

Connected Wind Services Danmark A/S

CVR no. 10 09 79 24

Annual report 2019

The annual report was presented and approved at the
Company's annual general meeting

On 8th of April 2020

chairman of the annual general meeting

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Connected Wind Services Danmark A/S
Annual report 2019
CVR no. 10 09 79 24

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Connected Wind Services Danmark A/S for the financial year 1 January – 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Balle, 8th of April 2020
Executive Board:

Kent Thirstrup Hougaard

Board of Directors:

Felix Overbeck
Chairman

Morten Lund

Oliver Auras

Independent auditor's report

To the shareholders of Connected Wind Services Danmark A/S

Opinion

We have audited the financial statements of Connected Wind Services Danmark A/S for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (ESBA Code) and additional requirement applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

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

Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 8th of April 2020

Ernst & Young

Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jes Lauritzen
State Authorised
Public Accountant
mne10121

Christian Jøker
State Authorised
Public Accountant
mne31471

Management's review

Company details

Connected Wind Services Danmark A/S
Nyballevej 8, 8444 Balle

Telephone: 86 23 01 55
Website: www.connectedwind.com/dk
E-mail: info.dk@connectedwind.com

CVR no. 10 09 79 24
Established: 4 September 2002
Registered office: Syddjurs
Financial year: 1 January – 31 December

Board of Directors

Kent Thirstrup Hougaard

Executive Board

Felix Overbeck

Morten Lund

Oliver Auras

Auditor

Ernst & Young
Godkendt Revisionspartnerselskab
Værkmestergade 25, 8100 Aarhus C

Management's review

Financial highlights

DKK'000	2019	2018	2017	2016	2015
Gross profit/loss	16.262	12.118	8.764	4.783	30.342
Ordinary operating profit/loss	936	-3.000	-7.416	-20.540	1.973
Profit/loss from financial income and expenses	-381	-385	-187	-1.260	-2.110
Profit/loss for the year	555	-3.659	-7.603	-23.973	-216
Total assets	41.684	26.314	25.243	29.204	119.236
Investments in property, plant and equipment	3.368	5.245	1.307	1.429	2.358
Equity	9.589	5.534	3.595	11.198	25.171
Return on invested capital	8,9	-30,5	-53,5	-39,9	2,2
Return on equity	7,3	-80,2	-102,8	-131,8	-0,9
Solvency ratio	23,0	21,0	14,2	38,3	21,1

Financial ratios are calculated in accordance with the guidelines "Recommendations and Ratios" issued by the Danish Society of Financial Analysts. The financial ratios have been calculated as follows:

Return on invested capital	$\frac{\text{Operating profit} \times 100}{\text{Average invested capital}}$
Invested capital	Operational intangible assets and property, plant and equipment as well as net working capital
Return on equity	$\frac{\text{Profit from ordinary activities after tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$

Management's review

Operating review

Principal activities

The main activity of Connected Wind Services Danmark A/S is manufacturer-independent servicing and maintenance of wind turbines and wind farms, execution of service projects, and sale of spare parts and main components for wind turbines.

Development in activities and financial position

During the period, the company has been affected by a generally difficult market in Denmark but has succeeded in gaining both organic growth and growth through acquisitions.

Profit/loss for the year

The company's activities show a profit for the year of TDKK 555 against a loss in 2018 of TDKK 3.659. The profit for 2019 was within the expected range stated in the annual report 2018. The management considers the result satisfactory.

The improved performance in 2019 is expected to continue in 2020 and beyond. Together with an improved equity and committed financing we expect the company can realize the planning for the coming years.

Capital resources

The company is financed through the parent company Connected Wind Services A/S, which makes the daily business financing available to implement the company's planned activities. In December 2019 the parent company waived TDKK 3.500 of the loan increasing the capital of the company. The management consider the current available resources sufficient to continue the company in 2020 and beyond.

Outlook

The company expects a further increase in earnings in 2020 and a thereby an improved positive result. This outlook has been made under the assumption that the company will not experience a significant negative effect of the ongoing Covid-19 virus outbreak.

Events after the balance sheet date

In the first months of 2020, the company has not experienced any significant negative effect of the Covid-19 virus outbreak, but are in general performing in line with the budgets. However, as the magnitude of the Covid-19 virus outbreak is still uncertain, it is currently not possible for management to assess if the virus outbreak can have a negative effect on the 2020 financial performance. No other significant events have occurred after the end of the financial year, which may influence the assessment of the company's financial position as at 31 December 2019.

Intellectual capital

The most important knowledge resource is the groups employees, who have broad and long-standing experience in service, maintenance, optimization and renovation of wind turbines and components for these.

Management's review

Operating review

Particular risks

The company's activities are within the manufacturer independent servicing of wind turbines and wind farms and the execution of comprehensive service projects on these. These activities are not immediately affected by the number of newly constructed turbines in Scandinavia or Europe, but rather by the number of turbines that are in operation. It is expected that the number of turbines that will be serviced by independent service providers will increase in the coming years.

The Board of Directors assess on an ongoing basis, together with the Executive Board, the company's overall risk ratio and adopts guidelines to meet these. The Group manages the financial risks centrally, including coordinated liquidity management and raising capital.

Price risks

The company uses materials and spare parts purchased from many different suppliers. The company's activities are not dependent on parts from individual suppliers.

Financial risks

Currency risks

The activities outside Denmark is primarily settled in Euro, why the risk of currency fluctuations is limited. There are no foreign currency contracts that run beyond 12 months and the exposure is therefore limited. Therefore, currency risks are not hedged and the company do not enter into agreements of speculative currency displacements.

Interest rate risks

The interest-bearing debt is at an acceptable level and a moderate change in interest rates will only have a minor impact on earnings. Interest rates have not been hedged.

Credit risks

The company and group gives customers credit according to the market standard. Customers are assessed continuously, and prepayments or credit insurance is used if deemed relevant. Overall, the credit risk is assessed to be low.

Quality, Safety and Environment

Connected Wind Services Danmark A/S is responsible for a safe, economical and sustainable operation of a large number of wind turbines in Denmark. Responsibility is expressed through continuous quality improvement of Connected Wind Services Danmark A/S's services through quality targets in the company's ISO 9001 quality system.

It is the company's goal that the company's activities are carried out taking into account the greatest possible security for employees and partners. It is ensured, among other things, through continuous education and through development of the company's competencies within the business areas the company serves.

The company's activities are carried out so that the company's employees, surroundings and sites for turbines are exposed to the least possible environmental impact. It is ensured, among other things, through continuous development in the use of chemicals and their handling.

Connected Wind Services Danmark A/S complies with applicable regulations for the environment, working environment and occupational safety.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2019	2018
Gross profit		16.262	12.118
Distribution costs	2	-273	-452
Administrative expenses	2	-15.053	-14.666
Ordinary operating profit/loss		936	-3.000
Other operating costs		0	-274
Operating profit/loss		936	-3.274
Other financial income	3	19	0
Other financial expenses	4	-400	-385
Profit/loss before tax		555	-3.659
Tax on profit/loss for the year	5	0	0
Profit/loss for the year	6	555	-3.659

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2019	2018
ASSETS			
Fixed assets	7		
Intangible assets			
Goodwill		1.264	0
Software		988	0
		<u>2.252</u>	<u>0</u>
Property, plant and equipment			
Plant and machinery		1.516	2.200
Fixtures and fittings, tools and equipment		1.852	1.565
Property, plant and equipment under construction		0	1.480
		<u>3.368</u>	<u>5.245</u>
Total fixed assets		<u>5.620</u>	<u>5.245</u>
Current assets			
Inventories			
Goods for resale and consumables		15.364	12.781
		<u>15.364</u>	<u>12.781</u>
Receivables			
Trade receivables		11.646	4.563
Receivables from group entities		695	471
Other receivables		13	489
Prepayments		748	391
		<u>13.102</u>	<u>5.914</u>
Cash at bank and in hand		<u>7.598</u>	<u>2.374</u>
Total current assets		<u>36.064</u>	<u>21.069</u>
TOTAL ASSETS		<u>41.684</u>	<u>26.314</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2019	2018
EQUITY AND LIABILITIES			
Equity			
Share capital	8	500	500
Retained earnings		9.089	5.034
Total equity		9.589	5.534
Provisions			
Warranty commitments	9	814	765
Total provisions		814	765
Liabilities other than provisions			
Non-current liabilities other than provisions			
Payables to group entities	10	9.566	4.009
Other payables		570	0
		10.136	4.009
Current liabilities other than provisions			
Lease obligations		0	274
Mortgage debt		0	125
Prepayments received from customers		7.539	5.043
Trade payables		5.809	5.240
Payables to group entities		1.076	306
Other payables, including taxes payable		6.721	5.018
		21.145	16.006
Total liabilities other than provisions		31.281	20.015
TOTAL EQUITY AND LIABILITIES		41.684	26.314

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total equity
Equity at 1 January 2019	500	5.034	5.534
Remission of debt, parent company	0	3.500	3.500
Transferred over the distribution of loss	0	555	555
Equity at 31 December 2019	500	9.089	9.589

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Connected Wind Services Danmark A/S for 2019 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods, comprising the sale of components and spare parts for wind turbines, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms @2010.

Revenue from the sale of goods where installation is a condition for major risks being considered transferred to the buyer is recognised as revenue when installation has been completed.

Revenue from the sale of goods where delivery has been postponed upon the buyer's request is recognised as revenue when ownership of the goods has been transferred to the buyer.

A contract is broken down by individual transactions when the fair value of the individual sales transactions may be reliably measured, and the individual sales transactions are of separate value to the buyer. Sales transactions are deemed to be of a separate value to the buyer when the transaction is individually identifiable and usually sold individually. The contract price is broken down by the individual sales transactions in accordance with the relative current cost approach. The separate sales transactions are recognised as revenue when complying with the criteria applying to the sale of goods and services.

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

Revenue from the sale of services, comprising surveillance, service and maintenance of wind turbines, is recognised on a straight-line basis in the income statement as the services are provided.

Services based on time spent are recognised in revenue as the work is performed.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries incurred to generate revenue for the year. Commercial entities recognise their cost of sales, whereas production entities recognise production costs incurred to generate revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases and depreciation of production plant.

Production costs also include research and development costs.

Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including advertising and exhibitions as well as depreciation.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, management, office premises, office expenses and depreciation.

Other operating costs

Other operating costs comprise items secondary to the activities of the entities, including losses on the disposal of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The Company is assessed for Danish tax purposes jointly with domestic Group Entities.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Balance sheet

Goodwill

Goodwill is measured at cost less accumulated amortisation and impairment losses. Goodwill are amortised on a straight-line basis over the remaining life of the customer contract period, however, not exceeding 3 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Other assets

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Software	3 years
Plant and machinery	3-5 years
Fixtures and fittings, tools and equipment	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

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

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Impairment of assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

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

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Prepayment

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Management's proposal for dividend for the financial year is shown as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value. Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Provisions

Provisions comprise anticipated costs of claims and repairs. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

Warranties comprise obligations to make good any defects within the warranty period of 1 year. Provisions are recognised based on the Company's experience with warranties. Provisions expected to be maintained for more than one year from the balance sheet date are discounted at a rate reflecting risk and the due date for payment.

When it is probable that total costs will exceed total income from an construction contract, the total projected loss on the work is recognised as a provision. The provision is recognised as production costs.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases. Other liabilities are measured at amortised cost, which usually corresponds to nominal value.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Prepayments and deferred income

Deferred income comprises payments received regarding income in subsequent years.

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared.

2 Staff costs and incentive schemes

DKK'000	2019	2018
Wages and salaries	36.760	30.968
Pensions	4.624	4.186
Other social security costs	642	568
	<u>42.026</u>	<u>35.722</u>
Average number of full-time employees	<u>67</u>	<u>61</u>

A Group company pays the remuneration of the Company's Board of Directors and invoices the Company a management fee.

Pursuant to section 98b(3) of the Danish Financial Statements Act the remuneration of the Company's Board of Directors and Executive Board are not disclosed.

3 Financial income

Other interest income	<u>19</u>	<u>0</u>
	<u>19</u>	<u>0</u>

4 Financial expenses

Interest expense to group entities	258	180
Other interest expense	<u>142</u>	<u>205</u>
	<u>400</u>	<u>385</u>

Financial statements 1 January – 31 December

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5 Tax on profit/loss for the year

DKK'000	2019	2018
Current tax for the year	0	0
Deferred tax adjustment for the year	0	0
	<u>0</u>	<u>0</u>

6 Distribution of loss

Retained earnings	555	-3.659
	<u>555</u>	<u>-3.659</u>

7 Fixed assets

DKK'000	Goodwill	Software	Plant and machinery	Fixtures and fittings, tools and equipment	Assets under construction	Total
Cost at 1 January 2019	0	0	13.371	6.816	1.480	21.667
Additions	1.850	0	0	0	1.313	3.163
Transferred	0	1.438	391	964	-2.793	0
Disposals	0	0	-88	-58	0	-146
Cost at 31 December 2019	<u>1.850</u>	<u>1.438</u>	<u>13.674</u>	<u>7.722</u>	<u>0</u>	<u>24.684</u>
Depreciation and impairment losses at 1 January 2019	0	0	11.171	5.251	0	16.422
Impairment losses	0	0	0	0	0	0
Depreciation	586	450	1.004	623	0	2.662
Depreciation on disposals	0	0	-17	-3	0	-20
Reversed depreciation and impairment losses	0	0	0	0	0	0
Depreciation and impairment losses at 31 December 2019	<u>586</u>	<u>450</u>	<u>12.158</u>	<u>5.871</u>	<u>0</u>	<u>19.064</u>
Carrying amount at 31 December 2019	<u>1.264</u>	<u>988</u>	<u>1.516</u>	<u>1.852</u>	<u>0</u>	<u>5.620</u>

Financial statements 1 January – 31 December

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8 Share capital

The share capital consists of 500 certificates of DKK 1.000. The shares have not been divided into classes.

9 Warranty commitments

DKK'000	2019	2018
Warranty commitments at 1 January	765	1.073
Change for the year	49	-308
Warranty commitments at 31 December	814	765
The provisions are expected to be activated as follows:		
0-1 years	407	383
1-5 years	407	382
>5 years	0	0
Other provisions at 31 December	814	765

Warranty commitments comprise commitments typically relating to 0-2 year's warranty for spare parts and installation/maintenance of wind turbines.

Financial statements 1 January – 31 December

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10 Non-current liabilities other than provisions

Non-current liabilities other than provisions can be specified as follows:

DKK'000	2019	2018
Payables to group entities:		
0-1 years	0	0
1-5 years	0	0
>5 years	9.566	4.009
Other payables:		
0-1 years	0	0
1-5 years	0	0
>5 years	570	0
Total non-current liabilities other than provisions	10.136	4.009

Collateral is disclosed in note 13.

11 Contractual obligations, contingencies, etc.

Contractual obligations

The Company has entered into management fee contract with Parent company, the contract can be terminated with 3 months notice and is settled accordingly to accounts.

The Company has entered into several contracts regarding rent of buildings and storages, the contracts can be terminated within 1-6 months notice, totalling DKK 125 thousand.

12 Contractual obligations, contingencies, etc. (continued)

Contingent liabilities

The Company is jointly and severally liable with the other jointly taxed Group companies for tax on consolidated taxable income and for certain withholding taxes such as withholding tax and royalty tax.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 11-53 months and an average monthly lease payments of DKK 5 thousand, totalling DKK 3.975 thousand including residual payment.

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13 Mortgages and collateral

For the Company's and Group entities' debt to bank collateral, at a maximum of DKK 38.800 thousand, have been given in Goodwill, Plant and Machinery, Fixtures and fittings, tools and equipment, Plant and equipment under construction, Inventories and Trade receivables, totalling DKK 32.912 thousand.

14 Related party disclosures

Connected Wind Services Danmark A/S' related parties comprise the following:

Control

Connected Wind Services A/S, Nyballevej 8, 8444 Balle

Connected Wind Services A/S holds the majority of the contributed capital in the Company.

Connected Wind Services Danmark A/S is part of the consolidated financial statements of EnBw Energie Baden-Württemberg AG, Karlsruhe, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of EnBw Energie Baden-Württemberg AG and the consolidated financial statements of EnBw Energie Baden-Württemberg AG can be obtained on www.EnBw.com.

Related party transactions

Pursuant to section 98c(7) of the Danish Financial Statements Act, the Company has not disclosed related party transactions as these have been carried out on an arm's length basis.

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Morten Lund

Dirigent

På vegne af: Connected Wind Services Danmark A/S

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2020-04-08 09:34:31Z

NEM ID 

Christian Joeker

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På vegne af: Ernst & Young P/S

Serienummer: CVR:30700228-RID:1267084545534

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