FairWind

**Force Bidco A/S**
Lysholt Allé 6
DK-7100 Vejle
Denmark

Business Registration No. 42 42 47 57
Registered office: Vejle
Financial year: 01.01.2023 - 31.12.2023
fairwind.com

# 2023

# ANNUAL REPORT

The Annual General Meeting adopted the Annual Report on 26/4 2024.

**Chairman of the General Meeting**

One-stop solutions for the installation and service of onshore and offshore wind turbines throughout the world.

With experience working in more than 40 countries and a pool of over 1500 experienced technicians quality is a top priority for FairWind.

Read more on page 39

The highest safety standards are closely integrated into our operations all levels.

Read more on page 34

Our goal

# Complete satisfaction of the customer's wind energy support needs

## The Company

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## Board of Directors

Mike Winkel, Chairman
Per Olof Martin Frankling
Nils Henrik Tholander
Helene Anna Rasmusson Egebøl
Wolfgang Müller
Karin Ingrid Amanda Möllborg

## Executive Board

Stewart Mitchell, CEO

## Auditors

Deloitte Statsautoriseret
Revisionspartnerselskab

City Tower,
Værkmestergade 2
8000 Aarhus C

# Statement by Management

**The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Force Bidco A/S for the financial year 01 January to 31 December 2023. In this report, we will be referring to FairWind, FairWind Group, and Force Bidco collectively referred to as Force Bidco A/S.**

The Consolidated Financial Statements and the Parent Company Financial Statement have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. The Management Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 01 January to 31 December 2023.

In our opinion, the Management Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

In our opinion, the annual Report with the file name 9845007BA4ZD9CCR8846-2023-12-31-en.zip prepared in all material respects, is in accordance with the ESEF Regulation.
We recommend that the Annual Report be adopted at the Annual General Meeting.

Vejle, 26 April 2024

## Executive Board

Stewart Mitchell, **CEO**

## Board of Directors

Mike Winkel, Chairman

Nils Henrik Tholander

Per Olof Martin Frankling

Helene Anna Rasmusson Egebøl

Karin Ingrid Amanda Möllborg

Wolfgang Müller

# Letter from the CEO

My objectives for FairWind are simple: To create a safe work environment that can grow our revenues and profits, building on the relationships we have with our current customer base, but also with new customers. We aim to offer enhanced products and services within global growth markets while implementing the requisite systems, processes, and procedures to scale our business. FairWind is a strong company with clear potential for extensive further growth.

As we also saw in the financial report for the final quarter of 2023, our results reflect a continued momentum from prior quarters and years, with revenues for the full year exceeding expectations and EBITDA within expectations. Revenues in 2023 grew by 16.7% and EBITDA by 47.7% as compared to 2022, which is highly satisfactory. A positive trend that I see continuing throughout 2024. Though, the growth does not come by itself. We are constantly working hard on creating a better, more efficient, and more profitable business for the future.

Part of this process is the restructuring and reorganizing of our business model to better support customers regionally. I am pleased to inform that this is on track and nears completion with leadership in place for our Asia & Pacific region (APAC), followed in Q1 2024 with new leadership and facilities planned to consolidate the previous Northern, Central & Eastern European business units into a single Northern and Central European business in Hamburg, Germany. Our regional operations will all be supported from our shared service functions in Szczecin, Poland.

**16.7%**

**Revenue Growth** in 2023.

**47.7%**

**EBITDA Growth** in 2023.

Stewart Mitchell
CEO

### Safety Is a Top Priority

Health and Safety comes first in everything we do in FairWind. I will not accept anything happening to anyone on my watch, and the wellbeing of our employees and partners is close to my heart. In my short time at FairWind, I am pleased to announce that significant initiatives have been made to address this topic. We have reviewed our reporting- and corrective actions processes to become even more efficient, we have implemented enhanced focus on leading indicators, while we have also conducted several safety campaigns to educate our organization throughout the year. In 2024, we will be optimizing the organization with senior leadership capabilities in the form of a new Global Director for Health, Safety, & Quality and are constantly working vigorously on improving not only our performance, but also our reporting, tracking, and actions. As a company committed to our people, ensuring their safety and security will remain a central priority.

### Setting the Foundation for Growth

A safe workplace is an environment that allows for growth and progress. At FairWind, we have always been dedicated to quality, excellence, and pushing boundaries. As one of my first initiatives in the company, I shared my vision for "Setting the Foundation for Growth". This vision represents our commitment to building a solid groundwork that will drive us towards a future filled with opportunities and achievements. We need to develop the company to tackle the challenges ahead and will constantly push ourselves towards our vision of becoming the leading global provider of service offerings through the lifecycle of renewable energy assets.

From this vision, we have already seen significant improvements to our organization. We have empowered our local leadership, strengthening their capabilities to match the needs and demands of our customers. With the expected growth in the market, it is essential that we are close to our customers – delivering solutions that fit a local need based on a global proof-of-concept. We have also successfully implemented solutions to improve our financial setup and supporting our execution on sites across the globe, while further initiatives are on the way.

> As one of my first initiatives in the company, I shared my vision for "Setting the Foundation for Growth".
>
> Stewart Mitchell
> CEO

> With the addition of Wind1000 to the FairWind Group, we have secured the regional foothold to grow the business and diversify our offerings.
>
> Stewart Mitchell
> CEO

### Expanding Across the Globe

Being close to our customers is essential for securing the growth of the business. Therefore, I was also extremely pleased to announce the acquisition of Wind1000, a regional leader within installation of onshore wind turbines across Southern Europe and South America (SESA), back in December 2023. With the addition of Wind1000 to the FairWind Group, we have secured the regional foothold to grow the business and diversify our offerings. The synergies between the strong local presence of Wind1000, and the global structure and matured processes of FairWind will further accelerate the regional position of the business, while we also see a great potential in increasing our Service offering in the SESA region through the scope of Wind1000. Final closing date for the acquisition was 26th of march 2024. See also note 15, for further information.

Combined with the addition of our Regional Director for APAC, we stand stronger and more resilient in our regions, ready to execute on the growth to come.

### Diversifying Our Revenue Streams

Another region with great potential is North America. In the same way that the regional leadership has been secured in APAC, North America saw a leadership change in the early start of 2023, which has proven itself as a success so far. With strong positioning, we have achieved excessive growth in North America, which accounted for 19% of our global revenue in the final quarter of 2023, while they have also doubled their Service revenue for the full year 2023 compared to 2022. But more importantly, we have also been able to take a region that provided negative earnings to become one of our most profitable regions in the financial year.

The success of North America is a great example of how we succeed with our regional expansion – and how Service is a strong driver for future growth, while it also provides the experience and framework to develop the same kind of growth foundations for success in the other regions where we are starting to position ourselves more firmly.

### Offshore Breaking Records

While we are seeing commercial progress in Service and positioning ourselves for extending this growth across our regions, we also see positive development within our Offshore pre-assembly offerings, which is the installation an preparation of turbines before they are loaded onto the ships at the harbour. Throughout 2023, we have been active in both Europe and Asia, with the Vesterhav Nord and Syd out of the Port of Esbjerg, being the most significant project. At a combined capacity of 344MW, the project will be providing sufficient energy to meet the needs of 380,000 households.

The performance of the project has been a major part in securing revenue growth in Offshore for the year, while also being the steppingstone into the Gode Wind & Borkum Riffgrund project, which is the largest single order in the company's history with its 1.17GW. The project, which is a landmark project for our customer, is a clear testament to our performance and capabilities within Offshore installation and is expected to provide an even stronger financial and operational foundation for further development of our global Offshore positioning.

## Seizing the Opportunities

Looking back at my first eight months at FairWind, it is safe to say that it has not been without its challenges. But it also fills me with confidence for the future.

We are building the foundation for growth, and we are already harvesting the first results of this labour. There is great potential – not only in our business, but also in the market we operate. We have every opportunity to succeed – now it is about putting in the hard work and delivering on these opportunities.

Stewart Mitchell
CEO

# Independent Auditor's Report

To the shareholders of Force Bidco A/S.

# To the shareholders of Force Bidco A/S

## Opinion

We have audited the consolidated financial statements and the parent financial statements of Force Bidco A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group as well as for the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023, and of the results of their operations and cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark.

Our opinion is consistent with our audit book comments issued to the Audit Committee and the Board of Directors.

## 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

We were appointed auditors of Force Bidco A/S for the first time on 15.01.2021 for the financial year 2021. We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of 3 years up to and including the financial year 2023.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the parent financial statements for the financial year 01.01.2023 - 31.12.2023. These matters were addressed in the context of our audit of the consolidated financial statements and the parent financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Recognition and measurement of contract assets

At 31 December 2023 the carrying value of contract assets of the group amounts to a net asset of DKK 73,805k corresponding to a sales value of contract work in progress of DKK 635,555k.

In accordance with IFRS 15, revenue from and profit on contracts with customers are recognized over time based on the progress towards full satisfaction of the individual performance obligations of the contracts. The stage of completion is determined and evaluated as the actual technical completion and the share of production costs at the balance sheet date relative to the total production costs estimated to complete the contracts.

Recognition and measurement of contracts comprise considerable estimates and judgements made by Management in connection with the assessment of change orders, costs for completion of the contracts, including disputes, as well as the time of completion. Changes in these accounting estimates under the performance of the contracts may have significant impact on revenue, production costs and the result thereof.

Thus, we regarded recognition of contracts as a key matter in the audit of the consolidated financial statements and the parent financial statements.

The Force BidCo group has significant contracts in the installation and service segments. We refer to note 1 for a description of the accounting policies for contracts, to note 3 for a description of the accounting estimates and judgements regarding accounting of contracts, to note 18 for further description of contract assets.

### How the matter was addressed in the audit

As part of our audit, based on our risk assessment, we assessed the Group's business processes and tested relevant selected internal controls for recognition of revenue related to contracts.

We assessed the accounting policies and the Group's use and interpretation of relevant accounting standards.

We focused on material contracts for which the final forecasts contained significant estimates and judgements. We analysed the forecasts prepared by Management, and for selected contracts we assessed the recognised revenue and production costs, the current stage of completion as well as the most recent final forecast. We examined selected contracts with relevant members of Management, the finance function or project management, and we tested by random sampling key data in Management's assumptions against underlying documentation and evaluated Management's estimates and judgements.

Moreover, we examined important clauses in selected signed contracts to assess whether they were accounted for correctly and reflected the correct amounts in the applied forecasts.

Based on historical experience from comparable contracts and knowledge of the industry, we challenged significant accounting estimates used in Management's forecasts, including the assumptions related to recognition of additional revenue from change orders, related to the accounting of additional costs as well as the accounting of claims from customers, which are included in the contract forecasts. We also assessed the result of accounting estimates made in previous periods and assessed whether policies and processes for making management estimates had been used consistently on uniform contracts and as in previous periods.

For purposes of assessing contracts with disputes and/or lawsuits, we obtained representations from Group Management and from the Group's external attorneys. We assessed the disclosures in note 1, 3 and 18 and tested the disclosures in these notes against underlying documentation.

### Statement on the Management Commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the relevant law and regulations. We did not identify any material misstatement of the management commentary.

## Management's Responsibilities for the Consolidated Financial Statements and the Parent Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and these parent 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 skepticism throughout the audit. We also:**

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, safeguards put in place and measures taken to eliminate threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on compliance with the ESEF Regulation**
As part of our audit of the consolidated financial statements and the parent financial statements of Force Bidco A/S we performed procedures to express an opinion on whether the annual report for the financial year 01.01.2023-31.12.2023, with the file name , is prepared, in all material respects, in compliance with
the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation),

which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;

- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary

- Ensuring consistency between iXBRL tagged data and the consolidated financial statements presented in human readable format; and

- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error.

The procedures include:

- Testing whether the annual report is prepared in XHTML format;

- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;

- Evaluating the completeness of the iXBRL tagging of the consolidated financial statements including notes;

- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;

- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and

- Reconciling the iXBRL tagged data with the audited consolidated financial statements.

In our opinion, the annual report of Force Bidco A/S for the financial year 01.01.2023 - 31.12.2023, with the file name 9845007BA4ZD9CCR8846-2023-12-31-en.zip, is prepared, in all material respects, in compliance with the ESEF Regulation.

Aarhus, 26.04.2024

Deloitte Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jacob Tækker Nørgaard
State Authorised Public Accountant Identification No (MNE) mne40049

Thomas Aamand Lund
State Authorised Public Accountant Identification No (MNE) mne47764

# Management Review

Force Bidco A/S was established 28 May 2021 and was dormant until the acquisition of FairWind A/S on 28 September 2021.

**Group's Principal Activities**

The Force Bidco A/S group's (hereafter "FairWind Group" or "The Group") principal activities are technical installation of wind turbines and other related services.

# Key Financial Figures and Ratios DKK

| DKK'000 | 2023 | 2022 | 2021* |
|---|---|---|---|
| **STATEMENT OF PROFIT AND LOSS** | | | |
| Revenue | **1.191.916** | 1.021.078 | 260.291 |
| Gross profit including direct salaries (non-GAAP metric - see note 4) | **275.817** | 233.768 | 66.051 |
| | | | |
| Operating profit/(loss) before depreciation and amortisation (EBITDA) Normalized | **94.573** | 81.316 | 31.893 |
| Operating profit/(loss) before depreciation and amortisation (EBITDA) before special items | **90.521** | 80.312 | 31.893 |
| Operating profit/(loss) before depreciation and amortisation (EBITDA) after special items | **65.226** | 44.175 | -4.743 |
| Operating profit/(loss) (EBIT) | **32.354** | 16.191 | -10.651 |
| Net financials | **-48.036** | -30.038 | -4.837 |
| Net profit for the year | **-28.432** | -18.174 | -18.013 |
| | | | |
| **STATEMENT OF FINANCIAL POSITION** | | | |
| Total non-current assets | **592.942** | 592.754 | 579.960 |
| Total current assets | **485.171** | 457.180 | 441.123 |
| Total assets | **1.078.113** | 1.049.934 | 1.021.083 |
| Equity | **285.267** | 321.248 | 342.564 |
| Total non-current liabilities | **420.289** | 394.004 | 400.918 |
| Total current liabilities | **372.556** | 334.681 | 277.601 |
| Investments in Right-of-use assets | **7.046** | 10.392 | 446 |
| Investments in property, plant and equipment | **32.160** | 31.341 | 13.002 |
| | | | |
| **RATIOS** | | | |
| Gross Margin including direct salaries (non-GAAP) (%) | **23%** | 23% | 25% |
| EBITDA Margin before special items (%) | **8%** | 8% | 12% |
| EBITDA Margin (%) | **5%** | 4% | -2% |
| EBIT Margin (%) | **3%** | 2% | -4% |
| Equity rate (%) | **26%** | 31% | 34% |

*The company was doormant in the period 28/5-28/9-2021, why the P&L activities only cover the period from 28/9-31/12-2021.

# Development in Activities and Financial Positions

**The loss for the year amounts to DKK -28.432 thousand (2022: -18.174 thousand) and total equity amounts to DKK 285.267 thousand (2022: 321.248 thousand). The result is impacted by Special Items of DKK 25.296 thousand (2022: 36.137 thousand) per note 6.**

FairWind Group's Management considers the development in turnover and profit levels for the year satisfying.

The financial performance for 2023 saw growth on both revenue and EBITDA compared to last year, and exceeded expectations from the 2022 annual report where we estimated revenue in the level of 1b DKK. The EBITDA performance stayed within expe-cations for the the percentage performance, providing growth on a monetary level. We consider this performance highly satisfactory.

FairWind have been successful in further diversifying our revenue streams with increased activity especially in North America, and within Service offerings, which significantly contributed to the exceeded revenue performance compared to 2022 expectations.

The higher EBITDA is directly impacted by the higher revenue in 2023. Furthermore the Adj. EBITDA is also impacted by DKKK 10.841 thousand less costs in Special Items mainly due to a write-down of Russian Business in 2022, for futher information see note 6. EBITDA Normalized, is further effected by normal-izing of owner costs which is considered non-recurring after a potential change in ownership.

North America has been a focus area for FairWind, and the growth is achieved by developing closer cooperation with existing customers and adding new customers, both OEM's and developers.

Also our Service and Offshore business added to the increased revenue in the financial year with organic Service growth in our core market, and a more globally market focus for our Offshore business.

By diversifying our revenue streams geograpraphically, we have also seen a shift in operating income, with a slightly lower contribution margin for our Installation business, and significant higher contribution margin for our Service business.

During the financial year, we have as part of our long term strategy, restructured the organisation in several areas of the business, which added cost of DKK 11.698 thousand, grouped as Special Items.

**-28.432**

Total profit for the year **DKK**.
(2022: -23.384 thousand)

**25.296**

Impact by Special Items **DKK**.
(2022: 36.137 thousand)

**285.267**

Total equity for the year **DKK**.
(2022: 321.248 thousand)

**94.573**

Normalized EBITDA **DKK**.
(2022: 81.316 thousand)

Furthermore the result for the financial year is significantly impacted by a settlement for the bereaved family, due to an incident back in 2021 in the US, which added costs of DKK 6.155 thousand, grouped as Special Items.

The positive financial performance in operating profit is further substantiated as the market still has shown challenges with delays to projects that were planned throughout the year and the high inflation rates seen across the globe. Furthermore, considerable investments 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, operationally, and geographically, such as in Software, regionalisation and organisation.

In the Financial year FairWind managed to improve our cash situation, by reducing our Contract Assets by 43% and at the same time keep our Trade Receivables at same level despite the growth in revenue.

In the final quarter of the year, FairWind also 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. By utilizing the regional strength of Wind1000, combined with the structured approach and support capabilities of FairWind, the combined business will become more competitive and better equipped to meet the needs of customers across Southern Europe and South America. The work to secure the acquisition of Wind1000 has not been without cost, though the Management is satisfied that FairWind has been able to carry out this acquisition process without negatively impacting ongoing operations and still secure positive financial performance. Financing of the acquisition is carried out by a mix of reinvesting from Wind1000 management, bond tap in Force Bidco A/S (5 mio. EUR) obtained in 2023, an equity injection from FairWind's current shareholders and a loan from Jyske Bank.

To mitigate the impacts from increased inflation, FairWind has proactively engaged with customers in finding solutions to solve challenges that has raised as part of this. The outcome of these customer engagements has been positive, and FairWind has been able to further secure the foundation for future financial performance with adaptions to our commercial terms towards our customers on a global scale.
Finally, 2023 was a year where significant organizational adaptions occurred. In February, a new CFO was onboarded in the form of Sisse Mai, while CEO Stewart Mitchell joined the company in August. In September, Chief People Officer Laura Lee joined the business to further strengthen the business and secure the operational foundation for growth though in the form of a global workforce that expected to grow in the future as activities will expand across our regions.

Overall, 2023 proved itself to be a tough year as the organization has been heavily engaged in securing the foundation for future growth, while at the same time delivering satisfactory financial performance and mitigating the outcome of the increased global inflation. And as it has been proved in previous years, the flexible FairWind business model once again stood its test and proved that it not only provides benefits and solutions for growing the business, but also provides the ability to navigate and adapt to challenging markets and unforeseen issues.

### Human Resources

In 2023, the primary focus of Human Resources remains the delivery of full-scale project management and execution through skilled and proficient wind turbine technicians.

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 2023, 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

With improved pipeline visibility compared to last year, combined with a strong order backlog (see note 4), we expect organic revenue growth in the range of 15-20% in 2024 and EBITDA margin levels in the same range as 2023. Furthermore the acquisition of Wind1000 expects to create revenue in the range of DKK 250 - 300 millions.

The guidance for 2024 including EBITDA margin is reflecting the current market situation.

# Financial Risks

## General business risks

The Group is not exposed to specific risks which are not common for the type of business activities performed by the Group except for currency risks mentioned to the right.

## Liquidity risks

The Group's revolver is currently valid until March 31, 2026, and the bond redemption date is July 5, 2026. It is considered sufficient for the activities of the Group.

## Interest risks

The Group's financing is based on a combination of bonds and bank borrowings (revolver) both with a floating rate. The bonds are with a margin on top of the EURIBOR (3 months) reference rate, and the revolver is with a margin on top of the CIBOR for DKK (3 months) reference rate.
See note 23 for elaboration.

## Currency risks

The Group has activities in a variety of countries around the world. Some countries have volatile currencies, which expose the Group to currency risks due to increase or decrease in local currencies compared to DKK. The Group attempts to minimize the risk by creating natural hedges between the currency of the revenue and the currencies of the underlying cost. In general the currency development has been unfavourable in 2023, which has resulted in exchange adjustment of equity in the amount of DKK 7.549 thousand.

# 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 well-being, 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 .

> We believe that a sustainable energy sector is essential for a better future for all.

# FairWind Business Model


## 01

FairWind was established in 2008 and has grown to become a leading provider of one-stop solutions for the installation and service of onshore and offshore wind turbines throughout the world. FairWind has a regional setup and covers the world from 5 regions.

## 02

FairWind primarily serves the largest OEM manufacturers in the wind industry, but we also have the capability to support developers and end customers. Our top priorities are safety, quality, and timely delivery, ensuring that we provide the best possible service to all of our customers.

## 03

FairWind is a major global educator of new wind industry technicians. We invest in people by providing comprehensive training to inexperienced individuals, both for our own operations and for the wider industry.

## 04

At FairWind, we invest in people. We treasure our employees and partners, which is why we invest in their personal and professional growth. We invest in the education of technicians so we and the industry can continue to rely on the all-important expertise of well- educated employees.

## 05

FairWind employs a global go-to-market strategy, engaging in high-level dialogue with our customers to set our strategy. In each of our regions, we have a dedicated sales and operational setup to create local relationships and provide precise, efficient support to our customers.

## 06

FairWind offers comprehensive operational solutions, from project management to installation and service for onshore and offshore projects. Our services include management of crane work for installations, as well as transport for smaller projects. For service work, we provide solutions for repowering, decommissioning, and other maintenance needs.

## 07

At FairWind, we prioritize high competencies in our workforce and effective project management to create value for our customers. We offer a range of services, from smaller service tasks to major installation projects, including full installation and crane work across multiple turbines. By leveraging our experience, we engage in ongoing dialogue and collaboration with our customers to help them improve their technology and maintain a strong relationship based on mutual benefit.

# Sustainability Embedded in our DNA

Ever since FairWind started operations, sustainability has been a priority and something that we wish to maintain and develop. We recognize our responsibility as an international Group with worldwide operations.

**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 2023, 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 $CO_2$ 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 $CO_2$ emissions, we are prioritizing decarbonization and placing a strategic emphasis on incorporation 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

Emission Reduction Goals:

- 50% reduction target by 2030
- Achieve net-zero emissions by 2050

**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.

Through our main operation of installing wind turbines, this year (2023) we can proudly share that FairWind has been involved in the installation of 3.2 GW and 704,043 service hours and hence is one of the key players working towards green transformation.

We are strategically shifting our focus towards service, with a primary emphasis on maintenance operations. Our service operations are undergoing regionalization, aligning with our broader strategy of decentralizing operations to improve efficiency and adaptability to local market dynamics. The increase in service hours from approximately 425,000 in 2022 to over 700,000 in 2023 reaffirms our progress and demonstrates the success of our strategic adjustments.

# Taxonomy

**The EU Taxonomy for sustainable activities is a classification system that was developed by the European Union to identify economic activities that have a significant positive impact on the environment. This system was created to promote sustainable development and help investors and businesses identify environmentally sustainable investments.**

Under Article 8(1) of the Taxonomy regulation (EU) 2020/852, companies that are required to publish non-financial information under the Non-Financial Reporting Directive (NFRD) are mandated to disclose information to the public about the extent to which their activities are associated with environmentally sustainable economic activities.

For the 2023 reporting year, FairWind evaluated its EU Taxonomy- eligible and -aligned activities for the environmental objectives of climate change mitigation and climate change adaptation, resulting in the disclosure of the proportion of EU Taxonomy-eligible and -aligned revenue, CAPEX and OPEX included in this report.

## The Process for Taxonomy Assessment

To identify and address the sum of taxonomy eligible and taxonomy aligned activities, FairWind has taken a four-step approach towards the taxonomy reporting of economic activities set by the Taxonomy Regulation as seen on the right.

## Taxonomy KPI's

Key performing indicators (KPIs) include turnover, CapEx and OpEx. Our accounting policies for these calculations are based on our best interpretation of the EU Taxonomy Regulation and delegated acts and the currently available guidelines from the European Commission.

FairWind has assessed its taxonomy reporting for 2023 and is pleased to report its consolidated KPIs as below

| | Turnover | CapEx | OpEx |
|---|---|---|---|
| Alignment | 99,4% | 34,7% | 94,2% |
| Eligible | 0,6% | 48,4% | 5,7% |
| Non-eligible | | 16,9% | 0,1% |

For additional information regarding calculations, accounting policies and the assessment, please see Appendix 1.

Step 1

Screening of Activities

Step 2

Assessment of Eligibility

Step 3

Assessment of Alignment

Step 4

Assessment of Minimum Social Safeguards

# Taxonomy KPIs

# Proportion of revenue from products or services associated with taxonomy aligned economic activities, disclosure covering year 2023.

| ECONOMIC ACTIVITIES (1) | Taxonomy Codes (2) | Absolute turnover (3) | Proportion of turnover (4) | Substantial contribution criteria: Climate mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | DNSH criteria: Climate mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity | Minimum safeguards (17) | Proportion of Taxonomyaligned (A.1) or -eligeble (A.2) turnover, year 2022 (18) | Category enabling activity (19) | Category transitional activity (20) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A: TAXONOMY-ELIGIBLE ACTIVITIES** | | **DKK** | **%** | **N/EL** | **Y; N; N/EL** | **Y; N; N/EL** | **Y; N; N/EL** | **Y; N; N/EL** | **Y; N; N/EL** | **Y/N** | **Y/N** | **Y/N** | **Y/N** | **Y/N** | **Y/N** | **Y/N** | **%** | **E** | **T** |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| Installation, maintenance, and repair of renewable energy technologies | 7.6 | 1.184.334.867 | 99,4% | Y | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 99,6% | | |
| **Turnover of environmentally sustainable activities (Taxonomy aligned) (A1)** | | 1.184.334.867 | **99,4%** | **Y** | **0%** | **0%** | **0%** | **0%** | **0%** | Y | Y | Y | Y | Y | Y | Y | **99,6%** | | |
| Of which enabling | | 1.184.334.867 | 99,4% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | **99,6%** | | |
| Of which transitional | | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | | | | |
| A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxynomy-aligned activities) | | | | El; N/ EL | El; N/ EL | El; N/ EL | El; N/ EL | El; N/ EL | El; N/ EL | | | | | | | | | | |
| Education | 11 | 7.581.544 | 0,6% | **N/EL** | EL | | | | | | | | | | | | 0,4% | | |
| **Turnover of Taxonomy-eligible activities (not Taxonomy-aligned activities) (A2)** | | 7.581.544 | **0,6%** | **N/EL** | **EL** | **N/ EL** | **N/ EL** | **N/ EL** | **N/ EL** | | | | | | | | 0,4% | | |
| **Turnover of Taxonomy-eligble actiities (A1 + A2)** | | **1.191.916.411** | **100,0%** | 100% | | | | | | | | | | | | | **100%** | | |
| **Turnover of Taxonomy-non-eligble activities (B)** | | **0** | **0%** | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **1.191.916.411** | **100,0%** | | | | | | | | | | | | | | | | |

# Proportion of OpEx from products or services associated with taxonomy aligned economic activities, disclosure covering year 2023.

| | | | | Substantial contribution criteria | | | | | | DNSH criteria | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ECONOMIC ACTIVITIES (1)** | Taxonomy Codes (2) | Absolute turnover (3) | Proportion of turnover (4) | Climate mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Climate mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity | Minimum safeguards (17) | Proportion of Taxonomyaligned (A.1) or -eligeble (A.2) turnover, year 2022 (18) | Category enabling activity (19) | Category transitional activity (20) |
| **A: TAXONOMY-ELIGIBLE ACTIVITIES** | | **DKK** | **%** | **N/EL** | **Y; N; N/EL** | **Y; N; N/EL** | **Y; N; N/EL** | **Y; N; N/EL** | **Y; N; N/EL** | **Y/N** | **Y/N** | **Y/N** | **Y/N** | **Y/N** | **Y/N** | **Y/N** | **%** | **E** | **T** |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| Installation, maintenance, and repair of renewable energy technologies | 7.6 | 16.513.406 | 94,2% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | 91,6% | E | |
| **OpEx of environmentally sustainable activities (Taxonomy aligned) (A.1)** | | 16.513.406 | 94,2% | **Y** | **N/EL** | **N/EL** | **N/EL** | **N/EL** | **N/EL** | Y | Y | Y | Y | Y | Y | Y | **91,6%** | **E** | |
| Of which enabling | | 16.513.406 | 94,2% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | **99,6%** | **E** | |
| Of which transitional | | | 0 | 0% | | | | | | Y | Y | Y | Y | Y | Y | Y | | | |
| A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxynomy-aligned activities) | | | | El; N/EL | El; N/EL | El; N/EL | El; N/EL | El; N/EL | El; N/EL | | | | | | | | | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | 6.5 | 1.002.636 | 5,7% | **N/EL** | EL | | | | | | | | | | | | 7,8% | | |
| **OpEx of Taxonomy-eligible but not enviromentaally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | 1.002.636 | **5,7%** | **N/EL** | **EL** | **N/EL** | **N/EL** | **N/EL** | **N/EL** | | | | | | | | 7,8% | | |
| **A: OpEx of Taxonomi-eligble activities (A1 + A2)** | | **17.516.041** | **99,9%** | 100% | | | | | | | | | | | | | **99,4%** | | |
| **B: TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **OpEx of Taxonomy-non-eligble activities** | | 14.267 | **0,1%** | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **17.530.308** | **100,0%** | | | | | | | | | | | | | | | | |

# Proportion of CapEx from products or services associated with taxonomy aligned economic activities, disclosure covering year 2023.

| | | | | Substantial contribution criteria | | | | | | DNSH criteria | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ECONOMIC ACTIVITIES (1)** | Taxonomy Codes (2) | Absolute turnover (3) | Proportion of turnover (4) | Climate mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Climate mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity | Minimum safeguards (17) | Proportion of Taxonomyaligned (A.1) or -eligeble (A.2) turnover, year 2022 (18) | Category enabling activity (19) | Category transitional activity (20) |
| **A: TAXONOMY-ELIGIBLE ACTIVITIES** | | **DKK** | **%** | **N/EL** | **Y; N; N/EL** | **Y; N; N/EL** | **Y; N; N/EL** | **Y; N; N/EL** | **Y; N; N/EL** | **Y/N** | **Y/N** | **Y/N** | **Y/N** | **Y/N** | **Y/N** | **Y/N** | **%** | **E** | **T** |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| Installation, maintenance, and repair of renewable energy technologies | 7.6 | 26.470.614 | 34,7% | Y | N/ EL | N/ EL | N/ EL | N/ EL | N/ EL | Y | Y | Y | Y | Y | Y | Y | 45,8% | E | |
| **CapEx of environmentally sustainable activities (Taxonomy aligned) (A.1)** | | 26.470.614 | 34,7% | **Y** | **N/ EL** | **N/ EL** | **N/ EL** | **N/ EL** | **N/ EL** | Y | Y | Y | Y | Y | Y | Y | 45,8% | **E** | |
| Of which enabling | | 26.470.614 | 34,7% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 45,8% | **E** | |
| Of which transitional | | | 0 | 0% | | | | | | Y | Y | Y | Y | Y | Y | Y | | | |
| A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxynomy-aligned activities) | 11 | 34.232.145 | 44,9% | El; N/ EL | El; N/ EL | El; N/ EL | El; N/ EL | El; N/ EL | El; N/ EL | | | | | | | | 46,3% | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | 6.5 | 2.676.861 | 3,5% | **N/EL** | EL | | | | | | | | | | | | 1,5% | | |
| **CapEx of Taxonomy-eligible but not enviromentaally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | 36.909.006 | **48,4%** | **N/EL** | **EL** | **N/ EL** | **N/ EL** | **N/ EL** | **N/ EL** | | | | | | | | 47,8% | | |
| **A: CapEx of Taxonomi-eligble activities (A1 + A2)** | | **63.379.620** | **83,1%** | 100% | | | | | | | | | | | | | **93,6%** | | |
| **B: TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **CapEx of Taxonomy-non-eligble activities** | | 12.861.954 | **16,9%** | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **76.241.574** | **100,0%** | | | | | | | | | | | | | | | | |

# 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 working well.

The Board of Directors consists of six members. The principal shareholder Triton Partners has appointed Per Olof Martin Frankling, Nils Henrik Tholander, and Karin Ingrid Amanda Möllborg. 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 hold other executive positions as described on the following page:

### Mike Winkel, Chairman
Elected in September 2021

- Member of the Board of Directors at DeepOcean Group Holding A/S
- Member of the Board of Directors at Obton Group Holding A/S
- Member of the Board of Directors at SMS PLC.
- Member of the Supervisory Board of DTEK Renewables International B.V.
- Managing Director, MiSo Consulting S.L, Anyos. 50% Ownership

### Per Olof Martin Frankling, Board Member
Elected in September 2021

- Investment Professional at Triton Partners
- Member of the Board of Directors at GEIA FOOD A/S
- 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 and subsidiaries
- Member of the Board of Directors at Norstat AS
- Member of the Board of Directors at Neptune Software AS
- Member of the Board of Directors at the Swedish Private Equity & Venture Capital Association

### Nils Henrik Tholander, Board Member
Elected in September 2021

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

### Karin Ingrid Amanda Möllborg, Board Member
Elected in January 2023

- Investment Professional at Triton Partners

### Helene Anna Rasmusson Egebøl, Board Member
Elected in March 2022

- Member of the Board of Directors at Glamox AS
- Member of the Board of Directors at Moove Group A/S
- CEO at Helene Invest ApS
- Group COO at Sun European Partners, LLP

### Wolfgang Müller, Board Member
Elected in March 2022

- Corporate Officer, Hitachi Ltd.
- Senior Vice President, Hitachi Ltd.

**Triton Partners**

The principal shareholder Triton Partners has appointed Per Olof Martin Frankling, Niels Henrik Tholander, and Karin Ingrid Amanda Möllborg. The remaining three members of the board of directors are independent.

# Stewart Mitchell

Stewart Andrew Alan Mitchell became Chief Executive Officer of the FairWind Group in August 2023. Before his employment in the Company Mr. Mitchell held the position as CEO of Sparrows Group, a global provider of specialist equipment and integrated engineering services to the energy and industrial sector. Mr. Mitchell holds a B.Eng in Mechanical Engineering from the University of Brighton.

### Financial Reporting and Control Environment

The Board of Directors and executive board set out general requirements for business processes and internal controls. A number of policies are defined by the executive board and approved by the Board of Directors. The overall operational responsibility for risk management and internal controls relating to financial reporting rests with the executive board. The Audit Committee appointed by the Board of Directors assesses at regular intervals Force Bidco's overall organizational structure and organization and the staffing of the functions that are important to internal controls and risk management.

In collaboration with the local management of the individual subsidiaries, the executive board assesses whether the Group has an appropriate and effective control environment. The executive board reports regularly to the Board of Directors on the development of Force Bidco's operations, the company's financial performance and risk position.

Force Bidco's central finance function is responsible for risk management and internal controls relating to financial reporting. The Group finance function prepares Group accounting policies and instructions and ensures that the company has permanent procedures in place for the preparation of financial statements, including an assessment of new accounting regulation and the presentation of the financial reporting to Fore Bidco's stakeholders.

The Board of Directors and executive board receive monthly reports with detailed financial follow-up. All contracts with customers are reviewed on a monthly basis on project meetings by project managers and local management. Deviations to expectations on the contracts are reviewed and approved by the executive board.

# 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. Emphasizing 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/policies/

### Target & 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.

### 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 to 2024, 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.

Improvements have also been made in 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.

# Safety Culture

At FairWind, a robust safety culture is considered fundamental to all operations. Prioritizing the well-being of every employee, emphasis is placed on creating an environment where safety is embedded in every aspect of work. Oversight of safety initiatives is conducted by the dedicated FairWind HSE department, with transparent communication maintained with customers to ensure alignment with safety standards.

# Safety Culture

### Target & Results

For 2023 key measures were defined:

- For 2023 FairWind had a target of 0 fatal accidents.
- Lost time injury frequency at max 3.1 measured per 1,000,000 working hours.
- Total injury frequency at max 6.0 measured per 1,000,000 woking hours.
- Minimum 1 health & safety campaign per quarter.
- Minimum 4 safety walks per Manager in average.
- Internal HSE awareness training for site management (min. 30%).
- BLS/AED training for office staff (min. 10%).
- Health and Safety penalties from authorities for major noncompliance = 0.

### Achieving the Target & Future Ambitions

The primary concern regarding social and employee-related issues centres on work-related accidents. Dedicated efforts in tracking and reporting these incidents are conducted by the Quality, Health, Safety, and Environment (QHSE) and Human Resources (HR) departments. This data serves as a vital component of the FairWind company dashboard, regularly presented at management meetings.

In 2023, the target of 0 fatal accidents was achieved, reflecting the constant commitment to safety. Looking ahead, dedication persists to ensure and further enhance safety measures and cultivate a workplace environment where every employee feels secure and valued.

During 2023, FairWind counted 8 work related incidents which resulted in a Lost Time Injury frequency of 2.9 and within the target of 3.1.
The company did not reach the target of 6.0 Total Recordable Injury rate and faced 23 accidents in total, which resulted in a TRIR of 8.3. Each accident underwent thorough investigation, followed by root cause analysis, and the implementation of corrective and preventive measures on-site. Furthermore, as part of a global safety precaution initiative, campaigns such as the Slip/Trip/Fall Safety Campaign and Hand Protection Safety Campaign were distributed.
In addition to these measures, this year FW is introducing an HSE Induction program as an educational initiative. This program aims to enhance awareness of specific safety concerns, including Complacency & Awareness, Dropped Object Hazards, and Behavioral Programs.

During 2023 we conducted 12 QHSE campaigns and therefore met our target of 4 campaigns throughout the year. FairWind launched several Safety Campaigns during 2023 such as:

- Stop the Drop campaign modules
- HSE Hero 2023
- Hand protection campaign modules
- HSE Incident Management
- HSEQ Report Training
- LOTO: Lock out - Tag out Refresher
- Environmental sustainability Information
- Slips, Trips and Falls – HSE campaign refresher.

With 3,5 we did not achieve the target of 4 Safety Walks per manager but hit the target of 10% trained office staff in BLS/AED and provided 13% of employees with the training in 2023.
For 2023, 0 Health and Safety Penalties from Authorities for major noncompliance were achieved.

During the onboarding process, new employees are provided with access to all internal policies and safety procedures. The company's departments ensure that these policies and regulations are current and adhered to by all employees. With the support of the HSE organization, FairWind conducts mandatory workplace evaluations and actively seeks to enhance any areas that do not meet the required standards.

**In 2023, the HSE department increased its focus on measuring leading indicators to proactively enhance safety performance. This initiative has ensured valuable data to establish new and more ambitious targets for 2024.**

**The health and safety targets for the upcoming year are:**

- Fatal accidents at 0.
- Lost Time Injury Frequency below 0.9 measured per 1,000,000 working hours.
- Total recordable Injury Frequency below 6.0 measured per 1,000,000 working hours.
- Senior Management Safety Walks at 24.
- 6000 Reports on Safety Observations.
- Health and Safety penalties from authorities for major non- compliance = 0
- Minimum 1 health & safety campaign per quarter Minimum.
- Completed BLS/AED training for office staff in Denmark and Poland offices.
- 5 Training Module in the Introduction to our Safety Trainings Program.

Wind1000 excluded from above targets.

# Environment and Climate

The environment and climate are 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.

**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 2023 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 0.7. The result for 2023 is considered satisfactory as FairWind has managed to continue the trend of reducing the “environmental frequency rate” now to 0.4 per 100,000 project site hours (2021 = 0.3, 2022 = 0.5).

The KPI for environmental frequency rate is calculated through the following formula: [number of environmental incidents * 1.000.000 / total working hours = environmental frequency rate.
Of 10 environmental events recorded in 2023 60% 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 40% were related to poor waste disposal on site.

**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

# Environment and Climate (cont.)

- 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 environ-mental aspects are visible and can influence on employees directly)
- Developing environmental campaigns among employees
- Promoting pro-environmental behaviours.

Also, in relation to the external environment, FairWind has always adjusted working processes locally to comply with any relevant environmental legislation. The 2024 goals for the environmental area are:

- Environmental penalties from authorities = 0
- Environmental Frequency Rate ≤ 0.6
- Minimum 1 environmental campaign per year
- $CO_2$ emission from flight per hour ≤ 0.5 kg/project hour.
- Control energy consumptions for the offices with aim of its reduction within the next 2 years.

Finally, FairWind also has targets for 2024 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.

# Diversity and Gender Distribution

This report highlights the gender composition of the organization, as mandated by section 99b of the Danish Financial Statements Act.

**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, 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.

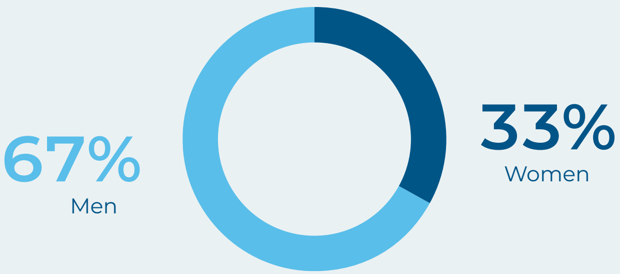
Looking at the gender composition of employees directly employed by Force Bidco A/S in 2023, there were three individuals, with a split of 33% women and 66% men. However, with only two employees directly in Force Bidco A/S in 2024, it will not be relevant to set a specific and detailed gender split target for the year. Though, it is expected that that split will be 50% men and 50% women.

However, despite not being a requirement for the reporting year 2023, we have chosen to continue providing this information regarding the overall employee groups in the company, providing additional insights and understanding to our commitment of creating a diverse and inclusive workplace for all employees in the FairWind Group. We believe this is vital to our ongoing proactive approach to compliance, and it reinforces our commitment to fostering a supportive gender composition and diversity within our company.

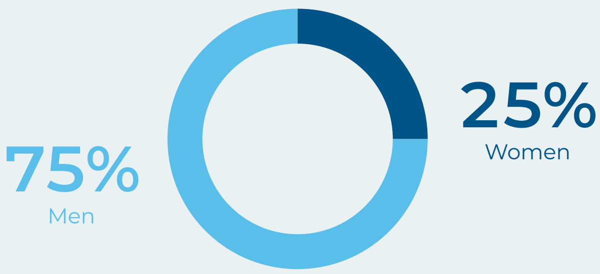
By the end of 2023 we had a Board of Directors consisting of 6 people with a split of 33% women and 67% men and have obtained an equal gender distribution as defined by Erhervsstyrelsen (Danish Business Authorities). Due to this Force Bidco A/S are exempted from setting new targets for 2024. Nonetheless, we are committed to maintaining an equal gender split.

On a Management level or the FairWind Group, a total of 9 employees report directly to the CEO, Stewart Mitchell. With a split of 6 men and 3 women, which counts for 33.3% women and 66.6% men, we consider this number to be positive and in line with the current gender split on the board level.
Since Stewart Mitchell is the only person representing the Executive level, a gender split is not relevant.

As of December 31, 2023, the representation of women among FairWind Group's office employees was 51%. This demonstrates an increase from 44% in 2022, highlighting our ongoing efforts in promoting gender diversity. It reaffirms our commitment to actively working towards implementing additional measures aimed at enhancing gender equality and opportunities for all genders within the organisation.




**Gender balance on the Board of Directors by the end of 2023.**




**Gender split of managers in the Group by the end of 2023**

# Diversity and Gender Distribution (cont.)

**Gender Distribution at Force Bidco Parent Level**

| Gender Distribution at top Management levels | 2023 | 2022 | 2021 |
|---|---|---|---|
| Total headcount top Management level | 6 | 6 | 6 |
| Underrepresented gender in % | 33% | 17% | 17% |
| Target for underrepresented gender in % | 15% | 15% | 15% |
| Year for meeting target | - | - | - |

| Gender Distribution at other Management level | 2023 | 2022 | 2021 |
|---|---|---|---|
| Total headcount top Management level | 3 | 1 | 1 |
| Underrepresented gender in % | 33% | - | - |
| Target for underrepresented gender in % | - | - | - |
| Year for meeting target | - | - | - |

# Quality Culture

**Target & Results**

FairWind's quality strategy centres on enhancing customer satisfaction and nurturing the skills and competencies of our employees. In 2023, we set the following targets to drive general quality performance:

- Ensuring 6 or fewer quality points (snags) for Onshore installations.
- Ensuring 5 or fewer quality points (snags) for Offshore installations (pre-assembly)

We are pleased to report that these targets were met, highlighting our dedication to delivering high-quality outcomes while prioritizing both customer satisfaction and the professional growth of our team members.

During 2023, we took a significant step forward in enhancing our quality, health, safety, and environmental (QHSE) culture within the organization, fostering a safer and more conscientious working environment.

# Quality Culture (cont.)

In 2023, FairWind accomplished the following mile-stones:

- Onshore installations: Achieved an AVS of 4.3, meeting the target. These results mark the highest quality performance in the last four years of data analysis.
- Offshore installations (pre-assembly): Achieved an AVS of 1.3, meeting the target despite significant project execution delays.

Positive trends persist in quality performance, with improved results compared to previous years:

- Onshore installations: AVS of 4.9 in 2021 and 5.0 in 2022.
- Offshore installations: AVS of 0.2 (attributed to very low volume) in 2021 and 3.7 in 2022.

Since establishing our customer satisfaction and loyalty survey in 2018, FairWind has consistently tracked our performance. In 2022, we maintained a satisfaction score of 4.04 (compared to 4.02 in 2020 and 4.23 in 2021) and a loyalty score of 4.07 (compared to 4.25 in 2020 and 4.43 in 2021). Please note that the 2023 survey numbers are not included in this report, but we anticipate sharing our 2024 survey results.

**Achieving the Target & Future Ambitions**

In 2023, FairWind further formalized our approach to quality management by:

- Implementing a comprehensive HSEQ reporting system
- Initiating over 1100 corrective and preventive actions (CAPA) following various audits, inspections, incidents, and meetings
- Formalizing our risk assessment process, conducting 18 assessments, and identifying 256 risks throughout the year
- Positive results from the 3 customer approval audits (Nordex – FW global processes, SGRE – FW Offshore incl. Vesterhav project, Vestas – FW Onshore incl. Viking project).
- Positive results from ISO 9001 / ISO 14001 and ISO 45001 surveillance audit - zero nonconformities raised.
- Conducting 21 internal audits to ensure compliance and efficiency of main and supporting processes within our organization.
- Achieving positive results in proactive indicator assessments, indicating a cultural shift towards greater safety awareness and commitment to improvement
- Notably increasing the reporting of quality observa-tions from construction sites.

These efforts signify a significant step forward in enhancing our quality, health, safety, and environmental (QHSE) culture within the organization, fostering a safer and more conscientious working environment.

In 2023, our Quality & IMS department took proactive measures to enhance communication with customers, focusing on improving processes. We established regular weekly meetings with customer SQD to promptly address critical quality issues and gain valuable insights into defects, ensuring swift and effective responses.

Each Non-Conformance Report (NCR) undergoes thorough analysis by our Quality Team and responsible Site Management. We conduct comprehensive Root Cause Analysis (RCA) and implement related actions to mitigate the impact of raised complaints, ensuring continuous improvement and customer satisfaction.

Continuing the improvement process, FairWind has established targets for new measures as we move into 2024. These include:

- Maintaining an average number of snagging for Onshore projects below 5, with varying client targets between 5 and 9
- Keeping the average number of snagging for Offshore projects below 5
- Ensuring customer satisfaction scores reach 4.1 or above
- Conducting a minimum of 2 supplier audits during the year
- Achieving positive qualifications from Customer Approval Audits.
- Reporting a minimum of 1000 Quality Observations.

These targets reflect our commitment to excellence and continuous improvement in delivering high-quality services to our clients.

# Charity & Social Events

FairWind's commitment to charitable initiatives continued in 2023. 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 2023, 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 2023, 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.

The environment and climate are 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.

# 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 handled responsibly and ethically at all times. 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.

FairWind's handling of data is always defined and available on our website: https://fairwind.com/wp-content/uploads/2024/04/Data_Ethics_Policy.pdf

# Event after the Balance Sheet Date

From the statement of financial position date and until today, the acquisition of Wind1000 is completed per 26th of March 2024. See note 15 for further information.

No further matters, which would influence the evaluation of the Annual Report has occurred.

# Consolidated Financial Statements

# Income Statement DKK

| DKK'000 | Note | 2023 | 2022 |
|---|---|---|---|
| Revenue | 4 | **1.191.916** | 1.021.078 |
| Operating Costs | 5 | **-1.101.395** | -940.766 |
| **Operating profit/(loss) before depreciation and amortisation (EBITDA) before special items** | | **90.521** | 80.312 |
| Special items | 6 | **-25.296** | -36.137 |
| **Operating profit/(loss) before depreciation and amortisation (EBITDA) after special items** | | **65.226** | 44.175 |
| | | | |
| Depreciation and amortisation | 7 | **-32.872** | -27.984 |
| **Operating profit/(loss) (EBIT)** | | **32.354** | 16.191 |
| | | | |
| Financial income | 8 | **15.058** | 7.581 |
| Financial expenses | 9 | **-63.094** | -37.619 |
| Profit before tax | | **-15.682** | -13.847 |
| | | | |
| | | | |
| Tax for the year | 10 | **-12.750** | -4.327 |
| **Result for the year** | | **-28.432** | -18.174 |
| | | | |
| Attributable to: | | | |
| Shareholders of Force Bidco A/S | | **-28.432** | -18.174 |

# Statement of Comprehensive income DKK

| DKK'000 | 2023 | 2022 |
|---|---|---|
| **Result for the year** | **-28.432** | -18.174 |
| | | |
| **Other comprehensive income** | | |
| **Other comprehensive income to be reclassified to profit or loss in subsequent periods:** | | |
| Exchange differences on translation of foreing operations | **-7.549** | -3.142 |
| | | |
| **Total comprehensive income/loss** | **-35.981** | -21.316 |
| | | |
| **Attributable to:** | | |
| **Shareholders of Force Bidco A/S** | **-35.981** | -21.316 |

# Balance
## DKK

| DKK'000 | | | |
|---|---|---|---|
| **Assets** | **Note** | **31/12-2023** | **31/12-2022** |
| Goodwill | 11, 12 | **414.372** | 414.372 |
| Trade name | 11 | **98.000** | 98.000 |
| Property, plant and equipment | 13 | **42.627** | 36.117 |
| Right-of-use assets | 14 | **17.621** | 15.347 |
| Deposits | | **3.550** | 2.245 |
| Deferred tax assets | 10 | **16.772** | 26.674 |
| **Total non-current assets** | | **592.942** | **592.754** |
| | | | |
| Inventories | 16 | **2.474** | 3.215 |
| Trade receivables | 17 | **222.884** | 213.386 |
| Contract assets | 18 | **88.283** | 156.103 |
| Other receivables | | **19.092** | 16.662 |
| Prepayments | | **23.893** | 19.281 |
| Cash* | | **128.545** | 48.533 |
| **Total current assets** | | **485.171** | 457.180 |
| | | | |
| **Total assets** | | **1.078.113** | 1.049.934 |

* Includes Trapped Cash for 2023 DKK 68.952 thousand (2022: 21.451) in Ukraine (DKK 30.580 thousand), Kazakhstan (DKK 1.130 thousand) and Morocco (DKK 37.242 thousand). The Trapped Cash in Morocco has been released after closing of the year.

# Balance DKK

| DKK'000 | | | |
|---|---|---|---|
| **Equity and liabilities** | **Note** | **31/12-2023** | **31/12-2022** |
| Share Capital | 20 | **400** | 400 |
| Share premium | | **366.000** | 366.000 |
| Foreign currency translation reserve | | **-16.514** | -8.965 |
| Retained earnings | | **-64.619** | -36.187 |
| **Total equity** | | **285.267** | **321.248** |
| | | | |
| Deferred tax | 10 | **8.323** | 26.605 |
| Interest-bearing liabilities | 22 | **399.688** | 361.099 |
| Lease liabilities | 14 | **12.279** | 6.300 |
| **Total non-current liabilities** | | **420.289** | **394.004** |
| | | | |
| Interest-bearing liabilities | 22 | **147.992** | 146.206 |
| Payable to group enterprises | | **0** | 150 |
| Contract liabilities | 18 | **14.479** | 11.347 |
| Lease liabilities | 14 | **6.379** | 9.850 |
| Trade payables | | **130.873** | 136.188 |
| Current tax liability | 10 | **9.140** | 2.743 |
| Other payables, interest and employee liabilities | | **63.694** | 28.197 |
| **Total current liabilities** | | **372.556** | **334.681** |
| **Total liabilities** | | **792.845** | **728.685** |
| | | | |
| **Total equity and liabilities** | | **1.078.113** | **1.049.934** |

# Statement of changes in equity DKK

| DKK'000 | Share capital | Share Premium | Foreign currency translation reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|
| Equity at 1 January 2022 | 400 | 366.000 | -5.823 | -18.013 | **342.564** |
| Result for the year | | | | -18.174 | **-18.174** |
| | | | | | |
| Other comprehensive income | | | | | |
| Exchange differences on translation of foreign operations | 0 | 0 | -3.142 | 0 | **-3.142** |
| Total comprehensive income 31. December 2022 | 0 | 0 | -3.142 | -18.174 | **-21.316** |
| | | | | | |
| **Equity at 31 December 2022** | **400** | **366.000** | **-8.965** | **-36.187** | **321.248** |
| | | | | | |
| | | | | | |
| Equity at 1 January 2023 | 400 | 366.000 | -8.965 | -36.187 | **321.248** |
| Result for the year | 0 | 0 | 0 | -28.432 | **-28.432** |
| | | | | | |
| Other comprehensive income | | | | | |
| Exchange differences on translation of foreign operations | 0 | 0 | -7.549 | 0 | **-7.549** |
| Total comprehensive income 31. December 2023 | 0 | 0 | -7.549 | -28.432 | **-35.981** |
| | | | | | |
| **Equity at 31 December 2023** | **400** | **366.000** | **-16.514** | **-64.619** | **285.267** |

# Cash flow statement DKK

| DKK'000 | Note | 2023 | 2022 |
|---|---|---|---|
| **Operating activities** | | | |
| Operating profit/loss | | **32.354** | 16.191 |
| Depreciation amortisation and impairment losses | | **32.872** | 27.984 |
| Change in working capital | 19 | **95.250** | -91.504 |
| Financial income received | | **4.333** | 820 |
| Financial expenses paid | | **-62.741** | -34.125 |
| Realised currency effect Impact | | **-1.751** | -14.928 |
| Income taxes refunded/(paid) | | **-19.488** | -7.475 |
| **Cash flow from operating activities** | | **80.829** | -103.037 |
| | | | |
| **Investment activities** | | | |
| Investment in property, plant and equipment | 13 | **-32.160** | -31.341 |
| Disposal of property, plant and equipment | | **1.064** | 2.239 |
| **Cash flow from investing activities** | | **-31.096** | -29.102 |
| | | | |
| **Financing activities** | | | |
| Proceeds of long-term liabilities | 22 | **37.265** | 0 |
| Cash flows from drawn facilities | 22 | **1.786** | 110.972 |
| Repayment leasing | 22 | **-7.310** | -6.662 |
| **Cash flow from financing activities** | | **31.740** | 104.310 |
| | | | |
| **Change in cash and cash equivalents** | | **81.473** | -27.829 |
| | | | |
| | | | |
| Opening cash and cash equivalents | | **48.533** | 80.284 |
| Currency adjustment of opening cash and cash equivalents | | **-1.462** | -3.922 |
| Change in cash and cash equivalents for the year | | **81.473** | -27.829 |
| **Cash 31 December** | | **128.545** | 48.533 |

The Group has unused credit facilities per 2023 amounting to 181 mDKK (2022 = 52 mDKK).
Trapped cash amounts to 69 mDKK (2022 = 21 mDKK).

# Notes



Note 1.

# Accounting Policies

The Group's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional Danish disclosure requirements for the financial statements of reporting class C (Large) enterprises, cf. the Danish Executive Order on Adoption of IFRSs ("IFRS-bekendtgørelsen") issued in accordance with the Danish Financial Statements Act ("DFSA").

The Group presents certain financial measures in the consolidated financial statements that are not defined under IFRS. It is Management's belief that these measures provide valuable supplemental information to investors and the Group's management, as they allow for an evaluation of trends and the Group's performance.

Since such financial measures are not calculated in the same way by all companies they are not always comparable to measures used by other companies. These financial measures should therefore not be considered to be a replacement for measurements as defined under IFRS. We refer to section "Definition of Key figures and ratios" for a definition of the above mentioned financial measures.

**Basis of Preparation**

The financial statements are presented in Danish kroner (DKK). All amounts have been rounded to the nearest DKK thousand, unless otherwise indicated.

The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention, except where IFRS explicitly requires use of other values.

For the purpose of clarity, the financial statements and the notes to the financial statements are prepared using the concepts of materiality and relevance. This means that line items not considered material in terms of quantitative and qualitative measures or relevant to financial statement users are aggregated and presented together with other items in the financial statements. Similarly, information not considered material is not presented in the notes.

The accounting policies, except as described below, have been applied consistently during the financial year.

**Basis of Consolidation**

The Consolidated Financial Statements comprise the Financial Statements of Force Bidco A/S (the Parent Company) and subsidiaries which are entities controlled by Force Bidco A/S. The Group controls an entity when it directly or indirectly owns more than 50% of the voting rights or may otherwise exercise a controlling influence.

**Principles of Consolidation**

The Consolidated Financial Statements are prepared on the basis of the financial statements of the Parent Company and its subsidiaries. The Consolidated Financial Statements are prepared by combining items of a uniform nature and subsequently eliminating intercompany transactions, internal shareholdings and balances and unrealized intercompany gains or losses. The financial statements used for

# Note 1. Accounting Policies (cont.)

consolidation are prepared in accordance with the Group's accounting policies.

The line items of subsidiaries are recognized 100% in the Consolidated Financial Statements. Investments in subsidiaries are offset by the interest's share of subsidiaries' net assets at the acquisition date at fair value.

### Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit/(loss) as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit/(loss) as a bargain purchase gain.

### Foreign Currency Translation

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange rate adjustments arising between the transaction date and at the date of payment are recognized in the statement of profit or loss in financial income or financial expenses.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date of transaction or the exchange rate in the latest financial statements is recognized in the statement of profit or loss in financial income or financial expenses.

### Cash Flow Statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities for the year as well as the Group's cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are calculated based on operating profit/loss, adjusted for the cash flow effect of non-cash operating items, working capital changes, financial expenses paid and income tax paid.

Cash flows from investing activities comprise payments in connection with the acquisition and sale of non-current intangible assets, property, plant and equipment, and financial assets.

Cash flows from financing activities comprise payments arising from changes in the size or composition of the Group's share capital and dividend paid as well as proceeds from and repayments of debt and lease liabilities. Cash and cash equivalents comprise cash at bank and in hand.

# Note 1. Accounting Policies (cont.)

### Statement of Profit or Loss Revenue
Revenue comprises sale of mainly Installation and Services within the wind turbine industry (both on-shore and off-shore projects). The following is a description of the principal activities from which FairWind Group generates its revenue.

### Installation (Revenue recognized over time)
Revenue from sale of installation is recognized over time based on the contract conditions, which state that FairWind Group creates or enhances an asset that the client controls as it is created or enhanced. Typically an installation contract include more than one installation, where the payment typically is due in line with each Milestone achievement.

The transfer of control and recognition of revenue are determined using input methods based on actual progress for the contracts, as these methods are considered to best depict the continuous transfer of control. The selling price is measured by reference to the total expected income from each contract and the stage of completion at the reporting date.

### Service (Revenue recognized over time)
Revenue from service sales, comprising services and maintenance agreements where the client is receiving and consuming the benefits of the entity's performance as the entity performs, and are recognized over the term of the agreement as the services are provided.

### Transaction Price
The transaction price for sale of installation and service normally includes a fixed consideration. The transaction price for service contracts includes a fixed consideration and often a variable consideration.

### Operating Cost
Operating cost consist of the following operational cost incurred as part of the Group's core activities.

### Project Costs
Project costs, including warranty costs, comprise the costs incurred to achieve revenue for the year. Other expenses directly related to the sales, such as materials, tools, transport and subcontractors.

### Staff Costs
Staff costs consist of salaries, bonuses, pensions and social costs, vacation pay, and other benefits. Salaries, bonuses, pensions and social costs, vacation pay, and other benefits are recognized in the year in which the associated services are rendered by the employees. The Group has entered into retirement benefit schemes and similar agreements with employees. Contribu-

# Note 1. Accounting Policies (cont.)

tions to defined contribution plans are recognized in the statement of profit or loss in the period to which they relate and any contributions outstanding are recognized in the statement of financial position as other liabilities.

### Other External Costs

Other external costs include the period's expenses relating to the Group's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, low-value and short-term leases, etc.

### Special Items

Special items include significant income and expenses of a special nature in terms of the Group's revenue-generating operating activities that cannot be attributed directly to the Group's ordinary operating activities. Such as income and expenses including transaction costs in a business combination.

### Financial Income and Financial Expenses

Financial income and expenses include interest income, interest expense, amortization of borrowing costs and realized and unrealized exchange gains and losses.

### Tax

Tax on the profit or loss for the year comprises the year's current tax and changes in deferred tax. The tax expense relating to the profit or loss for the year is recognized in the statement of profit or loss, and the tax expense relating to items recognized in other comprehensive income and directly in equity, respectively, is recognized in other comprehensive income or directly in equity. Exchange rate adjustments of deferred tax are recognized as part of the adjustment of deferred tax for the year.

Current tax payable and receivable is recognized in the statement of financial position as the expected tax on the taxable income for the year, adjusted for tax paid on account. The current tax charge for the year is calculated based on the tax rates and rules enacted at the statement of financial position date.

Deferred tax is calculated using the liability method on all temporary differences between the accounting and taxable values of assets and liabilities.

Deferred tax assets are assessed yearly and only recognized to the extent that it is more likely than not that they can be utilized. Deferred tax assets, including the tax value of tax losses carried forward, are recognized as other non-current assets and measured at the amount at which they are expected to be realized, either by setting off deferred tax liabilities or by setting off tax on future earnings within the same legal entity or a jointly taxed entity.

Future taxable income is assessed based on budgets as well as Management's expectations regarding growth and operating margin in the coming years.

The Group is included in national joint taxation with its Parent Company, Force Bidco A/S and other Danish group entities. The tax charge for the year is allocated between the Danish jointly taxed companies in proportion to their taxable income, taking into account taxes paid.

Deferred tax is measured based on the tax legislation and statutory tax rates in the respective countries that will apply under the legislation in force on the statement of financial position date when the deferred tax asset is expected to crystallize as current tax. Changes in deferred tax resulting from changes in tax rates are recognized in the statement of profit or loss.

The Group recognizes deferred tax assets relating to losses carried forward when Management finds that these can be offset against taxable income in the foreseeable future. An assessment is made taking into consideration the effect of restrictions in utilization in local tax legislation.

# Note 1. Accounting Policies (cont.)

### Balance sheet – Goodwill

Goodwill arising on the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment of goodwill is recognized directly in profit/(loss). An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit/(loss) on disposal.

### Other Intangible Assets

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to deter-mine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

# Note 1. Accounting Policies (cont.)

### Property, Plant and Equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment and are measured at cost less accumulated depreciation and accumulated impairment losses. Other fixtures and fittings, tools and equipment are depreciated on a straight-line basis over the expected useful lives of the assets, which are as follows:

- Other fixtures and fittings, tools and equipment – 2-4 years
- Property, plant and equipment are tested for impairment if indications of impairment exist.
- Property, plant and equipment are written down to their recoverable amount, if the carrying amount exceeds the higher of the fair value less costs to sell and the value in use.
- Depreciation and impairment charges are recognized in the statement of profit or loss.

### Leases

The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life of the asset.

The Group leases properties which include a service element in the payments to the lessor. This service is deducted from the lease payment when measuring the lease obligation. Where the Group cannot reliably separate lease and non-lease items, it is considered a single lease payment.

Short leases with a maximum lease term of 12 months and leases where the underlying asset has a low value are not recognized in the statement of financial position.

The lease term is defined as the non-cancellable period of a lease together with periods covered by options to extend the lease if it is reasonably certain that the options will be exercised and periods covered by options to terminate the lease if it is reasonably certain that the options will not be exercised. A number of leases contain extension and termination options in order to guarantee operational flexibility in managing the leases.

The lease obligation, which is recognized in “Lease liabilities”, is measured at the present value of the remaining lease payments, discounted by the Group’s incremental loan interest rate, if the implicit interest rate is not stated in the lease agreement or cannot reasonably be determined. The lease obligation is subsequently adjusted if:

- The value of the index or interest rate on which the lease payments are based changes
- There is a change in the expected exercise of options to extend or shorten the lease period due to a material event or material change in circumstances which are within the control of the lessee
- The lease term is changed as a result of exercising an option to extend or shorten the lease term.

# Note 1. Accounting Policies (cont.)

Subsequent adjustments of the lease obligation are recognized as a correction to the right-of-use asset. However, if the right-of-use asset has a value of DKK 0, a negative reassessment of the right-of-use asset is recognized in the statement of profit or loss.

### Contract Balances

Contracts in progress are measured by allocating to each performance obligation the selling price of the work performed less progress billings and impairment losses.

The selling price of performance obligations is determined by reference to their stage of completion at the balance sheet date and the total expected contract revenue. In determining total expected income, the constraints on the recognition of variable consideration, including recognition of claims, additional works and variations are taken into consideration. The percentage of completion is determined on the basis of an assessment of the work performed, which is normally calculated as the ratio of contract costs incurred to total expected contract costs.

If it is probable that total contract costs will exceed total contract revenue, provision is made for the total expected loss on the contract. If the selling price cannot be measured reliably, the selling price is measured at the lower of contract costs incurred and net realizable value.

Construction contracts for which the selling price of the work performed exceeds progress billings and expected losses are recognized in receivables. Construction contracts for which progress billings and expected losses exceed the selling price are recognized in liabilities. Advance payments from customers are recognized in liabilities.

### Trade Receivables and other Receivables

Trade receivables are measured at amortized cost less allowance for lifetime expected credit losses.
To measure the expected credit losses, credit risk for trade receivables has been based on an individual assessment. Trade receivables are written off when all possible options have been exhausted and there is no reasonable expectation of recovery.

The cost of allowances for expected credit losses and write-offs for trade receivables are recognized in the statement of profit or loss in other external expenses.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Interest-bearing Liabilities

Interest-bearing liabilities are measured at amortized cost.

### Trade Payables and other Payables

Other payables include bonus and commission accruals, vacation pay obligations, payroll taxes and VAT. Payables are measured at cost.

### Warranty Provisions

Provisions for warranty-related costs are recognized when the product is sold or a service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Within the industry standard terms is a 24 month warranty period.

# Note 1. Accounting Policies (cont.)

## Definition of Key Figures and Ratios:

**EBITDA:**
Net profit before interest, tax, depreciation, amortization.

**EBITDA before special items:**
Net profit before interest, tax, depreciation, amortization and special items.

**EBITDA normalized:**
Net profit before interest, tax, depreciation, amortization and special items excluding costs that will be non-recurring for a new owner.

**EBIT:**
Earnings before interest and tax.

**Gross profit margin (%):**
Gross profit as a percentage of revenue.

**Equity ratio:**
Equity at year-end divided by total assets.

**Order backlog:**
The value of future contracts, secured end of period, expected to be recognised in upcoming year.

**Number of employees year end (FTE):**
Number of full-time equivalent employees (part-time employees translated into full-time employees) at the end of the year.

# Note 2. Adoption of New and Amended Standards

Relevant new and amended Standards and Interpretations that have been issued up to the date of issuance of the Group's financial statements, but are not yet effective, is not expected to have material effect on the Group's financial statement for future periods. The Group intends to adopt these new and amended Standards and Interpretations, if applicable, when they become effective.

The implementation of new and amended Standards and Interpretations effective from 2023, has not had a significant impact on recognition, measurement or disclosures in the Annual Report 2023 and is not expected to have significant impact on the financial reporting for future periods.

# Note 3. Critical Accounting Judgement and Key Sources of Estimation Uncertainty

**As part of the preparation of the financial statements, Management makes a number of accounting estimates and assumptions as a basis for recognizing and measuring the Group's assets, liabilities, income and expenses as well as judgements made in applying the entity's accounting policies. The estimates, judgements and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances, but which are inherently subject to uncertainty and volatility.**

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur for which reason the actual results may differ from the estimates and judgements made. The accounting policies are described in detail in note 1 to the financial statements to which we refer.

Management considers the following accounting estimates and judgements to be significant in the preparation of the financial statements:

### Project Accounting (accounting estimates)

In accordance with IFRS 15, income from and profits on projects are recognized over time based on the progress towards full satisfaction of the individual performance obligations of the projects, and is continuously revised and adjusted accordingly. The stage of completion is determined and evaluated based on actual technical completion and is a key accounting estimate related to the timing of revenue recognition. Additional work for instance overtime is invoiced based on existing agreements signed at the beginning of the contracts and is recognized in the financial statements based on an assessment on the expected invoicing to the customer.

Recognition and measurement of projects comprise considerable estimates and judgements made by Management in connection with the assessment of expected contract revenue, projects cost and disputes. Changes in these accounting estimates under the performance of the project may have significant impact on revenue, project cost and the result thereof. Discrepancies related to additional works, extensions of deadlines, claims for daily penalties, etc. are assessed on the basis of the nature of the issue, the stage of negotiation and past experience. The probability of the outcome is thus assessed on an individual basis.

### Impairment test for Goodwill and Trade Name (accounting estimate)

Goodwill and Trade name are tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of assets has been impaired, for example due to changed business climate. In order to determine if the value of assets has been impaired, the cash-generating unit to which goodwill and Trade name has been allocated must be valued using present value techniques.
When applying this valuation technique, the Company relies on a number of factors including historical results, business plans, forecasts and market data. This is further described in the notes. As can be deduced from this description, changes in the conditions for these.

# Note 3. Critical Accounting Judgement and Key Sources of Estimation Uncertainty (cont.)

judgments and estimates can significantly affect the assessed value of the assets.

The management has identified two Cash Generating Units in connection with the preparation of the impairment test. These have been determined to be installation and service, as the management assesses these to be the lowest possible levels. the corporate costs are allocated based on a percentage distribution of 75/25%, it is the management decision to split between the two segments, this is supported by Fairwind's historical focus on installations and its goal to expand into the Service segment, and is reflecting the original goodwill split and furthermore, in line with our contribution expectations.

**Closing Down Operations in Russia – Assessment of Discontinued Activities (judgement)**
In accordance with IFRS 5, Management shall assess whether the criteria are met which involves judgements. Management have assessed that the close down of the Russian activities does not qualify to be discontinued operations in accordance with IFRS 5, as the Russian activities does not constitute a separate major line of business..

**Prepaid Training Cost (judgement)**
The Group incurs training cost related to required certification of contract workers. These costs are presented as prepayments in the balance sheet and recognized as expenses over the average length of the lifetime of the
certificate validity as the Group has right to invoice the contract workers for the cost incurred for the certification if they resign.

**Recovery of Deferred Tax Assets (Accounting estimates)**
Deferred tax assets are recognized for all unutilized tax loss carry-forwards to the extent it is considered likely that the losses can be offset against taxable income in the foreseeable future.

The amount recognized for deferred tax assets is based on judgment regarding the timing of utilization and the size of tax loss carry-forwards.

The deferred tax assets are primarily driven by DK and USA and are based on tax losses carried forward.

Management judgement is that the tax asset in the USA can be offset against income in the near future, based on the performance in the USA for 2023 before special items, in conjunction with the budget and forecasts for the following years, which show a positive taxable income.

The tax asset in Denmark has in 2023 been revised and adjusted downwards by 50% compared to last year, due to Management's belief that it is unlikely to be fully utilized. The estimates are based on future expectations for taxable income in Danish Joint taxation, derived from budgets and forecasts for the years to come, following several initiatives aimed at improving taxable income in Denmark. These initiatives include changing cost allocation principles, closing non-profitable entities, introducing management fees in countries outside the scope of the company's Transfer Pricing model, and anticipating increases in activity levels to drive improvement.

In US the activity levels have improved significantly in 2023 and earnings before tax and special items have improved significantly. The expectations for 2024 and the following years are similar with means that the deferred tax asset is considered used within 2-3 years.

# Note 4. Segment Information

For management purposes, the Group is organized into business units based on its products and services and has two reportable segments, as follows:

**Installation** (Installation of wind turbines)
**Service** (Service of wind turbines)

The Executive Management is the Chief Operating Decision Maker (CODM), which is made up of the senior leadership across the respective functional areas and is responsible for the strategic decision making. And for the monitoring of the operating results of the operating segments for the purpose of performance assessment. Segment performance is evaluated based on revenue and is measured consistently with revenue in the Consolidated Financial Statements.

Four customers have sales representing more than 10% of the Revenue. Revenue from these customers is in the range of 10% - 34% of total revenue.

| **Breakdown of revenue per Business Unit** | **2023** | **2022** |
|---|---|---|
| Installation | **874.059** | 833.959 |
| Service | **317.857** | 187.119 |
| **Total revenue** | **1.191.916** | **1.021.078** |
| | | |
| Breakdown of direct operating costs (non-GAAP) | | |
| Installation | **-680.915** | -637.067 |
| Service | **-235.185** | -150.244 |
| **Total direct operating costs (non-GAAP)** | **-916.099** | **-787.311** |
| | | |
| Segment gross profit including direct salaries (non-GAAP metric) | **275.817** | 233.768 |
| Other operating Cost | **-185.296** | -153.456 |
| **Operating profit/(loss) before depreciation and amortization (EBITDA) before special items** | **90.521** | **80.312** |

# Note 4. Segment Information (cont.)

It is not possible to allocate costs below "gross profit including direct salaries" to the segments identified, as these costs serve all segments and refer to the consolidated statement of profit or loss. FairWind Group uses the non-GAAP metric above in its internal segment reporting to show gross project not differentiating between if the cost arises from technicians on our own payroll or independent contractors.

| Breakdown of revenue by geography | 2023 | 2022 |
|---|---|---|
| Sweden | 185.122 | 188.955 |
| Germany | 229.923 | 159.408 |
| Poland | 79.676 | 155.504 |
| United States of America | 142.655 | 55.863 |
| Rest of Europe | 205.640 | 80.862 |
| Rest of Scandinavia | 206.245 | 161.795 |
| Rest of North and South America | 31.781 | 0 |
| Rest of the world | 110.874 | 218.691 |
| **Total revenue** | **1.191.916** | **1.021.078** |

The revenue split is based on geographical supply point. Revenue specified by country comprises all countries with revenue that accounts for more than 10 percent of FairWind Group' total revenue.

### Transaction Price Allocated to the Remaining Sales Contracts (Order backlog)

The following table includes revenue expected to be recognized in the future related to performance obligations that are unfulfilled (or partially unfulfilled) at the end of the financial year.

At the end of 2023, the average remaining duration in the order backlog is within one year. Both Installation and Service projects are normally to be delivered within one year.

# Note 4. Segment Information (cont.)

Challenges in relation to shipment of wind turbines, other equipment and installation hereof, for example bad weather, lack of grid connections, and similar matters, may cause delays that could affect the timing of the satisfaction of the future performance obligations within the backlog. Furthermore, it should be emphasized that the order backlog is forward-looking in nature and a subset of FairWind Group' potential future revenue.

| **Order Backlog** | **2023** | **2022** |
|---|---|---|
| Order Backlog - Installation | **395.948** | 242.109 |
| Order Backlog - Service | **100.151** | 49.181 |
| **Order Backlog Total** | **496.099** | **291.290** |

# Note 5. Operating Costs

| | 2023 | 2022 |
|---|---|---|
| Project Costs | **757.232** | 646.052 |
| Other external cost | **83.922** | 68.633 |
| **Non-remuneration of employees** | **841.154** | **714.684** |
| | | |
| Wages and salaries | **241.955** | 201.436 |
| Pensions | **8.846** | 9.865 |
| Other social security costs | **5.296** | 13.964 |
| Other staff costs | **4.143** | 816 |
| **Remuneration of employees** | **260.241** | **226.082** |
| | | |
| **Total** | **1.101.395** | **940.766** |
| | | |
| **Average numbers of employees during the year** | **528** | **667** |

# Note 5. Operating Costs (cont.)

It is Group policy to prepare the income statement based on an adapted classification of costs by type in order to show EBITDA before special items.

The table below shows an extract of the income statement adapted to show by type:

| | 2023 | 2022 |
|---|---|---|
| Revenue | **1.191.916** | 1.021.078 |
| Operating costs | **-757.502** | -649.222 |
| **Gross Profit** | **434.415** | **371.857** |
| | | |
| Staff Costs | **-269.420** | -226.082 |
| Other Operating costs | **-98.841** | -94.248 |
| **EBITDA** | **66.153** | **51.527** |
| | | |
| Depreciation | **-33.800** | -35.336 |
| **Operating profit/(loss) (EBIT)** | **32.354** | **16.191** |
| | | |
| Financial income | **15.058** | 7.581 |
| Financial expenses | **-63.094** | -37.619 |
| **Profit before tax** | **-15.682** | **-13.847** |
| | | |
| Tax for the year | **-12.750** | -4.327 |
| **Result for the year** | **-28.432** | **-18.174** |

Operating costs within gross profit include materials, tools, transport and subcontractors.

# Note 5. Operating Costs (cont.)

## Executive Board and Board of Directors

Remuneration of the executive board and board of directors in the Group and in the parent company amounts for 2023 to DKK 6.723 thousand and for 2022 DKK 3.475 thousand.

| | 2023 |
|---|---|
| Executive board | 5.273 |
| Board of directors | 1.450 |
| Executive Board and Board of Directors | 6.723 |

For 2023 the split between Executive board and the Board of directors is listed above. For 2022 Executive management only consists 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. In 2023 there has been a change in the Executive Board, and therefore the §98b (3) can not be used.

## Incentive Programs

Incentive plans comprise a short-term incentive plan based on yearly performance. The bonus amount was in 2023 DKKm 0,3 and in 2022 DKKm 0,2. For the 2023 results a reservation has been made amounting to DKKm 4,5.

The Group has a management investment program with certain managers of the Group. Under this agreement participating managers can indirectly subscribe through the parent company for shares in the Group. The acquisition price for the shares is the fair value.

In the consolidated financial statement of the Group, this arrangement has been classified as equity settled transaction because the Group has not obligation to settle the transaction with the managers. However, since the amount is paid by the managers for the subscription of the shares was the fair value, the award had no material fair value at grant date and therefore there were no expense recognized in the consolidated statement of comprehensive income in the year during which shares were subscribed.

**0.3**

Bonus amount **DKKm**.
(2023)

**0.2**

Bonus amount **DKKm**.
(2022)

# Note 6. Special Items

| | 2023 | 2022 |
|---|---|---|
| Amortisation of customer contracts recognised in business combinations | **0** | 7.352 |
| Closing of Russian entity | **0** | 23.184 |
| Mandatory remuneration paid to Ukrainian technicians | **269** | 3.170 |
| M&A | **4.090** | 0 |
| Settlement of US 2021 incident insurance liability case | **6.155** | 0 |
| Restructuring costs | **10.770** | 0 |
| Settlement on Moroccan VAT liability | **2.196** | 0 |
| Other | **1.815** | 2.431 |
| **Total** | **25.296** | **36.137** |

If special items had not been grouped to special items they would have been included in the following line items:

| | | |
|---|---|---|
| Operating costs | **269** | 3.170 |
| Staff costs | **9.179** | 0 |
| Other operating cost | **14.919** | 25.615 |
| Depreciation | **928** | 7.352 |
| Special items Total | **25.296** | **36.137** |

## Note 7. Depreciation

| | 2023 | 2022 |
| --- | --- | --- |
| Depreciation of property, plant and equipment | **25.953** | 21.456 |
| Depreciation of right-of-use assets | **6.919** | 6.528 |
| **Total** | **32.872** | **27.984** |

## Note 8. Financial Income

| | 2023 | 2022 |
| --- | --- | --- |
| Foreign exchange gains | **10.725** | 6.761 |
| Other financial income | **4.333** | 820 |
| **Total** | **15.058** | **7.581** |

## Note 9. Financial Expenses

| | 2023 | 2022 |
| --- | --- | --- |
| Interest on debts and borrowings | **60.860** | 33.151 |
| Foreign exchange losses | **353** | 3.494 |
| Other interest expenses | **1.881** | 974 |
| **Total** | **63.094** | **37.619** |

# Note 10. Tax for the Year

| | 2023 | 2022 |
|---|---|---|
| Current tax for the year | **15.681** | 12.534 |
| Changes in deferred tax | **-12.800** | -8.207 |
| Changes in valuation of tax assets | **14.147** | 0 |
| Other adjustments in Previous years tax | **-4.278** | 0 |
| **Total taxes** | **12.750** | **4.327** |
| | | |
| Tax calculated as 22% of profit/loss before tax | **-3.450** | -3.046 |
| Impact from non-deductible expenses | **9.624** | 4.627 |
| Paid withholding tax recognised as tax expense | **0** | 3.244 |
| Changes in valuation of tax assets | **14.147** | 0 |
| Other adjustments in Previous years tax | **-4.278** | 0 |
| Tax in foreign countries | **-1.201** | -889 |
| Other differences, net | **-2.092** | 391 |
| **Total taxes** | **12.750** | **4.327** |
| | | |
| Effective tax rate for the year (%) | **-81%** | -31% |
| | | |
| Deferred tax beginning of the year | **-69** | 8138 |
| Deferred tax for the year recognised in the statement of profit or loss | **-12.800** | -8.207 |
| Change in deferred tax, related to TP-case, not recognized in the P&L* | **-5.449** | 0 |
| Changes in valuation of tax assets | **14.147** | 0 |
| Other adjustments in Previous years tax | **-4.278** | 0 |
| **Deferred tax 31 December** | **-8.449** | **-69** |
| | | |
| Deferred tax is recognised in the statement of financial positions as follows: | | |
| Deferred tax (assets) | **-16.772** | -26.674 |
| Deferred tax (liabilities) | **8.323** | 26.605 |
| **Total** | **-8.449** | **-69** |

There are non-recognized tax assets in Denmark for DKK 14.147 thousand related to tax losses to be carried forward. These are not lost over time, but have an infinite lifespan.

*Amount not recognized in the P&L because the amount is related to periods before acquisition of FairWind A/S, and covered by seller.

| Deferred tax concerns: | 31. December 2021 | Recognized in the income statement 2022 | 31. December 2022 | Recognized in the income statement 2023 | 31. December 2023 |
|---|---|---|---|---|---|
| Contract assets | 1.607 | -1.607 | **0** | 0 | **0** |
| Intangible assets | 21.560 | 0 | **21.560** | 0 | **21.560** |
| Tangible assets other than contract assets | -2.423 | 2.758 | **335** | 1.388 | **1.723** |
| Tax loss carried forward | -13.114 | -29.215 | **-42.329** | 14.612 | **-27.717** |
| Other, net | 508 | 19.857 | **20.365** | -24.381 | **-4.016** |
| **Total** | **8.138** | **-8.207** | **-69** | **-8.381** | **-8.449** |

# Note 11. Intangible Assets

| | Goodwill | Trade Name | Total |
|---|---|---|---|
| Cost at 1. January 2022 | 414.372 | 98.000 | 512.372 |
| Additions | 0 | 0 | 0 |
| **Cost at 31. December 2022** | **414.372** | **98.000** | **512.372** |
| | | | |
| Amortisation during the year | 0 | 0 | 0 |
| Depreciations at 31. December 2022 | 0 | 0 | 0 |
| **Carrying amount at 31. December 2022** | **414.372** | **98.000** | **512.372** |
| | | | |
| | | | |
| **Cost at 1. January 2023** | 414.372 | 98.000 | 512.372 |
| Additions | 0 | 0 | 0 |
| **Cost at 31. December 2023** | **414.372** | **98.000** | **512.372** |
| | | | |
| **Depreciations at 1. January 2023** | 0 | 0 | 0 |
| Amortisation during the year | 0 | 0 | 0 |
| **Depreciations at 31. December 2023** | 0 | 0 | 0 |
| **Carrying amount at 31. December 2023** | **414.372** | **98.000** | **512.372** |

# Note 12. Impairment Test

Management has tested goodwill for impairment in each of the cash-generating units to which such assets have been allocated.

Management has identified the following cash-generating units:

| CGU split | Goodwill 2023 | Tradename 2023 |
|---|---|---|
| Installation | 310,8 | 73,5 |
| Service | 103,6 | 24,5 |
| **Total** | **414,4** | **98,0** |

Management is of the opinion that the lowest level of cash-generating unit to which the carrying amount of goodwill can be allocated is in each CGU.

In 2023 the impairment test of goodwill showed no impairment.

## Key Assumptions

For the purpose of impairment testing the recoverable amount was defined as the value in use. The impairment tests were based on budget for 2024 approved by the Management and financial forecasts for the years 2025-2028 and a terminal period for the CGUs. Assumptions are based on historic trends as well as an internal market investigation.

Projections has been extrapolated with stable growth rates for the years, which is in accordance with the business strategy. These growth rates are in line with external market predictions of the worldwide industry for Installation and Service of wind turbines.

The key assumptions are growth rates, pricing, development of new markets and gross margin. The Compound Annual Growth Rate (CAGR) is anticipated to surpass 10%.

The applied pre-tax discount rates for the CGUs are 9.67% (2022: 10,46%) and the estimated average annual growth in revenue and terminal growth is assumed at 5% (2022: 5%).

There have been made sensitivity calculations with terminal growth rate at 2%, which still showed no impairment.

# Note 13. Property, Plant and Equipment

| | Other fixtures and fittings, tools and equipment |
|---|---|
| Cost at 1. January 2022 | 32.190 |
| Additions | 31.341 |
| Disposals | -5.821 |
| Exchange rate adjustment | 324 |
| **Cost at 31. December 2022** | **58.033** |
| | |
| Depreciation at 1. January 2022 | -3.783 |
| Depreciations during the year | -22.083 |
| Depreciations on disposals | 4.375 |
| Exchange rate adjustments | -426 |
| **Depreciations at 31. December 2022** | **-21.917** |
| **Carrying amount at 31. December 2022** | **36.117** |
| | |
| | |
| Cost at 1. January 2023 | 58.033 |
| Additions | 32.160 |
| Disposals | -6.450 |
| Exchange rate adjustment | 2.211 |
| **Cost at 31. December 2023** | **85.954** |
| | |
| Depreciation at 1. January 2023 | -21.917 |
| Depreciations during the year | -26.501 |
| Depreciations on disposals | 4.550 |
| Exchange rate adjustments | 541 |
| **Depreciations at 31. December 2023** | **-43.327** |
| **Carrying amount at 31. December 2023** | **42.627** |

# Note 14. Leases

| | Offices | Cars | IT |
|---|---|---|---|
| Cost at 1. January 2022 | 9.929 | 2.681 | 93 |
| Additions | 8.795 | 1.597 | 0 |
| Adjustments and revaluations | 0 | 0 | 0 |
| **Cost at 31. December 2022** | **18.724** | **4.278** | **93** |
| | | | |
| Depreciation at 1. January 2022 | -877 | -330 | -13 |
| Depreciations during the year | -4.681 | -1.796 | -51 |
| **Depreciations at 31. December 2022** | **-5.558** | **-2.126** | **-64** |
| **Carrying amount at 31. December 2022** | **13.165** | **2.152** | **29** |
| | | | |
| | | | |
| Cost at 1. January 2023 | 18.724 | 4.278 | 93 |
| Additions | 4.369 | 2.677 | |
| Adjustments and revaluations | 2.353 | -68 | -93 |
| **Cost at 31. December 2023** | **25.445** | **6.887** | **0** |
| | | | |
| Depreciation at 1. January 2023 | -5.558 | -2.126 | -64 |
| Depreciations during the year | -5.711 | -1.316 | 64 |
| **Depreciations at 31. December 2023** | **-11.269** | **-3.442** | **0** |
| **Carrying amount at 31. December 2023** | **14.176** | **3.445** | **0** |

The maturity split of future payments are listed within note 22.

Note 14.

# Leases (cont.)

Carrying amounts of lease liabilities and movements during the period:

| **Lease liabilities** | **2023** | **2022** |
|---|---|---|
| At 1. January | **16.151** | 11.555 |
| Additions | **7.046** | 10.583 |
| Accrual of interest | **353** | 370 |
| Payments | **-6.958** | -6.292 |
| Adjustments | **2.067** | -65 |
| **Lease liabilities at 31 December** | **18.658** | **16.151** |
| **Non-current** | **12.279** | **9.850** |
| **Current** | **6.379** | **6.300** |

The following amounts have been recognized in the statement of profit or loss:

| | **2023** | **2022** |
|---|---|---|
| Depreciation expense of right-to-use assets | **7.027** | 6.528 |
| Interest expense on lease liabilities | **353** | 370 |
| Expense relating to short-term leases (included in other external expenses) | **3** | -65 |
| **Total amount recognised in the statement of profit or loss** | **7.383** | **6.833** |

The Group had total a cash outflow for leases of DKK 7.736 thousand (2022: DKK 6.662 thousand).
The Group leases offices and lease terms are negotiated on an individual basis and contain different terms and conditions

# Note 15. Acquisition

During 2023 FairWind has entered agreement with Wind 1000 Corporate Holding, S.L regarding (hereafter referred to as “Wind1000”) the purchase of all shares. Established in 2010, Spanish based Wind1000 has grown to become a leading provider of onshore installation services across Southern Europe and South America. The company has installed more than 10GW wind turbines across the region and is a leading supplier to some of the largest OEMs in the world. Wind1000’s main business activity consists of the provision of services in connection with the installation of wind turbines, primarily in the jurisdictions of Spain, Germany, Brazil, France, Chile, Mexico and Columbia.

The total purchase of the shares in Wind1000 will amount to t.DKK 191,465 including future payments to earn-outs.

Meanwhile, transactional costs in 2023 have occurred for t.DKK 2,955, which are included in this year’s Profit & Loss.

The acquisition of Wind1000 will contribute with approximately 300 employees and a revenue in the range of 250 to 300 mDKK on Group level for 2024.

Purchase price allocation (PPA) is not calculated as the acquisition was not closed untill March 26th, 2024 and sufficient data has not been available.

There has not been any contribution to the key financial figures for the FairWind Group from Wind1000 in 2023.

## Note 16. Inventories

| | 2023 | 2022 |
|---|---|---|
| Raw materials and consumables | **2.474** | 3.215 |
| Write-down inventories | **0** | 0 |
| **Total at 31 December** | **2.474** | **3.215** |

In 2023, a total of t.DKK 7.892 (2022 = 7.127) of inventories was included in profit or loss as an expense. This includes an amount of t.DKK 0 (2022 = 0) resulting from write-down of inventories.

## Note 17. Trade Receivables

| | 2023 | 2022 |
|---|---|---|
| Trade receivables | **222.884** | 233.269 |
| Write-downs | **0** | -19.883 |
| **Total** | **222.884** | **213.386** |

Trade receivables per 2021 amounts to 206.878 t.DKK.

Management have assets that there is limited risk of loss on trade receivables in connection with the Group's receivable from sales activities. The limited risk is due to a few customers only with a high credit rating. The Group's trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are all classified as current and nothing is due past one year. Trade receivables are recognized initially at the amount of consideration that is unconditional, and are recognized as services delivered are invoiced to the customer and are not adjusted for any financing components as credit terms are short, and the financing component therefore insignificant.

Write-downs in 2022 are related to a project in Russia where our customer is not able to receive payment from the end-client and thus the Group has assessed that the receivable is impaired. This fact does not affect the Group's general assessment of credit losses as the write-down is purely related to the geopolitical situation in Russia.

As the Group only deals with a few large customer in the same industry significantly concentration risk exists.

# Note 18. Contract Balances

### Construction Contracts (assets/liabilities)

Contract assets comprise the selling price of work performed where the Group have transferred the installation, service or transport to the customers before the customer pays consideration or before payment is due, excluding any amounts presented as a receivable. The Group have assessed each contract asset for impairment in accordance with IFRS 9. The risk on contract balances is limited due to a few customers only with a high credit rating. Contract liabilities comprise agreed, unconditional payments received on account for work yet to be performed. During 2023, the majority of the contract liability has been recognized during the year as revenue. Payment is typically due at the time of final delivery of each milestone achievement.

| | 2023 | 2022 |
|---|---|---|
| Selling price of contract assets | **635.555** | 903.456 |
| Prepayments from customers | **-561.750** | -758.700 |
| **Total contrat balance** | **73.805** | **144.756** |
| | | |
| Recognised as follows: | | |
| Contract assets | **88.283** | 156.103 |
| Contract liabilities | **-14.479** | -11.347 |
| **Total contrat balance** | **73.805** | **144.756** |
| | | |
| | | |
| **Prepayments from customers regarding construction contracts not yet started** | **2.877** | **166** |

Contract Balances per 2021 amounts to 102.676 t.DKK.

All contract liabilities included in 2022 (DKK -11.347 thousand) has been recognized as revenue in 2023.

All contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocation allocated to these projects is not disclosed.

## Note 19. Working Capital Changes

| | 2023 | 2022 |
|---|---|---|
| Change in receivables and prepayments | **50.716** | -48.310 |
| Change in trade payables and other debt etc. | **33.314** | -51.946 |
| Exchange rates adjustments | **11.220** | 8.752 |
| **Total Working Capital Change** | **95.250** | **-91.504** |

## Note 20. Share Capital

| | 2023 | 2022 |
|---|---|---|
| Issued and fully paid-up shares: | | |
| At 1. January | **400** | 400 |
| **Share capital at 31. December** | **400** | **400** |

# Note 21. Fee to auditors appointed at the annual general meeting

| | 2023 | 2022 |
|---|---|---|
| Statutory audit | 956 | 714 |
| Tax and VAT advisory services | 1.683 | 71 |
| Other services | 1.463 | 1.611 |
| **Total** | **4.101** | **2.396** |

# Note 22. Interest-bearing Liabilities

| | 2023 | 2022 |
|---|---|---|
| Non-current borrowings | **413.976** | 367.399 |
| Current borrowings | **154.371** | 156.057 |
| **Total** | **568.346** | **523.456** |

| Interest-bearing Liabilities overview 2022 | Currency | Interest rate | Average interest rate | Carrying amount |
|---|---|---|---|---|
| Issued Bonds | EUR | Floating | **6,25%** | 361.099 |
| Payable to Group Entities | DKK | Fixed | **8,00%** | 0 |
| Bank borrowings | DKK | Floating | **3,00%** | 146.206 |
| Commitments on leasing agreements | DKK | Fixed | **2,00%** | 16.151 |
| **Total as of 31. December 2022** | | | | **523.456** |

| Change in interest-bearing bank borrowings and issued bonds: | Net debt 1/1 2022 | Cash flows | Non cash flows | Net debt 31/12 2022 |
|---|---|---|---|---|
| Issued Bonds | 360.252 | 0 | 847 | **361.099** |
| Bank borrowings | 35.234 | 110.972 | 0 | **146.206** |
| Commitments on leasing agreements | 11.555 | -6.662 | 11.258 | **16.151** |
| **Total as of 31. December 2022** | **407.041** | **104.310** | **12.105** | **523.456** |

# Note 22. Interest-bearing Liabilities (cont.)

| Interest-bearing Liabilities overview 2023 | Currency | Interest rate | Average interest rate | Carrying amount |
|---|---|---|---|---|
| Issued Bonds | EUR | Floating | **10,20%** | 399.688 |
| Payable to Group Entities | DKK | Fixed | **8,00%** | 0 |
| Bank borrowings | DKK | Floating | **6,80%** | 147.992 |
| Commitments on leasing agreements | DKK | Fixed | **2,00%** | 20.667 |
| **Total as of 31. December 2023** | | | | **568.346** |

| Change in interest-bearing bank borrowings and issued bonds: | Net debt 1/1 2023 | Cash flows | Non cash flows | Net debt 31/12 2023 |
|---|---|---|---|---|
| Issued Bonds | 361.099 | 37.265 | 1324 | **399.688** |
| Bank borrowings | 146.206 | 1.786 | 0 | **147.992** |
| Commitments on leasing agreements | 16.151 | -7.310 | 11.826 | **20.667** |
| **Total as of 31. December 2023** | **523.456** | **31.740** | **13.150** | **568.346** |

The Group had non-cash additions to right-of-use assets and lease liabilities in 2023 of DKK 11.826 thousand (2022: DKK 11.258 thousand).

# Note 23. Financial Risks

### Capital Management

The Group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to shareholders through the optimization of the debt and equity balances. The capital structure of the Group consists of net debt and equity. Management reviews the capital structure continually to consider if the current capital structure is in accordance with the Group's and shareholders' interests.

### Financial Risk Management

Due to the nature of its operations, investments, and financing, the Group is exposed to a number of financial risks. It is Group policy to operate with a low risk profile, so that interest rate risk and credit risk only occur in commercial relationships. The scope and nature of the Group's financial instruments appear from the statement of profit or loss and statement of financial position in accordance with the accounting policies applied.

Provided below is information about factors that may influence amounts, time of payment, or reliability of future payments, where such information is not provided directly in the financial statements. This note addresses only financial risks directly related to the Group's financial instruments.

### Credit Risk

Credit risk is the risk of a counterpart not meeting its obligations under a financial instrument or customer contracts, causing a financial loss. The Group is exposed to credit risk from its operating activities, primarily trade receivables and contract assets. The Group tightly monitors and limit risks and losses on receivables and have established procedures for such. It is the Group's assessment that the exposure to credit risk is not significant dealing mainly with a few very large customers which shows high credit rating. Write-downs in 2022 are related to a project in Russia where our customer is not able to receive payment from the end-client and thus the Group has assessed that the receivable is impaired.  Impairment of receivables amounted to nil in 2023 and in 2022. The Group's general assessment of credit risks is not affected by this, as the write-down is purely related to the geo-political situation in Russia.

### Liquidity Risk

FairWind Group receive majority of the payments based on milestone achievements. Accordingly, the Group needs sufficient credit facilities to fund work in progress. The Group continues monitoring the need of liquidity. At 31 December 2023, the Group has an undrawn credit facility of DKK 181 million (2022: DKK 52 million) to ensure that the Group is able to meet its obligations. In 2023 FairWind Group have issued more bonds to a value of DKK 38 million, which are included in our cash. Management considers the credit facilities to be sufficient for the next 12 months.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments which include estimated interest payments. Floating interest payments on bank borrowings have been determined applying a forward curve on the underlying interest rate at the reporting date.

# Note 23. Financial Risks (cont.)

| YEAR ENDED 31. DECEMBER 2022 | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total | Carrying amount |
|---|---|---|---|---|---|---|
| Interest-bearing loans and borrowings | 17.134 | 51.401 | 621.156 | 0 | **689.691** | 507.305 |
| Lease liabilities | 1.698 | 5.093 | 11.682 | 0 | **18.473** | 16.151 |
| Other payables | 13.762 | 41.285 | 0 | 0 | **55.047** | 55.047 |
| Trade payables | 136.188 | 0 | 0 | 0 | **136.188** | 136.188 |
| **Total non-derivative financial liabilities** | **168.782** | **97.779** | **632.838** | **0** | **899.399** | **714.691** |

| YEAR ENDED 31. DECEMBER 2023 | | | | | | |
|---|---|---|---|---|---|---|
| Interest-bearing loans and borrowings | 23.808 | 71.423 | 670.188 | 0 | **765.419** | 547.680 |
| Lease liabilities | 1.604 | 4.775 | 12.279 | 0 | **18.658** | 18.658 |
| Other payables | 15.924 | 47.771 | 0 | 0 | **63.694** | 63.694 |
| Trade payables | 95.345 | 0 | 0 | 0 | **95.345** | 130.873 |
| **Total non-derivative financial liabilities** | **136.680** | **123.969** | **682.467** | **0** | **943.116** | **760.904** |

### Interest Rate Risk

Interest rate risk arises in relation to interest-bearing assets and liabilities. The Group's interest-bearing debt to credit institutions of DKK 147.992 thousand (2022: 146.206 thousand) and to Bond obligations of DKK 399.688 thousand (2022: 361.099 thousand) at 31 December 2023. The bond obligations is subject to a floating rate of interest based on EURIBOR (3 months) and a fixed reference rate at 6,25%, which amounts to 10,20% and the credit institutions is subject of interest based on CIBOR (3 months) at 3,80% and a reference rate at 3,0%, which amounts to 6,80%.

If market interest rates increased by one percentage point, the interest rate sensitivity as calculated based on the loan balance to credit institutions at year-end 2023 would lead to a yearly increase in interest expenses of DKK 5.477 thousand. A corresponding decrease in market interest rates would lead to a yearly decrease in interest expenses of DKK 5.477 thousand.

# Note 23. Financial Risks (cont.)

| CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT AMORTISED COST | 2023 | 2022 |
|---|---|---|
| Deposits | **3.550** | 2.245 |
| Receivables | **222.884** | 213.386 |
| Cash | **128.545** | 48.533 |
| **Financial assets at amortised costs** | **354.979** | **264.164** |
| | | |
| Interest-bearing loan, non-current | **-399.688** | -361.099 |
| Interest-bearing liabilities, current | **-147.992** | -146.206 |
| Lease Liabilities | **-18.658** | -16.151 |
| Trade Payables | **-130.873** | -136.188 |
| Other Payables | **-63.694** | -28.197 |
| **Financial liabilities ay amortised costs** | **-760.904** | **-687.840** |

Since the Group's financial instruments measured at amortized cost are either short-term and/or exposed to floating interest rates, Management has assessed that the carrying amount is a reasonable approximation of fair value except for the issued bonds listed on Nasdaq Stockholm. The total fair Value of issued bonds amounts to DKK 404.289 thousand (2022: DKK 349.976 thousand) based on the market Value.

### Currency Risk

The Group has activities in a variety of countries around the world. Some countries have volatile currencies, which expose the Group to currency risks due to increase or decrease in local currencies compared to DKK. The Group attempts to minimize the risk by creating natural hedges between the currency of the revenue and the currencies of the underlying cost and of the remaining values we generally target contracts in EUR or DKK which reduces the currency risk. In general the currency development has been favourable in 2023 but is considered to be immaterial in general. However, due to the above the exchange rates adjustments amounts to DKK 10,372 thousand (2022: 3,142 thousand).
The Group's exposure to foreign currency at the end of the reporting period for material currencies are showed in the table below.

**Exposure to foreign currency risk**

| Local Currency '000 | EUR | PLN | USD | UAH |
|---|---|---|---|---|
| Cash and current Interest-bearing liabilities | 11.863 | -57.477 | 1.077 | 166.596 |
| Non current Interest-bearing liabilities | -53.629 | 0 | 0 | 0 |

A change in currency rate of +/- 10% for UAH (Ukrainian hryvnia) or PLN (Polish zloty) per 31. December 2023, would effect the Income Statement in Financial Income/Expenses with +/- DKK 2.954 thousand for UAH and +/- DKK 9.871 thousand for PLN.

# Note 24. Guarantees, Contingent Liabilities and Collateral

### Contingent Liabilities

The Parent Company participates in a Danish joint taxation arrangement where Force Holdco A/S serves as the administration company.

According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent Company is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

### Collateral

The Group has issued a letter of indemnity with a corporate mortgage of nominal DKK 95,000 thousand as security for the interest-bearing liability with the bank. The indemnity letter covers trade receivables, which carrying amount, per 31 December 2023 is DKK 222.884 thousand.

# Note 25. Related Parties

| Shareholders | Registered office | Basis of influence |
|---|---|---|
| Force Holdco A/S | Denmark | 100 % |

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

## Other Related Parties

Other related parties of Force Bidco A/S with a significant influence comprise the Board of Directors and the Executive Board and their related parties. Remuneration is disclosed in note 5. There were no other related parties identified.

## Related Party Transactions

| | 2023 | 2022 |
|---|---|---|
| Payables to parent company | 0 | 150 |
| **Total** | **0** | **150** |

# Note 26. Legal Entities

| Name | Country | Ownership % |
|---|---|---|
| Force Bidco A/S | Denmark | 100 |
| FairWind A/S | Denmark | 100 |
| FairWind GmbH | Germany | 100 |
| FairWind Ukraine ApS | Denmark | 100 |
| FairWind Offshore ApS | Denmark | 100 |
| FairWind Installation Ltd. | United Kingdom | 100 |
| FairWind Installation Ltd. | South Africa | 100 |
| FairWind Sp. Z.o.o | Poland | 100 |
| FairWind Poland Sp. Z.o.o | Poland | 100 |
| Wind Service Sweden AB | Sweden | 100 |
| Sweden Wind Service AB | Sweden | 100 |
| FairWind Finland Oy | Finland | 100 |
| FairWind Rüzgar Enerji Hizmetteri Anonim Sikerti | Turkey | 100 |
| Geos Construction LLC | Ukraine | 100 |
| FairWind Ukraine LLC | Ukraine | 100 |

| Name | Country | Ownership % |
|---|---|---|
| FairWind Inc. | United States | 100 |
| FairWind Canada Inc. | Canada | 100 |
| FairWind Holland B.V. | Holland | 100 |
| European Wind Academy Sp. Z.o.o | Poland | 100 |
| White Strit LLC | Kazakhstan | 100 |
| FairWind Installation SLU | Spain | 100 |
| FairWind Argentina S.A.U. | Argentina | 100 |
| FairWind AUS PLY Ltd. | Australia | 100 |
| FairWind Logistics Sp. Z.o.o | Poland | 100 |
| Vestwind A/S | Denmark | 100 |
| FairWind Installation Morocco SARL | Morocco | 100 |
| FairWind Chile SPA | Chile | 100 |

## Note 27. Events after the Reporting Period

From the statement of financial position date and until today, the acquisition of Wind1000 is completed per 26th of March 2024. See note 15 for further information.

No further matters, which would influence the evaluation of the Annual Report has occurred.

# Parent Company Financial Statements

# Income Statement DKK

| | Note | 2023 1/1 to 31/12 | 2022 1/1 to 31/12 |
|---|---|---|---|
| Revenue | 3 | 9.484 | 2.312 |
| Administrative costs | 4 | -12.539 | -4.893 |
| **Operating profit/loss before depreciation and amortisation (EBITDA)** | | -3.055 | -2.581 |
| | | | |
| Income/loss from investments in subsidiaries | 7 | 8.398 | 880 |
| Financial Income | 5 | 4.596 | 7.173 |
| Financial expenses | 5 | -41.694 | -26.633 |
| **Profit before tax** | | -31.756 | -21.161 |
| | | | |
| Tax for the year | 6 | 3.324 | 2.987 |
| **Total comprehensive income for the year** | | -28.432 | -18.174 |
| | | | |
| Attributable to: | | | |
| Shareholders of Force Bidco A/S | | -28.432 | -18.174 |

# Statement of Comprehensive Income DKK

| DKK'000 | 2023 | 2022 |
|---|---|---|
| **Result for the year** | -28.432 | -18.174 |
| | | |
| **Other comprehensive income** | | |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreing operations | -7.549 | -3.142 |
| | | |
| **Total comprehensive income/loss** | -35.981 | -21.316 |
| | | |
| **Attributable to:** | | |
| **Shareholders of Force Bidco A/S** | -35.981 | -21.316 |

# Assets
## DKK

| | Note | 31/12-2023 | 31/12-2022 |
|---|---|---|---|
| Investment in subsidiaries | 7 | **608.536** | 607.687 |
| Receivables from group entities | | **46.478** | 76.758 |
| Deferred tax | 6 | **8.852** | 5.528 |
| **Total non-current assets** | | **663.866** | **689.973** |
| | | | |
| Cash | | **35.068** | 529 |
| Other receivables | | **120** | 0 |
| **Total current assets** | | **35.188** | **529** |
| **Total Assets** | | **699.054** | **690.502** |

# Equity and Liabilities DKK

| | Note | 2023 | 2022 |
|---|---|---|---|
| Share Capital | 9 | **400** | 400 |
| Share premium | | **366.000** | 366.000 |
| Retained earnings | | **-81.133** | -45.152 |
| **Total equity** | | **285.267** | **321.248** |
| | | | |
| Interest-bearing liabilities | 10 | **399.688** | 361.099 |
| **Total non-current liabilities** | | **399.688** | **361.099** |
| | | | |
| Trade payables | | **0** | 399 |
| Other payables | | **14.099** | 7.756 |
| **Total current liabilities** | | **14.099** | **8.155** |
| **Total liabilities** | | **413.787** | **369.254** |
| | | | |
| **Total equity and liabilities** | | **699.054** | **690.502** |

# Statement of Changes in Equity DKK

| | Share capital | Share premi-um | Retained earnings | Total |
|---|---|---|---|---|
| **Balance at 1. January 2022** | **400** | **366.000** | **-23.836** | **342.564** |
| | | | | |
| Total comprehensive income | | | | |
| Net profit/(loss) for the period | 0 | 0 | -18.174 | -18.174 |
| Adjustment of investments through foreign exchange adjust-ments | 0 | 0 | -3.142 | -3.142 |
| **Total comprehensive income for the year** | **0** | **0** | **-21.316** | **-21.316** |
| | | | | |
| **Transactions with owners** | | | | |
| Initial capital increse | 0 | 0 | 0 | 0 |
| Capital increase, 2022 | 0 | 0 | 0 | 0 |
| **Total transactions with owners** | **0** | **0** | **0** | **0** |
| | | | | |
| **Balance at 31. December 2022** | **400** | **366.000** | **-45.152** | **321.248** |
| | | | | |
| **Balance at 1. January 2023** | **400** | **366.000** | **-45.152** | **321.248** |
| | | | | |
| **Total comprehensive income** | | | | |
| Net profit/(loss) for the period | 0 | 0 | -28.432 | -28.432 |
| Adjustment of investments through foreign exchange adjust-ments | 0 | 0 | -7.549 | -7.549 |
| **Total comprehensive income for the year** | **0** | **0** | **-35.981** | **-35.981** |
| | | | | |
| **Transactions with owners** | | | | |
| Initial capital increase | 0 | 0 | 0 | 0 |
| Capital increase, 2023 | 0 | 0 | 0 | 0 |
| **Total transactions with owners** | **0** | **0** | **0** | **0** |
| | | | | |
| **Balance at 31. December 2023** | **400** | **366.000** | **-81.133** | **285.267** |

# Cashflow Statement DKK

| | Note | 1/1 to 31/12 | 1/1 to 31/12 |
|---|---|---|---|
| Operating profit/loss | | **-3.055** | -2.581 |
| Change in working capital | 8 | **5.824** | -16.937 |
| Financial income received | | **4.596** | 7.173 |
| Financial expenses paid | | **-41.190** | -25.786 |
| **Cash flow from operating activities** | | **-33.825** | **-38.131** |
| | | | |
| Receivables from group entities | | **30.280** | 20.754 |
| **Cash flow from investing activities** | | **30.280** | **20.754** |
| | | | |
| Proceeds from long-term liabilities | 10 | **38.084** | 0 |
| Cash flow from overdraft facilities | | **0** | -1 |
| **Cash flow from financing activities** | | **38.084** | **-1** |
| | | | |
| **Change in cash and cash equivalents** | | **34.539** | **-17.378** |
| | | | |
| Opening cash and cash equivalance | | **529** | 17.907 |
| Change in cash and cash equivalance for the year | | **34.539** | -17.378 |
| **Cash 31 December** | | **35.068** | **529** |

# Notes



## Note 1. Summary of Significant Accounting Policies

The separate Parent Company Financial Statements have been incorporated in the Annual Report because a separate set of financial statements is required for the Parent Company under DFSA requirements for annual reports of reporting class B enterprises. The Company is required to apply the requirements for reporting class B enterprises, cf. the Danish Executive Order on Adoption of IFRSs ("IFRS bekendtgørelsen") issued in accordance with the Danish Financial Statements Act ("DFSA"). The Financial Statement for the Parent Company is in accordance with IFRS. Therefore the accounting principles is the same as the one applied in the consolidated financial statement except from the items below.

### Investments in subsidiaries

A proportionate share of the underlying entities' profit/ loss after tax is recognized in the income statement according to the equity method.

Shares of profit/ loss after tax in subsidiaries are presented as separate line items in the income statement.

### Receivables from group entities and other receivables

Receivables from group entities and other receivables are measured at amortized cost less allowance for expected credit losses.

To measure the expected credit losses, credit risk for trade receivables has been based on an individual assessment. Trade receivables are written off when all possible options have been exhausted and there is no reasonable expectation of recovery.

## Note 2. Significant Accounting Judgements, Estimates and Assumptions

For the significant accounting judgements, estimates and assumptions, please refer to note 3 to the consolidated financial statements on accounting policies.

Note 3.

# Revenue

| | (1/1 to 31/12) | (1/1 to 31/12) |
|---|---|---|
| Management fee | **9.484** | 2.312 |
| **Total** | **9.484** | **2.312** |

Note 4.

# Administrative Costs

| **SALARIES** | **(1/1 to 31/12)** | **(1/1 to 31/12)** |
|---|---|---|
| Wages and salaries | **8.489** | 2.254 |
| Pensions | **532** | 375 |
| Other social security costs | **11** | 5 |
| Other staff costs | **0** | 61 |
| **Total** | **9.032** | **2.695** |
| | | |
| Average numbers of employees during the year | **2** | 1 |
| | | |
| | | |
| **Administative costs** | **(1/1 to 31/12)** | **(1/1 to 31/12)** |
| Subscriptions | **274** | 242 |
| Consultancy | **2.243** | 812 |
| Audit | **997** | 1.021 |
| Miscellaneous | **-7** | 123 |
| **Total** | **3.507** | **2.198** |
| | | |
| **Total Administrative Cost** | **12.539** | **4.893** |

Note 5.

# Financial Income and Expenses

| | (1/1 to 31/12) | (1/1 to 31/12) |
|---|---|---|
| Interest receivables, group entities | **3.615** | 6.094 |
| Interest - bank deposits etc. | **22** | 1 |
| Foreign exchange gains - bonds etc. | **958** | 1.078 |
| **Total income** | **4.596** | **7.173** |
| | | |
| Interest on debts and borrowings | **35.856** | 24.712 |
| Foreign exchange losses and other adjustments | **1.862** | 1.068 |
| Other interest expenses | **3.976** | 853 |
| **Total expenses** | **41.694** | **26.633** |

# Note 6. Tax for the year

| | (1/1 to 31/12) | (1/1 to 31/12) |
|---|---|---|
| Current tax for the year income | **0** | 0 |
| Changes in deferred tax | **-3.324** | -2.987 |
| | **-3.324** | **-2.987** |
| | | |
| Tax calculated as 22% of profit/loss before tax | **-6.986** | -4.655 |
| Income/loss from investments in subsidiaries | **-1.847** | -194 |
| Inpact from non-deductible expenses | **5.510** | 1.862 |
| **Effective tax** | **-3.324** | **-2.987** |
| | | |
| Tax rate for the year (%) | **10%** | 14% |
| | | |
| Deferred tax liabilities, net | | |
| Deferred tax 1 January | **5.528** | 2.541 |
| Deferred tax for the year recognised in the Statement of profit or loss | **3.324** | 2.987 |
| **Defed tax 31 December** | **8.852** | **5.528** |
| | | |
| **Deferred tax is recognised in the statement of financial position as follows:** | | |
| Deferred tax (asset) from tax loss carry forward | **8.852** | 5.528 |
| Deferred tax (liability) | **0** | 0 |
| **Total** | **8.852** | **5.528** |

## Note 7. Investments in subsidiaries

| | (1/1 to 31/12) | (1/1 to 31/12) |
|---|---|---|
| **Costs at the beginning of the year** | **595.396** | **595.396** |
| Additions | | 0 |
| **Costs at 31 December** | **595.396** | **595.396** |
| | | |
| **Value adjustment at the beginning of the year** | **12.291** | **14.553** |
| Foreign exchange adjustments | **-7.549** | -3.142 |
| Profit/loss for the year | **22.545** | 880 |
| **Value adjustment at 31 December** | **27.287** | **12.291** |
| **Carrying amount at 31 December** | **622.683** | **607.687** |

## Note 8. Working capital changes

| | (1/1 to 31/12) | (1/1 to 31/12) |
|---|---|---|
| Change in receivables and prepayments | **-120** | 99 |
| Change in trade payables and other debts etc. | **5.944** | -17.036 |
| **Total** | **5.824** | **-16.937** |

Note 9.

# Share Capital

The share capital consist of 400.000 shares of DKK 1 each, corresponding to a share capital of 400.000 DKK.
No shares carry special rights.

Note 10.

# Interest-bearing liabilites

| | 31/12-2023 | 31/12-2022 |
|---|---|---|
| **Long-term debt is due as follows:** | | |
| 0-1 year | | 0 |
| 1-3 year | | 0 |
| 3-5 year | **409.977** | 371.893 |
| > 5 year | | 0 |
| Amortized loan cost | **-10.289** | -10.794 |
| **Total** | **399.688** | **361.099** |
| | | |
| | | |
| Liabilities at 1. January | **361.099** | 360.252 |
| Bond issued | **38.084** | 0 |
| Amortized loan cost | **505** | 847 |
| **Liabilities at 31. December** | **399.688** | **361.099** |

## Note 11. Financial, liquidity and currency risks

The financial risks and financial instruments of Force Bidco A/S relate to the bond loan of 55 MEUR as described in note 23 to the consolidated financial statements.

Please refer to this note for further information on financial instruments and risk elements.

Furthermore the parent company has both financial risk and liquidity risk related to receivables from group enterprises and the ability for group companies to repay as needed for the parent company to meet its obligations. Management sees this risk as insignificant.

## Note 12. Guarantees, contingent liabilities and collateral

**Contingent Liabilities**
The Parent Company participates in a Danish joint taxation arrangement where Force Holdco A/S serves as the administration company.

According to the joint taxation provisions ofthe Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointlytaxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement isdisclosed in the administration company's financial statements.

**Collateral**
The group companies have given negative pledge in the entity's assets.

## Note 13. Related parties

| | 31/12-2023 | 31/12-2022 |
|---|---|---|
| Related Party Capital Loan Capital (Subsidiary) | **-46.478** | -76.758 |
| Related party loan capital, interest (Subsidiary) | **-3.615** | -6.094 |
| Related Party Payables (Parent) | **0** | 0 |

## Note 14. Legal entities

For legal entities please refer note 26 in the consolidated financial statements.

## Note 15. Events after the reporting period

For events after the reporting period please refer note 27 in the consolidated financial statements.

# Appendix 1

**Management Review (cont.)** - EU-Taxonomy Reporting 2023

# Taxonomy Definitions

| | |
|---|---|
| **Economic Activity** | Assessment unit in Taxonomy methodology |
| **Company** | Non-financial undertaking |
| **NACE** | European Classification of Economic Activities |
| **Substantial Contribution** | Positive impact on the environment |
| **DNSH** | Do No Significant Harm |
| **Minimum safeguard** | Minimum social guideline |
| **KPI** | Key Performance Indicators |
| **CapEx** | Capital Expenditure |
| **OpEx** | Operational Expenditure |

# About Taxonomy

The EU Taxonomy is a European sustainability classification framework. It enables companies to communicate to stakeholders which of their business activities have the potential to be considered environmentally sustainable economic activities (i.e. are Taxonomy eligible) and report to which extent eligible activities fulfil EU requirements to be considered sustainable (i.e. are Taxonomy aligned). For each relevant business activity, the company has to disclose how much of its Turnover, Operating Expenditures (OpEx) and Capital Expenditures (CapEx) can be considered eligible and aligned, respectively. FairWind supports the EU Taxonomy regulation as an important step towards a sustainable transformation of the economic system to support a sustainable future.

Like in previous years, To report on the EU Taxonomy, FairWind has identified and determined which economic activities are eligible and aligned under the Taxonomy definition and subsequently allocated financial numbers to those activities. This work has been carried out with reference to the criteria set out in the EU taxonomy regulation *(Article 3 of the Taxonomy Regulation (EU) 2020/852, delegated regulation (EU) 2021/2139 on climate change mitigation and adaptation, delegated regulation (EU) 2021/2178 supplementing Article 8 of the Taxonomy Regulation, the delegated regulation (EU) of 27.6.2023 amending delegated regulation (EU) 2021/2139 on climate mitigation and adaptation and the delegated regulation (EU) of 27.6.2023 supplementing Regulation 2020/852 (EU) by establishing the technical screening criteria relating to water and marine resources, the transition to a circular economy, pollution prevention and control, and to the protection and restoration of biodiversity and ecosystems).*

# The Process for Taxonomy Assessment

To identify and address the sum of taxonomy eligible and taxonomy aligned activities, FairWind has taken a four-step approach towards the taxonomy reporting of economic activities set by the Taxonomy Regulation.

## Step 1

Screening of Activities

The first step in determining the impact of FairWind's economic activities on the environment was to screen and identify which economic activities, as outlined in the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139), the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214), the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486), and the amendments to the Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485) supplementing the EU Taxonomy Regulation (EU 2020/852), contribute substantially to at least one environmental objective.

FairWind's key economic activities were mapped with NACE codes to identify which economic activities it covers, to quickly determine whether the specific business activity is considered sustainable under EU guidelines. Furthermore all economic activities were mapped against the objectives to establish their proportionate contribution. By doing so, it was possible to gain insight into the specific economic activities that have the most significant impact on the environment and identify areas where improvements can be made. The screening included assessing potential revenue, CapEx and OpEx related to the economic activities.

## Step 2

Assessment of Eligibility

For the identified relevant activities, each individual technical screening criteria, defined in the delegated act in Annex 1 and Annex 2, was assessed, to see if the economic activity meets the EU Taxonomy criteria, and classify whether it is an enabling or transitional activity. If the technical screening criteria is complied, the assessment process moved on.

# The Process for Taxonomy Assessment (cont.)

## Step 3

Assessment of Alignment

To ensure that the identified activity does not cause significant harm to any of the other five environmental objectives, the third step was to evaluate it against the DNSH criteria as defined in the delegated act annex 1 and 2. This involved addressing each DNSH criteria for the activity to determine whether it complies with them, thus determining whether the activity does no significant harm to any of the other five environmental objectives.

## Step 4

Assessment of Minimum Social Safeguards

The last step in the alignment process was to assess whether FairWind complies with the minimum social safeguards stated in article 18 in the Regulation (EU) 2020/852. To document whether FairWind complies with the EU minimum safeguards, the following four core topics have been assessed:

- Human and labor rights
- Bribery and corruption
- Taxation
- Fair competition

By describing and documenting existing processes to manage environmental and social risks, we ensure a company-wide compliance approach and get a clear overview of which processes are central to ensure taxonomy alignment.

The assessment of eligibility, alignment and calculating the Taxnomy KPI's was carried out during workshops with the representatives from the sustainability team, finance, and external experts.

# Taxonomy Eligibility

The EU Taxonomy regulation is maturing and evolving, leading to ongoing interpretation in reporting within the taxonomy. FairWind's taxonomy eligibility specifies the proportion of FairWind's economic activities related to the delegated acts on climate change adaptation and climate change mitigation, including the Commission Delegated Regulation (EU) 2021/2139, the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214), the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486), and the amendments to the Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485), supplementing the EU Taxonomy Regulation (EU 2020/852).

## Revenue

In 2023, FairWind has identified the following two activities in the Climate Delegated Act as eligible.

The primary activity generating revenue in FairWind is installation, maintenance, and repair of wind turbines. With a global presence, FairWind collaborates with over 1500 technicians across more than 40 countries to provide one-stop solutions for onshore and offshore wind turbine installation and service. This encompasses all sub-activities within the project sales and service contracts, including renting materials, transportation of employees and materials, accommoda-tion, and stand-by service. We consider these sub-activities essential components of our deliverable, justifying their inclusion under the main activity of wind turbine installation and service.

For FairWind, servicing windmills primarily contributes to the first objective: climate change mitigation, by maintaining the efficiency and operational capability of renewable energy sources. The technical screening criteria for wind energy under the EU Taxonomy specify the requirements for the manufacture, development, and operation of wind turbines. While the taxonomy indeed focuses on the construc-tion and direct operation of new or existing wind energy facilities, servicing and maintenance play critical roles in ensuring these facilities continue to operate efficiently and thus help in mitigating climate change. If service is not performed, then windmill is not service. Servicing ensure that turbines meet or exceed their expected energy output and safety standards.

Wind turbine installation and service contributes to both climate change mitigation and climate change adaptation, as it is a part of CCM 7.6 and CCA 7.6: Installation, maintenance, and repair of renewable energy technologies. As the economic activity falls under both categories in the EU taxonomy, the determination of whether it should be classified under climate change mitigation or climate change adaptation —or both—depends on the specific outcomes and intentions of that activity. FairWind's activities are classified under the climate change mitigation as the activities contribute directly to the reduction or avoidance of greenhouse gas emissions.

Providing education for internal and external technicians are secondary activities that support FairWind’s overall business activity. This activity contributes to CCA 11: Education. While it is also covered by the taxonomy, their proportion of total activities is insignificant and therefore included in the calculations as eligibility, but not aligned.

The scope and the two economic activities are the same activities as reported in the taxonomy report for 2022. No new economic activities haves been identified in the Environmental Delegated Act for Fair-Wind in 2023.

## CapEx

FairWind's identified economic activities related to the CapEx KPI were determined based on the following categories defined in the EU Taxonomy (supplement to Regulation (EU) 2020/852, Annex I, 1.1.2.2):

a) Capital expenditure related to assets or processes associated with taxonomy-aligned economic activities;
b) A part of a capital expenditure plan that aims to expand taxonomy-aligned activities;
c) Capital expenditure related to the acquisition of production from taxonomy-aligned economic activities and individual measures that enable the target activities to become low-carbon or reduce greenhouse gas emissions.

FairWind's CapEx are all classified as category (a). FairWind has no CapEx that is part of a plan to expand Taxonomy-eligible economic activities or enable Taxonomy-eligible activities to be Taxonomy-aligned, and has no CapEx classified under category (b), and no CapEX related to (c) the acquisition of production from taxonomy-aligned economic activities.

FairWind's CapEx consists of additions in tools and equipment, assets related to CCM 7.6, Investments in training courses, assets related to CCA 11, and leased cars, which are assets related to CCM 6.5. While the taxonomy also covers the activities in CCM 6.5 and CCA 11, their proportion of total activities is insignificant and therefore included in the calculations as eligibility, but not aligned.

FairWind continues to report on the same three economic activities (CCM 7.6, CCM 6.5 and CCA 11) for CapEx as in 2022.

## OpEx

FairWind has identified its economic activities related to the OpeX KPI associated with the Taxonomy-aligned economic activities as defined in Annex I, 1.1.3.2. of Regulation (EU) 2020/852.

The operating expenses that are directly related to the daily maintenance of assets classified as property, plant, and equipment and necessary for ensuring FairWind's functioning, as defined in Annex I, 1.1.3.1. of Regulation (EU) 2020/852. This includes direct non-capitalized costs such as building renovation measures, short-term lease, maintenance, and repair.

FairWind's OpEx are mainly related to tools and safety equipment that are necessary for the installation, repair and maintenance of wind turbines and eligible as a part of CCM 7.6.

Other operating costs covered by the taxonomy are related to short term leasing of cars, as a secondary activity that support FairWind's overall business activity, and a part of CCM: 6.5 Transport by motorbikes, passenger cars and light commercial vehicles. While the supporting activity is also covered by the taxonomy, their proportion of total activities is insignificant and therefore included in the calculations as eligibility, but not aligned.

FairWind continues to report on the same two economic activities (CCM 7.6 and CCM 6.5) for OpEx as in 2022.

The assessed economic activities, their substantial contribution criteria for the eligible activities, and mapping to revenue, capex and opex are addressed and listed in the figure below.

| EU taxonomy activity | Activity description | Revenue<br>CapEx<br>OpEx | Substantial contribution criteria |
|---|---|---|---|
| Climate change mitigation<br><br>7.6 Installation, maintenance and repair of renewable energy technologies | Provision of services for installing, remote monitoring, preventive maintenance and service of wind turbines<br><br>Construction or operation of electricity generation facilities that produce electricity from wind power. | Revenue<br>CapEx<br>OpEx | The activity consists in the following individual measures if installed on-site as technical building systems:<br><br>D) installation, maintenance, and repair of wind turbines and the ancillary technical equipment |
| Climate change<br><br>Adaption 11. Education | Provision for training, certificating, and educating employees for servicing of wind turbines. | Revenue<br>CapEx | Not enough information available for an answer regarding the compliance with the substantial contributing criteria in the delegated act, therefore it's treated as not in compliance and therefore can be reported as eligible but not aligned. |
| Climate change mitigation<br><br>6.5 Transport by motorbikes, passenger cars and light commercial vehicles | FairWind leases its company cars through various third-party leasing services. | OpEx<br>CapEx | Not enough information available for an answer regarding the compliance with the substantial contributing criteria in the delegated act, therefore it's treated as not in compliance and therefore can be reported as eligible but not aligned. |

Fig. 1. Assignation of FairWinds economic activities to the EU taxonomy

## Taxonomy Alignment

Regulation (EU) 2020/852, article 3, sets out criteria which an economic activity must meet to qualify as environmentally sustainable (taxonomy-aligned):

- Substantially contribute to one or more of the six environmental objectives.
- Do no significant harm (DNSH) to the other five objectives.
- Comply with minimum safeguards covering social and governance standards.
- Comply with the technical screening criteria (TSC) for the environmental objectives

In order to comply with the 'do no significant harm' criteria, we have undertaken a thorough assessment of our economic activities against climate-related hazards outlined in Appendix A to Annex I.

FairWind has reviewed the substantial contribution criteria and 'do no significant harm' criteria for the eligible activities, listed in figure 1. Only one activity (CCM 7.6) was considered for assessment of alignment as the proportion of total activities for activity CCA 11 and CCM 6.5 are insignificant, and FairWind does not have enough information available for an answer regarding the compliance with the substantial contributing criteria in the delegated act. The economic activities relates to CCA 11 and CCM 6.5, are treated as not in compliance and therefore can be reported as eligible but not aligned. FairWind will continuously review the documentation and requirements for taxonomy alignment going forward.

### Assessing activity CCM 7.6 for alignment

FairWind reviewed the extensive ‘substantial contribution’ and ‘do no significant harm’ criteria for all eligible economic activities and concluded that one of the eligible activities is Taxonomy- aligned :Installation, repair and maintenance of wind turbines align with the substantial distribution criteria in CCM 7.6: The activity consists in the following individual measures if installed on-site as technical building systems: D) installation, maintenance, and repair of wind turbines and the ancillary technical equipment.

To meet the DNSH criterias for alignment in activity CCM 7.6 a climate risk assessment has been made.

In 2023, FairWind worked on over 300 projects, spanning 34 countries. Given the extensive scale and geographic dispersion of FairWind's operations, conducting a climate risk assessment for each individual installation site is practically infeasible. In lieu of assessing climate risks at every site, FairWind has adopted an approach which designates specific key sites to serve as proxies. The reasoning behind this approach is that sites within similar climates will face a similar set of climate hazards, within a margin of uncertainty.

Given these considerations, key sites for the 2023 climate risk assessment have been chosen based on the following criteria:

a) Encompassing major investments in FairWind's portfolio, or investments of particular strategic importance.
b) Representing a range of climatic conditions.
c) Availability of reliable climate data for the site.
d) Offering instances of both onshore and offshore wind turbine installations, reflecting the breadth of FairWind's project types.

### Climate Change Adoptation

The requirements of the DNSH criteria related to Climate Change Adoptation are applicable to all our eligible activities. To comply with the criteria, we have conducted a climate risk analysis, using the range of the climate risk scenarios.

Together these criteria aim to ensure that those sites most material to FairWind’s economic activity are taken into consideration, while also providing a robust range of climate risk scenarios. Following these criteria, for the 2023 climate risk assessment, FairWind selected 3 key sites for analysis:

1. Esbjerg harbor, Denmark (offshore): The Esbjerg harbor project is FairWind’s biggest offshore project in 2023, measured in economic terms.
2. Sipsdorf, Germany (onshore): The Sipsdorf project is FairWind’s largest single-site project in Germany in 2023, measured in economic terms.
3. Warradarge, Australia (onshore): Australia represents one of FairWind’s biggest future markets, and hence is of great strategic importance. It is also representative of the warmer climates in which FairWind operates.

The climate risk assessment followed the structure recommended by ISO 14091 (a general standard for conducting climate risk assessments):

1. Preparation phase, during which an initial screening of climate-related hazards from Appendix A of the EU taxonomy was carried out, and
2. Implementation phase, during which the climate risk assessment was carried out, and adaptation solutions were identified.

Both phases was carried out during workshops with the representatives from the sustainability team, finance, and local experts from the operations.

In order to manage climate-related risks, such as those posed by heat waves or cold weather, all-risk insurance coverage has been implemented with our customers. Additionally, safety processes are integrated into our standard procedures to mitigate any potential risks related to climate hazards. The economic activities in CCM 7.6 do no significant harm (DNSH) to the other five objectives and FairWind has taken proactive measures to address significant risks and have implemented sufficient solutions to manage any potential impacts associated with climate-related hazards and comply with the alignment criteria.

Not all DNSH Criteria of Activity 7.6 are applicable to our activities. We do not consider sustainable use and protection of water and pollution prevent and control to be applicable to our activities.

We confirm compliance with Transition to Circular Economy, as the tools and components used for the activities are reusable and highly duable and recyclable to a great extent of end-of-life.

We confirm compliance to criteria for DNSH to Protection and Restoration of Biodiversity and Ecosystems, as an EIA or screening has been performed by our customers.

### Minimum Safeguards

To comply with the minimum safeguards, FairWind has ensured compliance with EU regulation and respects minimum safeguards covering social and governance standards. The business activities 7.6, Installation, maintenance, and repair of renewable energy technologies are based on specific principles defined in our Code of Conduct.

FairWind works with Human Right according to the United Nations Guiduance Principles on Business and Human Rights (UNGPs). Our commitment to respect Human Rights is embedded into our corporate wide policies, including Human Rights Policy and Customer Code of Conduct. This formalizes the actions that we already take in our everyday operations. In our day-to-day operations, we have dedicated employees within HR, Legal, Compliance, and ESG that work together to develop and implement policies and procedures.
Additionally, FairWind is certified according to ISO 9001, ISO 14001, and ISO 45001 standards, which further demonstrate our commitment to sustainable and responsible business practices.

### Human and Labor Rights

FairWind recognizes the importance of conducting a thorough evaluation of new market opportunities, taking into account a range of factors such as safety, cultural barriers, and human rights. As part of our country assessment process, we consider a range of ethical considerations, including anti-bribery, no child labor, anti-corruption, equal rights, freedom of speech, democracy, environmental impact, and human rights. During 2023 we have not had any incidents nor breaches of labor laws and human rights.

Our assessment is divided into 10 categories, and the results are used to provide an overall risk and business assessment that helps us make informed decisions on new markets.
A matrix sheet detailing the assessment criteria is available upon request.

To further enhance our evaluation and management of new markets, FairWind uses the country credit rating system provided by Allianz to access detailed analysis and risk ratings of countries worldwide. This system provides valuable insights that help us make informed decisions about entering new markets.

We believe that by including human rights considerations as a Minimum Safeguard in our country assessment process, we can help to promote and protect human rights in the countries where we operate, and demonstrate our commitment to ethical and responsible business practices.

### Anti-corruption and anti-bribery

As part of our Minimum Safeguards, we have a zero-tolerance policy towards bribery and corruption, and we strictly comply with all applicable laws and regulations governing anti-bribery and anti-corruption.

We have implemented robust internal procedures such as dedicated anti-bribery and anti-corruption policies for employees and business partners as well as a confidential reporting mechanism for whistleblowers. There has not been any reported incidents during 2023.

We also strive to promote transparency and accountability in our business practices, including disclosing any political contributions or lobbying activities and conducting regular risk assessments to identify and mitigate potential corruption risks. For 2023 there has been no such contributions.

By maintaining our commitment to anti-bribery and anti-corruption, we aim to create a culture of integrity and trust among our stakeholders and contribute to a fair and sustainable business environment.

FairWind has not been involved in any court cases regarding corruption or bribery during the year.

### Taxation

At FairWind we recognize the importance of taxes, giving back to local society and contributing to the sustainable development of the countries where we operate.

At FairWind we want to ensure that we fulfill our tax obligations in an ethical and transparent manner, while also minimizing the impact on the environment and society. This includes complying with tax laws and regulations, ensuring fair and transparent tax practices, and minimizing the environmental impact of our tax activities. FairWind has complied with all tax laws in 2023, just as in previous years.

FairWind does not operate in low-tax jurisdictions, nor uses special tax optimization models designed for tax evasion purposes.

FairWind has not been involved in any court cases regarding taxation during the year.

### Fair Competition

Alongside other factors such as anti-bribery, anti-corruption, and human rights, FairWind commits to conducting fair competition by complying with all applicable laws and regulations governing competition, such as antitrust laws or competition laws. This also means avoiding anti-competitive practices, such as price-fixing, bid-rigging, or market-sharing agreements.

FairWind refrains from unfairly competing with other businesses, such as through false advertising, deceptive marketing practices, or intellectual property infringement.

We work dedicatedly to encourage a culture of fair competition within our company, including the production of corporate policies highlighting the importance of fair competition and promoting ethical business practices.

By including fair competition as part of our Minimum Safeguards, we wish to demonstrate our commitment to ethical and responsible business practices, while also contributing to a more level playing field for businesses in the market.

For the year there has not been reported any breached on this policy.

### Supplier Management Process

To ensure that our suppliers comply with the FairWind standards, we conduct a supplier assessment. The purpose of this procedure is to ensure that FairWind only works with pre-qualified suppliers, to ensure the quality of supplied equipment and/or items. The instruction applies to all new suppliers of equipment and/or items and/or services that are included in, or will be included in, products to customers, which are critical to quality (CTQ).

In general, all suppliers of FairWind must be ISO9001 certified, or they should be able to display and document a similar quality management system (QMS).

The QHSE and/or Global Procurement department may also conduct an audit of the supplier in question. The QHSE is responsible for conducting the audit and must produce a written report of the outcome once completed.

### Supplier Code of Conduct

Suppliers are essential to FairWind's goal of becoming a leading turbine installation and service player with strategic regional strongholds, based on our commitment to green transformation. We only work with suppliers who share our commitment to ethical and responsible business practices, and we rely on their support to achieve our mission.

All of our suppliers are held to a high standard of conduct and are expected to comply with our Supplier Code of Conduct, as well as all relevant laws, regulations and FairWind's contractual requirements and policies. This Code of Conduct outlines our expectations for ethical and responsible business practices, and all of our suppliers are required to review and sign it before conducting business with FairWind.

Assessing Minimum Social Safeguard was carried out by representatives from the sustainability team and local experts from the operations.

# The KPIs and Accounting Policies

Key performing indicators (KPIs) include turnover, CapEx, and OpEx. Our accounting policies for these calculations are based on our best interpretation of the EU Taxonomy Regulation and delegated acts and the currently available guidelines from the European Commission.

The share of Taxonomy eligible economic activities is expressed as the proportion of revenue derived from products and services that qualify as environmentally sustainable and the proportion of CapEx and OpEx related to assets or processes associated with economic activities that qualify as environmentally sustainable.

FairWind has assessed its taxonomy reporting for 2023 and is pleased to report its consolidated KPIs:

| | Turnover | CapEx | OpEx |
|---|---|---|---|
| **Alignment** | 99,4% | 34,7% | 94,2% |
| **Eligible** | 0,6% | 48,4% | 5,7% |
| **Non-eligible** | 0,0% | 16,9% | 0,1% |

# Turnover KPI (cont.)

To determine the proportion of our turnover aligned with the EU Taxonomy, we followed the definition provided in Article 8(2)(a) of Regulation (EU) 2020/852 and Annex I of its supplement. The denominator is defined as net turnover as per Article 2(5) of Directive (EU) 2013/34, while the numerator of the revenue KPI is defined as the net turnover generated by products and services related to Taxonomy-aligned economic activities.

**Contextual information about the revenue KPI**

For the reporting year 2023, FairWind reported total revenues of 1.192 mDKK.

We have calculated the proportion of FairWind's revenue that is eligible and aligned with the EU Taxonomy criteria by considering the revenue generated from products or services associated with these economic activities as a percentage of our total net revenue. The process and method of determining the Taxonomy-aligned, Taxonomy-eligible and Taxonomy-non-eligible activities, has been to split activities/accounts in our internal chart of account, where each Revenue account has been mapped to a Taxonomy Code.

The denominator for FairWind's turnover KPI is based on the revenue reported in our income statement. The majority of our revenue is derived from the installation and service of wind turbines, with a minor contribution from training and education.

The numerator of the turnover KPI is derived from the “Installation” and “Service” business segments, which are aligned with the EU Taxonomy criteria. The proportion of revenue generated by these segments is used as the numerator in our turnover KPI calculation.

Our evaluation of activities for climate change mitigation shows that 99.4% of our activities are aligned with the EU Taxonomy criteria, with 7.6 being the primary activity of installation, maintenance, and repair of renewable energy technologies.

In 2022, revenue from CCA 11 Education was considered aligned, but for 2023, we consider not enough information is available for an answer regarding the compliance with the substantial contributing criteria in the delegated act, therefore it is treated as not in compliance and therefore can be reported as eligible but not aligned in 2023.

The total percentage of aligned revenue was in 2022 100% due the inclusion of CCA 11, but looking only at the turnover KPI for 2023 regarding CCM 7.6 (99,4% )is in line with the reported turnover KPI for CCM 7.6 in 2022 (99,6%).

There has been no new economic activities since last year.

*Further details on the calculation can be found in the Model of Proportion of Turnover from Products or Services Associated with Taxonomy-Aligned Economic Activities, Disclosure Covering Year 2023 on page 27.*

# CapEx KPI

To calculate the proportion of capital expenditure related to the EU Taxonomy, FairWind followed the EU Taxonomy Regulation (Article 8(2), part c) and the supplement to Regulation (EU) 2020/852, Annex I. The Capex KPI is defined as the Taxonomy-aligned capital expenditures divided by the total investment capital expenditure as defined in the EU Taxonomy.

**Contextual informationon CapEx KPI**

FairWind's capital expenditure (CapEx) additions consist of the value of long-term leased assets and hardware, software, and equipment.

CapEx additions are in alignment with those in the Annual Report for 2023. Taxonomy-aligned, Taxonomy-eligible and Taxonomy-non-eligible activities have been determined due to the nature of the investment, and the assessment of the individual object's economic activity.

The numerator at FairWind, are the taxonomy aligned activities and consists of additions in tools and equipment, assets related to CCM 7.6

The investments in training courses, assets related to CCA 11, and leased cars, which are assets related to CCM 6.5 are eligible activities but not aligned with the taxonomy criteria, and not part of the numerator.

The denominator covers additions to tangible and intangible assets during the financial year based on the definition in Annex I, 1.1.2.1. and accounts for costs based on the international financial reporting standards (IFRS) as adopted by Regulation (EC) 1126/2008.

At FairWind, the denominator of the CapEx KPI consists of the following items:

- Additions to property, plant, and equipment, under IAS 16.73,
- Additions to intangible assets, under IAS 38.118,

The CapEx KPI calculation does not pose a risk of double counting since the additions are specified on separate accounts in the chart of accounts, and no proportion of allocated CapEx to any of the taxonomy-aligned activities is related to more than one activity. Therefore, it can be accurately tracked and will only be counted once in the numerator.

The share of FairWind's CapEx was in 2023:

- 34,7% Taxonomy-aligned
- 48,4% Taxonomy-eligible
- 16,9% Non-eligible

Looking at FairWind's CapEx, about a 1/3 of it, specifically 34,7% is aligned with the defined taxonomy. Another 48,4% is eligible for the taxonomy, while 16,9% is considered non-eligible. This breakdown provides insight into how CapEx is allocated within the company and can help inform decision-making processes.

In 2022, CapEx regarding CCA 11 Education was considered aligned, but for 2023 we consider not enough information is available for an answer regarding the compliance with the substantial contributing criteria in the delegated act, therefore it is treated as not in compliance and therefore can be reported as eligible but not aligned in 2023. The total percentage of aligned CapEx was in 2022 higher than in 2023 due the inclusion of CCA 11, but looking only at the CapEx KPI for 2023 regarding CCM 7.6 it is in line with the reported CapEx KPI in 2022.

There has been no new economic activities since last year.

*For CapEx KPI calculation details see Model of Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities, disclosure covering the year 2023 on page 29.*

# OpEx KPI

The OpEx KPI at FairWind is calculated based on the proportion of operating expenses related to the EU taxonomy-aligned activities. The numerator of the KPI consists of the operating expenses related to assets or processes associated with the Taxonomy-aligned economic activities as defined in Annex I, 1.1.3.2. of Regulation (EU) 2020/852. The numerator equals to the part of OpEx included in the denominator that is any of the following: (a) related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalized costs that represent research and development.

The denominator is based on the operating expenses that are directly related to the daily maintenance of assets classified as property, plant, and equipment and necessary for ensuring FairWinds' functioning, as defined in Annex I, 1.1.3.1. of Regulation (EU) 2020/852. This includes direct non-capitalized costs such as building renovation measures, short-term lease, maintenance, and repair.

The OpEx KPI is calculated by dividing the numerator by the denominator. This allows for the measurement of the proportion of operating expenses related to the Taxonomy-aligned economic activities at FairWind.

**Contextual informationon OpEx KPI**
The operating expenditure KPI numerator consists of assets or processes associated with the Taxonomy-aligned economic activities, which can be classified as being in compliance with the screening criteria in the annex to the delegated act, related to CCM 7.6 .

The operating expenditures are in FairWind primary related to renting, leasing and repair of cars, maintenance and repair of tools and PPE (personal protective equipment).

The method of determining Taxonomy-aligned, Taxonomy-eligible and Taxonomy-non-eligible activities has been to split activities/accounts in our internal chart of account, where each Cost account has been mapped to a Taxonomy Code.

In this case, there is no risk of double counting in the numerator because the OpEx allocated to activity 7.6 has been mapped directly in the chart of accounts. Therefore, each expense figure is only counted once and can be easily tracked in the KPI calculation.

The share of FairWind's OpEx was:

- 94,2% Taxonomy-aligned
- 5,7% Taxonomy-eligible
- 0,1% Non-eligible

Looking at FairWind's OpEx, it is in line with the reported OpEx for 2022 with a slight increase of 2,6 percentage points. For 2023 the majority of the OpEx, specifically 94,2% is aligned with the defined taxonomy. Another 5,7% is eligible for the taxonomy, while only 0,1% is considered non-eligible. This breakdown provides insight into how OpEx is allocated within the company and can help inform decision-making processes.

There has been no new economic activities since last year.

*For OpEx KPI calculation details see the Model of Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities, disclosure covering year 2023 on page 28.*

# Accounting Policies

The share of Taxonomy-eligible economic activities is represented by the percentage of revenue generated from products or services linked to environmentally sustainable practices. Additionally, it includes the proportion CAPEX and OPEX allocated to assets meeting environmentally sustainable standards.

Revenue
The revenue KPI is defined as taxonomy-eligible revenue (numerator) divided by total revenue (denominator).

CAPEX
CAPEX consists of additions to tangible assets covering property, plant and equipment and intangible assets during the financial year. It includes additions to Property, plant and equipment, intangible assets and right-of-use assets (IFRS 16). The CAPEX KPI is defined as Taxonomy-eligible CAPEX (numerator) relating to category (a) divided by total CAPEX (denominator).

OPEX
OPEX consists of direct non-capitalized costs that relate to research and development, building renovation, short-term lease, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of Property, plant and equipment, right-of-use assets and intangible assets. The OPEX KPI is defined as Taxonomy-eligible OPEX (numerator) relating to category (a) and (c) divided by total OPEX (denominator).

### Disaggregation of KPIs
In the assessment, there has been no disaggregation of revenue, CapEx or OpEx KPIs for the assessed economic activities.

### Double Counting
To ensure accuracy in the calculation of key performance indicators (KPIs), it is important to avoid double counting expenses.
For the allocation of revenue, CapEx and OpEx, FairWind has identified the relevant costs and measures associated with the related economic activity in the Climate Delegated Act and Environmental Delegated Act. This is done to ensure that no revenue, CapEx or OpEx is calculated more than once.

### Contribution to Multiple Objectives
FairWind did not find that any of the identified eligible economic activities to contribute to multiple objectives.


FairWind