
Bladt Industries Procurement A/S

Nørredybet 1, DK-9220 Aalborg

Annual Report for 2022

CVR No. 40 60 64 08

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 25/7 2023

Poul Jagd Mogensen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Bladt Industries Procurement 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 at 31 December 2022 of the Company and of the results of the Company operations for 2022.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Aalborg, 24 July 2023

Executive Board

Michael Glavind-Kristensen

Board of Directors

Jens Kristensen
Chairman

Michael Glavind-Kristensen

Klaus Munck Rasmussen

Independent Auditor's report

To the shareholder of Bladt Industries Procurement A/S

Opinion

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.

We have audited the Financial Statements of Bladt Industries Procurement 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 a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Aarhus, 24 July 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Claus Lindholm Jacobsen

State Authorised Public Accountant

mne23328

Thyge Belter

State Authorised Public Accountant

mne30222

Company information

The Company	Bladt Industries Procurement A/S Nørredybet 1 DK-9220 Aalborg CVR No: 40 60 64 08 Financial period: 1 January - 31 December Municipality of reg. office: Aalborg Kommune
Board of Directors	Jens Kristensen, chairman Michael Glavind-Kristensen Klaus Munck Rasmussen
Executive Board	Michael Glavind-Kristensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 8000 Aarhus C

Financial Highlights

Seen over a 3-year period, the development of the Company is described by the following financial highlights:

	2022	2021	2020
	TDKK	TDKK	TDKK
Key figures			
Profit/loss			
Gross profit/loss	1,135	1,329	445
Profit/loss before financial income and expenses	1,135	1,329	445
Profit/loss of financial income and expenses	-1,753	45	-193
Net profit/loss	-482	1,072	197
Balance sheet			
Balance sheet total	274,614	139,517	40,974
Equity	1,178	1,661	589
Ratios			
Return on assets	0.4%	1.0%	1.1%
Solvency ratio	0.4%	1.2%	1.4%
Return on equity	-34.0%	95.3%	66.9%

Management's review

Key activities

The company's main activities is the manufacture and assembly of metal and steel products, to function as purchasing company as well as other activities related to the Board of Directors' estimates.

Development in the year

The income statement of the Company for 2022 shows a loss of TDKK 482, and at 31 December 2022 the balance sheet of the Company shows positive equity of TDKK 1,178.

Capital resources

Bladt Industries Procurement A/S is a part of Bladt Group. For a description of the capital resources and liquidity situation in the coming year, refer to note 1 in the financial statements.

Targets and expectations for the year ahead

Net result for 2023 is expected to be between TDKK 1,000-2,000.

Subsequent events

Refer to note 1 for significant events after the balance sheet date. Apart from events mentioned in note 1, no events has materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2022 TDKK	2021 TDKK
Gross profit		1,135	1,329
Financial income		54	57
Financial expenses	3	-1,807	-12
Profit/loss before tax		-618	1,374
Tax on profit/loss for the year	4	136	-302
Net profit/loss for the year	5	-482	1,072

Balance sheet 31 December

Assets

	Note	2022	2021
		TDKK	TDKK
Trade receivables		98	0
Receivables from group enterprises		273,413	134,423
Deferred tax asset		136	0
Receivables		<u>273,647</u>	<u>134,423</u>
Cash at bank and in hand		<u>967</u>	<u>5,094</u>
Current assets		<u>274,614</u>	<u>139,517</u>
Assets		<u>274,614</u>	<u>139,517</u>

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		TDKK	TDKK
Share capital		400	400
Retained earnings		778	1,261
Equity		1,178	1,661
Trade payables		273,377	130,033
Corporation tax		0	358
Other payables		59	7,465
Short-term debt		273,436	137,856
Debt		273,436	137,856
Liabilities and equity		274,614	139,517

Going concern	1
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	400	1,260	1,660
Net profit/loss for the year	0	-482	-482
Equity at 31 December	400	778	1,178

Notes to the Financial Statements

1. Going concern

Due to the financial performance and significant investments in property, plant and equipment in the group and further planned investments in 2023, there is a need for further funding in the group to ensure going concern.

To strengthen the journey of Bladt as a specialized enabler in the green transition and ensure the required investments and related funding, the shares in the parent company Bladt Holding A/S have been sold by Nordic Capital CV1 Limited and minority management shareholders to CS Wind Corporation by signing of a Sales and Purchase agreement (SPA) per July 6, 2023. Closing of the transaction (closing) is dependent on merger control in Germany and FDI approvals in Denmark, Spain, Taiwan and US, which is expected later in 2023.

Refinancing and funding of the company by the new ownership is dependent on closing of the transaction of shares in the company and a bridge funding has been established until closing. The bridge funding consists of two sources of funds, including a DKK 600m RCF and a EUR 50m CAPEX leasing facility, provided by external parties, with the intention to secure financing until closing. In a non-closing event the company needs a refinancing.

Based on the 2023 budget it is the view of the board and management that the company has ensured necessary funding, including that closing of the transaction of the shares in the parent company is likely and the bridge financing adequate. Closing is dependent on authority approvals as disclosed, and as such uncertain and not in control of the company, but expected to be fulfilled.

	<u>2022</u>	<u>2021</u>
2. Staff		
Average number of employees	<u>0</u>	<u>0</u>

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
3. Financial expenses		
Interest expenses, group entities	1,801	0
Other financial expenses	<u>6</u>	<u>12</u>
	<u>1,807</u>	<u>12</u>

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
4. Income tax expense		
Current tax for the year	0	302
Deferred tax for the year	-136	0
	<u>-136</u>	<u>302</u>

	2022	2021
	TDKK	TDKK
5. Profit allocation		
Retained earnings	-482	1,072
	<u>-482</u>	<u>1,072</u>

6. Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company is jointly taxed with its parent, Bladt Holding A/S, which acts as management company, and is jointly and severally liable with the other jointly taxed group entities for payment of income taxes for the income year 2021 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 31. december 2022.

7. Related parties and disclosure of consolidated financial statements

Transactions

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

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Bladt Holding A/S	Aalborg

Notes to the Financial Statements

8. Accounting policies

The Annual Report of Bladt Industries Procurement A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of , the Company has not prepared a cash flow statement.

Income statement

Net sales

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

Other external expenses

Other external expenses comprise expenses for premises, sales and as well as office expenses, etc. Administrative expenses include expenses incurred in the year for company management and administration, including management fee to the parent company Bladt Industries A/S.

Gross profit

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

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with its Danish group entities. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

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

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.

Notes to the Financial Statements

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

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

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

Financial debts

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

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$