

Tighten By Elongation ApS

Hjortsvangen 26, 7323 Give

CVR no. 41 48 79 17

Annual report 2021

Approved at the Company's annual general meeting on 29 March 2022

Chair of the meeting:

.....
Anders Christian Lindenberg

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Tighten By Elongation ApS 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 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.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Given, 29 March 2022

Executive Board:

.....
Jens Nygaard Laursen

Board of Directors:

.....
Jens Nygaard Laursen
Chair

.....
Anders Christian
Lindenberg

.....
Gunnar Kamp Storgaard

Independent auditor's report

To the shareholders of Tighten By Elongation ApS

Opinion

We have audited the financial statements of Tighten By Elongation ApS 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 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 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' 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 and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the 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 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 the 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.

Independent auditor's report

- ▶ 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 29 March 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jes Lauritzen
State Authorised Public Accountant
mne10121

Tom B. Lassen
State Authorised Public Accountant
mne24820

Management's review

Company details

Name	Tighten By Elongation ApS
Address, Postal code, City	Hjortsvangen 26, 7323 Give
CVR no.	41 48 79 17
Established	22 June 2020
Registered office	Vejle
Financial year	1 January - 31 December
Board of Directors	Jens Nygaard Laursen, Chair Anders Christian Lindenberg Gunnar Kamp Storgaard
Executive Board	Jens Nygaard Laursen
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Business review

The Company mainly operates within the industry of installation, repair and maintenance of wind turbines.

Financial review

The income statement for 2021 shows a loss of DKK 30,250 against a profit of DKK 55,945 last year, and the balance sheet at 31 December 2021 shows equity of DKK 65,695.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2021 12 months	2020 6 months
	Gross loss	-10,306	-70,717
2	Financial expenses	-44,485	0
	Profit/ loss before tax	-54,791	-70,717
3	Tax for the year	24,541	126,662
	Profit/ loss for the year	-30,250	55,945
	Recommended appropriation of profit/ loss		
	Reserve for development costs	147,576	1,313,043
	Retained earnings/accumulated loss	-177,826	-1,257,098
		-30,250	55,945

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2021	2020
	ASSETS		
	Fixed assets		
4	Intangible assets		
	Development projects in progress	1,872,589	1,683,389
		<u>1,872,589</u>	<u>1,683,389</u>
5	Property, plant and equipment		
	Property, plant and equipment under construction	154,259	154,259
		<u>154,259</u>	<u>154,259</u>
	Total fixed assets	<u>2,026,848</u>	<u>1,837,648</u>
	Non-fixed assets		
	Receivables		
	Corporation tax receivable	376,370	481,450
	Other receivables	311	479,425
		<u>376,681</u>	<u>960,875</u>
	Cash	55,649	0
	Total non-fixed assets	<u>432,330</u>	<u>960,875</u>
	TOTAL ASSETS	<u><u>2,459,178</u></u>	<u><u>2,798,523</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	40,000	40,000
	Reserve for development costs	1,460,619	1,313,043
	Retained earnings	-1,434,924	-1,257,098
	Total equity	<u>65,695</u>	<u>95,945</u>
	Provisions		
	Deferred tax	225,167	354,788
	Total provisions	<u>225,167</u>	<u>354,788</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	12,563	51,385
	Payables to group enterprises	2,155,753	2,296,405
		<u>2,168,316</u>	<u>2,347,790</u>
	Total liabilities other than provisions	<u>2,168,316</u>	<u>2,347,790</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>2,459,178</u></u>	<u><u>2,798,523</u></u>

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 22 June 2020	40,000	0	0	40,000
Transfer through appropriation of profit	0	1,313,043	-1,257,098	55,945
Equity at 1 January 2021	40,000	1,313,043	-1,257,098	95,945
Transfer through appropriation of loss	0	147,576	-177,826	-30,250
Equity at 31 December 2021	40,000	1,460,619	-1,434,924	65,695

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Tighten By Elongation ApS for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial expenses

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

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised 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

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 5 years and cannot exceed 10 years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight line basis over the remaining term of the patent, and licences are amortised over the term of the licence, but not exceeding 5 years.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash

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

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. 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 either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2021 12 months	2020 6 months
2 Financial expenses		
Interest expenses, group entities	44,080	0
Other financial expenses	405	0
	<u>44,485</u>	<u>0</u>
3 Tax for the year		
Estimated tax charge for the year	-6,024	-481,450
Deferred tax adjustments in the year	-18,517	354,788
	<u>-24,541</u>	<u>-126,662</u>
4 Intangible assets		
DKK		Development projects in progress
Cost at 1 January 2021		1,683,389
Additions		<u>189,200</u>
Cost at 31 December 2021		<u>1,872,589</u>
Carrying amount at 31 December 2021		<u>1,872,589</u>

Development projects in progress

Development projects relate to the development of special equipment for the use in the wind turbine industry.

Management has positive expectations for the use of the equipment and has not found any indication of impairment requirements in relation to the carrying amount.

5 Property, plant and equipment		Property, plant and equipment under construction
DKK		
Cost at 1 January 2021		<u>154,259</u>
Cost at 31 December 2021		<u>154,259</u>
Carrying amount at 31 December 2021		<u>154,259</u>

Financial statements 1 January - 31 December

Notes to the financial statements

6 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its parent, Bagger-Sørensen & Co. 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.

7 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Bagger-Sørensen & Co. A/S	Vejle	www.cvr.dk

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Navnet er skjult (CPR valideret)

Executive Board

På vegne af: Tighten By Elongation ApS

Serienummer: PID:9208-2002-2-859676480299

IP: 80.160.xxx.xxx

2022-03-30 08:52:41 UTC

NEM ID 

Anders Christian Lindenberg

Chair of the meeting

På vegne af: Tighten By Elongation ApS

Serienummer: PID:9208-2002-2-701578816474

IP: 80.160.xxx.xxx

2022-03-30 09:24:16 UTC

NEM ID 

Anders Christian Lindenberg

Board of Directors

På vegne af: Tighten By Elongation ApS

Serienummer: PID:9208-2002-2-701578816474

IP: 80.160.xxx.xxx

2022-03-30 09:24:16 UTC

NEM ID 

Navnet er skjult (CPR valideret)

Chair

På vegne af: Tighten By Elongation ApS

Serienummer: PID:9208-2002-2-859676480299

IP: 168.232.xxx.xxx

2022-04-06 09:54:42 UTC

NEM ID 

Gunnar Kamp Storgaard

Board of Directors

På vegne af: Tighten By Elongation ApS

Serienummer: PID:9208-2002-2-745371915184

IP: 81.161.xxx.xxx

2022-04-07 09:53:15 UTC

NEM ID 

Tom Barreth Lassen

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: CVR:30700228-RID:1277382224436

IP: 2.109.xxx.xxx

2022-04-07 10:08:29 UTC

NEM ID 

Jes Østergaard Lauritzen

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

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