

FairWind A/S
Lysholt Allé 6, 7100 Vejle

Annual report

2024

Company reg. no. 31 42 92 93

The annual report was submitted and approved by the general meeting on the 25 June 2025.

Stewart Andrew Alan Mitchell
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of FairWind A/S for the financial year 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

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

We recommend that the annual report be approved at the Annual General Meeting.

Vejle, 25 June 2025

Managing Director

Stewart Andrew Alan Mitchell

Board of directors

Mike Winkel
Chairman

Helene Anna Rasmusson Egebøl

Wolfgang Müller

Nils Henrik Tholander

Per Olof Martin Frankling

Sara Elisabeth Damberg

Independent auditor's report

To the Shareholders of FairWind A/S

Opinion

We have audited the financial statements of FairWind A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under 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 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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.

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 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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

Statement on Management's Review

Management is responsible for Management's Review.

Independent auditor's report

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, we conclude that 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 Management's Review.

Aarhus, 25 June 2025

Deloitte

State Authorised Public Accountants
Company reg. no. 33 96 35 56

Jacob Tækker Nørgaard
State Authorised Public Accountant
mne40049

Thomas Aamand Lund
State Authorised Public Accountant
mne47764

Company information

The company

FairWind A/S
Lysholt Allé 6
7100 Vejle

Phone + 45 75 11 76 20

Web site www.fairwind.com

Company reg. no. 31 42 92 93

Established: 15 May 2008

Domicile: Vejle

Financial year: 1 January - 31 December

Board of directors

Mike Winkel, Chairman
Helene Anna Rasmusson Egebøl
Wolfgang Müller
Nils Henrik Tholander
Per Olof Martin Frankling
Sara Elisabeth Damberg

Managing Director

Stewart Andrew Alan Mitchell

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus

Financial highlights

DKK in thousands.	2024	2023	2022	2021	2020
Income statement:					
Revenue	706.650	511.932	491.368	522.032	499.167
Gross profit	176.342	41.452	59.785	146.049	165.471
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	47.998	-31.945	-6.040	25.675	12.489
Operating profit/loss	45.186	-33.366	-7.794	24.685	-2.886
Net financials	-16.273	-21.641	-29.214	-10.239	-20.975
Profit before tax	37.816	10.794	-9.046	46.433	5.566
Net profit or loss for the year	29.997	-784	-632	43.580	11.351
Statement of financial position:					
Balance sheet total	758.608	540.493	513.905	419.967	341.852
Investments in property, plant and equipment	5.998	3.700	3.562	1.366	9.064
Equity	210.873	105.077	114.350	119.576	80.172
Employees:					
Average number of full-time employees	149	130	124	238	344
Key figures in %:					
Gross margin ratio	25,0	8,1	12,2	28,0	33,1
Solvency ratio	27,8	19,4	22,3	28,5	23,5

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Gross margin ratio	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$

The principal activities of the company

FairWind A/S's principal activities are technical installation of Wind turbines and other related services.

About FairWind Group

FairWind Group is one of the global market leaders in onshore wind turbine installation, with a strong presence in offshore installation and maintenance and service delivery.

With its global presence and capabilities, FairWind Group is a strategic partner and sub-supplier to the top five wind turbine OEMs and asset owners in 40+ countries, currently operated through 22 entities. The company is headquartered in Vejle, Denmark, with a shared service center in Szczecin, Poland and regional offices in Houston, USA, Hamburg, Germany, Santiago de Compostela, Spain and Melbourne, Australia.

Development in activities and financial matters

The profit for the year amounts to DKK 29.678 thousand (2023: -784 thousand) and total equity amounts to DKK 210.873 thousand (2023: 105.077 thousand). The net result for the year is positively affected with DKK 8.821 thousand regarding Income from investments in subsidiaries (2023: 65.801).

IFairWind Management considers the development in turnover and profit levels for the year satisfying.

The financial performance for 2024 saw growth on both revenue and Gross profit compared to last year, and exceeded expectations from the 2023 annual report where we estimated revenue in the same level. Total revenue growth compared to 2023 is 38%.

The results for 2024 have been significant impacted by a single project at Esbjerg harbor, Denmark, which are accounting for 34% of the total revenue for 2024.

In the final quarter of 2023, FairWind entered into an agreement to acquire the subsidiary companies of Wind1000 Corporate Holding S.L ("Wind1000"), a Spanish based regional leader in installation of onshore wind solutions, primarily in Southern Europe and South America. Final closing date for the acquisition was 26th of March 2024. The Annual Report for our Parent Company, Force Bidco A/S, Note 15 for further details regarding closing balance. With the addition of the Wind1000 business, which historically has been mainly focused on installation, we expect to grow our service business offerings in Southern Europe and LATAM countries, through the new local footprint, and have already seen a significant increase in service projects in this region.

During 2024, Total Assets grew by DKK 218.115 thousand (2024 = 758.608, 2023 = 540.493). Wind1000 closing balance contributes to this with DKK 287.538 thousand. Furthermore, considerable capex investments of DKK 5.998 thousand, have been made in the business to support not only the increased revenues in the year, but also the long-term growth of the business.

Management's review

Continued growth relies upon the ability to attract, retain, and develop qualified employees in the relevant markets where the Group operates. For several years, the Group has operated its own training academy, The European Wind Academy, in Poland, aimed at further developing and upskilling both existing and new colleagues in the wind industry. Throughout 2024, the incorporation of competent and seasoned employees has notably strengthened the Group's knowledge base and competencies, playing the key role in fostering an environment that supports FairWind's expanded operational endeavours. Their expertise and proficiency have not only enriched the organization's skill set but have also facilitated the scaling up of activities across the entire company.

Market and Outlook for 2025

Revenue for the company is dependent on which projects the FairWind Group wins during the year. FairWind A/S is the parent company of all project entities in the group, and investments in subsidiaries are measured by the equity method. Therefore, the group's revenue will be included in FairWind A/S through revenue or through income from subsidiaries. The below market outlook should therefore be seen as such.

The global addressable market for FairWind is continuously growing, and FairWind will follow the global market development for the years to follow. Although 2025 looks to be a transition year for FairWind Group, mainly due to the slowdown in new offshore developments in Europe, end of 2025, we expect huge upswing in the offshore market for the APAC region, with a large growth in 2026 and 2027 for FairWind Group. Focus for FairWind Group during 2025, is to maintain the market position, and to protect the profitability of the business.

In the SESA region, Wind1000 continues to integrate with the FairWind business with a focus on expanding from pure installation into the market for operations and maintenance services. Business development activity in Latin America has commenced with several new enquiries emerging to support the installed base across the region.

The successful award of a large first project in Mexico, to install 64 Vestas turbines, is an example of regional growth. In the APAC region, our Melbourne office is helping to support growth and directly managing a large Australian installation contract awarded in 2024. This base has enabled local recruitment thereby developing a core in-country team to support the planned expansion in wind in Australia. Further North in Taiwan, FairWind will prepare for two major offshore pre-assembly projects which will be executed in 2025 and 2026.

Growth continues in the NA region with approximately 50% increase in employed technicians in the field compared to same period in 2023, further expansion is planned in 2025. The NA team has successfully extended its service portfolio, covering additional scopes for major component exchanges and ancillary equipment services such as lift systems-and opportunities to migrate this capability globally will be explored in 2025. The recent development in trade tariffs globally and the changes in government in the US, has so far not impacted FairWind. Looking forward, it is difficult to predict how this will affect the business. But we are mainly disposed of US customers, and purely onshore work is being performed. Management is following the development and is mitigating potential changes in the best possible way.

In our NCE region, we have opened an operations base in the UK which will accelerate local delivery for both onshore and offshore markets. The 2025 onshore installation market continues to be impacted by the postponement of new turbine sales for Siemens Gamesa but also contracts for other OEMs continue. Our service market in the Nordic region has seen very high demand levels for labor in the 2025 season. The large pre-assembly contract for offshore wind farms has been successfully completed in 2024 with ongoing planning for future projects now starting.

With improved pipeline visibility compared to last year, combined with a strong order backlog for the group, we expect revenue for FairWind A/S and subsidiaries in the range of 1.715 - 1.865 mDKK in 2025 and EBITDA margins in the same level as 2024. The split between FairWind A/S and its subsidiaries is dependent on geographical location on won projects, where we see a lower revenue in 2025 for FairWind A/S Parent company, offset by an increased revenue for the subsidiaries. The guidance for 2025, including margins is reflecting the current market situation.

ESG and Sustainability

This report showcases the FairWind Group's commitment to sustainability, as required by Section 99a of the Danish Financial Statements Act. FairWind recognizes the importance of transparency and accountability in all ESG efforts, and this serves as a guiding principle in reporting practices.

As a leading installation and service company within the wind industry, FairWind remains steadfast in the commitment to Environmental, Social, and Governance (ESG) principles. This report reflects the continued dedication to advancing sustainability and upholding responsible business conduct. FairWind remains committed to ESG principles, recognizing them as integral to our long-term success and general impact. We remain dedicated to advancing sustainability within the wind industry and beyond, driving positive change for current and future generations.

This ESG policy framework underscores FairWind's proactive approach to addressing environmental challenges, promoting social well-being, and adhering to robust governance standards. Proactive approach to addressing environmental challenges, promoting social wellbeing, and adhering to robust governance standards.

Transparency Remains a Cornerstone of the Overall ESG Strategy

The company business model revolves around providing comprehensive solutions for OEMs and industry clients, with a focus on installation and maintenance services for wind farms.

By assuming responsibility for critical tasks such as manpower planning, training, and project execution, FairWind mitigates risks for clients while enabling them to capitalize on operational efficiencies. Through our commitment to innovation and excellence, FairWind strives to optimize installation processes that benefit both clients and the broader industry.

Sustainability Embedded in our DNA

Since its beginning, FairWind has upheld sustainability and corporate governance as integral components of its mission, with a commitment to our ongoing development. Recognizing our role as a global company with operations worldwide, we acknowledge our responsibility to consider the environment, as well as the well-being of individuals and communities impacted by our activities.

Governance Commitment

In a time marked by heightened public awareness of environmental issues and regulatory shifts, FairWind remains committed in our dedication to minimizing the Group's environmental footprint and effecting positive change.

At FairWind, governance remains a top priority. We stay dedicated to our pursuit of sustainability across all governance practices, adhering to internationally recognized principles and standards. Our company operates with integrity and accountability, ensuring ethical conduct and equitable compensation. These efforts not only enhance our own performance but also serves as a benchmark for future governance standards.

The integration of corporate sustainability practices is a recurring agenda item in Board of Directors meetings, ensuring that management remains consistently informed and updated. Our objectives for the upcoming years include continual expansion of our installed capacity in gigawatts (GW) and the maintenance or expansion of our global presence. Concurrently, we aim to reduce our CO2 emissions relative to our working hours by 2025. As a global entity, FairWind places great importance on adhering to standards such as the United Nations' 10 principles for the Global Compact throughout our growth journey.

Additionally, in 2024, we developed and implemented several policies to strengthen our governance efforts. These policies, including Sanctions, Human Rights, and Anti-Bribery & Anti-Corruption, are essential components of our governance and compliance framework.

We always focus on collaborative efforts among all stakeholders within our operations and across the broader value chain, aiming for comprehensive solutions that not only benefit FairWind but also elevate the entire supply chain. Achieving such collaboration demands close coordination and a deep understanding of our projects.

To foster this understanding, we have implemented a clear Code of Conduct for our suppliers, ensuring a consistent approach across every project and reinforcing our dedication to transparent and principled practices.

Environment: Embracing Sustainable Practices

In alignment with FairWind's Vision & Mission, we continue to prioritize sustainability as fundamental to our operations within the wind energy industry. Our commitment to advancing sustainable practices and fostering positive environmental impact remains as we move into new ventures and markets in our operations.

Given that energy production is a major contributor to global CO2 emissions, FairWind plays an indirect yet vital role in mitigating climate action. Our company has been instrumental in bringing clean energy to countless households, having technically installed over 25 GW of renewable energy from 2016 to 2023, thereby contributing to a more sustainable future.

In FairWind's own CO2 emissions, we are prioritizing decarbonization and placing a strategic emphasis on incorporating the CSRD into the company values and reporting. In our strategic plan, we strive towards global operations that bring positive environmental change through our decarbonization targets.

Social: Ethical Supply Chain Commitment

FairWind governs our contractual relationships with suppliers and subcontractors according to company guidelines to ensure quality and standards within the supply chain. We mandate that subcontractors adhere to relevant national collective agreements, with noncompliance deemed a breach of contract.

Furthermore, FairWind remains committed to upholding human rights, actively working to prevent any violations. We support the rights of assembly and collective bargaining and strive to eliminate forced labour, child labour, discrimination, and corruption. Concurrently, we focus on environmental stewardship by promoting a precautionary approach, advancing environmental technology, and fighting corruption.

Driving Results through Collaboration

In our constant pursuit of excellence alongside our valued partners and stakeholders, nurturing strong and constructive connections throughout every phase of our projects remains essential. Effective communication serves as the bedrock of adept management and is vital for the seamless operation of the Group.

Through meaningful dialogue, we strive for collaborative synergy in pursuit of our aspirations to establish ourselves as a leading force in turbine installation and service, spanning both onshore and offshore projects. Rooted in our dedicated commitment to driving the green transition forward, the importance of effective communication cannot be overstated.

Wind Turbine Installation and Service Expansion Milestone

Additionally, FairWind's practice of cross-border operations serves multiple purposes. Not only does it lower project costs and promote renewable energy adoption, but it also stimulates economic growth in less affluent countries by employing technicians from these regions. The technicians undergo comprehensive training provided by FairWind, and their salaries strengthen local economies, thereby promoting decent work and economic growth.

Summing up, FairWind remains committed to advancing three of the United Nations' Global Sustainable Development Goals: goal 7 for Affordable and Clean Energy, goal 13 for Climate Action, and goal 8 for fostering local economic growth through the creation of decent work opportunities.

Board of Directors

The Board of Directors of FairWind ensures that the executive management complies with the objectives, strategies, and business processes decided by the Board of Directors. Moreover, the Board of Directors ensures on an ongoing basis that the governance structure and control systems are appropriate and work well.

The Board of Directors consists of six members. The principal shareholder Triton Partners has appointed Per Olof Martin Frankling, Nils Henrik Tholander and Sara Elisabeth Damberg. The remaining three members of the Board of Directors are independent.

The Board of Directors meets on a predetermined schedule of meetings at least five times a year. Usually there is an annual strategy workshop in connection with an ordinary board meeting. The workshop defines the objectives and strategy of FairWind.

The Chairman and two selected board members meet with the CEO of the company on a bi-weekly basis.

FairWind's Board of Directors holds other executive positions as described below:

Mike Winkel, Chairman

Elected in September 2021

- Member of the Board of Directors at DeepOcean Group Holding A/S
- Chairman of the Board of Directors at Obton Group Holding A/S
- Managing Director, MiSo Consulting S.L,

Nils Henrik Tholander, Board Member

Elected in September 2021

- Investment Professional at Triton Partners
- Member of the board of Directors at Nuent Group AB
- Member of the board of Directors at Ingrid Capacity AB

Per Olof Martin Frankling, Board Member

Elected in September 2021

- Investment Professional at Triton Partners
- Member of the Board of Directors at GEIA Group ApS
- Member of the Board at Moove Group A/S
- Member of the Board of Directors at Habeo Group Oy
- Member of the Board of Directors at Nuent Group AB
- Member of the Board of Directors at Neptune Software A/S
- Member of the Board of Directors at the Swedish Private Equity & Venture Capital Association

Sara Elisabeth Damberg, Board Member

Elected in September 2024

- Investment Professional at Triton Partners
- Member of the board of Directors at Nuent Group AB

Helene Anna Rasmusson Egebøl, Board Member

Elected in March 2022

- Member of the Board of Directors at Glamox A/S
- Member of the Board of Directors at Moove Group A/S
- Group COO at Sun European Partners, LLP

Wolfgang Müller, Board Member

Elected in March 2022

- Senior Vice President, Hitachi Ltd.
- Corporate Officer, Hitachi Ltd. Tokyo
- Executive Vice President Service, Hitachi Energy Ltd. Zurich
- Member of the Board of Directors at BringKids2Schools, Switzerland

Environment and Climate

FairWinds risks on environment and climate relate to GHG emissions from operations, where FairWinds operations produce greenhouse gases from employee air travel and servicing activities that use fossil fuel-powered cranes and generators, contributing to the company's carbon footprint.

Target & Results

The environment and climate remain high priorities in the FairWind Group. The overarching aim in these matters is that FairWind is perceived by our customers, employees, suppliers and authorities as a conscious company.

FairWind is certified according to ISO 14001 and the climate priority is also an embedded part of the FairWind vision to: “become a leading turbine installation and service player in both onshore and offshore with strategic regional strongholds based on our commitment to green transformation on earth”.

We have not been issued any enforcement notices from environmental authorities in 2023 and our own self-regulation has not revealed any violations of environmental law either.

The FairWind Group defines an environmental occurrence as any spill, leakage, discharge to water, soil, or air, as well as spill, leakage, discharge to any secondary containment (e.g., tray, drum pallet or another spill kit/device). Furthermore, the FairWind Group includes dangerous weather and natural disasters that affect our sites as environmental incidents, while fire, smoke, and/or explosions are also included. Finally, improper disposal of waste is also included in our environmental reporting.

Our target for 2024 was to continue our low environmental impact measured through the KPI “environmental frequency rate,” (occurrences per 100.000 project site hours) where the target was set at 0.6 (2023 = 0.7). The result for 2024 is considered satisfactory as FairWind has managed to meet the target for the “environmental frequency rate” now to 0.6 per 100,000 project site hours (2021 = 0.3, 2022 = 0.5, 2023 = 0.4).

The KPI for environmental frequency rate is calculated through the following formula: $[\text{number of environmental incidents} * 100.000 / \text{total working hours}] = \text{environmental frequency rate}$. Of 19 environmental events recorded in 2024 63% were related to minor chemical spillage: diesel or hydraulic oils - strictly connected to our activities, and mainly from cars/generators at project sites and the remaining 37% were related to weather or natural disaster (21%), poor waste disposal on site (11%) and fire and smoke (5%).

Achieving the Target & Future Ambitions

FairWind's core business inherently aligns with several UN Sustainability goals, notably Clean Energy and Climate Action. While our operations pose minimal risk to the environment and climate, we remain committed to upholding robust environmental practices. To ensure compliance and effectiveness, FairWind maintains detailed internal control systems for environmental management such as:

- Checking waste & chemical management on site
- Determining environmental aspects and impacts
- Including clear rules and environmental policies in an EHS Plan issued for each project for each project
- Including control measures related to environmental aspects in risk assessments issued
- Carrying out audits on site (where waste and chemical management are the crucial points for checking)
- Monitoring environmental indicators (EFR) from sites
- Carrying out internal audits (especially in warehouse where environmental aspects are visible and can influence on employees directly)
- Developing environmental campaigns among employees
- Promoting pro-environmental behaviors

Also, in relation to the external environment, FairWind has always adjusted working processes locally to comply with any relevant environmental legislation. The 2025 goals for the environmental area are:

- Environmental penalties from authorities = 0
- Environmental Incident Frequency ≤ 4.0
- Environmental Incident investigation close out average ≤ 30 days
- Environmental actions beyond deadline date ≤ 0
- Greenhouse gas emission (combined total for scope 1,2,3) $\leq 33,500\text{Te}$
- Introduction to ESG training for personnel ≥ 150 delegates

Finally, FairWind also has targets for 2025 through a shared commitment with one of the OEMs in the industry on reducing our global environmental footprint in the Supply Chain. This includes:

- FairWind commits to 50% electricity consumption from renewable energy sources latest by 2030
- FairWind commits to 100% electricity consumption from renewable energy sources latest by 2050
- FairWind commits to a 50% reduction in waste from products delivered to the OEM latest by 2030.

Code of Conduct - Legislation

FairWind's Code of Conduct serves as a guiding framework for ethical conduct, outlining our commitment to responsible practices across ethical, social, and environmental realms. With a diverse workforce spanning over 20 nationalities, each with unique cultural backgrounds and beliefs, FairWind operates within a complex landscape of laws and regulations.

While the Code of Conduct applies universally to all FairWind activities worldwide, employees are also bound by the laws and regulations of their respective countries. Compliance with local legislation is of utmost importance, and FairWind always adheres to the legal requirements of each jurisdiction in which it operates. In cases where local laws exceed the standards outlined in our Code of Conduct, these laws take precedence.

Embedded within the Code of Conduct are provisions addressing Human Rights, Anti-Bribery and Anti-Corruption measures, highlighting FairWind's unwavering commitment to ethical conduct, responsible business practices, and legal compliance. Emphasising the protection of human rights, the promotion of inclusivity, and the prevention of corrupt activities.

FairWind upholds integrity and transparency in all its operations. While the Code of Conduct establishes baseline standards, FairWind business units have the flexibility to implement more stringent measures, provided they align with the principles of the Code of Conduct. The complete version of FairWind's Code of Conduct is available here: <https://fairwind.com/qhse/>

Target and Results

FairWind's human rights and anti-bribery risks primarily involve potential breaches within the supply chain, especially concerning suppliers' operations abroad. Ensuring compliance in these areas remains a top priority. FairWind did not have any human rights violation cases in 2024. There were hence no severe cases, raising to the level of being human rights violation cases. Additionally, no breached of anti-bribery policies.

Achieving the Target & Future Ambitions

To uphold ethical standards, FairWind conducts regular internal assessments and reviews to ensure alignment with regulatory requirements and industry best practices. While specific plans for additional training, campaigns, or initiatives are under consideration, we are steadfast in our commitment to enhancing efforts in promoting ethical conduct, human rights, and anti-corruption measures.

As we look at 2025, we are actively exploring opportunities for improvement, including the possibility of implementing new activities and initiatives to further strengthen our approach.

Regarding supplier control, FairWind currently utilizes an external industry platform for supplier assessment to manage supplier compliance. We recognize the importance of ongoing evaluation and improvement in this area and will continue to explore potential enhancements.

Management's review

Improvements have also been made to our whistleblower setup to better accommodate our diverse workforce and expansion into new markets. This includes expanding language support to ensure accessibility for all employees and stakeholders.

Social Matters

Working as a technician on a windfarm is considered high risk occupation due to the physical and technical challenges. Office workers considered low impact regarding health & safety, but there can be potential adverse impact regarding stress and work life balance.

Health & Safety

Health and safety are FairWind's highest priorities and fundamental to delivering services to customers. They are integrated into FairWind's management System and audited based on ISO 45001, ISO 14001, and ISO 9001 standards. This commitment commits FairWind to complying with all health and safety regulations, as well as internal guidelines and customer instructions.

FairWind's health and safety policies cover all personnel, facilities, and local offices work according to the certified Integrated Management System. The CEO is accountable for these policies, and the Global HSEQ Director is the senior most responsible for implementing them.

Human Rights Policy

The overall approach to managing impacts on FairWind's workforce is guided by the company's commitment to human rights, as reflected in its human rights policy. This policy commits FairWind to respecting all human rights, referring to the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the Ten Principles of the UN Global Compact as operating principles for FairWind's human rights work.

The policy encompasses all scenarios in which FairWind undertakes projects. It also affirms the commitment to adhere to applicable laws and regulations in the countries where FairWind operates.

The human rights policy also specifically addresses "workforce and other stakeholders - including suppliers, contractors and subcontractors, and other people impacted by FairWind's value chain", and "affected communities" when referring to the due diligence processes: FairWind uses due diligence to identify and prevent human rights risks to people in its value chain and local communities.

The CEO signs the Human Rights policy, with the Head of HR (CPO) being responsible for it. The Human Rights policy is part of FairWind's Integrated Management System and is available on FairWind's SharePoint as well as the internal drive. All policies are included in the new employees' introduction, onboarding, and learning course, and current employees are informed of new policies.

Social Matters (cont.)

FairWind's risk on diversity and equity relates to women being highly under-represented in STEM professions.

Target & Results

Its primary objective is to draw attention to the gender disparity, particularly the underrepresentation of females within the company, as indicated by the current distribution.

Diversity and Inclusion

At FairWind Group, we continue to embrace diversity in its rich tapestry of forms, encompassing gender, age, cultural background, ethnicity, political and religious affiliations, and sexual orientation, among others. We are dedicated to fostering a culture where each person feels valued and confident that their distinct perspectives and contributions are appreciated. Our commitment lies in empowering our employees to realize their full potential.

Although the wind industry tends to be male dominated, we acknowledge that female applicants for positions at FairWind may face limitations. However, our hiring practices are grounded solely in assessing competencies and experiences, devoid of any consideration based on gender.

By the end of 2024 we had a Board of Directors consisting of 6 people with a split of 33% women and 67% men and have obtained an equal gender distribution as defined by Erhervsstyrelsen (Danish Business Authorities). Due to this FairWind A/S are exempted from setting new targets for 2025. Nonetheless, we are committed to maintaining equal gender split.

The board of Directors included in the table below is employed by the parent company Force Bidco A/S. Other Management levels included in below tables counted as managers, employed in FairWind A/S, with one or more direct references.

Target figures and policies for the underrepresented gender

Overview of the status of target figures for the underrepresented gender

	2024	2023	2022	2021	2020
Board of Directors					
Total number of members of board of Directors, excluding employee-elected members	6	6	6	6	4
Underrepresented gender in board of Directors	33 %	33 %	17 %	17 %	0 %
Target figure of underrepresented gender in board of Directors	15 %	15 %	15 %	15 %	15 %
Year of expected fulfillment	2021	2021	2021	2021	2021
Other management levels					
Total number of other management levels	12	11	9	11	7
Underrepresented gender at other management levels	17 %	18 %	11 %	0 %	0 %
Target figure of underrepresented gender at other management levels	36 %	36 %	15 %	15 %	15 %
Year of expected fulfillment	2026	2026	2023	2023	2023

Charity & Social Events

FairWind's commitment to charitable initiatives continued in 2024. Notably, one of our key charitable initiatives once again involved hosting a recurring 'day of fun' event and providing gifts to a local orphanage near Stettin, Poland.

This initiative, which FairWind has supported for over a decade, remained a cornerstone of our charitable efforts in 2024, exemplifying our dedication to making a positive impact in the community.

Closing Statement

At FairWind, our commitment to Environmental, Social, and Governance principles remains constant and vital to our operations. It guides every aspect of our business, shaping the actions of our managers, employees, subcontractors, and suppliers.

As we reflect on our efforts in 2024, we are optimistic about the positive results and progress achieved. Looking ahead, we are dedicated to further evolving and expanding our ESG initiatives and actions to address emerging challenges and opportunities. We understand the importance of adapting our policies to align with evolving environmental, supply chain, and societal dynamics.

In essence, our commitment to ESG is not static; it is a dynamic journey of continuous improvement and adaptation to create lasting positive impacts. Following the ever-changing ESG landscape as well as adapting to and complying with international requirements is paramount and something we remain committed to.

Explanation of Data Ethics

The policy on Data Ethics is reviewed annually and compliant with section 99d of the Danish Financial Statements Act.

Data plays an increasingly significant role within FairWind, serving as a vital tool for monitoring, delivering, and enhancing services for customers, employees, and stakeholders. Recognizing its value as a crucial asset, we handle data with utmost care, adhering to all relevant laws, regulations, as well as FairWind's internal standards and policies.

Through meticulous management and a transparent approach, we ensure due respect for our customers, business partners, and employees. Continuous monitoring guarantees that data is always handled responsibly and ethically. FairWind's data handling practices are clearly defined and made available as part of our Privacy Policy on our website.

We continuously strive to optimize our data strategy regarding security measures and data use, implementing new initiatives to ensure confidentiality, integrity, and availability. This includes ongoing efforts to enhance data protection and IT security through employee education, training, and awareness sessions. To maintain compliance with our data ethics, we conduct annual reviews of policies, including data ethics considerations.

Management´s review

FairWind's handling of data is always defined and available on our website: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://fairwind.com/fairwind_wpnew/wp-content/uploads/2024/06/15139a81-5386-4f75-b1fd-a8de15f00990.pdf.

Event after the Balance Sheet Date

From the statement of financial position date until today, no events have occurred that would affect the evaluation of the Annual Report.

Income statement 1 January - 31 December

DKK thousand.

Note	2024	2023
1 Revenue	706.650	511.932
Other operating income	11.090	287
Costs of raw materials and consumables	-415.401	-373.115
Other external expenses	-125.997	-97.652
Gross profit	176.342	41.452
3 Staff costs	-128.344	-73.397
Depreciation and writedown relating to fixed assets	-2.812	-1.421
Profit/loss before net financials	45.186	-33.366
Income from investments in subsidiaries	8.821	65.801
Other financial income from subsidiaries	2.827	2.965
Other financial income	29.274	12.345
4 Other financial expenses	-48.055	-36.951
Pre-tax net profit or loss	38.053	10.794
5 Tax on net profit or loss for the year	-8.056	-11.578
6 Net profit or loss for the year	29.997	-784

Balance sheet at 31 December

DKK thousand.

Assets			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Non-current assets			
7	Other fixtures, fittings, tools and equipment	7.467	4.578
	Total property, plant, and equipment	7.467	4.578
8	Investments in group enterprises	366.971	189.543
9	Deposits, investments	367	262
	Total investments	367.338	189.805
	Total non-current assets	374.805	194.383
Current assets			
	Manufactured goods and trade goods	714	594
	Total inventories	714	594
	Trade receivables	60.163	74.244
10	Contract work in progress	78.225	47.312
	Receivables from group enterprises	226.834	203.327
11	Deferred tax assets	0	4.178
	Receivable corporate tax	0	233
	Other receivables	7.615	11.950
12	Prepayments	714	1.857
	Total receivables	373.551	343.101
	Cash and cash equivalents	9.538	2.415
	Total current assets	383.803	346.110
	Total assets	758.608	540.493

Balance sheet at 31 December

DKK thousand.

Equity and liabilities			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Equity			
13	Contributed capital	785	785
	Reserve for net revaluation according to the equity method	137.925	152.486
	Retained earnings	72.163	-48.194
	Total equity	210.873	105.077
Liabilities other than provisions			
14	Bank loans	37.280	0
15	Payables to group enterprises	34.303	46.478
	Total long term liabilities other than provisions	71.583	46.478
	Bank debts	145.060	110.017
10	Contract work in progress	5.615	5.374
	Trade creditors	87.079	82.585
	Payables to subsidiaries	189.869	172.111
	Corporate tax	883	0
16	Other payables	47.646	18.851
	Total short term liabilities other than provisions	476.152	388.938
	Total liabilities other than provisions	547.735	435.416
	Total equity and liabilities	758.608	540.493
2 Fees for auditor			
17 Charges and security			
18 Contingencies			
19 Related parties			

Statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Total
Equity 1 January 2023	785	99.878	30.616	131.279
Adjustment due to changed accounting policies	0	-3.745	-13.184	-16.929
Adjusted equity 1 January 2023	785	96.133	17.432	114.350
Share of results	0	65.801	-66.585	-784
Exchange rate adjustments	0	-8.398	-91	-8.489
Distributed dividend	0	-5.861	5.861	0
Other changes	0	4.811	-4.811	0
Equity 1 January 2024	785	152.486	-48.194	105.077
Change in previous years	0	4.574	0	4.574
Contribution in kind	0	0	85.357	85.357
Share of results	0	8.821	21.176	29.997
Exchange rate adjustments	0	-4.323	-1.217	-5.540
Distributed dividend	0	-7.351	7.351	0
Other changes	0	-16.282	7.690	-8.592
	785	137.925	72.163	210.873

Notes

DKK thousand.

1. Revenue

Segmental statement

	<u>Installation</u>	<u>Service</u>	<u>Total</u>
Activities - primary segment:	<u>600.807</u>	<u>105.843</u>	<u>706.650</u>
	<u>Europe</u>	<u>Scandinavia</u>	<u>Rest of world</u>
Geographical - secondary segment:	<u>334.527</u>	<u>310.681</u>	<u>61.442</u>
			<u>Total</u>
			<u>706.650</u>

2. Fees for auditor

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act, as audit fees are disclosed for the group as such in the consolidated financial statements for Force Bidco A/S.

	<u>2024</u>	<u>2023</u>
3. Staff costs		
Salaries and wages	116.764	66.219
Pension costs	10.270	6.268
Other costs for social security	<u>1.310</u>	<u>910</u>
	<u>128.344</u>	<u>73.397</u>
Executive board and board of directors	<u>0</u>	<u>6.723</u>
Average number of employees	<u>149</u>	<u>130</u>

Executive Board and Board of Directors

In 2024 executive management only consisted of one member and the remuneration of the executive management and the board of directors is disclosed collectively with reference to §98b (3) of the Danish Financial Statements Act.

Staff costs for the Executive Board and the Board of Directors are initially realized in parent company Force Bidco A/S, but is afterwards transferred to FairWind A/S as Management Fee.

Incentive Programs

Incentive plans comprise a short-term incentive plan based on yearly performance. The bonus amount was in 2024 DKKm 2,9 and in 2023 DKKm 0,3.

Notes

DKK thousand.

	2024	2023
4. Other financial expenses		
Financial costs, group enterprises	3.186	3.615
Other financial costs	44.869	33.336
	48.055	36.951
5. Tax on net profit or loss for the year		
Tax of the results for the year	1.435	1.874
Adjustment for the year of deferred tax	4.178	11.668
Adjustment of tax for previous years	2.443	-1.964
	8.056	11.578
6. Proposed distribution of net profit		
Reserves for net revaluation according to the equity method	8.821	65.801
Transferred to retained earnings	21.176	0
Allocated from retained earnings	0	-66.585
Total allocations and transfers	29.997	-784
	31/12 2024	31/12 2023
7. Other fixtures, fittings, tools and equipment		
Cost 1 January 2024	17.746	14.408
Additions during the year	5.998	3.700
Disposals during the year	-255	-362
Transfers	-125	0
Cost 31 December 2024	23.364	17.746
Depreciation and write-down 1 January 2024	-13.168	-12.109
Depreciation for the year	-2.851	-1.421
Depreciation, amortisation and writedown for the year, assets disposed of	122	362
Depreciation and write-down 31 December 2024	-15.897	-13.168
Carrying amount, 31 December 2024	7.467	4.578

Notes

DKK thousand.

	31/12 2024	31/12 2023
8. Investments in group enterprises		
Acquisition sum, opening balance 1 January 2024	37.058	36.978
Additions during the year	191.988	80
Cost 31 December 2024	229.046	37.058
Revaluations, opening balance 1 January 2024	152.485	96.133
Correction of previous revaluations	-11.708	6.510
Exchange rate adjustments	-4.323	-8.398
Results for the year	15.667	65.773
Reversal of prior revaluations	-2.479	-1.672
Dividend	-7.350	-5.861
Write-down adjustment	-4.367	0
Revaluations 31 December 2024	137.925	152.485
Carrying amount, 31 December 2024	366.971	189.543
The item includes goodwill with an amount of	28.637	11.614
Goodwill is recognised under the item "Additions during the year" with an amount of	19.502	0
Group enterprises:		
	Domicile	Equity interest
FairWind Offshore A/S	Denmark	100 %
FairWind Rüzgar Enerji Hizmetleri Anonim Sirketi	Turkey	100 %
VestWind A/S	Denmark	100 %
FairWind GmbH	Germany	100 %
FairWind Installation Ltd.	United Kingdom	100 %
White Strit LLC	Kazakhstan	100 %
FairWind Sp. Z.o.o	Poland	100 %
Wind Service Sweden AB	Sweden	100 %
Swedish Wind Service AB	Sweden	100 %
FairWind Ukraine ApS	Denmark	100 %
Geos Construction LLC	Ukraine	100 %
FairWind Ukraine LLC	Ukraine	100 %
FairWind Poland sp. Z.o.o	Poland	100 %
FairWind Inc.	United States	100 %
FairWind Canada Inc.	Canada	100 %
FairWind Finland OY	Finland	100 %
FairWind Holland B.V.	Holland	100 %
European Wind Academy sp. Z.o.o	Poland	100 %

Notes

DKK thousand.

	31/12 2024	31/12 2023
FairWind RUS LLC	Russia	100 %
FairWind Installation (PTY) Ltd.	South Africa	100 %
FairWind Installation SLU	Spain	100 %
FairWind Installation Morocco Sarl	Marocco	100 %
FairWind AUS PTY Ltd.	Australia	100 %
FairWind Logistics sp. Z.o.o	Poland	100 %
FairWind Chile SPA	Chile	100 %
Aggerholm Electrical Services ApS (liquidated)	Denmark	100 %
FairWind Argentina S.A.U.	Argentina	100 %
Wind1000 Global Holding S.L.	Spain	100 %
Wind1000 Service SL	Spain	100 %
CRANE AND CAR KEY SERVICES SL	Spain	100 %
WIND1000 FRANCE SAS	France	100 %
WIND1000 OFFSHORE GmbH	Germany	100 %
WIND1000 COLOMBIA SAS	Colombia	100 %
MILVENTOS DO BRASIL ENERGIA RENOVAVEL	Brazil	100 %
MILVENTOS DE CHILE ENERGIA RENOVABLE SPA	Chile	100 %
FAIR1000 S.R.L. de C.V.	Mexico	100 %
	31/12 2024	31/12 2023
9. Deposits, investments		
Cost 1 January 2024	262	262
Additions during the year	105	0
Cost 31 December 2024	367	262
Carrying amount, 31 December 2024	367	262
10. Contract work in progress		
Sales value of the production of the period	462.365	366.978
Progress billings	-389.755	-325.040
Contract work in progress, net	72.610	41.938
The following is recognised:		
Work in progress for the account of others (current assets)	78.225	47.312
Work in progress for the account of others (short-term liabilities)	-5.615	-5.374
	72.610	41.938

Notes

DKK thousand.

	31/12 2024	31/12 2023
11. Deferred tax assets		
Deferred tax assets 1 January 2024	4.178	7.944
Deferred tax of the results for the year	-4.178	6.171
Other deferred tax	0	-9.937
	<u>0</u>	<u>4.178</u>
12. Prepayments		
Other prepayments	714	1.857
	<u>714</u>	<u>1.857</u>
13. Contributed capital		
Contributed capital 1 January 2024	785	785
	<u>785</u>	<u>785</u>
7.850 shares of DKK 100 nominal value each.		
14. Bank loans		
Total bank loans	<u>37.280</u>	<u>0</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
15. Payables to group enterprises		
Total payables to group enterprises	<u>34.303</u>	<u>46.478</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
16. Other payables		
Payroll tax	0	2.626
Withheld tax and labour market contributions	0	1.746
The Danish Labour Market Supplementary Pension Scheme and other social con	234	43
Salaries, wages and bonus	2.788	2.636
Reservations for administration	7.187	11.769
National insurance contributions payable	1.349	31
Earn-out Wind1000	36.088	0
	<u>47.646</u>	<u>18.851</u>

Notes

DKK thousand.

17. Charges and security

Trade receivables and work in progress for third parties with a carrying amount of DKK 138.388 thousand have been provided as collateral for bank loans and overdrafts amounting to DKK 145.050 thousand at 31 December 2024.

18. Contingencies

Contingent liabilities

Operating lease obligations

The Company has entered into operating leasing agreements with a combined lease payment of DKK 2.974 thousand. The remaining term of the leases is 4 to 39 months.

The Company has provided the following guarantees for subsidiaries:

- Unlimited guarantee for FairWind Offshore A/S for bank loans from Jyske Bank
- Unlimited guarantee for FairWind Ukraine ApS for bank loans from Jyske Bank
- Work guarantees for subsidiaries work under frame agreements

Guarantee commitments:

The Company has issued work guarantees of DKK 9.445 thousand for services delivered.

Joint taxation

With Force Holdco A/S, company reg. no 42434051 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company has withdrawn from the joint taxation with the former management company Apollo Group 1 A/S as of 28 September 2021 and is liable for any tax claims against the other jointly taxed companies until the time of withdrawal from the joint taxation.

19. Related parties

Controlling interest

Force Bidco A/S, Vejle, Denmark	Participating interest
Force Holdco A/S, Vejle, Denmark	Participating interest
Triton V LuxCo 43 SARL, Luxembourg	Participating interest

The immediate parent company is Force Bidco A/S, the ultimate parent company is TFF (TSM II) Limited.

Consolidated financial statements

The company is included in the consolidated financial statements of:

Lowest level: Force Bidco A/S, CVR-nr. 42424757, Vejle, Denmark.

Highest level: Force Holdco A/S, CVR-nr. 42434051, Vejle, Denmark.

Accounting policies

The annual report for FairWind A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of FairWind A/S and its group enterprises are included in the consolidated financial statements for Force Bidco A/S, Denmark, CVR nr. 42424757.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Force Bidco A/S.

Changes in the accounting policies

In previous years, training expenses were recognized under prepayments and depreciated over a period of two years. The accounting policies have been changed so that expenses are recognized in the current fiscal year.

As of 31 December 2024, the accumulated effects of the changes in accounting policies are:

- Profit for the year before tax is reduced by DKK 112 thousand.
- Tax for the year of the change in accounting policies amounts to DKK 25 thousand.
- Profit for the year after tax is reduced by DKK 87 thousand.
- The total of the statement of financial position is reduced by DKK 14.070 thousand.
- Equity is reduced by DKK 14.070 thousand.

For 2023, profit for the year after tax was reduced by DKK 9.092 and the total of the amount on the balance sheet decreased by DKK 26.201 thousand and equity reduced by DKK 26.201 thousand.

Except for the above, the accounting policies remain unchanged from last year.

Comparative figures and financial highlights have been adjusted to the changed accounting policies.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

Business combinations

Acquisition of group enterprises are dealt with in accordance with the acquisition method, and afterwards the assets and liabilities of the acquired entity are measured at fair value at the date of acquisition.

The date of acquisition is the date when the group obtains control of the acquired entity.

The cost of the acquired entity represents the fair value of the consideration agreed upon, including the considerations that are conditional on future events. Transaction costs directly attributable to the acquisition of group enterprises are added to the equity investment.

Positive differences between the cost of the acquired entity and the identified assets and liabilities are recognised in the equity investment as goodwill, which is amortised on a straight-line basis in the income statement over the expected useful life. Amortisation of goodwill is allocated to the functions to which the goodwill relates. If the difference is negative, this is recognised immediately in the income statement.

If the allocation of the purchase price is not final, positive and negative differences may, as a result of changes in recognition and measurement of acquired net assets, be adjusted until the end of the financial year following the acquisition year. These adjustments are also reflected in the value of goodwill or negative goodwill, including depreciation already made.

Adjustment of contingent considerations after initial recognition is recognised directly with a counter entry on the original purchase price, whereby the value of goodwill or negative goodwill is corrected.

In the case of step acquisitions, the carrying amount of the existing equity investments is included in the cost price.

Income statement

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets as well as operating loss and conflict compensation. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

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.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual entities are recognised in the income statement as a proportional share of the entities' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Accounting policies

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	2-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a measurement method.

Accounting policies

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the is applied, cf. the above description under Business combinations.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Accounting policies

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

An impairment loss is recognised if there is objective evidence that a receivable 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 is used as discount rate.

Other receivables consists of VAT etc.

Contract work in progress

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on an assessment of the stage of completion for each wind turbines relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Bank loans are measured at amortised cost which, for cash loans, corresponds to the outstanding payables.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Segmental statement

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.