



Connected Wind Services A/S

Langs Skoven 37, 8541 Skødstrup

CVR no. 31 15 62 70

Annual report 2023

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

On 17 May 2024

A handwritten signature in black ink, appearing to read "Morten Lund", is written over a horizontal line.

Morten Lund
chairman of the annual general meeting

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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 A/S for the financial year 1 January – 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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.

Skødstrup, 17 May 2024
Executive Board:

Oliver Auras
Digitally signed by Oliver Auras
Date: 2024-05-17
11:20:53+02:00

Oliver Auras

Morten Lund
Digitally signed by Morten Lund
Date: 2024-05-17
11:25:24+02:00

Morten Lund

Board of Directors:

Ralf GEORG Neulinger
Digitally signed by Ralf GEORG
Neulinger
Date: 2024-05-17 11:23:32+02:00

Ralf Georg Neulinger
Chairman

Michael Splett
Digitally signed by Michael Splett
Date: 2024-05-17
11:39:24+02:00

Michael Splett

Michael Siegfried Pfortner
Michael Siegfried Pfortner

THOMAS KEUKER
Digitally signed by THOMAS
KEUKER
Date: 2024-05-17 11:22:26+02:00

Thomas Keuker

Independent auditor's report

To the shareholders of Connected Wind Services A/S

Opinion

We have audited the financial statements of Connected Wind Services A/S for the financial year 1 January – 31 December 2023 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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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' 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.

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.

Independent auditor's report

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 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.

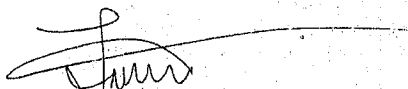
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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.

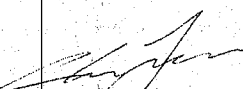
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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, 17 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Jan K. Mortensen
State Authorised
Public Accountant
mne40030



Christian Jøker
State Authorised
Public Accountant
mne31471

Management's review

Company details

Connected Wind Services A/S
Langs skoven 37, 8541 Skødstrup
Denmark

Telephone: 50 80 20 45
Website: www.connectedwind.com
E-mail: info@connectedwind.com
CVR no. 31 15 62 70
Established: 17 December 2007
Registered office: Aarhus
Financial year: 1 January – 31 December

Board of Directors

Ralf Georg Neulinger, Chairman
Michael Splett
Michael Siegfried Pfortner
Thomas Keuker

Executive Board

Oliver Auras
Morten Lund

Auditor

EY Godkendt Revisionspartnerselskab
Værkmestergade 25, 8100 Aarhus C, Denmark

Management's review

Operating review

Principal activities

The company's main activity is to be the holding and management company for companies in Denmark that are engaged within commerce, industry and production.

Development in activities and financial position

The company's activities show a profit for the year of DKK 3.269 thousand and the balance sheet at 31 December 2023 shows equity of DKK 43.630 thousand which is in line with expectations.

Events after the balance sheet date

No 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 2023.

After the end of the financial year, a decision has been taken to merge the company with the subsidiaries Connected Wind Services Danmark A/S and Connected Wind Services Refurbishment A/S with Connected Wind Services Danmark A/S as the continuing company. The merger is expected to take place retroactively to 1 January 2024 and the merger is expected to be completed in the first half of 2024.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2023	2022
Gross profit		4.349	5.608
Staff costs	4	-5.977	-6.392
Amortisation and impairment of intangible assets		-6.784	-599
Operating loss		-8.412	-1.383
Profit/loss from equity investments in group entities	9	11.483	-30.276
Financial income	5	394	473
Financial expenses		-196	-559
Loss before tax		3.269	-31.745
Tax on loss for the year		0	0
Loss for the year	6	3.269	-31.745

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2023	2022
ASSETS			
Fixed assets			
Intangible assets	7		
Software		<u>0</u>	<u>6.194</u>
		<u>0</u>	<u>6.194</u>
Investments			
Equity investments in group entities	8	<u>23.362</u>	<u>11.843</u>
		<u>23.362</u>	<u>11.843</u>
		<u>23.362</u>	<u>18.037</u>
Total fixed assets			
Receivables			
Receivables from group entities		<u>2.669</u>	<u>14.594</u>
Prepayments		<u>143</u>	<u>113</u>
		<u>2.812</u>	<u>14.707</u>
Cash at bank and in hand			
		<u>19.998</u>	<u>10.124</u>
Total current assets			
		<u>22.810</u>	<u>24.831</u>
TOTAL ASSETS			
		<u>46.172</u>	<u>42.868</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
Share capital	9	10.944	10.944
Retained earnings		14.686	29.380
Dividend proposed		18.000	0
Total equity		43.630	40.324
Current liabilities other than provisions			
Trade payables		516	621
Payables to group entities		1	0
Other payables		2.025	1.923
		2.542	2.544
Total liabilities other than provisions		2.542	2.544
TOTAL EQUITY AND LIABILITIES		46.172	42.868

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Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000

	Share capital	Retained earnings	Dividend proposed	Total equity
Equity at 1 January 2023	10.944	29.380	0	40.324
Exchange rate adjustment, foreign subsidiaries	0	37	0	37
Transferred; see distribution of loss	0	-14.711	18.000	3.269
Equity at 31 December 2023	<u>10.944</u>	<u>14.686</u>	<u>18.000</u>	<u>43.630</u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Connected Wind Services A/S for 2023 has been prepared in accordance with the provisions applying to reporting class B under the Danish Financial Statements Act with optional selections from reporting class C.

With the effect for 2023, the Company has changed from reporting class C medium-sized entities to reporting class B. This has not affected the Company's accounting policies for recognition and measurement of assets and liabilities, but has only resulted in changed presentation and disclosure requirements.

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

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Connected Wind Services A/S and group entities are included in the consolidated financial statements of EnBw Energie Baden-Württemberg AG, Durlacher Allee 93, 79131 Karlsruhe.

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.

Upon recognition of foreign subsidiaries which are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Upon recognition of foreign subsidiaries which are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Revenue from the sale of services, comprising management fees, is recognised on a straight-line basis in the income statement as the services are provided.

Gross profit

The items revenue, 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.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to office premises, administration, etc.

Profit/loss from equity investments in group entities

The proportionate share of the results of the underlying entities is recognised in the income statement after elimination of intra-group profit/loss and after tax. Group entities are subject to full elimination of intra-group profit/loss and ownership interests are not considered.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs 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. Foreign subsidiaries are not covered by the joint taxation scheme.

Special items

Special items comprise significant income and expenses of a special nature relative to the Company's revenue-generating operating activities. Special items may comprise expenses incurred for extensive structuring of processes and basic structural adjustments as well as any related disposal gains and losses, that have a material impact over time. Special items also comprise significant one-off items that, in Management's opinion, do not form part of the Company's primary operating activities and that are deemed not to be recurring.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Software

Software are measured at cost less accumulated amortisation 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.

Amortisation is provided on a straight-line basis over the estimated useful life, which is 3 years.

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

Equity investments in group entities in the parent company financial statements

Equity investments in group entities are measured according to the equity method in the parent company financial statements. The Parent Company has chosen to consider the equity method a measurement method.

On initial recognition, equity investments in group entities are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding the consolidated financial statements above.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies in the consolidated financial statements. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in group entities measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Net revaluation of equity investments is recognised under equity in the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds cost.

Gains or losses on disposal of group entities are made up as the difference between the net selling price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill. The gains and losses are recognised in the income statement as income from equity investments.

Leases

The Company has chosen IAS 17 Leases as interpretation for classification and recognition of leases.

All 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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets as well as equity investments in group entities 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.

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.

Receivables

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

Receivables are measured at amortised cost.

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.

Prepayments

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

Equity

Dividends

The expected dividend payment for the year is disclosed 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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Liabilities other than provisions

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities. Other liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

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

2 Events after the balance sheet date

No significant events have occurred after the end of the financial year, which may influence the assessment of the Company's financial position.

After the balance sheet date, the management of the parent company and the group entities Connected Wind Services Danmark A/S and Connected Wind Services Refurbishment A/S have taken steps towards a merger of the three companies with Connected Wind Services Danmark A/S as the continuing company. The merger is expected to take place retroactively to 1 January 2024.

Financial statements 1 January – 31 December

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3 Special items

As disclosed in the Management's review, the loss for the year is affected by an impairment of software following the divestments of equity investments in group entities which Management does not consider part of the operating activities.

Special items for the year are specified below, including the line items in which they are recognised in the income statement.

DKK'000	2023	2022
Impairment of software	-5.362	0
Impairment of equity investments in group entities	0	-18.174
	<u>-5.362</u>	<u>-18.174</u>

Special items are recognised in the following line items:

Amortisation and impairment of intangible assets	-5.362	0
Profit/loss from equity investments in group entities	0	-18.174
	<u>-5.362</u>	<u>-18.174</u>

4 Staff costs

Wages and salaries	5.495	5.904
Pensions	425	470
Other social security costs	57	18
	<u>5.977</u>	<u>6.392</u>

Average number of full-time employees	<u>6</u>	<u>8</u>
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Pursuant to §98 b(3) of the Danish Financial Statements Act the remuneration of the Company's Board of Directors and Executive Board are not disclosed.

5 Financial income

Interest income from group entities	363	457
Other financial income	31	16
	<u>394</u>	<u>473</u>

6 Distribution of loss

Proposed dividend for the year	18.000	0
Retained earnings	-14.731	-31.746
	<u>3.269</u>	<u>-31.746</u>

Financial statements 1 January – 31 December

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7 Intangible assets

DKK'000	Software
Cost at 1 January 2023	8.479
Additions	590
Cost at 31 December 2023	9.069
Amortisation and impairment losses at 1 January 2023	2.285
Amortisation and impairment	6.784
Amortisation and impairment losses at 31 December 2023	9.069
Carrying amount at 31 December 2023	0

8 Investments

DKK'000	Equity investments in subsidiaries
Cost at 1 January 2023	316.259
Disposals	-110.495
Cost at 31 December 2023	205.764
Value adjustments at 1 January 2023	-304.566
Disposals	110.495
Profit for the year	11.483
Write-down of receivables from group entities	187
Value adjustments at 31 December 2023	-182.401
Carrying amount at 31 December 2023	23.262

Name/legal form	Registered office	Equity interest	Equity DKK'000	Profit/loss for the year DKK'000
Subsidiaries:				
Connected Wind Services Danmark A/S	Aarhus	100%	23.362	11.520
Connected Wind Services Refurbishment A/S	Aarhus	100%	-187	-37
			23.175	11.483
Write-down of receivables from group entities			187	0
Total			23.362	11.483

Financial statements 1 January – 31 December

Notes

9. Share capital

The share capital consists of 10.943.831 shares of nom. DKK 1 nominal value each. The shares have not been divided into classes. The share capital has remained unchanged in the past year.

10. Contingencies, etc.

Contingent assets

At 31 December 2023 the Company has a tax asset of DKK 5.949 thousand regarding tax loss carry forwards which has not been recognised in the annual report.

Contingent liabilities

The Company carries out the daily financing of its subsidiaries through EnBW credit facilities. The Company thus ensures the the individual subsidiaries have the sufficient liquidity to carry out planned activities.

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 5 months and an average monthly lease payments of DKK 1 thousand, totalling DKK 5 thousand including residual payment.

11. Related party disclosures

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

Control

EnBW Energie Baden-Württemberg AG, Durlacher Allee 93, 76131 Karlsruhe.

EnBW Energie Baden-Württemberg AG holds the majority of the contributed capital in the Company.

Connected Wind Services 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.