ProCon Wind Energy A/S

Rolighedsvej 36G, 1., DK-8240 Risskov

Annual Report for 2022

CVR No. 40 10 75 33

The Annual report was presented and adopted at the Annual General Meeting of the Company on 3 March 2023.

Kristian Ravn
Chair of the General meeting

ProCon

Contents

Management's Statement

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

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

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

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, the results for the year and Company's financial position.

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

Risskov, 3 March 2023

Executive Board

Claus Søgaard Poulsen

Board of Directors

Kristian Ravn Chair	Christopher Andersen Heidenreich	
Jesper Uhre Larsen	Carl Erik Skovgaard	Niels Brix

Independent Auditor’s Report

To the Shareholder of ProCon Wind Energy A/S

Opinion
We have audited the financial statements of ProCon Wind Energy A/S for the financial year 1 January – 31 December 2022, 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 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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. Management is also responsible for such internal control that 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 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 additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and contents of the financial statements, including the 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 Statements Act. We did not identify any material misstatement of the Management's review.

Esbjerg, 3 March 2023
EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Morten Østergaard Koch	Mads Klausen
State Authorised Public Accountant	State Authorised Public Accountant
mne35420	mne46588

Company Information

The Company	ProCon Wind Energy A/S Rolighedsvej 36G, 1. DK-8240 Risskov CVR no. 40 10 75 33 Financial period: 1 January 2022 – 31 December 2022 Municipality of registered office: Aarhus
Board of Directors	Kristian Ravn, chair Christopher Andersen Heidenreich Jesper Uhre Larsen Carl Erik Skovgaard Niels Brix
Executive Board	Claus Søgaard Poulsen
Auditors	EY Bavnehøjvej 5 DK-6700 Esbjerg

Financial Highlights

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

	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK
Key figures				
Profit/loss				
Gross profit/loss	36.580	27.489	28.463	28.769
EBITDA	13.308	2.965	4.686	8.071
Operating profit/loss	9.777	-583	1.256	4.992
Net financials	-1.146	-1.635	-1.143	-1.170
Net profit/loss for the year	6.881	-1.699	22	2.867
Balance Sheet				
Balance Sheet total	96.698	94.240	66.182	55.804
Investments in property, plant and equipment	0	26	115	2.554
Equity	61.675	54.879	30.927	30.367
Number of employees	27	35	33	26
Ratios				
Return on assets	10,1%	-0,6%	1,9%	8,9%
Solvency ratio	63,8%	58,2%	46,7%	54,4%
Return on equity	11,8%	-4,0%	0,1%	18,9%

Explanation of financial ratios

Return on assets	Profit before financials x 100 / Total assets
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity

Management’s Review

Business foundation and significant activities of:
ProCon Wind Energy

- Specialists in providing custom-built electrical solutions and technical equipment to the global wind industry, both onshore and offshore.

Company introduction | Business Development | Uncertainty | Research & development | Events & Balance | Risks | Future Activities & Expectations

ProCon

Company introduction

ProCon Wind Energy provides electrical technical solutions to the global renewable industries with specialty in the offshore and onshore wind industry as well as the solar industry.

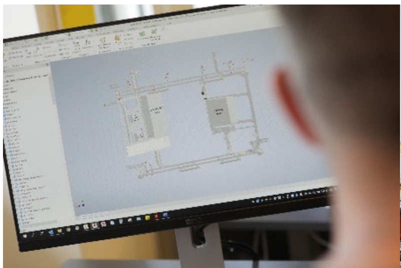
Through its business units Engineering, Construction, Service and Solar, ProCon Wind Energy has gained a great track-record where its highly skilled engineers, technicians and staff have ensured quality on time at competitive prices.

Offering specialists solutions regarding design, engineering, pre-assembly, installation, commissioning, installation, HV/MV Works, inspection, maintenance, and service within the electrical scope, ProCon has delivered solutions to more than 1500 transition pieces and jackets, which accounts for around 30% of today's installed offshore wind turbine foundations. Furthermore, ProCon Wind Energy has also worked on >850 WTGs and Substations, worked offshore for >500.000 hours, and delivered engineering solutions to several solar developers.

HSEQ and Sustainability are paramount aspects of ProCon's business. Consequently, the company has obtained and works with all the necessary international ISO standards and its certification within the UN's sustainable development goals.

As a part of the Integrated Wind Solutions family, ProCon also offers interface minimization and turnkey concepts for BOP, including EPCI(S) within construction and O&M.

ProCon can be found in Denmark, Germany, UK, Poland, Belgium, Taiwan, South Korea, Vietnam and USA, but customers can always count on ProCon going where and providing what they require.







Noteworthy Business development of 2022

The year of 2022 finally saw the lifting of the last significant covid restrictions both in Europe and Asia. However, the restrictions were only lifted in Asia during the last half of the year, which is why these still had an impact on ProCon. However, during 2021, navigating covid-19 became an everyday practice, which is why the on-going challenges in 2022 mainly have been related to quarantine of personnel.

More challenging has been the lack of production capacity, resources (components and materials) and qualified manpower in the market along with an increased competition in the entire value chain. This has among others resulted in delay or postponement of projects as well as a focus on lowering cost from the developers and Tier 1 despite the prices for components and qualified manpower have increased while the availability for these have lowered.

At the same time, new opportunities have emerged with floating wind having become more developed, and with new developers entering the wind industry.

To manage these factors, ProCon invested in and developed several business areas and concepts, initiatives, operation optimization, as well as competences. Like former years, these were driven by company must-win-battles e.g., Asia organization development, UK organization establishment, Solution and concept development, further digitalization, core setup strengthening.

During the last three years, ProCon has used significant of resources in developing and strengthening our Asian setup, both in terms of our organization and our projects. This has among others resulted in a strong local organization with local technicians in Taipei, Taiwan. In 2022, ProCon has succeeded in expanding this strong local presence and setup to three new sites in Asia. One in Kaoshuing, Taiwan, one in Busan, South Korea, and one in Vung Tau, Vietnam. This illustrates the company's capability, flexibility and willingness to go where our customer and projects require – regardless of location.

ProCon's establishment in the UK during 2022 is another initiative to establish local presence and meet customers' requirements. After having worked successfully in the UK for more than 5 years, we decided to setup shop locally in the Teesside area due to an increasing pipeline and an ambition to contribute to both the growing new build and O&M market within especially offshore wind.

To meet the market tendency of offering solution packages and the opportunities within both onshore, offshore and floating wind, ProCon has developed and implemented a number of solutions and concepts into its core business.

A key development in the Service & Installation department has been the onshore solutions of WTG installation and HV/MV commissioning, including our developed task force teams, which have proven valuable for the company as well as our customers. A big part of this has been improving our HV solutions by developing a custom-made HV course with Cabicon to improve the competences of our technicians from HVT1 to HVT3.

The company has also strengthened its Balance of Plant solutions by developing offerings and entering into partnership regarding surface treatment and OSS competences. Most notably, are the secondary steel package concept, the EPCIS concept for BOP and the BOP O&M concept developed and offered together with our Integrated Wind Solution family. Thus, we have gone from Foundation specialist to Balance of Plant specialists.

About Integrated Wind Solutions AS (IWS)
75% majority owner of ProCon from Norway, which through IWS Fleet offers a fleet of state-of-the-art CSOVs to the offshore wind industry combined with a package of adhering services to reduce levelized cost of energy (LCOE). IWS also owns 100% of Green Ducklings and 30% of Peak Wind, which in broad terms provide offshore wind consultancy and advisory services and services across the entire lifecycle of wind projects, respectively.

Apart from this, the company has also scaled-up its Engineering department with new employments with competences in floating wind, complex electrical interfaces and solar with the purpose of transferring practical knowhow into our designs and continue to offer specialist solutions.

Naturally, a lot of resources have also been used to ensure and improve the existing systems, processes, and organization. Noteworthy, ProCon has:

- Ensured early procurement and supply of components for projects to eliminate delays
- Improved our contract setup with a new legal function
- Continued our digitalization by developing an internal QHSE and communication app and developing a digital platform for external and internal knowledge-sharing, onboarding and

training – both through funding
- Optimizing our recruitment and retention setup through partnership agreements with educational institutions and recruitment agents and through establishing a new resource department

Managed to get its ISO9001, ISO14001 and ISO45001 certifications re-certified during the course of 2022, which is paramount for the business since they serve as licenses to operate in the very QHSE and Sustainability focused industry. Furthermore, ProCon is certified for its work with UN's Sustainable Development Goals by Bureau Veritas. This means that we work strategically and practically with sustainability to ensure a more sustainable development and future for our business, industry and world.

ProCon

ProCon Wind Energy supports the Sustainable Development Goals

Project-wise, ProCon completed 8 projects for customers and partners.

At the same time, 16 new projects were awarded and started. This included the electrical design of the foundations for three projects; Offshore M&E completion and commissioning works on two offshore substations; multiple onshore HV/MV commissioning projects in Scandinavia; electrical outfitting of the foundations (Transition Pieces & Jackets); Offshore commissioning (incl. ICCP) of two projects; Onshore WTG installation in Finland; as well as solar engineering projects in Denmark and Latvia. Some projects will naturally be continuing into 2023.

Financial development of the year
The income statement for 2022 shows a profit of TDKK 6.881 and an equity at December 31, 2022 of TDKK 61.675.

Management considers revenue development and result to be satisfactory considering the challenges related to capacity, resources and manpower in the market.

The development in activities and the result for 2022 are in line with previous expectations.

Uncertainty in recognition and measurement
Recognition and measurement of contract work in progress is based on a professional assessment of the stage of completion as well as expectations for the remaining execution of each project.

The project execution is subject to difference estimates and the assumptions for the project execution can be changed as the work is done. It is Management's assessment that the estimates used at 31 December 2022 are based on reasonable assumptions.

However, the actual results of the projects execution may differ from the expected result by both positive and negative deviations from the measurement at 31 December 2022

Research and development
In addition to the continuous development of electrical engineering solutions for the offshore wind segment, there is considerable activity in connection with technical product adaptation to specific customer requirements.

Events after the balance sheet date
No circumstances have occurred after the balance sheet date that have a material impact on the assessment of the annual report.

Special risks - operational risks and financial risks
Operating risk

ProCon Wind Energy A/S' sales are mainly order sales though own channels in Europe and Asia. Geographically, the risk is sought to be spread through an increased focus on acquiring knowledge of the ProCon Wind Energy brand by building and developing good relationships with the leading players in offshore wind globally.

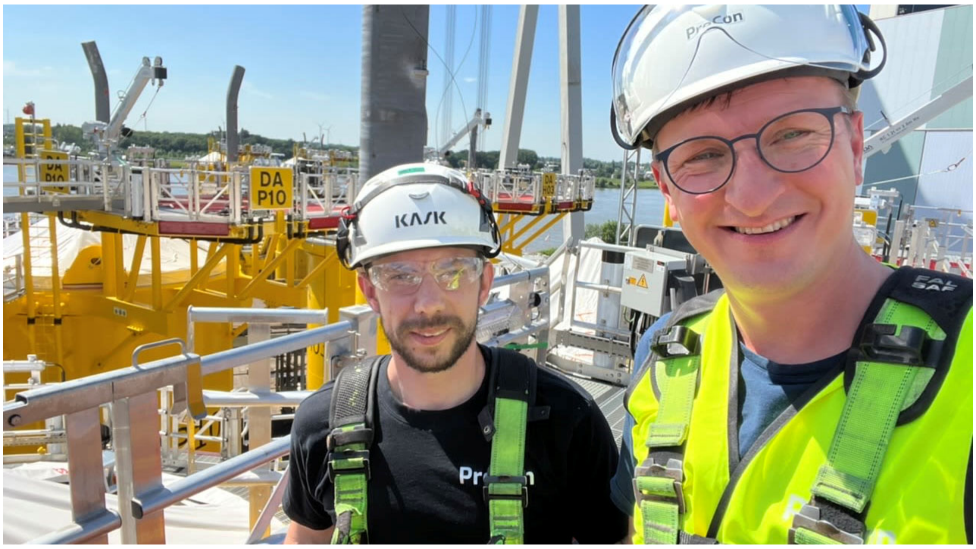
Foreign exchange risks
Foreign currency purchases and sales are primarily in EUR, USD and GBP. Exchange rate developments are estimated to have some influence on the company's results. Where relevant and significant ProCon Wind Energy use financial instruments to hedge this risk.

Interest rate risks
It is the company's policy to identify all significant financial risks. ProCon Wind Energy uses financial instruments to hedge against significant interest rate increases where relevant and significant. Currently, ProCon Group does not identify any significant interest rate risks needed to be hedged.

Credit risks
Credit risk is linked to trade receivables. The amounts with which the said balance sheet items are included in the annual report are identical to the maximum risk.

Future Activities & Expectations for the coming year
With this year's positive result and with a renewable industry in growth, the future for ProCon still is very exciting for 2023 but especially for the years to follow. As such, we expect to double our workforce next year; strengthen our organizational setup; and continue investment in and development of sustainability, concepts, process optimization, and our people. As with previous years, we will be working under the superior strategical categories of:

- People and culture development
- Strengthening of core business
- Asian organization development
- UK organization establishment
- QHSE & Sustainability anchoring and development
- Acquisitions & Partnerships
- New business areas / solutions



For 2023, 29 must-win battles/action have been made – illustrating the ambitions and expected growth of our company. Examples of these include strengthening our engineering & design offerings; spreading our turnkey BOP and secondary steel concepts, which have been developed together with our Integrated Wind Solutions family; and optimizing our retention & career development plans globally at all levels.

After having successfully developed our HV/MV commissioning and installation solutions for onshore wind, our pipeline consist of a healthy mixture of global onshore and offshore wind projects as well as some solar engineering – although the pipeline still predominantly consists of offshore wind projects.

Adding to this, our years of experience with designing, assembling, installing, commissioning, and servicing foundations (Jackets, TP/monopile and TP-less) have ensured transferable electrical, technical and interface competences as well as knowhow for substations and Floating foundations. During 2022, we have managed to increase the sales of these solutions - something we will continue to see if looking at our pipeline.

ProCon expects activities, revenues and earnings for 2023 in line with 2022 with an expected increase in manpower to be sourced.

Contact
Find out more about ProCon Wind Energy by following us on LinkedIn, visiting our website or by contacting one of the following:

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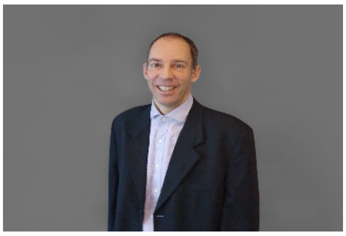

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Income statement 1 January - 31. December 2022

	Note	2022	2021
		DKK	DKK
Gross profit/loss		**36.580.311**	**27.489.453**
Staff expenses	2	-23.272.013	-24.524.236
EBITDA		**13.308.298**	**2.965.217**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3.531.479	-3.548.310
Profit/loss before financial income and expenses		**9.776.819**	**-583.093**
Income from investments in subsidiaries		758.700	155.209
Financial income	3	325.497	582.946
Financial expenses		-2.230.003	-2.372.734
Profit/loss before tax		**8.631.013**	**-2.217.672**
Tax on profit for the year	4	-1.750.333	518.785
Net profit/loss for the year		**6.880.680**	**-1.698.887**
Proposed distribution of profit			
Reserve for net revaluation under the equity method		548.891	0
Retained earnings		6.331.789	-1.698.887
		6.880.680	**-1.698.887**

Balance Sheet 31 December 2022

Assets

	Note	2022	2021
		DKK	DKK
Acquired licenses		292.452	276.072
Goodwill		17.276.667	20.116.667
Intangible assets	5	**17.569.119**	**20.392.739**
Other fixtures and fittings, tools and equipment		515.147	990.400
Leasehold improvements		0	49.931
Property, plant and equipment	6	**515.147**	**1.040.331**
Investments in subsidiaries	7	1.102.315	373.083
Deposits	8	196.636	107.935
Fixed asset investments		**1.298.951**	**481.018**
Fixed assets		**19.383.217**	**21.914.088**
Materials		150.000	150.000
Inventories		**150.000**	**150.000**
Trade receivables		34.775.379	12.536.021
Contract work in progress	9	33.432.150	46.973.019
Receivables from group enterprises		4.406.218	882.237
Other receivables		1.196.812	3.289.917
Deferred tax	10	0	541.517
Prepayments		756.982	449.640
Receivables		**74.567.541**	**64.672.351**
Cash at bank and in hand		**2.597.038**	**7.503.204**
Current assets		**77.314.579**	**72.325.555**
Assets		**96.697.796**	**94.239.643**

Balance Sheet 31 December 2022

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		25.000.000	25.000.000
Revaluation reserve		0	-20.086
Reserve for net revaluation under the equity method		548.891	0
Hedging reserve		-3.846.074	-3.790.539
Retained earnings		39.972.096	33.689.861
Equity		**61.674.913**	**54.879.236**
Provisions deferred tax	10	1.193.152	0
Provisions		**1.193.152**	**0**
Other payables		0	1.034.029
Long-term liabilities	11	**0**	**1.034.029**
Credit institutions		11.631.168	615.111
Trade payables		9.023.985	19.651.631
Contract work in progress, liabilities	9	3.220.168	226.081
Payables to group enterprises		455.220	7.570.335
Corporation tax		0	0
Other payables	11	9.499.190	10.263.220
Short-term liabilities		**33.829.731**	**38.326.378**
Liabilities		**33.829.731**	**39.360.407**
Liabilities and equity		**96.697.796**	**94.239.643**
Contingent assets, liabilities and other financial obligations	12		
Related parties	13		
Accounting policies	14		

Statement of Changes in Equity

	Share capital DKK	Revaluation reserve DKK	Reserve for net revaluation under the equity method DKK	Hedging reserve DKK	Retained earnings DKK	Total DKK
Equity at 1 January 2022	25.000.000	-20.086	0	-3.790.539	33.689.861	54.879.236
Transfer		20.086	-20.086		0	0
Exchange adjustments			-29.468			-29.468
Fair value adjustment of hedging instruments, end of year				-71.199		-71.199
Tax on adjustment of hedging instruments for the year				15.664		15.664
Profit/loss for the year			598.445		6.282.235	6.880.680
Equity at 31 December 2022	**25.000.000**	**0**	**548.891**	**-3.846.074**	**39.972.096**	**61.674.913**

Changes in the share capital:	DKK
Establishment 19 December 2018	500.000
Capital increase 7 February 2019	24.500.000
	25.000.000

The share capital consists of 25.000.000 shares of DKK 1.
The share capital is not divided into separate classes.

Notes to the Financial Statements

1 Accounting estimates and judgements

The determination of the carrying amounts of certain assets and liabilities relies on judgments, estimates and assumptions about future events.

The estimates and assumptions applied are based on historical experience and other factors that management considers reasonable, but which are inherently uncertain and unpredictable as unexpected events or circumstances may occur.

Estimates of particular significance to the financial statements mainly relate to contract work in progress, including recognition and measurement of contractual addenda.

Contract work in progress

An essential prerequisite for applying the percentage of completion method on recognition of revenue is that the revenue and costs of construction contracts can be reliably measured. Expected revenue and costs from construction contracts may change during the course of the project period, however. Also, the contractual basis may be amended during the performance of the contract, and assumptions may not be met.

The selling price of contract work in progress is measured by reference to the stage of completion at the reporting date and the total revenue expected from construction contracts. The stage of completion is determined from the input method on the basis of an assessment of the work performed, and will usually be subject to accounting estimates made by management.

Contractual addenda relating to instructions from the customer regarding changes in contract scope, specifications, design or duration are recognised in revenue. Add-on orders may be of significant volume. Add-on orders are recognised in revenue when they can be reliably measured.

At 31 December 2022, a number of add-on orders is yet to be settled and awaits final conclusion with customers. The valuation of these add-on orders are subject to significant estimates. It is the assessment of Management that these add-on orders are valuated fairly and in accordance with the accounting policies applied.

Notes to the Financial Statements

		2022	2021
		DKK	DKK
2	**Staff expenses**		
	Wages and salaries	19.561.076	20.671.217
	Pensions	2.544.857	2.058.788
	Other social security expenses	129.915	218.820
	Other staff expenses	1.036.165	1.575.411
		23.272.013	**24.524.236**
	Average number of employees	**27**	**35**
3	**Financial income**		
	Other financial income	325.497	582.946
		325.497	**582.946**
4	**Tax on profit/loss for the year**		
	Deferred tax for the year	-1.750.333	518.785
		-1.750.333	**518.785**

5	**Intangible assets**	Acquired licenses	Goodwill
		DKK	DKK
	Cost at 1 January 2022	583.608	28.400.000
	Additions for the year	182.675	0
	Cost at 31 December 2022	**766.283**	**28.400.000**
	Impairment losses and amortisation at 1 January 2022	307.536	8.283.333
	Amortisation for the year	166.295	2.840.000
	Impairment losses and amortisation at 31 December 2022	**473.831**	**11.123.333**
	Carrying amount at 31 December 2022	**292.452**	**17.276.667**
	Amortised over	3 years	10 years

6 **Property, plant and equipment**

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January 2022	2.479.476	65.520
Disposals for the year	0	-65.520
Cost at 31 December 2022	**2.479.476**	**0**
Impairment losses and depreciation at 1 January 2022	1.489.076	15.589
Depreciation for the year	475.253	49.931
Reversals of impairment losses and amortisation for the year	0	-65.520
Impairment losses and depreciation at 31 December 2022	**1.964.329**	**0**
Carrying amount at 31 December 2022	**515.147**	**0**
Depreciated over	3-5 years	10 years

	2022	**2021**
	DKK	DKK
7 **Investment in subsidiaries**		
Cost at 1 January 2022	553.424	404.424
Additions for the year	0	149.000
Cost at 31 December 2022	**553.424**	**553.424**
Value adjustments at 1 January 2022	-180.341	-346.146
Exchange adjustment for the year	-29.468	10.596
Net profit/loss for the year	758.700	155.209
Value adjustments at 31 December 2022	**548.891**	**-180.341**
Carrying amount at 31 December 2022	**1.102.315**	**373.083**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
ProCon Wind Energy Ltd.	UK	100%
ProCon Wind Energy GmbH	Germany	100%
ProCon Wind Energy Sp. z o.o.	Poland	100%
ProCon Wind Energy Taiwan Co., Ltd.	Taiwan	100%
ProCon Wind Energy USA Inc.	USA	100%

Notes to the Financial Statements

		2022	2021
		DKK	DKK
8	**Deposits**		
	Cost at 1 January 2022	107.935	106.648
	Additions for the year	88.701	1.287
	Cost at 31 December 2022	**196.636**	**107.935**
	Carrying amount at 31 December 2022	**196.636**	**107.935**

		2022	2021
9	**Contract work in progress**		
	Selling price of work in progress	187.979.236	66.281.880
	Payments received on account	-157.767.254	-19.534.942
		30.211.982	**46.746.938**

Recognised in the balance sheet as follows:

	2022	2021
Contract work in progress recognised in assets	33.432.150	46.973.019
Prepayments received recognised in debt	-3.220.168	-226.081
	30.211.982	**46.746.938**

		2022	2021
10	**Deferred tax asset / Provisions deferred tax**		
	Deferred tax asset at 1 January	541.517	-590.788
	Amounts reclassified from corporation tax previous years	0	-616.053
	Amounts recognised in the income statement for the year	-1.750.333	518.785
	Amounts recognised in equity for the year	15.664	1.229.573
	Deferred tax asset at 31 December	**-1.193.152**	**541.517**

Deferred tax mainly comprise deferred tax relating to goodwill and tax losses.

11 **Long-term liabilities**

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

The debt falls due for payment as specified below:

	2022	2021
Other debt between 1 and 5 years	0	1.034.029
Long-term part	**0**	**1.034.029**
Other debt within 1 year	0	369.133
Other short-term payables	9.499.190	9.894.087
Short-term part	**9.499.190**	**10.263.220**
	9.499.190	**11.297.249**

	2022	2021
	TDKK	TDKK

12 **Contingent assets, liabilities and other financial obligations**

Charges and security

The following assets have been placed as security with credit institutions and other payables:

Ownership mortgages totalling TDKK 15.000, providing mortgages on trade receivables, inventory, intellectual property rights and other tangible fixed assets at a total carrying amount of TDKK:	88.825	84.988

Rental and lease obligations

The Company has entered into rent and lease commitments with remaining contract terms up to 4 years for a total of TDKK:	1.584	966

Other contingent liabilities

Bank guarantees TDKK:	31.278	26.531

The Entity has entered into forward exchange contracts in USD. The notional amount is TDKK 34.399 and the fair value as of 31 December 2022 is TDKK -4.931 at the expense of the Entity. The maturity date is 10 August 2023. The fair value of forward exchange contracts are measured at fair value level

The Company has issued a letter of unlimited surety in favour of the bank draft facilities in ProCon Techic A/S.

Due to its business character, the Group naturally has a number of add-on orders yet to be settled. In Management's opinion, the outcome of these add-on orders, still to be settled with customers, is not expected to have a material negative impact on the financial position.

The Company is jointly taxed with IWS Services 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.

13 **Related parties**

Consolidated Financial Statements

The Company is included in the consolidated financial statements for the parent company, ProCon Group ApS, Aarhus. The consolidated financial statements of ProCon Group ApS is available at www.cvr.dk.

14 **Accounting policies**

The Annual Report of ProCon Wind Energy A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

Pursuant to section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The Financial Statements for 2022 are presented in DKK.

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.

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.

14 **Accounting policies** (continued)

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in hedge reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Income Statement

Revenue

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

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

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 Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

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 revenue for the year.

14 **Accounting policies** (continued)

Other external expenses

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

Gross profit/loss

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes 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 changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The entity is jointly taxed with other group entities. 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 acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years. The useful life is based on strong market position and long-term earnings profiles.

14 **Accounting policies** (continued)

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 3 years.

Property, plant and equipment

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

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

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 3-5 years

Leasehold improvements 10 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 30,000 are expensed in the year of acquisition.

Leases

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

All leases are considered operating leases. Payments relating to operating leases and any other leases are recognized in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Impairment of fixed assets

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

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

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" 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 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 is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by

14 **Accounting policies** (continued)

dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries 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.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

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

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

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

Receivables

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

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

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

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

14 **Accounting policies** (continued)

Prepayments

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

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject to minor risks of changes in value.

Equity

Reserve for net revaluation under the equity method

The net revaluation reserve according to the equity method comprises net revaluations of equity investments in group entities and associates and participating interests compared to cost comprising recognised shares of profit/loss and foreign exchange adjustments less dividends.

The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates.

The reserve cannot be recognised at a negative amount.

Revaluation reserve

The revaluation reserve comprises value adjustments of assets and liabilities that are considered part of the Company's net investments and value adjustments regarding hedging transactions that hedge the Company's net investments. The reserve is dissolved when the net investment is realised. The reserve does not represent a limitation under company law and may therefore be negative.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

Deferred tax assets and liabilities

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

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

14 **Accounting policies** (continued)

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

Current tax receivables and liabilities

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

Liabilities

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

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

Fair value

Fair value is determined based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.