SWIRE RENEWABLE ENERGY

Swire Renewable Energy A/S

Lyshøjen 4, st. tv., 8520 Lystrup

CVR no. 36 44 58 74

Annual report 2023

Approved at the Company's annual general meeting on 23 May 2024

Chair of the meeting:

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John Bruce Rae Smith

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Swire Renewable Energy A/S for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Lystrup, 23 May 2024
Executive Board:

Ryan Jon Smith
Managing Director

Board of Directors:

John Bruce Rae Smith Chairman	Flemming Obenhausen Andersen	Ryan Jon Smith

Independent auditor's report

To the shareholder of Swire Renewable Energy A/S

Opinion

We have audited the financial statements of Swire Renewable Energy A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 the 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.

Independent auditor's report

- 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

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

Aarhus, 23 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Tom B. Lassen
State Authorised Public Accountant
mne24820

Søren Strandgaard Nielsen
State Authorised Public Accountant
mne47823

Management's review

Company details

Name	Swire Renewable Energy A/S
Address, Postal code, City	Lyshøjen 4, st. tv., 8520 Lystrup
CVR no.	36 44 58 74
Established	27 November 2014
Registered office	Aarhus
Financial year	1 January - 31 December
Website	www.swire-re.com
E-mail	commercial@swire-re.com
Board of Directors	John Bruce Rae Smith, Chairman Flemming Obenhausen Andersen Ryan Jon Smith
Executive Board	Ryan Jon Smith, Managing Director
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Financial highlights

DKK'000	2023	2022	2021	2020	2019
Key figures					
Revenue	286,886	259,054	191,046	252,884	235,335
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	10,109	-59,776	-11,045	8,083	-2,689
Operating profit/loss	-4,456	-135,203	-19,963	-6,003	-25,984
Profit before interest and tax (EBIT)	-4,655	-134,773	-19,983	-5,118	-26,067
Net financials	-17,092	2,916	-3,651	-3,018	-2,828
Profit/loss for the year	-25,720	-133,348	-26,650	-30,412	-61,771
Total assets	264,551	137,301	179,199	178,071	192,594
Investments in property, plant and equipment	-7,582	-9,527	-8,310	-4,779	-2,540
Equity	68,279	-73,764	59,842	86,445	117,387
Financial ratios					
Operating margin	-1.6%	-52.0%	-10.5%	-2.0 %	-11.1 %
Gross margin	40.6%	24.0%	47.2%	69.0%	72.6%
EBITDA-margin	3.5%	-23.1%	-5.8%	3.2%	-1.1%
Return on assets	-2.2%	-85.4%	-11.2%	-3.2%	-11.3%
Equity ratio	25.8%	-53.7%	33.4%	48.5%	61.0%
Average number of full-time employees	**133**	**157**	**187**	**174**	**193**

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

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit/loss (EBIT) x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
EBITDA-margin	$\frac{\text{Earnings before interest, taxes and amortisations (EBITDA) x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$

Management's review

Business review

The Company's main activities are in the utility sector, primarily in the renewable industries, which it carries out through the company and its subsidiaries in other locations. The activities consist of installation, construction and services, as well as all other activities which, at the discretion of the Board of Directors, are related thereto.

Financial review

The income statement for 2023 shows a loss of DKK 25,720 thousand against a loss of DKK 133,348 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 68,279 thousand.

The Company's revenue amounted to DKK 286,886 thousand against DKK 259,054 thousand last year, which is in the range of what was expected in 2023.

Compared with the expectations for 2023 (20-35mDKK), the net profit/loss for the year developed positively due to higher revenue than expected combined with better execution of customer projects resulting in an improvement to the financial results.

Management has assessed the value of the Group's goodwill. The valuation is based on a five year budget, WACC of 11% and a terminal growth of 2%. Based on the impairment valuation of the Group's goodwill, there is no need for any write-down of goodwill.

Management considers the results unsatisfactory as the group is still loss-making due to restructuring costs, but at the same also recognize the positive development of the main activities in the group. It demonstrates that the restructuring initiated in 2022 has worked ensuring that the company is now more streamlined with clearly defined roles and accountability in a matrix format.

Non-financial matters

Owership

Swire Renewable Energy Holding A/S owns 100% of Swire Renewable Energy A/S. Swire Renewable Energy Holding A/S is from January 2024 owned 100% by Swire Renewable Energy (Holdings) Limited (United Kingdom) and was previously owned by Swire Energy Services (Holdings) Limited.

Corporate governance

The Board of Directors and the Executive Board determine and approve overall policies, procedures and controls of important areas in the day-to-day operation of the Company. The foundation for this is a clear organizational structure, clear guidelines, authorization, certification procedures and segregation of duties.

Financial risks and use of financial instruments

Risk assessment and risk management

The Board of Directors and the Executive Board regularly (at least annually) assess significant risks and internal controls in connection with the Company's activities. On this basis, ongoing actions are evaluated and adopted to eliminate and/or reduce risks, including business and financial risks, based on a Risk Management policy. In addition, the Executive Management has established a Risk Committee comprising the company CEO, CFO, Legal Officer, Insurance and Risk Advisor and Risk Manager to oversee risk management, and commercial and operational risk going forward. Input is also taken from the wider Executive team with respect to operational risk.

As part of the risk assessment, the Board of Directors and the Executive Board annually assess the risk of fraud and the measures taken to reduce and/or eliminate these risks. The Risk Committee meets quarterly.

Management's review

Business and financial risks

General risks

The Company is not exposed to any specific risks which are not common for the type of business activities performed by the Group, except for currency risks.

It is Company policy not to engage in speculation of financial risks. The Company's policy focuses only on the management and reduction of the financial risks that are a direct consequence of the Company's operations.

Currency risks

The Company has international activities, and some countries have volatile currencies, which expose the Company to currency risks.

Impact on the external environment

The Company focuses on the environmental impact from the Company's activities. The Company is environmentally certified to ISO 14001:2015. An environmental policy and targets have been laid down that are to ensure continuous focus on the area and on improvements.

The Company focuses on security and working environment driven by the Company's activities. The Group is certified to ISO 4500122018. A working environment policy and targets have been laid down that focus on job satisfaction, low sickness absence and prevention of work-related injuries.

A working environment organisation (AMO) has been established in accordance with the Danish regulations, and similar establishments are being progressed within the subsidiary companies where similar applicable regulations and requirements apply.

In order to foster that the course of disease/course of injury is as short as possible, the Company has a permanent employee health insurance that covers a range of diseases and injuries as well as consequences therefrom. Heart defibrillators are available at all Company's locations.

We also recognize that to mitigate damaging climate change the world needs to act swiftly and decisively to reduce carbon emissions, therefore, we have made the commitment reach net-zero by 2030.

It is the policy of Swire Renewable Energy to:

- Be a leader in sustainable development in the industries in which we operate;
- Reduce our carbon footprint by adopting industry best practices, improving energy efficiency, and increasing the use of renewable energy;
- Turn today's waste into a resource for tomorrow, contributing to the creation of a circular economy, where waste materials are no longer simply thrown away, but are retained and reused as a future resource;
- Use water responsibly and sustainably and to protect watershed;
- Source materials responsibly and sustainably, including ensuring that our suppliers meet our sustainability goals;
- Bring value to the communities in which we operate and respect their culture and heritage;
- Encourage our staff to engage actively in sustainable development matters at work and in the community:
- Monitor the company's performance and report regularly.

Data ethics

Swire Renewable Energy A/S does not consider it relevant to draw up a policy for data ethics. In connection with this, the Company attaches importance to the fact that the Company, only to a limited extent and where permissible, collects and processes data and does not use new technologies as part of the Company's main activity and does not itself or through external suppliers carry out specific data analyses, evaluations or segmentations. Swire Renewable Energy A/S also adopt Swire Group policies with respect to GDPR where appropriate and do not keep individual data unless agreed employees, contractors and clients with express permission to do so for business purposes only.

Management's review

Events after the balance sheet date

Subsequent to the financial year end, the Company has acquired two companies Obelisk Energy Limited and Altitec Trading Limited including their subsidiaries, which significantly strengthens our capabilities in the provision of wind turbine blade services, and will also serve to broaden our market presence throughout the UK, Europe, Asia, Australia and South Africa.

Outlook

Management expects to report revenue in the range of 150-170 mDKK for 2024 and EBITDA of 35-45 mDKK before exceptional items and a profit before tax for the year in the range of 10-15 mDKK.

Inflationary pressure across the globe has created challenges in respect of cost and availability of equipment and services. The Wind market though is robust in the face of these challenges and with globally installed capacity of wind turbines increasing, the Group expects to report increased revenue and for future years associated improvements in profitability.

Management has evaluated the need for liquidity for the coming year and in their opinion the company has secured sufficient liquidity for the coming year to finance their ongoing operations.

The Shareholders have invested in the Company in order to establish a long term business in the servicing of renewable energy assets and infrastructure. Although the 2023 results were unfavorable, the Shareholder maintains full support to fund the business on a long term basis.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
4	**Revenue**	286,886	259,054
	Cost of sales	-117,230	-138,050
	Other operating income	0	430
	Other external expenses	-53,133	-59,339
	Gross profit	116,523	62,095
5	Staff costs	-106,215	-121,871
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-14,765	-74,997
	Other operating expenses	-199	0
	Profit/loss before net financials	-4,656	-134,773
	Income from investments in group enterprises	-7,731	5,953
6	Financial income	993	0
7	Financial expenses	-10,354	-3,037
	Profit/loss before tax	-21,748	-131,857
8	Tax for the year	-3,972	-1,491
	Profit/loss for the year	-25,720	-133,348

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
10	**Intangible assets**		
	Acquired intangible assets	4,320	740
	Goodwill	21,859	30,955
		26,179	31,695
11	**Property, plant and equipment**		
	Fixtures and fittings, other plant and equipment	15,175	14,877
	Leasehold improvements	126	175
		15,301	15,052
12	**Investments**		
	Investments in group enterprises	76,783	9,113
	Deposits, investments	1,115	779
		77,898	9,892
	Total fixed assets	119,378	56,639
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	3,630	5,280
	Prepayments for goods	87	4,441
		3,717	9,721
	Receivables		
	Trade receivables	89,055	46,599
13	Work in progress	763	9,124
	Receivables from group enterprises	21,760	1,179
	Corporation tax receivable	519	0
	Other receivables	0	4,673
14	Prepayments	3,385	971
		115,482	62,546
	Cash	25,974	8,395
	Total non-fixed assets	145,173	80,662
	TOTAL ASSETS	264,551	137,301

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
15	Share capital	6,000	6,000
	Net revaluation reserve according to the equity method	3,731	0
	Translation reserve	0	-231
	Retained earnings	58,548	-79,533
	Total equity	68,279	-73,764
	Liabilities other than provisions		
17	**Non-current liabilities other than provisions**		
	Lease liabilities	4,407	5,350
	Other payables	10,680	10,522
		15,087	15,872
	Current liabilities other than provisions		
17	Short-term part of long-term liabilities other than provisions	2,804	4,438
	Bank debt	622	613
13	Work in progress	0	11,396
	Trade payables	8,449	8,267
	Payables to group enterprises	152,632	153,095
	Other payables	16,678	17,384
		181,185	195,193
	Total liabilities other than provisions	196,272	211,065
	TOTAL EQUITY AND LIABILITIES	264,551	137,301

1 Accounting policies
2 Events after the balance sheet date
3 Special items
9 Appropriation of profit/loss
18 Contractual obligations and contingencies, etc.
19 Security and collateral
20 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Translation reserve	Retained earnings	Total
	Equity at 1 January 2022	6,000	0	28	53,815	59,843
9	Transfer, see "Appropriation of profit/loss"	0	0	0	-133,348	-133,348
	Adjustment of investments through foreign exchange adjustments	0	0	-259	0	-259
	Equity at 1 January 2023	6,000	0	-231	-79,533	-73,764
9	Transfer, see "Appropriation of profit/loss"	0	-7,731	0	-17,989	-25,720
	Group contribution	0	0	0	165,000	165,000
	Equity transfers to reserves	0	8,699	231	-8,930	0
	Adjustment of investments through foreign exchange adjustments	0	2,763	0	0	2,763
	Equity at 31 December 2023	6,000	3,731	0	58,548	68,279

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Swire Renewable Energy A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Pursuant to section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The financial statements of Swire Renewable Energy A/S are included in the consolidated financial statements of Swire Renewable Energy Holding A/S, Aarhus, Denmark, (reg. no. 25 55 89 36).

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

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

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

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity 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 terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of group entities which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Public grants

Public grants to cover expenses are recognised in the income statement when it is deemed likely that all grant criteria have been met. Grants which must be repaid under certain circumstances are recognised only where they are not expected to be repaid.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Income from work in progess is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the work in progress performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from work in progress cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other operating income

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

Cost of sales

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

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 20 years. The amortisation period is based on the type of business, earnings and market position of the business, the stability of the industry, and dependency on key staff.

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

Acquired intangible assets	3-5 years
Goodwill	20 years
Customer relationships	5 years
Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	5-10 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

The residual value amounts to DKK 0 as of 31.12.2023.

Other operating expenses

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Profit/loss from investments in group entities

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In subsidiaries, the full elimination of internal profit and loss is carried out without regard to ownership shares. Only proportional elimination of profit and loss is carried out, taking into account ownership shares.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period. The amortisation period is based on the type of business, earnings and market position of the business, the stability of the industry, and dependency on key staff.

Other intangible assets include other acquired intangible rights, including software.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

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

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments

Other fixed asset investments consist of deposits.

Investments in group entities

Equity investments in group entities are measured according to the equity method.

On initial recognition, equity investments in group entities are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

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

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

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

Work in progress

Work in progress are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash consist of bank deposits

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in group entities and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in group entities and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

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

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

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Segment information

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

2 Events after the balance sheet date

Subsequent to the financial year end, the Company has acquired two companies Obelisk Energy Limited and Altitec Trading Limited including their subsidiaries, which significantly strengthens our capabilities in the provision of wind turbine blade services, and will also serve to broaden our market presence throughout the UK, Europe, Asia, Australia and South Africa.

3 Special items

Special items comprise significant income and expenses of a special nature relative to the Company's revenue-generating operating activities. Special items may comprise expenses incurred for extensive structuring of processes and basic structural adjustments as well as any related disposal gains and losses, that have a material impact over time. Special items also comprise significant one-off items that, in Management's opinion, do not form part of the Company’s primary operating activities and that are deemed not to be recurring.

The profit/loss last year was affected by impairment of goodwill.

Special items for last year are specified below just as are the items under which they are recognised in the income statement.

DKK'000	2023	2022
Expenses		
Impairment of goodwill	0	-60,194
	0	-60,194
Special items are recognised in the below items of the financial statements		
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	0	-60,194
Net profit/loss on special items	0	-60,194

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2023	2022
4 Segment information		
Breakdown of revenue by business segment:		
Manpower Services	208,984	168,067
Projects	35,618	41,685
Service contracts	42,284	49,302
	286,886	259,054
Breakdown of revenue by geographical segment:		
Revenue, Scandinavia	113,568	110,303
Revenue, Europe	90,772	84,053
Revenue, Far East	82,546	64,698
	286,886	259,054

DKK'000	2023	2022
5 Staff costs		
Wages/salaries	95,805	110,955
Pensions	10,727	11,788
Other social security costs	1,723	2,189
Staff costs recharge	-2,040	-3,061
	106,215	121,871
Average number of full-time employees	133	157

Remuneration of the Executive board in the Company is 4,420 t.DKK. The Board of Directors does not receive remuneration in their capacity as member of the board.

According to §98b (3)(II) of the Danish Financial Statements Act, comparative figures for total remuneration is not disclosed.

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	2023	2022
6	**Financial income**		
	Interest receivable, group entities	552	0
	Exchange gain	317	0
	Other financial income	124	0
		993	0
7	**Financial expenses**		
	Interest expenses, group entities	6,785	632
	Exchange losses	2,193	287
	Other financial expenses	1,376	2,118
		10,354	3,037
8	**Tax for the year**		
	Estimated tax charge for the year	3,972	1,491
		3,972	1,491
9	**Appropriation of profit/loss**		
	Recommended appropriation of profit/loss		
	Net revaluation reserve according to the equity method	-7,731	0
	Retained earnings/accumulated loss	-17,989	-133,348
		-25,720	-133,348

10 **Intangible assets**

DKK'000	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2023	6,954	188,656	195,610
Additions	4,091	0	4,091
Cost at 31 December 2023	11,045	188,656	199,701
Impairment losses and amortisation at 1 January 2023	6,214	157,701	163,915
Amortisation for the year	511	9,096	9,607
Impairment losses and amortisation at 31 December 2023	6,725	166,797	173,522
Carrying amount at 31 December 2023	4,320	21,859	26,179

Financial statements 1 January - 31 December

Notes to the financial statements

11 Property, plant and equipment

DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2023	26,784	651	27,435
Additions	7,582	0	7,582
Disposals	-4,035	0	-4,035
Cost at 31 December 2023	30,331	651	30,982
Impairment losses and depreciation at 1 January 2023	11,907	476	12,383
Depreciation	5,107	49	5,156
Reversal of accumulated depreciation and impairment of assets disposed	-1,858	0	-1,858
Impairment losses and depreciation at 31 December 2023	15,156	525	15,681
Carrying amount at 31 December 2023	15,175	126	15,301
Property, plant and equipment include finance leases with a carrying amount totalling	7,911	0	7,911

Financial statements 1 January - 31 December

Notes to the financial statements

12 Investments

DKK'000	Investments in group enterprises	Deposits, investments	Total
Cost at 1 January 2023	414	779	1,193
Additions	72,639	336	72,975
Cost at 31 December 2023	73,053	1,115	74,168
Value adjustments at 1 January 2023	8,699	0	8,699
Foreign exchange adjustments	2,763	0	2,763
Profit/loss for the year	-7,136	0	-7,136
Amortisation and depreciation goodwill	-596	0	-596
Value adjustments at 31 December 2023	3,730	0	3,730
Carrying amount at 31 December 2023	76,783	1,115	77,898

The carrying amount of group entities DKK 76,783 thousand, comprises a share of the entities' net asset value, DKK 27,994 thousand, goodwill at a carrying amount of DKK 41,271 thousand, customer relationships at a carrying amount of DKK 9,511 thousand and deferred tax liabilities at a carrying amount of DKK 1,993 thousand.

The identified added values are amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments.

Goodwill is amortised over the expected economic life of the asset on a straight-line basis over the amortisation period, which is 20 years.

Customer relationship is amortised over the expected economic life of the asset on a straight-line basis over the amortisation period, which is 5 years.

Group entities

Name	Legal form	Domicile	Interest
Swire Renewable Energy GmbH	Limited liability company	Germany	100.00%
Swire Renewable Energy Ltd.	Limited liability company	England	100.00%
Swire Renewable Energy Sp. Z.o.o.	Limited liability company	Poland	100.00%
Swire Renewable Energy B.V.	Limited liability company	The Netherlands	100.00%
Swire Renewable Energy Taiwan	Limited liability company	Taiwan	100.00%
Swire Renewable Energy (Portugal) S.A.	Limited liability company	Portugal	100.00%
BladeInsight US	Limited liability company	USA	100.00%
WPS Holding AB	Limited liability company	Sweden	100.00%
WPS Sweden AB	Limited liability company	Sweden	100.00%
WPS Telecom AB	Limited liability company	Sweden	100.00%

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2023	2022
13 Work in progress		
Selling price of work performed	8,166	35,612
Progress billings	-7,403	-37,884
	763	-2,272
recognised as follows:		
Work in progress (assets)	763	9,124
Work in progress (liabilities)	0	-11,396
	763	-2,272

14 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance premiums and subscriptions.

DKK'000	2023	2022
15 Share capital		
Analysis of the share capital:		
6,000,000 A shares of DKK 1.00 nominal value each	6,000	6,000
	6,000	6,000

The Company's share capital has remained DKK 6,000 thousand over the past 5 years.

16 Deferred tax

The Company has a tax loss carry-forwards at a carrying amount of DKK 123 mio. As it is uncertain if these tax losses can be utilised within a foreseeable future, their carrying amount has not been recognised in the financial statements.

17 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Lease liabilities	7,211	2,804	4,407	0
Other payables	10,680	0	10,680	10,680
	17,891	2,804	15,087	10,680

Financial statements 1 January - 31 December

Notes to the financial statements

18 Contractual obligations and contingencies, etc.

Contingent liabilities

Guarantee commitments consist of an enforceable guarantee provided in respect of all outstanding bank commitments in:
- Swire Renewable Energy Ltd. (Debt as of 31 December 2023 = DKK 0)

Other contingent liabilities

The Company is jointly taxed with its parent, Swire Renewable Energy Holding A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2023	2022
Rent and lease liabilities	1,815	2,399

Rent and lease liabilities include a rent obligation totalling DKK 1,477 thousand in interminable rent agreements with remaining contract terms of 0-2 years. Furthermore, the Company has liabilities under operating leases for IT equipment, totalling DKK 338 thousand, with remaining contract terms of 2 years.

19 Security and collateral

As security for the Company's debt to banks, DKK 622 thousand, the Company has provided security or other collateral in its assets for a total amount of DKK 26,500 thousand. The total carrying amount of these assets is DKK 134,163 thousand and consists of software, goodwill, acquired intangible assets, leasehold improvements, inventories and trade receivables.

Shares in subsidiary at a carrying amount of DKK 0 thousand at 31 December 2023 have been provided as security for debt to banks, totalling DKK 338 thousand.

The Company's bank has provided work guarantees to third parties for a total of DKK 3,646 thousand.

Financial statements 1 January - 31 December

Notes to the financial statements

20 Related parties

Swire Renewable Energy A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Swire Renewable Energy Holding A/S	Aarhus	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Swire Renewable Energy Holding A/S	Aarhus	At the Danish Business Authority

Related party transactions

Swire Renewable Energy A/S was engaged in the below related party transactions:

DKK'000	2023
Interest expenses to group entities	6,785
Debt forgiveness (danish: koncerntilskud) from owner Swire Renewable Energy Holding A/S	165,000
Payables to group entities	150,396

Transactions with full-owned subsidiaries (100%) have not been disclosed, cf. section 98 c (3) of the Danish Financial Statements Act.

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Ryan Jon Smith
Executive Board
On behalf of: Swire Renewable Energy AS
Serial number: a2d6bcd4-b721-499d-9f3e-9036ee3bbf3a
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2024-05-23 14:16:55 UTC

John Bruce Rae Smith
Chairman
On behalf of: Swire Renewable Energy AS
Serial number: jb.raesmith@jssldn.co.uk
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John Bruce Rae Smith
Board of Directors
On behalf of: Swire Renewable Energy AS
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Flemming Obenhausen Andersen
Board of Directors
On behalf of: Swire Renewable Energy AS
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IP: 80.208.xxx.xxx
2024-05-23 17:28:42 UTC

Ryan Jon Smith
Board of Directors
On behalf of: Swire Renewable Energy AS
Serial number: a2d6bcd4-b721-499d-9f3e-9036ee3bbf3a
IP: 51.191.xxx.xxx
2024-05-24 05:53:38 UTC

Tom Barreth Lassen
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: e750e22d-62f4-4efb-aa30-fe83e9d6e62b
IP: 165.225.xxx.xxx
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