



# ANNUAL REPORT

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# 2022



# ANNUAL REPORT 2022

Jens Baggesens Vej 90, DK-8200 Aarhus N

CVR No 39 88 33 09

The Annual Report was presented and adopted  
at the Annual General Meeting of the company  
on 13 June 2023

**Michael Andersen**

Chairman of the General Meeting



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# Management's Statement

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The Executive Board and Board of Directors have today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of Peak Wind Group ApS 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Aarhus,  
13 June 2023

## Executive Board

Denis Nørnberg Andersen  
Lars Nagstrup Conradsen  
Michael Andersen

## Board of Directors

Michael Andersen - Chairman  
Lars Nagstrup Conradsen  
Denis Nørnberg Andersen  
Lars-Henrik Qvernheim Røren  
Marius Grøsfjeld Magelie



# Independent Auditor's report

## To the shareholder of Peak Wind Group ApS

### Opinion

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Peak Wind Group ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial 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 consolidated financial statements and parent company 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

# Independent Auditor's report

## 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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Aarhus C, 13 June 2023

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

Rune Kjeldsen  
State Authorised Public Accountant mne34160

# Company Information

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## The Company

PEAK Wind Group ApS  
Jens Baggesens Vej 90  
DK-8200 Aarhus N  
CVR No: 39 88 33 09  
Financial period: 1 January - 31 December  
Municipality of reg. office: Aarhus

## Executive Board

Denis Nørnberg Andersen  
Lars Nagstrup Conradsen  
Michael Andersen

## Board of Directors

Michael Andersen, chairman  
Lars Nagstrup Conradsen  
Denis Nørnberg Andersen  
Lars-Henrik Qvernheim Røren  
Marius Grøsfjeld Magelie

## Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Nobelparken  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C



# Group Chart

Company	Residence	Ownership
<b>Peak Wind Group ApS</b>	<b>Denmark</b>	
PEAK Wind ApS	Denmark	100%
PEAK Wind Aps ,Taiwan Branch	Taiwan	
PEAX Energy ApS	Denmark	100%
PEAX Energy Aps, UK Branch	UK	
PEAK Wind Spain S.L.	Spain	100%
PEAK Wind Korea Ltd	Korea	100%
PEAK Wind US Inc.	United States	100%
PEAK Wind US inc., Texas Branch	United States, Texas	
PEAK Wind US inc., Massachusetts Branch	United States, Massachusetts	
Sea Impact ApS	Denmark	50%
Anker Development ApS	Denmark	50%





# Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	126,798	79,855	51,537	-6	0
Profit/loss of ordinary primary operations	23,838	18,610	13,312	-6	0
Profit/loss before financial income and expenses	23,838	18,610	13,312	-6	0
Profit/loss of financial income and expenses	-1,527	-115	-52	6,119	3,907
Net profit/loss	16,533	14,224	9,863	6,121	3,907
Balance sheet					
Balance sheet total	69,409	40,399	27,929	7,286	4,432
Investment in property, plant and equipment	2,640	135	0	0	0
Equity	33,710	19,283	11,880	6,488	4,109
Number of employees	144	85	49	0	0
Ratios					
Return on assets	34.3%	46.1%	47.7%	-0.1%	0.0%
Solvency ratio	48.6%	47.7%	42.5%	89.0%	92.7%
Return on equity	62.4%	91.3%	107.4%	115.5%	190.2%

For 2019 and 2018 financial highlights for the Parent Company has been included.

# Management's review

## Key activities

The object of the Company is to provide advisory and asset management services within the global sector of renewable infrastructure and any other related business hereto as determined by the Management.

## Development in the year

The income statement of the Group for 2022 shows a profit of DKK 16,533,044, and at 31 December 2022 the balance sheet of the Group shows positive equity of DKK 33,709,635.

The renewable energy sector continued the green energy transition and many new clients, markets and projects have been supported by PEAK Wind during 2022. As a global asset management- and consulting firm PEAK Wind also opened new offices and established new service offerings to continue supporting developers, utilities, and project investors. Overall PEAK Wind delivered on our strategic targets for the year and Management consider the performance satisfactory.

## The past year and follow-up on development expectations from last year

2022 results are satisfactory and within expectations, which corresponds to a top-line increase of 46% compared to the consolidated 2021-results and a consequential EBIT-increase of 28% compared to 2021. The growth has been satisfactory despite the several negative external factors impacting the industry and the economy. The financial growth has been realized despite high inflation mainly impacting salary expenditures and with a lagging impact on revenue that has not been seen in the financials yet. Also, the business activities have been steadily increasing despite a general slow-down in the number of investment decisions on large- scale renewable infrastructure projects driven by high financing cost and supply chain shortages.

Several initiatives to enable future healthy growth were initiated during 2022, including stronger

corporate service setup, initiation of internal employee training programs as well as several software investments.

Market entry into Texas, increasing focus on data & intelligence as well as power-to-x are considered investments into the future and anticipates unlocking EBIT-margin improvements going forward.

## Targets and expectations for the year ahead

PEAK Wind expects continuous high activity in 2023 which will translate into double digit growth mainly from core markets and services. Profitability is expected to marginally decline due to several investments across the business.

## Research and development

During 2022 PEAK Wind has invested in the development of several software solutions to support the asset management business. This is expected to continue throughout 2023.

## Branches abroad

PEAK Wind established presence in Texas, US and Seoul, Korea during 2022. PEAK Wind is considering additional branches in core growth markets during 2023. For an overview of established branches refer to Group Chart.

## Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

## Unusual events

The financial position at 31 December 2022 of the Group and the results of the activities and cash flows of the Group for the financial year for 2022 have not been affected by any unusual events.

# Management's review

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## Subsequent events

In March 2023 Peak Wind has sold the shares in the associated company, Anker Development ApS. The event does not affect the assessment of the annual report.

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



# Income statement

## 1 January - 31 December

	Note	Group		Parent company	
		2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Gross profit		126,798,107	79,854,938	-257,880	-6,250
Staff expenses	1	-102,456,147	-61,239,846	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-503,893	-5,547	0	0
Profit/loss before financial income and expenses		23,838,067	18,609,545	-257,880	-6,250
Income from investments in subsidiaries		0	0	17,366,940	14,041,844
Income from investments in associates		-868,994	0	-868,994	0
Financial income	2	11,826	119,077	2,741	247
Financial expenses	3	-669,857	-233,797	-4,959	-5,693
Profit/loss before tax		22,311,042	18,494,825	16,237,848	14,030,148
Tax on profit/loss for the year	4	-5,777,998	-4,270,489	57,222	2,573
Net profit/loss for the year	5	16,533,044	14,224,336	16,295,070	14,032,721



# Balance sheet

## 31 December

### Assets

	Note	Group		Parent company	
		2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Completed development projects		1,497,672	0	0	0
Intangible assets	6	1,497,672	0	0	0
Other fixtures and fittings, tools and equipment		1,955,111	172,783	0	0
Leasehold improvements		485,467	119,740	0	0
Property, plant and equipment	7	2,440,578	292,523	0	0
Investments in subsidiaries	8	0	0	33,272,184	18,682,656
Investments in associates	9	20,000	0	20,000	0
Other investments	10	4,999,200	0	4,999,200	0
Deposits	10	1,496,771	822,104	0	0
Other receivables	10	3,750,000	0	3,750,000	0
Fixed asset investments		10,265,971	822,104	42,041,384	18,682,656
Fixed assets		14,204,221	1,114,627	42,041,384	18,682,656
Trade receivables		19,988,565	17,353,906	0	0
Contract work in progress		14,952,805	8,557,261	0	0
Other receivables		185,668	44,450	0	0
Deferred tax asset	11	433,480	0	0	0
Corporation tax		0	383,795	539,507	2,234,573
Prepayments	12	3,220,163	881,352	0	0
Receivables		38,780,681	27,220,764	539,507	2,234,573
Cash at bank and in hand		16,424,291	12,063,502	25,125	1,442,162
Current assets		55,204,972	39,284,266	564,632	3,676,735
Assets		69,409,193	40,398,893	42,606,016	22,359,391

# Balance sheet

## 31 December

Liabilities and equity	Note	Group		Parent company	
		2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Share capital		50,100	50,100	50,100	50,100
Reserve for net revaluation under the equity method		0	0	24,892,245	18,963,934
Reserve for development costs		1,168,184	0	0	0
Reserve for exchange rate conversion		257,020	163,751	0	0
Retained earnings		26,234,331	12,862,563	2,767,290	-5,937,620
Proposed dividend for the year		6,000,000	6,000,000	6,000,000	6,000,000
Equity attributable to shareholders of the Parent Company		33,709,635	19,076,414	33,709,635	19,076,414
Minority interests		0	206,615	0	0
Equity		33,709,635	19,283,029	33,709,635	19,076,414
Provision for deferred tax	11	0	5,215	0	0
Provisions relating to investments in associates		848,994	0	848,994	0
Other provisions		0	153,336	0	0
Provisions		848,994	158,551	848,994	0
Other payables		2,062,965	1,966,262	0	0
Long-term debt	13	2,062,965	1,966,262	0	0
Credit institutions		10,416,602	0	0	0
Trade payables		3,136,695	1,726,414	6,251	12,500
Payables to group enterprises		0	0	8,041,136	3,270,477
Corporation tax		4,169,577	1,380,623	0	0
Other payables	13	15,064,725	15,884,014	0	0
Short-term debt		32,787,599	18,991,051	8,047,387	3,282,977
Debt		34,850,564	20,957,313	8,047,387	3,282,977
Liabilities and equity		69,409,193	40,398,893	42,606,016	22,359,391
Contingent assets, liabilities and other financial obligations	16				
Related parties	17				
Accounting Policies	18				

# Statement of Changes in Equity



## Group

	Share capital	Reserve for development costs	Reserve for exchange rate conversion	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50,100	0	163,751	12,862,563	6,000,000	19,076,414	206,615	19,283,029
Exchange adjustments	0	0	93,269	0	0	93,269	0	93,269
Ordinary dividend paid	0	0	0	0	-6,000,000	-6,000,000	0	-6,000,000
Warrent program	0	0	0	3,800,293	0	3,800,293	0	3,800,293
Purchase of minority interest	0	0	0	444,589	0	444,589	-444,589	0
Development costs for the year	0	1,168,184	0	-1,168,184	0	0	0	0
Net profit/loss for the year	0	0	0	10,295,070	6,000,000	16,295,070	237,974	16,533,044
Equity at 31 December	50,100	1,168,184	257,020	26,234,331	6,000,000	33,709,635	0	33,709,635

## Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50,100	18,963,934	-5,937,620	6,000,000	19,076,414	0	19,076,414
Exchange adjustments	0	93,269	0	0	93,269	0	93,269
Ordinary dividend paid	0	0	0	-6,000,000	-6,000,000	0	-6,000,000
Warrent program	0	3,800,293	0	0	3,800,293	0	3,800,293
Purchase of minority interest	0	444,589	0	0	444,589	0	444,589
Net profit/loss for the year	0	1,590,160	8,704,910	6,000,000	16,295,070	0	16,295,070
Equity at 31 December	50,100	24,892,245	2,767,290	6,000,000	33,709,635	0	33,709,635

# Cash flow statement

## 1 January - 31 December

	Note	Group	
		2022 DKK	2021 DKK
Result of the year		16,533,044	14,224,336
Adjustments	14	11,597,106	4,392,407
Change in working capital	15	-15,497,243	-8,715,153
Cash flow from operations before financial items		12,632,907	9,901,590
Financial income		11,826	119,077
Financial expenses		-669,857	-233,797
Cash flows from ordinary activities		11,974,876	9,786,870
Corporation tax paid		-3,043,944	-4,364,717
Cash flows from operating activities		8,930,932	5,422,153
Purchase of intangible assets		-1,497,672	-135,154
Purchase of property, plant and equipment		-2,639,845	0
Fixed asset investments made etc		960,800	0
Cash flows from investing activities		-3,176,717	-135,154
Raising of loans from credit institutions		10,416,602	0
Raising of other long-term debt		96,703	0
Dividend paid		-12,000,000	-7,000,000
Cash flows from financing activities		-1,486,695	-7,000,000
Change in cash and cash equivalents		4,267,520	-1,713,001
Cash and cash equivalents at 1 January		12,063,502	13,612,752
Exchange adjustment of current asset investments		93,269	163,751
Cash and cash equivalents at 31 December		16,424,291	12,063,502
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		16,424,291	12,063,502
Cash and cash equivalents at 31 December		16,424,291	12,063,502



# Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
<b>1. Staff Expenses</b>				
Wages and salaries	93,908,926	56,686,199	0	0
Pensions	5,972,286	3,447,950	0	0
Other social security expenses	1,897,045	1,104,810	0	0
Other staff expenses	677,890	887	0	0
	<u>102,456,147</u>	<u>61,239,846</u>	<u>0</u>	<u>0</u>
Including remuneration to the Executive Board:				
Executive board	6,240,707	4,158,807	0	0
Board of directors	0	0	0	0
	<u>6,240,707</u>	<u>4,158,807</u>	<u>0</u>	<u>0</u>
Average number of employees	144	85	0	0

Warrants to senior employees have been issued in 2022. The warrants include an option to purchase new shares in the period from 2023 to 2026, of shares of up to approximately 10% of the share capital at an option price that is lower than the assessed fair value of the company at grant date. No warrants have been issued to the Executive Board or Supervisory Board.

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
<b>2. Financial income</b>				
Other financial income	11,826	119,077	2,741	247
	<u>11,826</u>	<u>119,077</u>	<u>2,741</u>	<u>247</u>

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
<b>3. Financial expenses</b>				
Other financial expenses	669,857	233,797	4,959	5,693
	<u>669,857</u>	<u>233,797</u>	<u>4,959</u>	<u>5,693</u>

# Notes to the Financial Statements

## 4. Income tax expense

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
Current tax for the year	6,216,693	4,265,274	-57,222	-2,573
Deferred tax for the year	-438,695	5,215	0	0
	<u>5,777,998</u>	<u>4,270,489</u>	<u>-57,222</u>	<u>-2,573</u>

## 5. Profit allocation

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
Proposed dividend for the year	12,000,000	6,000,000	6,000,000	6,000,000
Reserve for net revaluation under the equity method	-6,000,000	0	1,590,160	14,041,844
Minority interests' share of net profit/loss of subsidiaries	237,974	191,615	0	0
Retained earnings	10,295,070	8,032,721	8,704,910	-6,009,123
	<u>16,533,044</u>	<u>14,224,336</u>	<u>16,295,070</u>	<u>14,032,721</u>

## 6. Intangible fixed assets

### Group

	Completed development projects
	DKK
Cost at 1 January	0
Additions for the year	1,497,672
Cost at 31 December	<u>1,497,672</u>
Carrying amount at 31 December	<u>1,497,672</u>
Amortised over	<u>5 years</u>

# Notes to the Financial Statements

Completed development projects relates to computerized maintenance management system (CMMS) to be used in the global renewables sector. The projected is completed in 2022 and the software used by existing customers .

## 7. Property, plant and equipment

### Group

	<b>Other fixtures and fittings, tools and equipment</b>	<b>Leasehold improvements</b>
	DKK	DKK
Cost at 1 January	196,836	120,046
Exchange adjustment	12,369	0
Additions for the year	2,129,896	509,950
Cost at 31 December	<u>2,339,101</u>	<u>629,996</u>
Impairment losses and depreciation at 1 January	24,053	306
Exchange adjustment	266	0
Depreciation for the year	359,671	144,223
Impairment losses and depreciation at 31 December	<u>383,990</u>	<u>144,529</u>
Carrying amount at 31 December	<u>1,955,111</u>	<u>485,467</u>



# Notes to the Financial Statements

## 8. Investments in subsidiaries

	Parent company	
	2022	2021
	DKK	DKK
Cost at 1 January	1,437,086	791,453
Exchange adjustment	39,300	43,335
Additions for the year	1	602,298
Transfers for the year	34,558	0
Cost at 31 December	1,510,945	1,437,086
Value adjustments at 1 January	17,245,570	11,854,905
Net effect from merger and acquisition	444,589	0
Exchange adjustment	53,969	120,416
Net profit/loss for the year	17,366,940	14,041,844
Dividend to the Parent Company	-7,115,564	-8,771,595
Other equity movements, net	3,800,293	0
Transfers for the year	-34,558	0
Value adjustments at 31 December	31,761,239	17,245,570
Carrying amount at 31 December	33,272,184	18,682,656

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
PEAK Wind ApS	Aarhus, Denmark	100%
PEAX Energy ApS	Aarhus, Denmark	100%
PEAK Wind US Inc.	Delaware, US	100%
PEAK Wind Spain S.L.	Zaragoza, Spain	100%
PEAK Wind Korea Ltd.	Seoul, South Korea	100%

# Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK

## 9. Investments in associated companies

Additions for the year	40,000	0	40,000	0
Cost at 31 December	40,000	0	40,000	0
Net profit/loss for the year	-868,994	0	-868,994	0
Value adjustments at 31 December	-868,994	0	-868,994	0
Equity investments with negative net asset value transferred to provisions	848,994	0	848,994	0
Carrying amount at 31 December	20,000	0	20,000	0

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
Sea Impact ApS	Aarhus	40.000	50%
Anker Development ApS	Kolding	40.000	50%

# Notes to the Financial Statements

## 10. Other fixed asset investments

### Group

	<u>Other investments</u>	<u>Deposits</u>	<u>Other receivables</u>
	DKK	DKK	DKK
Cost at 1 January	0	822,104	0
Additions for the year	4,999,200	674,667	3,750,000
Cost at 31 December	<u>4,999,200</u>	<u>1,496,771</u>	<u>3,750,000</u>
Carrying amount at 31 December	<u>4,999,200</u>	<u>1,496,771</u>	<u>3,750,000</u>

### Parent company

	<u>Other investments</u>	<u>Other receivables</u>
	DKK	DKK
Cost at 1 January	0	0
Additions for the year	4,999,200	3,750,000
Cost at 31 December	<u>4,999,200</u>	<u>3,750,000</u>
Carrying amount at 31 December	<u>4,999,200</u>	<u>3,750,000</u>

<u>Group</u>		<u>Parent company</u>	
<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
DKK	DKK	DKK	DKK

## 11. Deferred tax asset

Deferred tax asset at 1 January	-5,215	0	0	0
Amounts recognised in the income statement for the year	438,695	-5,215	0	0
Deferred tax asset at 31 December	<u>433,480</u>	<u>-5,215</u>	<u>0</u>	<u>0</u>

The recognized tax asset consists of temporary difference on the warrant programme. The recognized tax asset associated with temporary difference is expected to be utilized within the next 3-4 years.

## 12. Prepayments

Accruals are made up of prepaid costs relating to rent, insurance premiums and insurances.

# Notes to the Financial Statements

## 13. 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:

	Group		Parent company	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	2,062,965	1,966,262	0	0
Long-term part	2,062,965	1,966,262	0	0
Within 1 year	0	0	0	0
Other short-term payables	15,064,725	15,884,014	0	0
	17,127,690	17,850,276	0	0

	Group	
	2022 DKK	2021 DKK
Financial income	-11,826	-119,077
Financial expenses	669,857	233,797
Depreciation, amortisation and impairment losses, including losses and gains on sales	503,893	7,198
Income from investments in associates	868,994	0
Tax on profit/loss for the year	5,777,998	4,270,489
Other adjustments	3,788,190	0
	11,597,106	4,392,407

## 14. Cash flow statement - Adjustments

# Notes to the Financial Statements

## 15. Cash flow statement - Change in working capital

	Group	
	2022	2021
	DKK	DKK
Change in receivables	-15,934,899	-12,361,969
Change in other provisions	-153,336	0
Change in trade payables, etc	590,992	3,646,816
	<u>-15,497,243</u>	<u>-8,715,153</u>

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK

## 16. Contingent assets, liabilities and other financial obligations

### Guarantee obligations

The Company is jointly and severally liable for the bank debt in Peak Wind ApS.

### Other contingent liabilities

Rental and lease obligations	4,324,639	2,062,182	0	0
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The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Peak Wind Group ApS has committed to subscribe for new shares in Hybrid Greentech ApS, the maximum commitment is DKK 5,000,000.



# Notes to the Financial Statements

## 17. Related parties

	<b>Basis</b>
<b>Related parties</b>	
Sea Impact ApS	Associated company
Anker Development ApS	Associated company

### Transactions

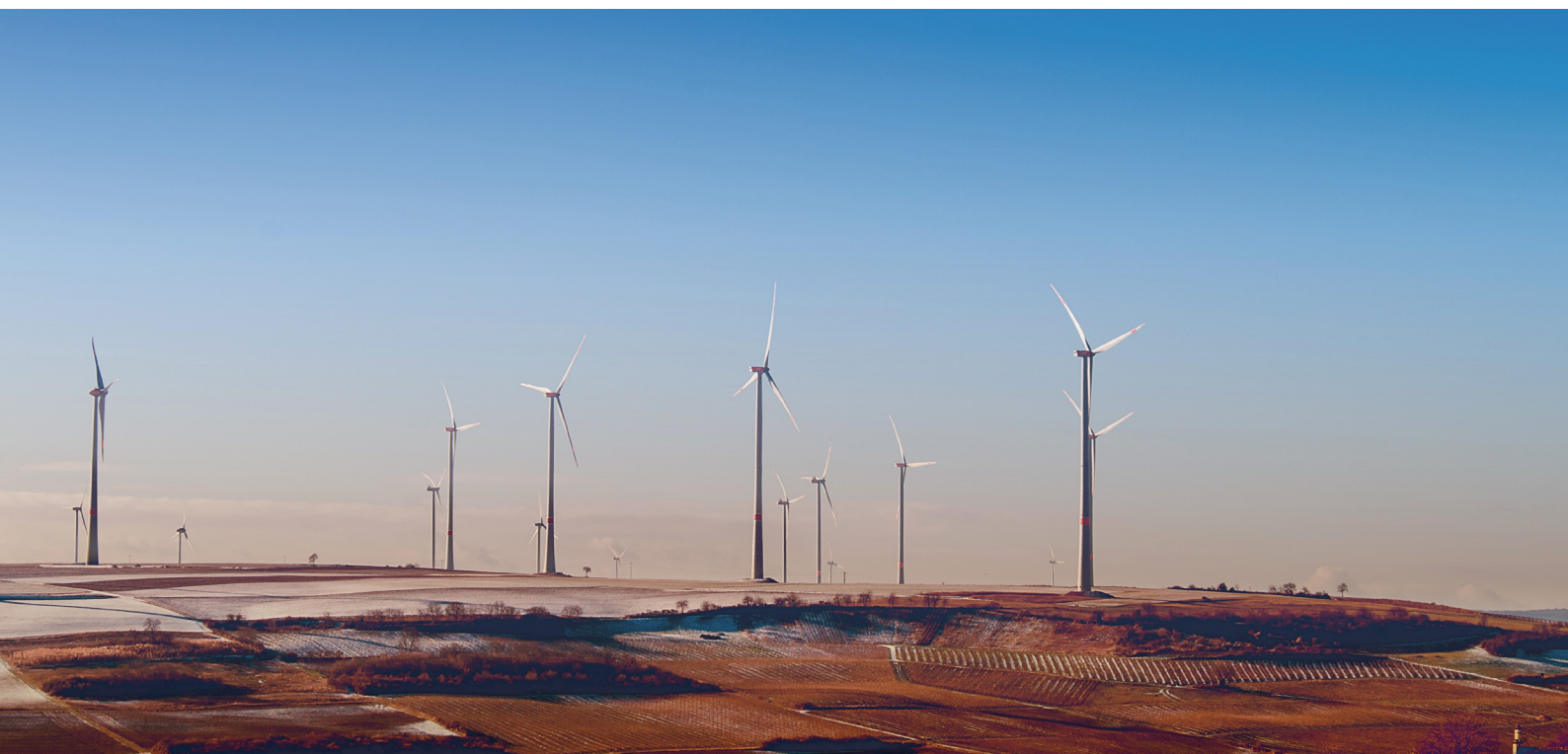
The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

All transactions have been made on arm's length basis.

### Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Andersen InvestCo ApS  
 Conradsen ApS  
 Noernberg Invest ApS  
 Integrated Wind Solutions ASA



# Notes to the Financial Statements

## 18. Accounting policies

The Annual Report of Peak Wind Group ApS 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 Consolidated Financial Statements and the Parent Company Financial Statements for 2022 are presented in DKK.

### Changes in accounting policies

The company has changed accounting policies for recognition of development projects. From 1 January 2022 costs related to development projects are capitalised when the project meets the criteria stated in the accounting policy. The change has no impact on equity and balance sheet as of 31 December 2021 or net profit for 2021.

### 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.

### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Peak Wind Group ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

### Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

# Notes to the Financial Statements

## 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.

## Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to a number of senior employees is recognized in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

## Income statement

### Net sales

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 Group.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total

revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

### Expenses for raw materials and consumables

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

### Other external expenses

Other external expenses comprise office expenses.

### Gross profit

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

# Notes to the Financial Statements

## 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.

## Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

## Financial income and expenses

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

## Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for 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 subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance sheet

### Intangible fixed assets

#### *Development projects*

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company’s development

activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item ‘Reserve for development costs’.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

### 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.

# Notes to the Financial Statements

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:

Other fixtures and fittings, tools and equipment	15 years
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Leasehold improvements	3 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

## Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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 and associates

Investments in subsidiaries and associates are recognised and measured under the equity method. The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal

or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

## Fixed asset investments

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

## Other fixed asset investments

Other fixed asset investments consist of deposits and other receivables that is due for payment after more than 12 months.

## 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.

## Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

# Notes to the Financial Statements

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

## Prepayments

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

## Equity

### Dividend

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

### Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

### 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, including the tax base of tax loss carry-forwards, 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 receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

### Financial debts

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

## Cash Flow Statement

The cash flow statement shows the Group'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 Group's cash and cash equivalents at the beginning and end of the year.

# Notes to the Financial Statements

## 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  $\frac{\text{Profit before financials} \times 100}{\text{Total assets at year end}}$

Solvency ratio  $\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$

Return on equity  $\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$





**PEAK Wind Group ApS**

CVR No 39 88 33 09

Jens Baggesens Vej 90,  
DK-8200 Aarhus N