recurring items as one-time costs, not relating to the actual reporting period or core activity. Settlement of disputes and related costs are classified as non-recurring items.

DKK'000	2021	2020
Non-recurring items		
Settlement of dispute (note 4)	105,000	0
Other non-recurring items	33,417	22,200
Non-recurring costs included in total	**138,417**	**22,200**
Revenue in total (from continuing operations)	2,046,892	1,956,226
Non-recurring revenue - Settlement of dispute (note 4)	105,000	0
Revenue excl. non-recurring items	**2,151,892**	**1,956,226**
Contribution from continuing operations	171,766	287,203
Non-recurring items	105,000	0
Contribution from continuing operations excl. non-recurring items	**276,766**	**287,203**
Gross profit from continuing operations	13,856	130,503
Non-recurring items	138,417	22,200
Gross profit from continuing operations excl. non-recurring items	**152,273**	**152,703**
EBITDA in total	5,925	136,030
Non-recurring items	138,417	22,200
EBITDA excl. non-recurring items	**144,342**	**158,230**
Operating profit in total	-44,059	81,428
Non-recurring items	138,417	22,200
EBIT excl. non-recurring items	**94,358**	**103,628**


NW

2021 **Financial Statements** of Parent Company


NW2
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ULTRA BOOM

Income Statement

DKK'000	Note	2021	2020
Dividend from subsidiaries		15,000	0
Administrative expenses	3	-3,736	-682
Operating profit		**11,264**	**-682**
Financial income	4	141	248
Finance costs	5	-8,606	-8,264
Profit/loss before tax		**2,799**	**-8,698**
Tax on profit for the year	7	2,678	3,515
Profit/loss for the year		**5,477**	**-5,183**

Statement of Comprehensive Income

DKK'000	Note	2021	2020
Profit/loss for the year		5,477	-5,183
Total comprehensive income		**5,477**	**-5,183**

Statement of **Financial Position**

DKK'000	Note	2021	2020
ASSETS			
Non-current assets			
Investments in subsidiaries	6	932,000	857,000
Deferred tax asset	7	23,507	20,866
Total non-current assets		**955,507**	**877,866**
Current assets			
Amounts owed by group enterprises		0	8,494
Receivables		400	0
Subscribed capital unpaid		75,211	0
Prepaid costs		1,368	357
Corporation tax	7	37	0
Cash at bank and in hand		4,245	93
Total current assets		**81,261**	**8,944**
TOTAL ASSETS		**1,036,768**	**886,810**

EQUITY AND LIABILITIES			
Equity	9		
Share capital		265,111	189,814
Share premium		350,405	350,405
Reserve own shares		-9,381	-6,461
Retained earnings		92,140	83,716
Total equity		**698,275**	**617,474**
Liabilities			
Non-current liabilities			
Earn out in connection with business combinations	10	168,750	168,750
Total non-current liabilities		**168,750**	**168,750**
Current liabilities			
Loans from credit institutions	8	100,000	100,000
Amounts owed to group enterprises		66,300	0
Payables		3,116	0
Corporate tax payables	7	0	0
Other payables		327	586
Total current liabilities		**169,743**	**100,586**
Total liabilities		**338,493**	**269,336**
TOTAL EQUITY AND LIABILITIES		**1,036,768**	**886,810**

Statement of **Cash Flow**

DKK'000	Note	2021	2020
Profit for the year before tax		**2,799**	**-8,698**
Adjustment for non-cash operating items etc.:			
Financial income	4	-141	-248
Financial expenses	5	8,606	8,264
Cash generated from operations (operating activities) before changes in working capital		**11,264**	**-682**
Changes in working capital		1,241	5,313
Cash generated from operations (operating activities)		**12,505**	**4,631**
Interest received		141	248
Interest paid		-8,606	-10,139
Corporation tax received/paid		0	1,601
Net cash flows from operating activities		**4,040**	**-3,659**
Shareholders:			
Proceeds from issuance of shares		3,033	0
Purchase of own shares		928	-1,093
Proceeds from the sale of own shares		-3,848	0
Cash flows from financing activities		**113**	**-1,093**
Cash flows for the year		**4,153**	**-4,752**
Cash and cash equivalents at the beginning of the year		93	4,845
Cash and cash equivalents at 31 December		**4,246**	**93**
Cash at bank and in hand		4,245	93
Cash and cash equivalents at the end of the year		**4,245**	**93**

Statement of **Changes in Equity**

DKK'000	Share capital	Share premium	Reserve own shares	Retained earnings	Total
Equity at 1 January 2021	**189,814**	**350,405**	**-6,461**	**83,716**	**617,474**
Total comprehensive income for 2021					
Profit/loss for the year	0	0	0	5,477	5,477
Total comprehensive income for the period	**0**	**0**	**0**	**5,477**	**5,477**
Transactions with owners:					
Proceeds from the sale of own shares (note 9)	0	0	928	0	928
Purchase of own shares (note 9)	0	0	-3,848	0	-3,848
Issued shares (note 9)	75,297	0	0	2,947	78,244
Equity at 31 December 2021	**265,111**	**350,405**	**-9,381**	**92,140**	**698,275**

DKK'000	Share capital	Share premium	Reserve own shares	Retained earnings	Total
Equity at 1 January 2020	**39,521**	**350,405**	**-2,546**	**86,370**	**473,750**
Total comprehensive income for 2020					
Profit/loss for the year	0	0	0	-5,183	-5,183
Total comprehensive income for the period	**0**	**0**	**0**	**-5,183**	**-5,183**
Transactions with owners:					
Issued shares (note 9)	150,292	0	0	0	150,292
Proceeds from the sale of own shares (note 9)	0	0	0	2,529	2,529
Purchase of own shares (note 9)	0	0	-3,915	0	-3,915
Equity at 31 December 2020	**189,814**	**350,405**	**-6,461**	**83,716**	**617,474**

Summary of **Notes** to the Parent Company Financial Statements

1

Accounting policies

The separate Parent Company financial statements are included in the annual report as, under the Danish Financial Statements Act, separate Parent Company financial statements must be prepared.

The Parent Company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act applicable to reporting class C, large enterprises.

Description of accounting policies

According to the described accounting policies applied for the consolidated financial statements (see note 1 to the consolidated financial statements), the Parent Company's accounting policies deviate in the following areas:

Revenue

Dividends received from investments in subsidiaries are recognized in the Parent Company income statement in the financial year when the dividends are declared. If dividends exceed the comprehensive income of the subsidiary, an impairment test is conducted.

Investments in subsidiaries

Investments in subsidiaries are measured at cost in the Parent Company financial statements. If there is an indication of impairment, an impairment test is made as described in the accounting policies of the consolidated financial statements. If the carrying amount exceeds the recoverable amount, a write-down is made to this lower value.

At the distribution of other reserves than retained earnings in subsidiaries, the distribution will reduce the cost of investments when the distribution is characterized as repayment of the Parent Company's investment.

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Accounting estimates and judgements

In Bladt Holding A/S' financial statements, investments in subsidiaries are measured at cost. In case of indication of impairment, an impairment test is made. If the recoverable amount is lower than cost, investments are written down to this lower value. Due to the nature of the operations of the investments, estimates have to be made of expected cash flows many years into the future, which will be subject to some degree of uncertainty. The investments in subsidiaries are described in more detail in Note 7 investments in subsidiaries.

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Staff costs

DKK'000	2021
Wages and salaries	1,695
Defined contribution plans	95
Other social security costs	1
	1,791
Total average number of employees	**2**
Staff costs are recognized as follows in the income statement:	
Administrative expenses	1,791
	1,791
Of this figure, consideration for:	
Remuneration, Board of Directors and Executive Board	
Wages and salaries	1,695
Defined contribution plans	95
Other social security costs	1
	1,791

Staff costs are only relevant for 2021 as there was no employees in 2020.

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Financial income

DKK'000	2021	2020
Interest group enterprises	141	248
	141	**248**
Interest on financial assets measured at amortized costs	**141**	**248**

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Financial expenses

DKK'000	2021	2020
Interest, banks, etc.	7,792	7,864
Amortized borrowing costs	814	400
Total	**8,606**	**8,264**
Interest on financial assets measured at amortized costs	7,792	7,864

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Investments in subsidiaries

DKK'000	2021	2020
Cost at 1 January	857,000	707,000
Contribution to group	75,000	150,000
Carrying amount at 31 December	**932,000**	**857,000**

Name	Registered office	Ownership Share 2021	Ownership share 2020
Bladt Industries Holding A/S	Aalborg, Denmark	100%	100%

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Taxation

DKK'000	2021	2020
Tax for the year is specified as follows:		
Tax on profit for the year	-2,678	-3,515
Current tax	-37	-1,601
Deferred tax	-2,641	-1,914
Total	**-2,678**	**-3,515**
Tax on profit for the year relates to:		
22.0% tax on profit for the year before tax	616	-1,914
The tax effect of:	0	0
Change to tax last year	6	-1,601
Non-taxable income	-3,300	0
Total	**-2,678**	**-3,515**
Effective tax rate	**-96%**	**40%**

Corporation tax

DKK'000	2021	2020
Corporation tax receivable at 1 January	0	0
Current tax for the year	37	1,601
Corporation tax received/paid during the year	0	-1,601
Corporation tax receivable at 31 December	**37**	**0**

Deferred tax assets

DKK'000	2021	2020
Deferred tax assets at 1 January	-20,866	-18,952
Deferred tax assets for the year recognized in profil/loss for the year	-2,641	-1,914
Deferred tax assets (-) at 31 December	**-23,507**	**-20,866**

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Financial liabilities

DKK'000	2021	2020
Loans from credit institutions	100,000	100,000
Carrying amount	**100,000**	**100,000**
Nominal Value	100,000	100,000

Payables to credit institutions are recognized in the balance sheet as follows:

Loans from credit institutions	**100,000**	**100,000**

2021

DKK'000	Number of loans	Nominal interest	Average effective rate of interest	Carrying amount
Loans from banks				
At variable interest rates				100,000
Total loans from banks	**1**	**4.50%**	**4.56%**	**100,000**

2020

DKK'000	Number of loans	Nominal interest	Average effective rate of interest	Carrying amount
Loans from banks				
At variable interest rates				100,000
Total loans from banks	**1**	**4.25%**	**4.58%**	**100,000**

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Equity

The composition of the share capital is disclosed in note 22 to the consolidated financial statements.

Capital management

Capital management in the Bladt Holding Group is made for the entire Group. We refer to note 22 to the consolidated financial statements.

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Earn out in connection with the acquisition of enterprises

The liability of DKK 168,750 thousand (2020: DKK 168,750 thousand) comprises contingent consideration and relates to the acquisition of Bladt Industries Holding A/S.

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Payables to credit institutions

We refer to note 8.

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Contingent liabilities and collateral

Contingent liabilities

The Parent Company has no contingent liabilities at 31 December 2021 or 31 December 2020.

Collateral

Shares in Bladt Industries Holding A/S with a carrying amount of DKK 937 million (2020: DKK 857 million) have been provided as collateral for amounts owed to credit institutions totaling DKK 100 million at 31 December 2021 (2020: DKK 100 million).

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Financial risks and financial instruments

The Parent Company is not exposed to any market risks other than those disclosed in note 29 to the consolidated financial statements, to which we refer. Liquidity risks and credit risks for the Parent Company are also described in note 29 to the consolidated financial statements.

The Parent Company had no derivative financial instruments at 31 December 2021 or 31 December 2020.

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Charges and security

The Group and parent company have guaranteed the bank debt of group enterprises. Bank debt in affiliated companies at 31 December 2021 amounts to DKK 0.

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Related party disclosure

In addition to the disclosures in note 30 to the consolidated financial statements, the Parent Company's related parties comprise subsidiaries. See note 7 to the Parent Company's annual report.

The Danish companies in the Group are jointly taxed, and in 2021 an amount of DKK 302 thousand was transferred as joint taxation contributions between the companies. Apart from this, no other transactions have been carried out with the Board of Directors, the Executive Board, important shareholders or other related parties during the year.

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Events after the balance sheet date

We refer to note 31 to the consolidated financial statements. Apart from this, no events have occurred after the balance sheet date.

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New financial reporting regulation

We refer to note 32 to the consolidated financial statements. None of the standards or interpretations mentioned are expected to affect the Parent Company financial statements.

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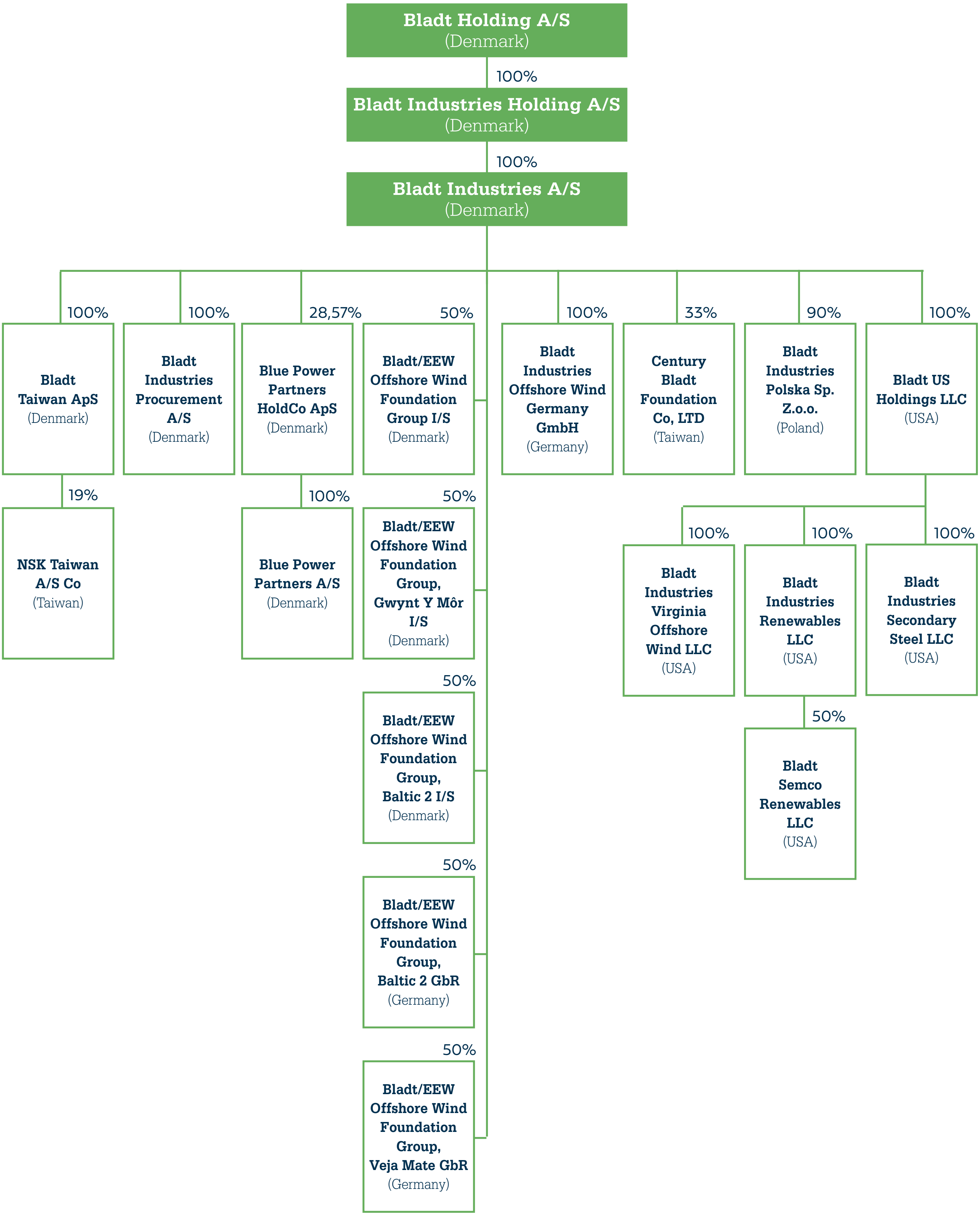
Financial ratios

The financial ratios stated in the annual report have been calculated as follows:

Operating margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests, at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{profit/loss x 100}}{\text{Average equity ex. non-controlling interests}}$
ROIC	$\frac{\text{EBITA}}{\text{Average invested capital}}$

Group Chart and Addresses



Bladt Holding A/S
Nørredybet 1
DK-9220 Aalborg Øst
Denmark
Registration No.: 34 07 34 30
Established: 30 November 2011
Registered office: Aalborg

Bladt Industries Holding A/S
Nørredybet 1
DK-9220 Aalborg Øst
Denmark

Bladt Industries Procurement A/S
Nørredybet 1
DK-9220 Aalborg Øst
Denmark

Bladt Industries A/S
Nørredybet 1
DK-9220 Aalborg Øst
Denmark
Phone +45 96 35 37 00
Office@bladt.dk
www.bladt.dk

Bladt Industries Offshore Wind Germany GmbH
c/o DANTAX
Steuerberatungsgesellschaft mbH
Am Oxer 7
D-24955 Harrislee
Germany
Phone + 49 (0) 383 544 84 90

Bladt Industries Polska Sp. Z 0.0.
Ul. Marii Curie-Sklodowskie 12a
PL-71-332 Szczecin
Poland
Phone +48 91 486 26 71

Bladt Industries Renewables LLC
251 Little Falls Drive
Wilmington, Delaware 19808
United States

Bladt Taiwan ApS
Nørredybet 1
DK-9220 Aalborg Øst
Denmark

"we care

Read more on
www.bladt.dk

Bladt Holding A/S
Nørredybet 1
DK-9220 Aalborg Øst

Phone: +45 9635 3700
Email: office@bladt.dk

BLADT