

Danwind Spareparts US ApS

Jupitervej 6, 7620 Lemvig, Denmark

CVR no. 30 51 57 30

Annual report 2020

Approved at the Company's annual general meeting on 30 June 2021

Chair of the meeting:

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Dan Thode Kjellgren





Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Danwind Spareparts US ApS for the financial year 1 January - 31 December 2020.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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

It is proposed to the annual general meeting that the financial statements for 2021 should not be audited.

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

Lemvig, 30 June 2021
Executive Board:

.....
Dan Thode Kjellgren

The general meeting has decided that the financial statements for the coming financial year will not be audited.

Independent auditor's report

To the shareholder of Danwind Spareparts US ApS

Opinion

We have audited the financial statements of Danwind Spareparts US ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Independence

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- ▶ 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Herning, 30 June 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jesper Stier
State Authorised Public Accountant
mne42245



Management's review

Company details

Name	Danwind Spareparts US ApS
Address, Postal code, City	Jupitervej 6, 7620 Lemvig, Denmark
CVR no.	30 51 57 30
Established	14 October 2008
Registered office	Lemvig
Financial year	1 January - 31 December
Executive Board	Dan Thode Kjellgren
Auditors	EY Godkendt Revisionspartnerselskab Dalgasgade 27, 3. sal, 7400 Herning, Denmark



Management's review

Business review

The Company's main activity is selling wind turbine spare parts in the United States and in the state of Canada.

Financial review

The income statement for 2020 shows a profit of DKK 1,101,174 against a profit of DKK 1,349,019 last year, and the balance sheet at 31 December 2020 shows equity of DKK 1,886,495.

Management considers the Company's financial performance in the year satisfactory.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2020	2019
	Gross profit	1,540,450	1,370,200
2	Staff costs	0	0
	Profit before net financials	1,540,450	1,370,200
3	Financial income	100,684	362,922
	Financial expenses	-229,373	-3,610
	Profit before tax	1,411,761	1,729,512
4	Tax for the year	-310,587	-380,493
	Profit for the year	1,101,174	1,349,019
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	0	1,500,000
	Retained earnings/accumulated loss	1,101,174	-150,981
		1,101,174	1,349,019

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	ASSETS		
	Non-current assets		
	Financial assets		
	Deferred tax assets	0	77,000
		0	77,000
	Total non-current assets	0	77,000
	Current assets		
	Receivables		
	Trade receivables	1,846,321	491,166
	Receivables from group entities	151,867	2,158,106
	Other receivables	74,546	30,998
		2,072,734	2,680,270
	Cash	77,206	7,226
	Total current assets	2,149,940	2,687,496
	TOTAL ASSETS	2,149,940	2,764,496
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125,000	125,000
	Retained earnings	1,761,495	660,321
	Dividend proposed for the year	0	1,500,000
	Total equity	1,886,495	2,285,321
	Liabilities		
	Current liabilities		
	Trade payables	26,406	21,682
	Payables to group entities	3,452	0
	Joint taxation contribution payable	233,587	457,493
	Total current liabilities	263,445	479,175
		263,445	479,175
	TOTAL EQUITY AND LIABILITIES	2,149,940	2,764,496

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

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2019	125,000	811,302	3,000,000	3,936,302
Transfer through appropriation of profit	0	-150,981	1,500,000	1,349,019
Dividend distributed	0	0	-3,000,000	-3,000,000
Equity at 1 January 2020	125,000	660,321	1,500,000	2,285,321
Transfer through appropriation of profit	0	1,101,174	0	1,101,174
Dividend distributed	0	0	-1,500,000	-1,500,000
Equity at 31 December 2020	125,000	1,761,495	0	1,886,495

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Danwind Spareparts US ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods for resale is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

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

Gross profit

The items revenue, change in inventories of finished goods, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

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

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as foreign currency translation adjustments.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

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

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Receivables

Receivables are measured at amortised cost.

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

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

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Other payables

Other payables are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

The Company has no employees.

DKK	2020	2019
3 Financial income		
Interest receivable, group entities	44,718	86,794
Other financial income	55,966	276,128
	<u>100,684</u>	<u>362,922</u>
4 Tax for the year		
Estimated tax charge for the year	233,587	457,493
Deferred tax adjustments in the year	77,000	-77,000
	<u>310,587</u>	<u>380,493</u>

5 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company has provided joint suretyship for Danwind Spare Parts ApS' and Danwind Service ApS' balances with Vestjysk Bank. At 31 December 2020 there is no debt.

Other contingent liabilities

The Company is jointly taxed with its parent company Danwind Spareparts ApS, which acts as administration company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

6 Collateral

As security for the Company's balance with Vestjysk Bank, the Company has provided security or other collateral in its assets for a total amount of DKK 8,450 thousand. The total carrying amount of these assets is DKK 1,846 thousand. At 31 December 2020 there is no debt.

As security for the Company's related parties' with Vestjysk Bank, the Company has provided security or other collateral in its assets for a total amount of DKK 8,450 thousand. The total carrying amount of these assets is DKK 1,846 thousand. At 31 December 2020 there is no debt.

7 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Danwind Spareparts ApS	Lemvig	https://datacvr.virk.dk/data

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Dan Thode Kjellgren

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