

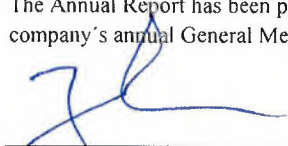
ZITON Contractors A/S

Annual report 2023

CVR-No. 38 41 06 44

Registered Office Address: Bygholm Soepark 21E, 8700 Horsens

The Annual Report has been presented and adopted at the company's annual General Meeting on 5 April 2024

A handwritten signature in blue ink, appearing to be "JH", written over a horizontal line.

Jens Michael Haurum
Chairman

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Company	ZITON Contractors A/S Bygholm Søpark 21 E 8700 Horsens
	Telephone: 87 44 44 00
	Website: www.ZITON.eu
	CVR No.: 38 41 06 44
	Registered Office: Horsens, Danmark
	Established: 9 February 2017
	Financial period: 1 January - 31 December
Board of Directors	Rasmus Mühlebach chairman Jens Michael Haurum Thorsten Henrik Jalk
Management	Thorsten Henrik Jalk
Independent Auditor	BDO Statsautoriseret Revisionsaktieselskab Jeppe Aakjærs Vej 10 9500 Hobro

Today, the board of directors and management have discussed and approved the Annual Report of ZITON Contractors A/S for the period 1 January - 31 December 2023.

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

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

In our opinion, the Management Commentary includes a fair view of the matters dealt with in the commentary.

We recommend that the Annual Report be approved at the annual general meeting.

Horsens, 19 March 2024

Management



Thorsten Henrik Jalk

Board of Directors



Rasmus Münlebach
chairman



Jens Michael Haurum



Thorsten Henrik Jalk

INDEPENDENT AUDITOR'S REPORT

To the shareholders of ZITON Contractors A/S

Opinion

We have audited the financial statements of ZITON Contractors A/S for the financial year 1 January - 31 December 2023 which comprise an income statement, balance sheet, statement of change in equity, notes and summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management Commentary

Management is responsible for the Management Commentary.

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

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

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

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

Hobro 19 March 2024

BDO Statsautoriseret revisionsaktieselskab

Cvr. No.: 20 22 26 70



Michael Graversen

State Authorised Public Accountant

MNE no.: mne34099

Principal activities

ZITON Contractors offers services complementary to the ZITON A/S' core jack-up business, such as technicians, yoke operators and lifting equipment.

Development in activities and financial position

The ordinary profit after tax is a profit of 4.4 mill DKK compared to a loss of 2.5 mill DKK in the previous year. Management considers the resultat for the year as satisfactory.

The improvement in profitability is a result of higher level of activity during the year and improved utilisation of the company's resources.

Significant events after 31 December 2023

No significant events have been identified after the balance sheet date, which could affect the 2023 annual report.

Future expectations

There are no larger blade campaigns planned for 2024, and ZITON Contractors A/S will mainly focus on continuing to provide turbine technicians to ZITON A/S for major component replacement and other services for offshore wind farms. A continued high level of activity are expected in the forthcoming year.

	<u>Note</u>	<u>2023</u> <i>DKK'000</i>	<u>2022</u> <i>DKK'000</i>
Gross Profit		16,664	5,033
Staff costs	1	-10,296	-8,137
Depreciation	5	-1,161	-1,119
Operating profit		5,207	-4,223
Financial income	2	1,198	1,419
Impairment losses on financial assets		-620	-
Financial expenses	3	-21	-256
Profit before tax		5,764	-3,060
Tax on profit	4	-1,411	533
Profit for the year		4,353	-2,527
Proposed distribution of profit			
Interim dividend for the year		9,000	-
Proposed dividend for the year		3,000	-
Transferred to retained earnings		-7,647	-2,527
Total		4,353	-2,527

Assets	<u>Note</u>	<u>2023</u>	<u>2022</u>
		<i>DKK'000</i>	<i>DKK'000</i>
Fixtures and equipment	5	6,766	3,525
Tangible fixed assets		6,766	3,525
Fixed assets		6,766	3,525
Intercompany receivables, associated companies		6,818	11,201
Tax assets		13	640
Accounts receivable		6,831	11,841
Cash		1,162	880
Current Assets		7,993	12,722
Assets		14,759	16,246

Equity and Liabilities	<u>Note</u>	<u>2023</u>	<u>2022</u>
		<i>DKK'000</i>	<i>DKK'000</i>
Share capital		500	500
Retained earnings		2,837	10,485
Proposed dividends for the year		3,000	0
Equity		6,337	10,985
Other liabilities	6	209	200
Long-term liabilities		209	200
Trade Payables		3,323	1,765
Intercompany payable, associated companies		699	353
Other liabilities		2,787	2,943
Joint taxation liability		1,403	-
Current Liabilities		8,213	5,061
Liabilities		8,422	5,261
Equity and liabilities		14,759	16,246
Contingencies, etc	7		
Related parties and ownership	8		

Statement of change in equity



	Share capital	Retained earnings	Dividend distribution	Total
	<i>DKK'000</i>	<i>DKK'000</i>	<i>DKK'000</i>	<i>DKK'000</i>
Equity 1 January 2023	500	10,485	-	10,985
Interim dividend approved during the year	-	-9,000	9,000	-
Distribution of dividend during the year	-		-9,000	-9,000
Profit for the year	-	1,353	3,000	4,353
Equity 31 December 2023	500	2,837	3,000	6,337

1 Staff Costs

	<u>2023</u>	<u>2022</u>
	<i>DKK'000</i>	<i>DKK'000</i>
Wages and Salaries	8,825	7,117
Pensions	693	587
Other social security costs	778	433
	<u>10,296</u>	<u>8,137</u>

Number of employed in 2023 in average 11 (2022;10)

2 Financial income

Financial income, Group companies	1,182	1,419
Other financial income	16	-
	<u>1,198</u>	<u>1,419</u>

3 Financial expenses

Other financial expenses	21	256
	<u>21</u>	<u>256</u>

4 Tax on profit for the year

Income tax for the year	1,166	-
Change in provision for deferred tax	245	-629
Change regarding previous years	-	95
	<u>1,411</u>	<u>-533</u>

5 Tangible fixed assets

	Total DKK'000
Cost 1 January 2023	7,007
Addition during the year	4,495
Disposals during the year	-92
Cost 31 December 2023	11,410
Depreciation 1 January 2023	3,483
Depreciation during the year	1,163
Disposals during the year	-2
Depreciation 31 December 2023	4,644
Carrying amount at 31 December 2023	6,766

6 Long-term liabilities

	2023 DKK'000	2022 DKK'000
Other liabilities		
After 5 Years	-	-
Between 1 and 5 years	209	200
Long-term liability	209	200
Under 1 year	-	-

7 Contingencies, etc.

The company is liable jointly and severally with the parent company and the other companies in the jointly taxed group for tax on the group's jointly taxed income and for potential withholding taxes, such as dividend tax and royalty tax.

The company participates in the national joint taxation scheme with Zappy Topco ApS, Business reg. no. 43 52 06 36, which is the administration company for the joint taxation.

The tax liability of the jointly taxed income as at 31st December 2023 amounts to 0 DKK.

Securities

There are no securities provided in any of the company's assets.

8 Related parties and ownership

Controlling interest

ZITON A/S, Bygholm Søpark 21 E, 8700 Horsens

Basis

Majority shareholder

The financial statements for ZITON Contractors A/S for 2023 are consolidated in the financial statements of ZITON A/S (registered office: Horsens, Denmark).

Other related parties

ZITON Contractors A/S' other related parties include Zappy Topco ApS, the parent company of ZITON A/S, affiliates in the ZITON Group as well as the companies management, board of directors and key personnel and families of the individuals. Furthermore, related parties include enterprises in which the aforementioned circle of people have substantial interests.

The annual report of ZITON Contractors A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in accounting class B with certain provisions applying to reporting class C.

The annual report is prepared consistently with the accounting principles used last year.

The financial statements for 2023 are presented in TDKK.

INCOME STATEMENT

Net revenue

The net revenue from performed work is recognised in the income statement, if supply and risk transfer to purchaser has taken place before the end of the year. Net revenues is recognised exclusive of VAT, duties and less discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external costs

Other external costs include costs relating to distribution, sale, advertising, administration, premises, loss on bad debts and similar expenses.

Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance Leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion, that can be attributed to the profit for the year, and is recognised directly in the equity by the portion, that can be attributed to entries directly to the equity.

The company is jointly taxed with wholly owned Danish subsidiary enterprises. The current Danish corporation tax is distributed between the jointly taxed Danish companies in proportion to their taxable income, and with full distribution with refund regarding taxable losses. The jointly taxed companies are included in the tax-on-account scheme.

BALANCE SHEET

Tangible fixed assets

Fixtures and equipment are measured at cost less accumulated depreciation and writedowns.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price, costs incurred directly in connection with the acquisition until the time, when the asset is ready to be used and interest expenses. As regards selfmanufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life	Residual value
Fixtures and equipment	2 - 10 years	0%

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Writedown on tangible assets

The carrying amount of tangible fixed assets is reviewed annually to determine, if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

Accounts receivable

Accounts receivable are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax unit.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable, when the deferred tax is expected to crystallise as current tax. The tax rate applied for the current year is 22 %.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Other liabilities including trade payables, intercompany payables and other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Amortised cost of current liabilities correspond to nominal value.