ProCon Wind Energy A/S

Klamsagervej 16, 1., DK-8230 Åbyhøj

Annual Report for 2021

CVR No. 40 10 75 33

The Annual report was presented and adopted at the Annual General Meeting of the Company on 31 May 2022.

Kristian Ravn
Chair of the General meeting

ProCon

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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 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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.

Åbyhøj, 31 May 2022

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 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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, 31 May 2022
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 Klamsagervej 16, 1. DK-8230 Åbyhøj CVR no. 40 10 75 33 Financial period: 1 January 2021 – 31 December 2021 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:

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

For definitions, see under accounting policies.

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

Offering specialists solutions regarding design, engineering, pre-assembly, outfitting, installation (LV/MV/HV), commissioning, inspection, maintenance, and service within the electrical scope, ProCon has delivered solutions to more than 1500 transition pieces and jackets, which accounts for around 25% 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.

Quality, Health, Safety and Environment are important aspects of ProCon Wind Energy's business. Consequently, the company has a zero-incident culture, has obtained the international certifications of ISO9001, ISO14001, ISO45001, and is certified for its work with the UN's sustainable development goals.

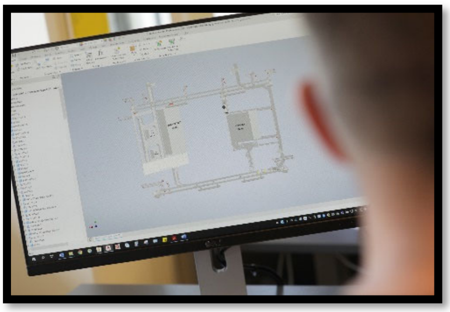
The company DNA focuses on being the best on the market, decent in the way of doing business, streamlined to provide more effective solutions and flexible so it can go where and provide what the customers require.

Customers, partners, staff, etc. can find ProCon at its three locations in Denmark: Aalborg (HQ), Aarhus and Esbjerg, or at its subsidiaries/offices in Germany, UK, Poland, Belgium, Taiwan and in USA.

Noteworthy Business development of 2021

Like 2020, the year of 2021 has been affected by Covid-19 and its aftermaths. This has naturally created on-going challenges for the entire renewable energy as well as ProCon with projects being postponed and significant challenges throughout the entire supply chain. Most notably, were the travel restrictions but even more the worldwide logistical challenges and price increase as well as the scarcity and price increase of components and qualified manpower.

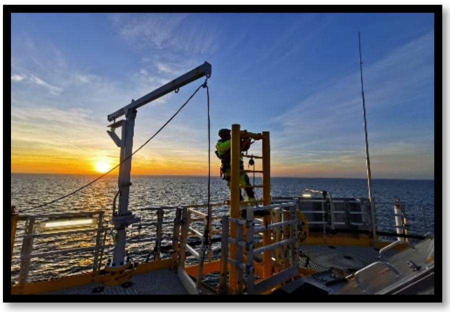
To deal with these external factors and ensure project operation as well as timely completion, ProCon succeeded in carrying out early procurement and shipment of components and entering into partnerships with key suppliers. At the same time, the company has continued to be able to attract new competent blue-collar and white-collar employees through ProConnected, its HR recruitment and its network. In total, ProCon increased its staff by 25%, where some of the positions occupied were QHSE & Sustainability Coordinator, Project Manager, Site Manager, Foreman, Electrical Engineer, HV/MV Technician, Electrician, Fitter, and technician.



In terms of project completion, several noteworthy projects can be mentioned within ProCon's different departments.

Having been awarded the full scope foundation electrical design of Zhong Neng in 2020, the engineering department of ProCon completed the task in 2021 in cooperation with Copenhagen Offshore Partners and Ramböll. It also conducted and finalized quality control and detailed design of Kaskasi and Saint-Nazaire projects.

ProCon's Construction department completed electrical pre-assembly, installation, and commissioning of the projects of Kaskasi for Bladt Industries; Saint-Nazaire for Smulders, while continuing its work on both phase 1 & 2 of Changfang & Xidao for the consortium between Century Wind Power and Bladt Industries.



The Service Department of ProCon completed the onshore commissioning of Pict Offshore's GUS system on Ørsted's Hornsea 2 project. It also finalized its HV/MV work on phase 1 of the onshore wind farm Nysater for Windhoist and Nordex, while also completing HV/MV termination and testion on Ljyngyholm and Malajord for the same clients.

ProCon's solar department came close to being awarded and carry out two major installation projects for solar farms in Denmark during 2021 but they were postponed due to political interference. However, the department did manage to be awarded and complete engineering tasks for among others GreenGo Energy and Energi Innovation/BeGreen. Where tasks included grid code compliance studies and simulation. It was also awarded and started on an engineering scope on the project of Vandel – the 7th largest solar farm in Europe.

Apart from dealing with the challenges of the industry and Covid-19 and completing projects, ProCon has used 2021 to start and finalize several business development initiatives with the purpose of strengthening the company and ensuring future growth. These were driven by company must-win-battles, which are defined for each year.

Naturally, a lot of resources have been used to improve the existing services, systems, processes, and concepts but also to implement new to meet the always evolving requirements of interested parties as well as live up to the company's ISO standards (9001, 14001 & 45001).
Some of the more noteworthy initiatives have been bringing a new co-owner, entering into specific partnerships, the development of the company's Asian organization, the Sustainable Development Goals certification achievement, and the funding grants obtained for further development.

Expanded offerings and synergies through IWS Services

During 2020, it became clear that ProCon would need to bring in additional capital to meet the increasing requirements in relation to its warranty framework and to ensure the expected growth of the company. Thus, ProCon used 2021 to find and close a deal with a new co-owner which could bring in additional capital and which ProCon could share synergies with. After discussions and dialogues with several interested parties, ProCon chose to go forward with Integrated Wind Solutions AS (IWS) from Norway, which through IWS Services A/S made a DKK 60,000,000 investment into ProCon Group ApS for 75% of the company shares.

Through IWS Fleet, IWS 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). Also, IWS has acquired 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. All of this complements ProCon's ambitions and solutions – ensuring a strong partnership in the new setup.

The investment by IWS Services A/S was aligned with the overall strategy of Integrated Wind Solutions; to do strategic acquisitions and organic growth of complimentary services to construction and/or operations phase of offshore windfarms. ProCon is a cornerstone in this strategy, where expanded services will be offered and sold through IWS Services A/S. IWS Services' offerings will enhance the ability for existing and new clients of ProCon to do one-stop-shopping of more comprehensive Above-Waterline-Services during the construction and operational phase of offshore wind projects. Furthermore, operational synergies between IWS Services and ProCon are expected to be released as the activities are growing in both companies.

Other developments in 2021

In line with the strategy of ProCon and the shared approach with IWS, the company entered into significant partnerships with the offshore wind ICCP specialist CORROSION and the solar developer Danish Sun Energy which enable ProCon and its partners to deliver a larger and more valuable solution package to customers. This approach continues with ProCon looking into partnerships or other ventures in the UK to strengthen its local content and setup there.

Through 2021 and continuing into 2022, ProCon has also been strengthening its Asian organization with base in Taiwan. This concerns both company setup and projects. ProCon has built up and trained a strong local organization in Taiwan that can run projects with support from stationed Project Managers and Site Managers. This has been important since ProCon has been doing electrical engineering, procurement, construction, installation, and commissioning of two major offshore wind projects in Taiwan as of end 2021 while meeting the local content requirements. Furthermore, ProCon has been expanding to South Korea and Vietnam to handle current as well as future projects.

In this process, as with everything else in ProCon, it has been paramount to ensure sustainability – whether it be in terms of knowledge-sharing, working conditions, social agreements and benefits/conditions, facilities, CO2 reduction, supply chain and value chain improvement, etc.

ProCon Wind Energy supports the Sustainable Development Goals

This is important to ProCon because the company managed to be certified for its work with UN's sustainable development by Bureau Veritas in 2021 – a huge milestone, especially because this was succeeded as the first SME in the entire renewables industry.
Such a certification naturally comes with great responsibility and commitment, which is why ProCon employed a designated QHSE & Sustainability Coordinator to ensure success in relation to the company's 3-year sustainable development plan and the long list of optimization opportunities as well as new initiative implementation opportunities.

By being certified for its SDG work, ProCon Wind Energy can document that the company contributes to a more sustainable world, but it also creates a competitive advantage with sustainability reporting becoming a requirement in the industry. Both will further develop the company's sustainable profile.

To support the sustainable development, the company's digitalization and HR processes, ProCon applied for various funding during 2021. Very satisfactory, three different grants were awarded from SMV:Grøn, SMV:Digital and SMV:Vækstpilot, respectively. These will be used in 2022 for e.g., training of employees, advising regarding organizational improvements, and investment in new software and hardware.

Financial development of the year
The income statement for 2021 shows a loss of TDKK 1.699 and an equity at December 31, 2021 of TDKK 54.879.

During the financial year, the parent company provided a group capital injection of TDKK 30.000 to strengthen the Company's capital resources.

Management considers revenue development and result to be satisfactory considering the Covid-19 pandemic and its aftermaths.

Uncertainty in recognition and measurement
There are no circumstances that have led to significant uncertainty in recognition and measurement.

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.

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
Despite experiencing a minor loss in 2021 due to postponed projects and investment in development, the future is very exciting when looking into 2022 and forward. ProCon has a healthy pipeline, which increased with 100% during 2021, and this pipeline follows the significant growth of the renewables industry. ProCon's pipeline predominantly consists of offshore wind projects for EU, UK, Asia and the US, but the company also expanded its work with onshore WTG installation and MV commissioning – something it will continue to do in the coming years.

ProCon will continue to work with must-win battles to ensure continues growth. For 2022, 19 MWBs have been defined under the superior strategical categories:

1. People and culture development
2. Strengthening of core business
3. Asian organization development
4. UK organization establishment
5. QHSE & Sustainability anchoring and development
6. Acquisitions & Partnerships
7. New business areas / solutions

Therefore, ProCon Wind Energy expects increased activity and revenue in 2022 compared to 2021 as well as a satisfactory and positive result.

The outlook for 2022 is subject to uncertainty due to the ongoing Covid-19 effects, supply shortages and logistical challenges causing uncertainty and lack of transparency, as well as the increased geopolitical tensions causing substantial fluctuations in prices related to raw materials, energy, transport, shipping, etc.

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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Income statement 1 January - 31. December 2021

	Note	2021	2020
		DKK	DKK
Gross profit/loss		**27.489.453**	**28.462.938**
Staff expenses	1	-24.524.236	-23.776.846
EBITDA		**2.965.217**	**4.686.092**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3.548.310	-3.430.180
Profit/loss before financial income and expenses		**-583.093**	**1.255.912**
Income from investments in subsidiaries		155.209	-263.254
Financial income	2	582.946	204.278
Financial expenses		-2.372.734	-1.083.898
Profit/loss before tax		**-2.217.672**	**113.038**
Tax on profit for the year	3	518.785	-90.792
Net profit/loss for the year		**-1.698.887**	**22.246**
Proposed distribution of profit			
Retained earnings		-1.698.887	22.246
		-1.698.887	**22.246**

Balance Sheet 31 December 2021

Assets

	Note	2021	2020
		DKK	DKK
Acquired licenses		276.072	434.566
Goodwill		20.116.667	22.956.667
Intangible assets	4	**20.392.739**	**23.391.233**
Other fixtures and fittings, tools and equipment		990.400	1.526.662
Leasehold improvements		49.931	56.485
Property, plant and equipment	5	**1.040.331**	**1.583.147**
Investments in subsidiaries	6	373.083	58.278
Deposits		107.935	106.648
Fixed asset investments		**481.018**	**164.926**
Fixed assets		**21.914.088**	**25.139.306**
Materials		150.000	193.312
Inventories		**150.000**	**193.312**
Trade receivables		12.536.021	5.659.721
Contract work in progress	7	46.973.019	21.031.409
Receivables from group enterprises		882.237	7.649.985
Other receivables		3.289.917	2.968.546
Deferred tax	8	541.517	0
Prepayments		449.640	309.207
Receivables		**64.672.351**	**37.618.868**
Cash at bank and in hand		**7.503.204**	**3.230.616**
Current assets		**72.325.555**	**41.042.796**
Assets		**94.239.643**	**66.182.102**

Balance Sheet 31 December 2021

Liabilities and equity

	Note	2021	2020
		DKK	DKK
Share capital		25.000.000	25.000.000
Revaluation reserve		-20.086	-30.680
Hedging reserve		-3.790.539	568.859
Retained earnings		33.689.861	5.388.748
Equity		**54.879.236**	**30.926.927**
Provisions deferred tax	8	0	590.788
Provisions		**0**	**590.788**
Other payables		1.034.029	1.420.204
Long-term liabilities	9	**1.034.029**	**1.420.204**
Credit institutions		615.111	12.727.847
Trade payables		19.651.631	15.937.843
Contract work in progress, liabilities	7	226.081	148.017
Payables to group enterprises		7.570.335	82.099
Corporation tax		0	616.053
Other payables	9	10.263.220	3.732.324
Short-term liabilities		**38.326.378**	**33.244.183**
Liabilities		**39.360.407**	**34.664.387**
Liabilities and equity		**94.239.643**	**66.182.102**

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Statement of Changes in Equity

	Share capital	Revaluation reserve	Hedging reserve	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January 2021	25.000.000	-30.680	568.859	5.388.748	30.926.927
Group capital injection				30.000.000	30.000.000
Exchange adjustments		10.594			10.594
Fair value adjustment of hedging instruments, end of year			-5.588.971		-5.588.971
Tax on adjustment of hedging instruments for the year			1.229.573		1.229.573
Profit/loss for the year				-1.698.887	-1.698.887
Equity at 31 December 2021	**25.000.000**	**-20.086**	**-3.790.539**	**33.689.861**	**54.879.236**

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

Notes to the Financial Statements

		2021	2020
		DKK	DKK
1	**Staff expenses**		
	Wages and salaries	20.671.217	19.125.739
	Pensions	2.058.788	2.705.170
	Other social security expenses	218.820	114.618
	Other staff expenses	1.575.411	1.831.319
		24.524.236	**23.776.846**
	Average number of employees	**35**	**33**

		2021	2020
2	**Financial income**		
	Interest received from group enterprises	0	17.405
	Other financial income	582.946	186.873
		582.946	**204.278**

		2021	2020
3	**Tax on profit/loss for the year**		
	Current tax for the year	0	-616.053
	Deferred tax for the year	518.785	525.261
		518.785	**-90.792**

4 **Intangible assets**

	Acquired licenses	Goodwill
	DKK	DKK
Cost at 1 January 2021	555.608	28.400.000
Additions for the year	28.000	0
Cost at 31 December 2021	**583.608**	**28.400.000**
Impairment losses and amortisation at 1 January 2021	121.042	5.443.333
Amortisation for the year	186.494	2.840.000
Impairment losses and amortisation at 31 December 2021	**307.536**	**8.283.333**
Carrying amount at 31 December 2021	**276.072**	**20.116.667**

Notes to the Financial Statements

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	DKK	DKK
Cost at 1 January 2021	2.479.476	65.520
Additions for the year	25.500	0
Disposals for the year	-25.500	0
Cost at 31 December 2021	**2.479.476**	**65.520**
Impairment losses and depreciation at 1 January 2021	952.814	9.035
Depreciation for the year	538.387	6.554
Reversals of impairment losses and amortisation for the year	-2.125	0
Impairment losses and depreciation at 31 December 2021	**1.489.076**	**15.589**
Carrying amount at 31 December 2021	**990.400**	**49.931**

	2021	**2020**
	DKK	DKK
6 Investment in subsidiaries		
Cost at 1 January 2021	404.424	100.000
Additions for the year	149.000	304.424
Cost at 31 December 2021	**553.424**	**404.424**
Value adjustments at 1 January 2021	-346.146	-52.211
Exchange adjustment for the year	10.596	-30.680
Net profit/loss for the year	155.209	-263.255
Value adjustments at 31 December 2021	**-180.341**	**-346.146**
Carrying amount at 31 December 2021	**373.083**	**58.278**

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

		2021	2020
		DKK	DKK
7	**Contract work in progress**		
	Selling price of work in progress	66.281.880	35.744.409
	Payments received on account	-19.534.942	-14.861.017
		46.746.938	**20.883.392**

Recognised in the balance sheet as follows:

Contract work in progress recognised in assets	46.973.019	21.031.409
Prepayments received recognised in debt	-226.081	-148.017
	46.746.938	**20.883.392**

8	**Deferred tax asset / Provisions deferred tax**		
	Deferred tax asset at 1 January	-590.788	-955.602
	Amounts reclassified from corporation tax previous years	-616.053	0
	Amounts recognised in the income statement for the year	518.785	525.261
	Amounts recognised in equity for the year	1.229.573	-160.447
	Deferred tax asset at 31 December	**541.517**	**-590.788**

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

The deferred tax is expected to crystalise within the coming 3-5 years.

9 **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:

Other debt between 1 and 5 years	1.034.029	1.420.204
Long-term part	**1.034.029**	**1.420.204**
Other debt within 1 year	369.133	341.049
Other short-term payables	9.894.087	3.391.275
Short-term part	**10.263.220**	**3.732.324**
	11.297.249	**5.152.528**

	2021	2020
	TDKK	TDKK
10 **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:	34.069	30.771
Rental and lease obligations		
The Company has entered into rent and lease commitments with remaining contract terms up to 3 years for a total of TDKK:	966	1.630
Other contingent liabilities		
Bank guarantees TDKK:	26.531	23.831

The Entity has entered into forward exchange contracts in USD. The notional amount is TDKK 79.059 and the fair value as of 31 December 2021 is TDKK -4.860 at the expense of the Entity. The maturity date is 12 April 2023. The fair value of forward exchange contracts are measured at fair value level 2.

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.

11 **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.

Notes to the Financial Statements

12 **Accounting policies**

The Annual Report of ProCon Wind Energy A/S for 2021 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 Company has in the financial year reclassified cost for subcontractors in the Income Statement to gross profit. Cost for subcontractors were previously presented as part of the company's staff cost. Comparative figures for 2020 have been updated and amounts to TDKK 14.755. The reclassification has no effect on the result, total assets nor equity.

The Financial Statements for 2021 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.

12 **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 retained earnings 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

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.

Other external expenses

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

Notes to the Financial Statements

12 **Accounting policies** (continued)

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.

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.

12 **Accounting policies** (continued)

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.

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 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.

12 **Accounting policies** (continued)

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

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.

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.

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.

Notes to the Financial Statements

12 **Accounting policies** (continued)

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

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

Current tax receivables and liabilities

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

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.

Financial Highlights

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