

Ocean Team Windcare A/S

Vesterhavsgade 56
6700 Esbjerg
Business Registration No
35472215

Annual report 01.10.2018 - 30.09.2019

The Annual General Meeting adopted the annual report on 17.01.2020

Chairman of the General Meeting

Name: Claus Boel

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Entity details

Entity

Ocean Team Windcare A/S
Vesterhavsgade 56
6700 Esbjerg

Central Business Registration No (CVR): 35472215
Registered in: Esbjerg
Financial year: 01.10.2018 - 30.09.2019

Phone: 75180077
Website: www.oceanteam.eu
E-mail: otw@oceanteam.eu

Board of Directors

Carsten Steen Jensen
Claus Boel
Jens Peder Høg Thomsen

Executive Board

Jens Peder Høg Thomsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Dokken 8
Postbox 200
6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Ocean Team Windcare A/S for the financial year 01.10.2018 - 30.09.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2019 and of the results of its operations for the financial year 01.10.2018 - 30.09.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Esbjerg, 27.11.2019

Executive Board

Jens Peder Høg Thomsen

Board of Directors

Carsten Steen Jensen

Claus Boel

Jens Peder Høg Thomsen

Independent auditor's report

To the shareholders of Ocean Team Windcare A/S

Opinion

We have audited the financial statements of Ocean Team Windcare A/S for the financial year 01.10.2018 - 30.09.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 30.09.2019 and of the results of its operations for the financial year 01.10.2018 - 30.09.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity'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 financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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.
- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 under the Danish Financial Statements Act.

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

Esbjerg, 27.11.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Jesper Smedegaard Larsen

State Authorised Public Accountant

Identification No (MNE) mne18510

Management commentary

Primary activities

Company activities includes specialized jobs of total purity packages of technical systems, for example: development, manufacturing, sales, rental and technical consultancy and services, primarily in the wind and energy sectors.

The company undertakes both national and international activities.

Development in activities and finances

The year result constitutes a loss of 1.878 t.kr. evaluated against a loss of 1.053 t.kr. for the financial year 2017/2018. The result is negative affected of a loss on a debtor by 1.043 t.kr. The result is considered non-satisfactory by management.

Outlook

The Company is covered by the Danish Private Companies Act, concerning capital loss. The capital is expected to be re-established by earnings in the years to come. The Parent Company has confirmed that they will continue to support the company financially so that the company can continue operations in the coming year.

The company has incurred continuously costs to ensure its continuous development and differentiating of industry relevant technologies, consultancy and related patents. The company's development has been conducting in parallel with the industry developing its demands and knowledge, resulting in imbalance referring Service Supply and Industry Demand. Due to now increasing market knowledge, company visibility and industry demands, the company's developed and existing technologies mirroring customers' demands to implement the company's optimized service programs, the objective to further develop and maintain the lead position of the company on the market for total purity solutions looks very promising for future business. Management expects for the next financial year a continued but limited cost rise to cover the requirements of technology development, quality assurance, further development and protection of the company's existing technology and know-how.

Increasing internationalization and industry demands of the company's activities imposes highly potential organizational adjustments to the company, which will be one of management's major future responsibilities to prepare and develop the organization in order to act in accordance to the bespoke industry development and described promising future. Budgetary, associated amounts are allocated to the above-mentioned purposes. Management expects a satisfactory activity and profit performance the coming year, based on the above described market development, industry demands and the company's readiness to act.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018/19

| | <u>Notes</u> | <u>2018/19 DKK</u> | <u>2017/18 DKK</u> |
|--|--------------|---------------------------|---------------------------|
| Gross profit/loss | | (188.763) | 1.191.943 |
| Staff costs | 1 | (1.317.444) | (1.670.441) |
| Depreciation, amortisation and impairment losses | 2 | <u>(775.410)</u> | <u>(759.430)</u> |
| Operating profit/loss | | (2.281.617) | (1.237.928) |
| Other financial income | | 20 | 0 |
| Other financial expenses | 3 | <u>(123.616)</u> | <u>(112.337)</u> |
| Profit/loss before tax | | (2.405.213) | (1.350.265) |
| Tax on profit/loss for the year | 4 | <u>526.932</u> | <u>296.999</u> |
| Profit/loss for the year | | <u>(1.878.281)</u> | <u>(1.053.266)</u> |
| Proposed distribution of profit/loss | | | |
| Retained earnings | | <u>(1.878.281)</u> | <u>(1.053.266)</u> |
| | | <u>(1.878.281)</u> | <u>(1.053.266)</u> |

Balance sheet at 30.09.2019

| | <u>Notes</u> | <u>2018/19 DKK</u> | <u>2017/18 DKK</u> |
|--|--------------|------------------------|------------------------|
| Other fixtures and fittings, tools and equipment | | 2.021.876 | 2.545.212 |
| Property, plant and equipment in progress | | 0 | 139.059 |
| Property, plant and equipment | 5 | 2.021.876 | 2.684.271 |
| Fixed assets | | 2.021.876 | 2.684.271 |
| Raw materials and consumables | | 135.129 | 19.909 |
| Inventories | | 135.129 | 19.909 |
| Trade receivables | | 193.119 | 1.566.606 |
| Contract work in progress | 6 | 0 | 433.811 |
| Other receivables | | 37.440 | 305.705 |
| Joint taxation contribution receivable | | 423.000 | 301.538 |
| Prepayments | | 0 | 62.240 |
| Receivables | | 653.559 | 2.669.900 |
| Cash | | 252.402 | 114.142 |
| Current assets | | 1.041.090 | 2.803.951 |
| Assets | | 3.062.966 | 5.488.222 |

Balance sheet at 30.09.2019

| | <u>Notes</u> | <u>2018/19</u> <u>DKK</u> | <u>2017/18</u> <u>DKK</u> |
|--|--------------|------------------------------|------------------------------|
| Contributed capital | | 500.000 | 500.000 |
| Retained earnings | | <u>(1.033.460)</u> | <u>844.821</u> |
| Equity | | <u>(533.460)</u> | <u>1.344.821</u> |
| Deferred tax | 7 | <u>72.000</u> | <u>176.470</u> |
| Provisions | | <u>72.000</u> | <u>176.470</u> |
| Trade payables | | 936 | 143.393 |
| Payables to group enterprises | | 3.161.667 | 3.506.018 |
| Other payables | | <u>361.823</u> | <u>317.520</u> |
| Current liabilities other than provisions | | <u>3.524.426</u> | <u>3.966.931</u> |
| Liabilities other than provisions | | <u>3.524.426</u> | <u>3.966.931</u> |
| Equity and liabilities | | <u>3.062.966</u> | <u>5.488.222</u> |
| Unrecognised rental and lease commitments | 8 | | |
| Contingent liabilities | 9 | | |

Statement of changes in equity for 2018/19

| | Contributed capital DKK | Retained earnings DKK | Total DKK |
|---------------------------|--|--------------------------------------|----------------------|
| Equity beginning of year | 500.000 | 844.821 | 1.344.821 |
| Profit/loss for the year | 0 | (1.878.281) | (1.878.281) |
| Equity end of year | 500.000 | (1.033.460) | (533.460) |

Notes

| | 2018/19 | 2017/18 |
|--|------------------|------------------|
| | DKK | DKK |
| 1. Staff costs | | |
| Wages and salaries | 1.190.499 | 1.558.212 |
| Other social security costs | 110.035 | 63.448 |
| Other staff costs | 16.910 | 48.781 |
| | 1.317.444 | 1.670.441 |
| Average number of employees | 2 | 2 |
| | | |
| | 2018/19 | 2017/18 |
| | DKK | DKK |
| 2. Depreciation, amortisation and impairment losses | | |
| Depreciation of property, plant and equipment | 719.390 | 750.930 |
| Profit/loss from sale of intangible assets and property, plant and equipment | 56.020 | 8.500 |
| | 775.410 | 759.430 |
| | | |
| | 2018/19 | 2017/18 |
| | DKK | DKK |
| 3. Other financial expenses | | |
| Financial expenses from group enterprises | 108.183 | 102.117 |
| Other interest expenses | 3.772 | 2.355 |
| Other financial expenses | 11.661 | 7.865 |
| | 123.616 | 112.337 |
| | | |
| | 2018/19 | 2017/18 |
| | DKK | DKK |
| 4. Tax on profit/loss for the year | | |
| Change in deferred tax | (104.470) | 4.268 |
| Adjustment concerning previous years | 538 | 0 |
| Refund in joint taxation arrangement | (423.000) | (301.267) |
| | (526.932) | (296.999) |

Notes

| | Other fixtures and fittings, tools and equipment DKK | Property, plant and equipment in progress DKK |
|--|---|---|
| 5. Property, plant and equipment | | |
| Cost beginning of year | 3.620.290 | 139.059 |
| Transfers | 139.059 | (139.059) |
| Additions | 113.014 | 0 |
| Disposals | (96.288) | 0 |
| Cost end of year | 3.776.075 | 0 |
| Depreciation and impairment losses beginning of year | (1.075.078) | 0 |
| Depreciation for the year | (719.390) | 0 |
| Reversal regarding disposals | 40.269 | 0 |
| Depreciation and impairment losses end of year | (1.754.199) | 0 |
| Carrying amount end of year | 2.021.876 | 0 |
| | 2018/19 DKK | 2017/18 DKK |
| 6. Contract work in progress | | |
| Contract work in progress | 0 | 433.811 |
| | 0 | 433.811 |
| | 2018/19 DKK | 2017/18 DKK |
| 7. Deferred tax | | |
| Property, plant and equipment | 72.000 | 111.765 |
| Other taxable temporary differences | 0 | 64.705 |
| | 72.000 | 176.470 |
| | 2018/19 DKK | 2017/18 DKK |
| 8. Unrecognised rental and lease commitments | | |
| Liabilities under rental or lease agreements until maturity in total | 0 | 206.624 |

Notes

9. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where O.&J. Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity 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.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Plant and equipment, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

Accounting policies

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

| | |
|--|-----------|
| Other fixtures and fittings, tools and equipment | 3-5 years |
|--|-----------|

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Accounting policies

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.