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# ***Gurit Wind Systems A/S***

Frejasvej 7, DK-6950 Ringkøbing

## **Annual Report for 1 January - 31 December 2022**

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CVR No 34 60 71 09

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
2 /6 2023

Brian Dysted  
Chairman of the General  
Meeting

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# **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Gurit Wind Systems A/S for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations and cash flows for 2022.

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

Ringkøbing, 2 June 2023

## **Executive Board**

Morten Gørlitz Nielsen  
Executive Officer

Brian Dysted  
Executive Officer

## **Board of Directors**

Mitja Schulz  
Chairman

Philippe Wirth

Hannes Haueis

# Independent Auditor's Report

To the Shareholder of Gurit Wind Systems A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Gurit Wind Systems A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

## Management's responsibilities for the Financial Statements

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

# Independent Auditor's Report

ment, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events

# Independent Auditor's Report

in a manner that gives a true and fair view.

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

Holstebro, 2 June 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Poul Spencer Poulsen  
statsautoriseret revisor  
mne23324

Hans Jørgen Andersen  
statsautoriseret revisor  
mne30211

## **Company Information**

### **The Company**

Gurit Wind Systems A/S  
Frejasvej 7  
DK-6950 Ringkøbing

CVR No: 34 60 71 09  
Financial period: 1 January - 31 December  
Municipality of reg. office: Ringkøbing-Skjern

### **Board of Directors**

Mitja Schulz, Chairman  
Philippe Wirth  
Hannes Haueis

### **Executive Board**

Morten Gørlitz Nielsen  
Brian Dysted

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Hjaltvej 16  
DK-7500 Holstebro

## Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

|   | 2022<br>TDKK | 2021<br>TDKK | 2020<br>TDKK | 2019<br>TDKK | 2018<br>TDKK |
|---|--------------|--------------|--------------|--------------|--------------|
| <b>Key figures</b>                                    |              |              |              |              |              |
| <b>Profit/loss</b>                                    |              |              |              |              |              |
| Gross profit/loss                                     | 40.430       | 94.690       | 116.663      | 130.855      | 102.880      |
| Profit/loss before financial income and expenses      | -4.476       | 5.548        | 19.555       | 24.152       | 12.113       |
| Net financials  | 68.077       | 82.030       | 16.763       | 16.971       | 7.892        |
| Profit/loss from discontinuing activities             | -12.840      | 0            | 0            | 0            | 0            |
| Net profit/loss for the year                          | 48.523       | 83.269       | 32.365       | 29.235       | 16.927       |
| <b>Balance sheet</b>                                  |              |              |              |              |              |
| Balance sheet total                                   | 435.340      | 409.042      | 490.253      | 471.150      | 312.353      |
| Equity  | 350.531      | 302.008      | 218.739      | 186.374      | 95.618       |
| <b>Cash flows</b>                                     |              |              |              |              |              |
| Cash flows from:                                      |              |              |              |              |              |
| - operating activities                                | -71.569      | 68.142       | -11.044      | -1.153       | -14.181      |
| - investing activities                                | 69.181       | 69.229       | 19.604       | -128.389     | -10.884      |
| including investment in property, plant and equipment | -286         | -7.368       | -8.114       | -2.542       | -826         |
| - financing activities                                | 3.018        | -142.071     | -9.250       | 135.692      | 26.930       |
| Number of employees                                   | 110          | 131          | 161          | 179          | 142          |
| <b>Ratios</b>   |              |              |              |              |              |
| Return on assets                                      | -1,0%        | 1,4%         | 4,0%         | 5,1%         | 3,9%         |
| Solvency ratio  | 80,5%        | 73,8%        | 44,6%        | 39,6%        | 30,6%        |
| Return on equity                                      | 14,9%        | 32,0%        | 16,0%        | 20,7%        | 17,9%        |

In connection with changes to accounting policies and business combinations, the comparative figures have not been restated. See the description under accounting policies.



# Management's Review

## **Key activities**

Gurit Wind Systems' key activities comprise manufacturing and sales of core material kits to the wind industry.

## **Development in the year**

The income statement of the Company for 2022 shows a profit of TDKK 48,523, and at 31 December 2022 the balance sheet of the Company shows equity of TDKK 350,531.

The positive development in performance and business is impacted by increased income from investments in subsidiaries.

The year 2022 offered challenging conditions with globally reduced demand for wind blades. Due to current market conditions in June 2022 the management announced the intention to close production activities at the Ringkøbing site and entered into negotiations with the labour unions. Production was relocated to other European sites within Gurit during the second half of 2022. Approximately 60 people within Innovation, Engineering, Production Technology, Prototyping, Sales and Administration remain employed in Denmark working for the Gurit Wind Systems Business Unit.

## ***Foreign Exchange Risks***

Gurit Wind Systems predominantly purchases and sells raw materials that are traded in EUR, USD and CNY. Significant fluctuations in any of the mentioned currencies could influence the results.

## **Targets and expectations for the year ahead**

The business model for the Danish legal entity changes to a shared service model providing business support to the Gurit Wind Systems Business Unit globally. As such all services provided in Denmark will be charged out under Gurit's global shared service agreement.

It is expected that the Danish entity will be break even in the coming year excluding income from subsidiaries.

## **Environmental performance**

No significant environmental relations are expected to have a potential impact on the operations carried out by Gurit.

## **Unusual events**

Apart from the announced closer of the production activities the financial position at 31 December 2022 of the Company and the results of the activities and cash flows of the Company for the financial year for 2022 have not been affected by any unusual events.

## **Management's Review**

### **Subsequent events**

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

## Income Statement 1 January - 31 December

|  | Note | 2022<br>TDKK  | 2021<br>TDKK  |
|--|------|---------------|---------------|
| <b>Gross profit/loss</b>   |      | <b>40.430</b> | <b>94.690</b> |
| Staff expenses   | 2    | -40.343       | -79.542       |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | 3    | -4.563        | -8.220        |
| Other operating expenses   |      | 0             | -1.380        |
| <b>Profit/loss before financial income and expenses</b>  |      | <b>-4.476</b> | <b>5.548</b>  |
| Income from investments in subsidiaries  | 4    | 69.467        | 84.119        |
| Financial income   | 5    | 365           | 2.887         |
| Financial expenses   | 6    | -1.755        | -4.976        |
| <b>Profit/loss before tax</b>  |      | <b>63.601</b> | <b>87.578</b> |
| Tax on profit/loss for the year  | 7    | -2.238        | -4.309        |
| <b>Profit/loss from continuing activities</b>  |      | <b>61.363</b> | <b>83.269</b> |
| Profit/loss from discontinuing activities  | 8    | -12.840       | 0             |
| <b>Net profit/loss for the year</b>  |      | <b>48.523</b> | <b>83.269</b> |

# Balance Sheet 31 December

## Assets

|  | Note | 2022<br>TDKK   | 2021<br>TDKK   |
|--|------|----------------|----------------|
| Acquired licenses                                |      | 6.074          | 7.878          |
| Goodwill   |      | 4.875          | 5.375          |
| <b>Intangible assets</b>                         | 9    | <b>10.949</b>  | <b>13.253</b>  |
| Plant and machinery                              |      | 8.899          | 22.260         |
| Other fixtures and fittings, tools and equipment |      | 429            | 537            |
| Leasehold improvements                           |      | 0              | 0              |
| <b>Property, plant and equipment</b>             | 10   | <b>9.328</b>   | <b>22.797</b>  |
| Investments in subsidiaries                      | 11   | 273.233        | 273.233        |
| Deposits   | 12   | 794            | 794            |
| <b>Fixed asset investments</b>                   |      | <b>274.027</b> | <b>274.027</b> |
| <b>Fixed assets</b>                              |      | <b>294.304</b> | <b>310.077</b> |
| <b>Inventories</b>                               | 13   | <b>8.635</b>   | <b>28.305</b>  |
| Trade receivables                                |      | 25.542         | 8.451          |
| Receivables from group enterprises               |      | 99.708         | 57.536         |
| Other receivables                                |      | 0              | 1.308          |
| Deferred tax asset                               | 16   | 2.830          | 0              |
| Corporation tax                                  |      | 1.064          | 742            |
| Prepayments                                      | 14   | 4              | 0              |
| <b>Receivables</b>                               |      | <b>129.148</b> | <b>68.037</b>  |
| <b>Cash at bank and in hand</b>                  |      | <b>3.253</b>   | <b>2.623</b>   |
| <b>Currents assets</b>                           |      | <b>141.036</b> | <b>98.965</b>  |
| <b>Assets</b>                                    |      | <b>435.340</b> | <b>409.042</b> |

# Balance Sheet 31 December

## Liabilities and equity

|  | Note | 2022<br>TDKK   | 2021<br>TDKK   |
|--|------|----------------|----------------|
| Share capital  |      | 10.000         | 10.000         |
| Reserve for development costs                                  |      | 2.750          | 2.750          |
| Retained earnings  |      | 337.781        | 289.258        |
| <b>Equity</b>  |      | <b>350.531</b> | <b>302.008</b> |
| Provision for deferred tax                                     | 16   | 0              | 1.872          |
| <b>Provisions</b>  |      | <b>0</b>       | <b>1.872</b>   |
| Payables to group enterprises                                  |      | 53.115         | 57.449         |
| <b>Long-term debt</b>  | 17   | <b>53.115</b>  | <b>57.449</b>  |
| Credit institutions  |      | 79             | 129            |
| Lease obligations  |      | 0              | 1.407          |
| Trade payables   |      | 8.715          | 15.232         |
| Payables to group enterprises                                  | 17   | 12.821         | 4.012          |
| Other payables   |      | 10.079         | 24.628         |
| Deferred income  |      | 0              | 2.305          |
| <b>Short-term debt</b>   |      | <b>31.694</b>  | <b>47.713</b>  |
| <b>Debt</b>  |      | <b>84.809</b>  | <b>105.162</b> |
| <b>Liabilities and equity</b>                                  |      | <b>435.340</b> | <b>409.042</b> |
| Distribution of profit   | 15   |                |                |
| Contingent assets, liabilities and other financial obligations | 20   |                |                |
| Related parties  | 21   |                |                |
| Accounting Policies  | 22   |                |                |

## Statement of Changes in Equity

|                              | Share capital<br>TDKK | Reserve for<br>development<br>costs<br>TDKK | Retained<br>earnings<br>TDKK | Total<br>TDKK  |
|------------------------------|-----------------------|---|------------------------------|----------------|
| <b>2022</b>                  |                       |   |                              |                |
| Equity at 1 January          | 10.000                | 2.750                                       | 289.258                      | 302.008        |
| Net profit/loss for the year | 0                     | 0   | 48.523                       | 48.523         |
| <b>Equity at 31 December</b> | <b>10.000</b>         | <b>2.750</b>                                | <b>337.781</b>               | <b>350.531</b> |
| <b>2021</b>                  |                       |   |                              |                |
| Equity 1. januar             | 10.000                | 2.750                                       | 205.989                      | 218.739        |
| Net profit/loss for the year | 0                     | 0   | 83.269                       | 83.269         |
| <b>Equity at 31 December</b> | <b>10.000</b>         | <b>2.750</b>                                | <b>289.258</b>               | <b>302.008</b> |

## Cash Flow Statement 1 January - 31 December

|  | Note | 2022<br>TDKK   | 2021<br>TDKK    |
|--|------|----------------|-----------------|
| Net profit/loss for the year   |      | 48.523         | 83.269          |
| Adjustments  | 18   | -58.465        | -69.501         |
| Change in working capital  | 19   | -53.254        | 65.189          |
| <b>Cash flows from operating activities before financial income and expenses</b> |      | <b>-63.196</b> | <b>78.957</b>   |
| Financial income   |      | 365            | 2.887           |
| Financial expenses   |      | -5.097         | -4.969          |
| <b>Cash flows from ordinary activities</b>                                       |      | <b>-67.928</b> | <b>76.875</b>   |
| Corporation tax paid   |      | -3.641         | -8.733          |
| <b>Cash flows from operating activities</b>                                      |      | <b>-71.569</b> | <b>68.142</b>   |
| Purchase of intangible assets  |      | 0              | -7.407          |
| Purchase of property, plant and equipment  |      | -286           | -7.368          |
| Dividends received from subsidiaries   |      | 69.467         | 84.004          |
| <b>Cash flows from investing activities</b>                                      |      | <b>69.181</b>  | <b>69.229</b>   |
| Change in loans from credit institutions   |      | -50            | 89              |
| Reduction of lease obligations   |      | -1.407         | -1.828          |
| Change in payables to group enterprises  |      | 4.475          | -140.332        |
| <b>Cash flows from financing activities</b>                                      |      | <b>3.018</b>   | <b>-142.071</b> |
| <b>Change in cash and cash equivalents</b>                                       |      | <b>630</b>     | <b>-4.700</b>   |
| Cash and cash equivalents at 1 January   |      | 2.623          | 7.323           |
| <b>Cash and cash equivalents at 31 December</b>                                  |      | <b>3.253</b>   | <b>2.623</b>    |
| Cash and cash equivalents are specified as follows:                              |      |                |                 |
| Cash at bank and in hand   |      | 3.253          | 2.623           |
| <b>Cash and cash equivalents at 31 December</b>                                  |      | <b>3.253</b>   | <b>2.623</b>    |

# Notes to the Financial Statements

## 1 Discontinuing activities

The company is in the process of transferring the local production in Ringkøbing to the company's own subsidiaries abroad. The transfer of production has essentially been completed at the end of the financial year. As production ceases in Denmark, this activity must be presented as discontinued activities in accordance with the requirements of the Danish Financial Statements Act. No adjustment has been made to the comparison figures.

|  | <u>2022</u><br>TDKK | <u>2021</u><br>TDKK |
|--|---------------------|---------------------|
| <b>2 Staff expenses</b>  |                     |                     |
| Wages and salaries   | 34.782              | 68.690              |
| Pensions   | 3.393               | 8.552               |
| Other social security expenses                                       | 438                 | 999                 |
| Other staff expenses   | <u>2.604</u>        | <u>2.797</u>        |
|  | <b>41.217</b>       | <b>81.038</b>       |
| Transfer to assets   | <u>-874</u>         | <u>-1.496</u>       |
|  | <b>40.343</b>       | <b>79.542</b>       |
| Including remuneration to the Executive Board of:<br>Executive Board | <u>5.977</u>        | <u>9.181</u>        |
|  | <b>5.977</b>        | <b>9.181</b>        |
| <b>Average number of employees</b>                                   | <u><b>54</b></u>    | <u><b>131</b></u>   |

## 3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

|   |              |              |
|---|--------------|--------------|
| Amortisation of intangible assets             | 2.152        | 1.909        |
| Depreciation of property, plant and equipment | <u>2.411</u> | <u>6.311</u> |
|   | <b>4.563</b> | <b>8.220</b> |



## Notes to the Financial Statements

|  | 2022<br><u>TDKK</u>  | 2021<br><u>TDKK</u>  |
|--|----------------------|----------------------|
| <b>4 Income from investments in subsidiaries</b> |                      |                      |
| Dividend   | 69.467               | 84.119               |
|  | <u><b>69.467</b></u> | <u><b>84.119</b></u> |
| <b>5 Financial income</b>                        |                      |                      |
| Interest received from group enterprises         | 365                  | 0                    |
| Other financial income                           | 0                    | 346                  |
| Exchange gains                                   | 0                    | 2.541                |
|  | <u><b>365</b></u>    | <u><b>2.887</b></u>  |
| <b>6 Financial expenses</b>                      |                      |                      |
| Interest paid to group enterprises               | 875                  | 3.923                |
| Other financial expenses                         | 788                  | 1.053                |
| Exchange loss                                    | 92                   | 0                    |
|  | <u><b>1.755</b></u>  | <u><b>4.976</b></u>  |
| <b>7 Tax on profit/loss for the year</b>         |                      |                      |
| Current tax for the year                         | 0                    | -2.832               |
| Deferred tax for the year                        | -1.081               | 657                  |
| With Holding Tax                                 | 3.319                | 6.484                |
|  | <u><b>2.238</b></u>  | <u><b>4.309</b></u>  |

## Notes to the Financial Statements

|  | 2022<br><u>TDKK</u>                 | 2021<br><u>TDKK</u>     |
|--|-------------------------------------|-------------------------|
| <b>8 Discontinuing activities</b>  |                                     |                         |
| <b>Gross profit/loss</b>   | <b>27.288</b>                       | <b>0</b>                |
| Staff expenses   | -37.317                             | 0                       |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | -3.089                              | 0                       |
| <b>Profit/loss before financial income and expenses</b>  | <b>-13.118</b>                      | <b>0</b>                |
| Financial expenses   | -3.344                              | 0                       |
| <b>Profit/loss before tax</b>  | <b>-16.462</b>                      | <b>0</b>                |
| Tax on profit/loss for the year  | 3.622                               | 0                       |
|  | <b>-12.840</b>                      | <b>0</b>                |
| <b>9 Intangible assets</b>   |                                     |                         |
|  | Acquired<br>licenses<br><u>TDKK</u> | Goodwill<br><u>TDKK</u> |
| Cost at 1 January  | 14.414                              | 10.000                  |
| Cost at 31 December  | 14.414                              | 10.000                  |
| Impairment losses and amortisation at 1 January  | 6.536                               | 4.625                   |
| Amortisation for the year  | 1.804                               | 500                     |
| Impairment losses and amortisation at 31 December  | 8.340                               | 5.125                   |
| <b>Carrying amount at 31 December</b>  | <b>6.074</b>                        | <b>4.875</b>            |

## Notes to the Financial Statements

### 10 Property, plant and equipment

|  | Plant and<br>machinery | Other fixtures<br>and fittings,<br>tools and<br>equipment | Leasehold<br>improvements |
|--|------------------------|---|---------------------------|
|  | TDKK                   | TDKK  | TDKK                      |
| Cost at 1 January                                      | 56.335                 | 1.889   | 1.946                     |
| Additions for the year                                 | 286                    | 0   | 0                         |
| Disposals for the year                                 | -10.981                | 0   | 0                         |
| Cost at 31 December                                    | <u>45.640</u>          | <u>1.889</u>  | <u>1.946</u>              |
| Impairment losses and depreciation at 1 January        | 34.075                 | 1.352   | 1.946                     |
| Impairment losses for the year                         | 3.043                  | 0   | 0                         |
| Depreciation for the year                              | 5.241                  | 108   | 0                         |
| Reversal of impairment and depreciation of sold assets | -5.618                 | 0   | 0                         |
| Impairment losses and depreciation at 31 December      | <u>36.741</u>          | <u>1.460</u>  | <u>1.946</u>              |
| <b>Carrying amount at 31 December</b>                  | <b><u>8.899</u></b>    | <b><u>429</u></b>   | <b><u>0</u></b>           |
| Depreciated over                                       | <u>3-6 years</u>       | <u>5 years</u>  | <u>3-5 years</u>          |
|  |                        | 2022  | 2021                      |
|  |                        | TDKK  | TDKK                      |

### 11 Investments in subsidiaries

|                                       |                       |                       |
|---------------------------------------|-----------------------|-----------------------|
| Cost at 1 January                     | <u>273.233</u>        | <u>273.233</u>        |
| <b>Carrying amount at 31 December</b> | <b><u>273.233</u></b> | <b><u>273.233</u></b> |

Investments in subsidiaries are specified as follows:

| Name                                       | Place of<br>registered<br>office | Votes and<br>ownership | Equity     | Net<br>profit/loss for<br>the year |
|--|----------------------------------|------------------------|------------|------------------------------------|
| Gurit Wind Systems (Zhuozhou) Co., Ltd.    | China                            | 100%                   | 30.699.253 | -2.586.895                         |
| Windkits LLC                               | PA, USA                          | 100%                   | 0          | 0                                  |
| JSB Composite (Polska) Sp. z.o.o.          | Poland                           | 100%                   | 0          | 0                                  |
| JSB Izmir Rüzgar Kompozit Ltd              | Turkey                           | 100%                   | 18.711.515 | 11.166.495                         |
| Gurit Wind Systems (YDF) Co., Ltd          | China                            | 100%                   | 67.061.367 | 34.434.761                         |
| Mecanizacion De Estructuras Polimericas SL | Spain                            | 100%                   | 52.278.595 | 163.603                            |
| JSB Kitting Matamoros, S. A. de C. V.      | Mexico                           | 100%                   | 0          | 0                                  |

## Notes to the Financial Statements

### 12 Other fixed asset investments

|                                       | <u>Deposits</u><br>TDKK |
|---------------------------------------|-------------------------|
| Cost at 1 January                     | <u>794</u>              |
| Cost at 31 December                   | <u>794</u>              |
| Impairment losses at 31 December      | <u>0</u>                |
| <b>Carrying amount at 31 December</b> | <b><u>794</u></b>       |

### 13 Inventories

|                                     | <u>2022</u><br>TDKK | <u>2021</u><br>TDKK  |
|-------------------------------------|---------------------|----------------------|
| Raw materials and consumables       | 4.513               | 21.238               |
| Work in progress                    | 65                  | 1.777                |
| Finished goods and goods for resale | 2.652               | 4.048                |
| Assets meant for sale               | <u>1.405</u>        | <u>1.242</u>         |
|                                     | <b><u>8.635</u></b> | <b><u>28.305</u></b> |

### 14 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

### 15 Distribution of profit

|                   | <u>2022</u><br>TDKK  | <u>2021</u><br>TDKK  |
|-------------------|----------------------|----------------------|
| Retained earnings | <u>48.523</u>        | <u>83.269</u>        |
|                   | <b><u>48.523</u></b> | <b><u>83.269</u></b> |

### 16 Deferred tax asset

The recognised tax asset comprises temporary tax differences on fixed assets which are expected to be utilised within the next three to four years, with the current taxable income

# Notes to the Financial Statements

## 17 Long-term debt

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

The debt falls due for payment as specified below:

|  | 2022<br>TDKK  | 2021<br>TDKK  |
|--|---------------|---------------|
| <b>Payables to group enterprises</b>       |               |               |
| Between 1 and 5 years                      | 53.115        | 57.449        |
| Long-term part                             | 53.115        | 57.449        |
| Other short-term debt to group enterprises | 12.821        | 4.012         |
|  | <b>65.936</b> | <b>61.461</b> |

## 18 Cash flow statement - adjustments

|   |                |                |
|---|----------------|----------------|
| Financial income  | -365           | -2.887         |
| Financial expenses  | 5.099          | 4.976          |
| Depreciation, amortisation and impairment losses, including losses and gains on sales | 7.652          | 8.220          |
| Income from investments in subsidiaries   | -69.467        | -84.119        |
| Tax on profit/loss for the year   | -1.384         | 4.309          |
|   | <b>-58.465</b> | <b>-69.501</b> |

## 19 Cash flow statement - change in working capital

|                               |                |               |
|-------------------------------|----------------|---------------|
| Change in inventories         | 19.672         | 29.977        |
| Change in receivables         | -57.912        | 53.940        |
| Change in trade payables, etc | -15.014        | -18.728       |
|                               | <b>-53.254</b> | <b>65.189</b> |

## 20 Contingent assets, liabilities and other financial obligations

### Rental and lease obligations

|   |            |            |
|---|------------|------------|
| Rental obligations. Total future rental payments: | 20.093.495 | 23.572.147 |
|---|------------|------------|

# Notes to the Financial Statements

## 21 Related parties

|                             | <u>Basis</u> |
|-----------------------------|--------------|
| <b>Controlling interest</b> |              |
| Gurit Holding AG            | Owner        |

### Consolidated Financial Statements

The company is included in the consolidated report for the parent company:

| <u>Name</u>      | <u>Place of registered office</u> |
|------------------|-----------------------------------|
| Gurit Holding AG | Wattwil, Switzerland              |

The Group Annual Report of Gurit Holding AG may be obtained at the following address:

Gurit Holding AG  
Ebnaterstrasse 79  
9630 Wattwil  
Switzerland

# Notes to the Financial Statements

## 22 Accounting Policies

The Annual Report of Gurit Wind Systems A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in TDKK.

### Consolidated financial statements

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

### Recognition and measurement

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

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

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

### Business combinations

#### *Uniting of interests*

Intragroup business combinations are accounted for under the uniting of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The uniting of-interests method is applied from the beginning of the financial year date or at the date of acquisition, and comparative figures have not been restated.

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

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

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

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

## Income Statement

### Revenue

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

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



# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### Expenses for raw materials and consumables

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

### Other external expenses

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

### Gross profit/loss

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

### Staff expenses

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

### Amortisation, depreciation and impairment losses

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

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

### Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

### Financial income and expenses

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

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### Tax on profit/loss for the year

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

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10-20 years.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5 years.

### Property, plant and equipment

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

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

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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

|   |           |
|---|-----------|
| Plant and machinery                                 | 3-6 years |
| Other fixtures and fittings,<br>tools and equipment | 5 years   |
| Leasehold improvements                              | 3-5 years |

Depreciation period and residual value are reassessed annually.

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### Impairment of fixed assets

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

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

### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

### Other fixed asset investments

Other fixed asset investments consist of deposits.

### Inventories

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

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

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

### Prepayments

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

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### Equity

#### *Dividend*

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

#### **Deferred tax assets and liabilities**

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

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

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

#### **Current tax receivables and liabilities**

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

#### **Financial debts**

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

#### **Deferred income**

Deferred income comprises payments received in respect of income in subsequent years.

## Cash Flow Statement

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

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

### Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

### Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

### Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

## Financial Highlights

### Explanation of financial ratios

|                  |  |
|------------------|--|
| Return on assets | $\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$       |
| Solvency ratio   | $\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$ |
| Return on equity | $\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$      |