



**KK Wind Solutions International
ApS**

Bøgildvej 3
7430 Ikast
CVR No. 35651829

Annual report 2019

The Annual General Meeting adopted the
annual report on 16.04.2020

Allan Gabriel Zandberg
Chairman

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Entity details

Entity

KK Wind Solutions International ApS

Bøgildvej 3

7430 Ikast

CVR No.: 35651829

Registered office: Ikast-Brande

Financial year: 01.01.2019 - 31.12.2019

Executive Board

Chlinton Arendahl Nielsen, CEO

Søren Bæk Just, Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of KK Wind Solutions International ApS for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Ikast, 16. April 2020

Executive Board



Chlinton Arendahl Nielsen
CEO



Søren Bæk Just
Director

Independent auditor's report

To the shareholder of KK Wind Solutions International ApS

Opinion

We have audited the financial statements of KK Wind Solutions International ApS for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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.

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.

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.

Aarhus, 16. April 2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556



Henrik Vedel

State Authorised Public Accountant

Identification No (MNE) mne10052



Jacob Tækker Nørgaard

State Authorised Public Accountant

Identification No (MNE) mne40049

Management commentary

Primary activities

KK Wind Solutions International ApS' main activity is to own shares in companies.

Development in activities and finances

KK Wind Solutions International ApS are majority shareholder in KK Wind Solutions India Pvt. Ltd in Bangalore. Together with sales for the domestic market, the company produces control systems for export markets, mainly Asia.

Profit/loss for the year in relation to expected developments

KK Wind Solutions International achieved a profit of DKK 9 k after tax in the 2019 financial year against a loss of DKK -140 k after tax in 2018.

Increasing and profitable activity is expected to continue in KK Wind Solutions India Pvt. Ltd. in the coming years and consequently the company is expected to improve earnings in the coming years through dividends from KK Wind Solutions India Pvt. Ltd., whereby the company's capital is expected to be re-established.

Particular risks

No risks that are specific to what is common in the industry. The company is aware of the increased complexity of the Group as a result of the activities being included in India.

Events after the balance sheet date

No events have occurred after the balance sheet date which would influence the evaluation of the annual report. The outbreak and spread of COVID-19 at the beginning of 2020 has not had and is not expected to have any significant impact on the Company's financial position and development.

Income statement for 2019

	Notes	2019 DKK'000	2018 DKK'000
Administrative expenses		(110)	(168)
Operating profit/loss		(110)	(168)
Other financial income	2	891	523
Other financial expenses	3	(769)	(490)
Profit/loss before tax		12	(135)
Tax on profit/loss for the year		(3)	(5)
Profit/loss for the year		9	(140)
Proposed distribution of profit and loss			
Retained earnings		9	(140)
Proposed distribution of profit and loss		9	(140)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK'000	2018 DKK'000
Investments in group enterprises		4,968	4,968
Receivables from group enterprises		40,018	20,020
Other financial assets	4	44,986	24,988
Fixed assets		44,986	24,988
Cash		1,033	639
Current assets		1,033	639
Assets		46,019	25,627

Equity and liabilities

	Notes	2019 DKK'000	2018 DKK'000
Contributed capital		50	50
Retained earnings		(328)	(337)
Equity		(278)	(287)
Payables to group enterprises		46,274	25,910
Income tax payable		3	0
Other payables	5	20	4
Current liabilities other than provisions		46,297	25,914
Liabilities other than provisions		46,297	25,914
Equity and liabilities		46,019	25,627
Events after the balance sheet date	1		
Contingent liabilities	6		
Assets charged and collateral	7		
Group relations	8		

Statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	50	(337)	(287)
Profit/loss for the year	0	9	9
Equity end of year	50	(328)	(278)

Notes

1 Events after the balance sheet date

No events have occurred after the balance sheet date which would influence the evaluation of the annual report. The outbreak and spread of COVID-19 at the beginning of 2020 has not had and is not expected to have any significant impact on the Company's financial position and development.

2 Other financial income

	2019 DKK'000	2018 DKK'000
Financial income from group enterprises	889	523
Exchange rate adjustments	2	0
	891	523

3 Other financial expenses

	2019 DKK'000	2018 DKK'000
Financial expenses from group enterprises	759	489
Other interest expenses	10	1
	769	490

4 Financial assets

	Investments in group enterprises DKK'000	Receivables from group enterprises DKK'000
Cost beginning of year	4,968	20,020
Additions	0	19,998
Cost end of year	4,968	40,018
Carrying amount end of year	4,968	40,018

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK'000	Profit/loss DKK'000
KK Wind Solutions India PVT India	Bengaluru, India	Ltd.	99,9	(12,304)	(7,400)

5 Other payables

	2019 DKK'000	2018 DKK'000
Other costs payable	20	4
	20	4

6 Contingent liabilities

The Company participates in a Danish joint taxation arrangement with A.P. Møller Holding A/S, serving as the administration company. The Company joined the joint taxation unit in 2019. The Company is therefore jointly and severally liable for total income taxes of the other jointly taxed companies from 2019. The total net liability to the Danish tax authorities appears from the financial statements of A.P. Møller Holding A/S.

7 Assets charged and collateral

KK Wind Solutions International ApS has issued a surety guarantee and pledged investments in subsidiaries for all balances with banks. The book value of debt to banks in the KKWSH ApS Group amounts to DKK 1.094.029 k. The book value of investments in group enterprises comprise DKK 4.968 k.

8 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
A.P. MØLLER OG HSTRU CHASTINE MC-KINNEY MØLLERS FOND TIL ALMENE FORMAAL, business registration no. 11666779.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
KK Wind Solutions Holding A/S, Ikast, business registration no. 39067048.

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.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The consolidated financial statements are prepared by KK Wind Solutions Holding A/S, business registration no. 39067048 and A.P. MØLLER OG HUSTRU CHASTINE MC-KINNEY MØLLERS FOND TIL ALMENE FORMÅL, business registration no. 11666779.

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.

Income statement

Administrative expenses

Administrative costs comprise expenses incurred for the Entity's administrative functions, including equipment used for administration of the Entity.

Other financial income

Other financial income comprises net capital or exchange gains on securities, payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies.

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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.