Connected Wind Services Refurbishment A/S

Nyballevej 8, 8444 Balle

CVR no. 37 56 84 81

Annual report 2018

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

On 31/5 2019

Chairman of the annual general meeting

Contents

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 Refurbishment for the financial year 1 January – 31 December 2018.

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 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

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, 31/5 2019
Executive Board:

Jeppe Hjuler Mikkelsen

Board of Directors:

Felix Overbeck Chairman	Morten Lund	Dirk Reyner Helge Dollmann

Independent auditor's report

To the shareholders of Connected Wind Services Refurbishment A/S

Opinion

We have audited the financial statements of Connected Wind Services Refurbishment A/S for the financial year 1 January – 31 December 2018 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 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 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.

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

— 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.

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 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 31/5 2019
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Michael Stenskrog
State Authorised
Public Accountant
mne26819

Management's review

Company details

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

Telephone:	22 60 48 00
Website:	www.connectedwind-refurbishment.com
E-mail:	info.ref@connectedwind.com

CVR no.	37 56 84 81
Established:	23 March 2016
Registered office:	Syddjurs
Financial year:	1 January – 31 December

Board of Directors

Felix Overbeck, Chairman

Morten Lund

Dirk Reyner Helge Dollmann

Executive Board

Jeppe Hjuler Mikkelsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13, 8210 Århus V

Management's review

Financial highlights

DKK'000	2018	2017	2016 (9 months)
Gross profit/loss	-23.295	-20.752	-3.379
Ordinary operating profit/loss	-32.018	-29.552	-7.896
Profit/loss from financial income and expenses	-1.461	-1.653	-876
Profit/loss for the year	-33.479	-31.205	-8.766
Total assets	24.873	51.758	70.813
Investments in property, plant and equipment	434	545	16.723
Equity	-15.950	4.529	21.734
Return on invested capital	-106,7	-57,1	-26,0
Return on equity	-327,0	-237,6	-80,7
Solvency ratio	-64,1	8,8	30,7

Financial ratios are calculated in accordance with the guidelines "Recomendations and Ratios" issued by the Danish Society of Financial Analysts.

The financial ratios have been calculated as follows:

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

Management's review

Operating review

Principal activities

The main activity of Connected Wind Services Refurbishment A/S is manufacturer-independent renovation and sales of gears and other main components for wind turbines and other that are associated activities.

Development in activities and financial position

During the period, the company has been affected by a generally difficult market both in Denmark and internationally. As a result, the company's growth targets have not been met, though an increased revenue has been realized especially to external customers. Due to the continuously disappointing performance it is management’s assessment that there is an impairment of the company’s assets on the following items:

- Land and buildings TDKK 2.843
- Inventories TDKK 23.631

The assessment is based on external indicators where possible such as real estate reports and otherwise on technical or market driven valuation. Management asses that after the write-down the company’s assets are based on a fair value.

Moreover, reference is made to note 3, in which the matter is also disclosed.

Profit/loss for the year (including comparison with forecasts previously announced)

The company's activities show a loss for the year of TDKK 33.479 against a loss in 2017 of TDKK 31.205. The loss for 2018 was significantly below the expected range stated in the annual report 2017 mainly due to the extraordinary write down mentioned earlier. As the result is below the expected range, then the management considers the result unsatisfactory.

The balance sheet shows a negative equity of TDKK 15.950, however, a loan of TDKK 24.000 from the parent company has been converted to a capital contribution (through a debt waiver) in May 2019 resulting in a total equity of TDKK 8.050.

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.

Moreover, reference is made to note 2, in which the matter is described in further detail.

Outlook

Management now see a positive improvement in the company and expect a significant increase in earnings in 2019 and thereby a positive net result for the year.

Events after the balance sheet date

Except from a debt waiver of TDKK 24.000 given by the parent company, 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 2018.

Management's review

Operating review

Intellectual capital

The most important knowledge resource is the company's employees, who have broad and long-standing experience in service, maintenance, optimization and renovation of wind turbines and gearboxes as well as other components for these.

Particular risks

The company's activities are within manufacturer-independent renovation and sale of gear and others main components for wind turbines. These activities are not affected by the number of new turbines in Denmark and Europe, but by the number of turbines in operation. It is expected that the number of turbines that surpass independent party servicing will increase in the coming years.

Together with the Executive Board, the Board of Directors regularly assesses the company's overall risk factors and adopts guidelines to accommodate these. The company manages the financial risks centrally, including liquidity management and capital structure.

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 gives customers credit according to the market standard. All international customers are either insured or asked to do prepayments and the credit risk is therefore low.

Quality, Safety and Environment

The company continuously work on improving quality of Connected Wind Services Refurbishment A/S processes and products based on quality goals described in the company's ISO 9001 quality assurance system.

It is the company's goal that the company's activities are carried out taking into account the best possible safety for employees and partners. This is ensured, among other things, through management and employee focus with follow-up on risks, near-accidents and accidents with corrective actions.

The company's activities are carried out so that the company's employees and surroundings are exposing the environment at least as possible. It is ensured, among other things, through continuous assessment of the use and handling of chemicals.

Connected Wind Services Refurbishment A/S complies with applicable rules for working environment and occupational safety.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2018	2017
Gross profit/loss	3	-23.295	-20.752
Distribution costs	4	-23	-73
Administrative expenses	4	-8.700	-8.727
Operating profit/loss		-32.018	-29.552
Other financial income	5	94	21
Other financial expenses	6	-1.555	-1.674
Profit/loss before tax		-33.479	-31.205
Tax on profit/loss for the year	7	0	0
Profit/loss for the year		-33.479	-31.205

Distribution of loss			
Proposed dividend for the financial year		0	0
Retained earnings		-33.479	-31.205
		-33.479	-31.205

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2018	2017
ASSETS			
Fixed assets			
Property, plant and equipment	8		
Land and buildings		7.000	10.696
Plant and machinery		739	1.329
Fixtures and fittings, tools and equipment		308	583
Property, plant and equipment under construction		557	0
		8.604	12.608
Total fixed assets		8.604	12.608
Current assets			
Inventories			
Raw materials and consumables		0	20.367
Work in progress		0	3.390
Finished goods and goods for resale		5.400	9.316
		5.400	33.073
Receivables			
Trade receivables		5.397	3.001
Receivables from group entities		857	963
Other receivables		949	1.252
		7.203	5.216
Cash at bank and in hand		3.666	861
Total current assets		16.268	39.150
TOTAL ASSETS		24.873	51.758

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Balance sheet

DKK'000	Note	2018	2017
EQUITY AND LIABILITIES			
Equity			
Contributed capital	9	500	500
Retained earnings		-16.450	4.029
Total equity		-15.950	4.529
Provisions			
Other provisions	10	1.101	1.655
Total provisions		1.101	1.655
Liabilities other than provisions			
Non-current liabilities other than provisions	11		
Lease obligations		0	159
Payables to group entities		33.512	35.034
		33.512	35.193
Current liabilities other than provisions			
Lease obligations		104	257
Prepayments received from customers		17	400
Trade payables		4.286	3.664
Payables to group entities		491	4.250
Other payables, including taxes payable		1.311	1.810
		6.209	10.381
Total liabilities other than provisions		39.721	47.229
TOTAL EQUITY AND LIABILITIES		24.873	51.758

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Statement of changes in equity

DKK'000	Contributed capital	Share premium	Retained earnings	Proposed dividend	Total equity
Equity at 1 January 2018	500	0	4.029	0	4.529
Distributed dividend	0	0	0	0	0
Transferred over the distribution of loss	0	0	-33.479	0	-33.479
Remission of debt, parent company	0	0	13.000	0	13.000
Equity at 31 December 2018	500	0	-16.450	0	-15.950

Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of Connected Wind Services Refurbishment A/S for 2018 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.

Last year the Company applied the provisions for class C medium-sized enterprises. The change has not affected recognition and measurement in the financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year. However part of payables to group entities for 2017 has rightfully been reclassified to non-current liabilities.

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 refurbished gearboxes and main shafts 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.

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 refurbishment of components for wind turbindes, 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.

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

Property, plant and equipment

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:

Production buildings	20 years
Administration buildings	20 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.

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.

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Notes

1 Accounting policies (continued)

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 fixed assets

The carrying amount of 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.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production costs. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

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.

Equity

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

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

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 a 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.

Prepayments and deferred income

Deferred income comprises payments received regarding income in subsequent years.

Financial statements 1 January – 31 December

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2 Going concern

The groups liquidity and capital has been strengthened during the year and is expected to be sufficient to carry out the planned activities. The credit facilities are issued to this company's parent company whom then ensures the daily liquidity in the subsidiaries. The parent company has in 2019 waived TDKK 24.000 of the loans converting this to equity, thus re-establishing the negative equity. Management hereby expect that the company's capital- and liquidity reserve together with the expectations for the future is sufficient to ensure the company's going concern for 2019 and even further.

3 Special items

DKK'000	2018	2017
Write down on land and buildings	2.843	0
Write down on inventories	23.631	0
	26.474	0

The special items are included in production costs in the income statement.

During the period, the company has been affected by a generally difficult market both in Denmark and internationally. As a result, the company's growth targets have not been met, though an increased revenue has been realized especially to external customers. Due to the continuously disappointing performance it is management's assessment that there is an impairment of the company's assets.

The assessment is based on external indicators where possible such as real estate reports and otherwise on technical or market driven valuation. Management asses that after the write-down the company's assets are based on a fair value.

4 Staff costs and incentive schemes

Wages and salaries	14.052	17.568
Pensions	1.969	2.133
Other social security costs	310	331
	16.331	20.032
Average number of full-time employees	28	33

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

Financial statements 1 January – 31 December

Notes

5 Financial income

DKK'000	2018	2017
Interest income from group entities	0	0
Foreign exchange gains	4	0
Other interest income	90	21
	94	21

6 Financial expenses

Interest expense to group entities	1.539	1.586
Foreign exchange losses	0	35
Other interest expense	16	53
	1.555	1.674

7 Tax on profit/loss for the year

Current tax for the year	0	0
Deferred tax adjustment for the year	0	0
	0	0

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8 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2018	12.136	4.178	825	0	17.139
Additions	0	164	0	557	721
Transferred	0	0	0	0	0
Disposals	0	0	0	0	0
Cost at 31 December 2018	12.136	4.342	825	557	17.860
Depreciation and impairment losses at 1 January 2018	1.439	2.849	243	0	4.531
Impairment losses	2.843	0	0	0	2.843
Depreciation	854	754	274	0	1.882
Depreciation on disposals	0	0	0	0	0
Reversed depreciation and impairment losses	0	0	0	0	0
Depreciation and impairment losses at 31 December 2018	5.136	3.603	517	0	9.256
Carrying amount at 31 December 2018	7.000	739	308	557	8.604
Assets held under finance leases	0	184	0	0	184

Financial statements 1 January – 31 December

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9 Contributed capital

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

10 Other provisions

DKK'000	2018	2017
Warranty commitments at 1 January	1.655	2.136
Change for the year	-554	-481
Other provisions at 31 December	1.101	1.655

The provisions are expected to be activated as follows:

0-1 years	551	828
1-5 years	550	827
>5 years	0	0
Other provisions at 31 December	1.101	1.655

Warranty commitments comprise commitments typically relating to 1-2 year's warranty for refurbished products for wind turbines.

11 Non-current liabilities other than provisions

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

Lease obligations:		
0-1 years	104	257
1-5 years	0	159
>5 years	0	0
Payables to group entities:		
0-1 years	0	0
1-5 years	0	0
>5 years	33.512	35.034
Total non-current liabilities other than provisions	33.616	35.450

Collateral is disclosed in note 13.

Financial statements 1 January – 31 December

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12 Contractual obligations, contingencies, etc.

Contingent assets

The Company has a none-recognised deferred tax asset of DKK 15.917 thousand.

It is not expected that the deferred tax asset will be realised as current tax in 2019.

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.

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.

13 Mortgages and collateral

Assets held under finance leases are disclosed in note 8.

No other assets have been provided as collateral of debts.

14 Related party disclosures Connected Wind Services Refurbishment 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 Refurbishment 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.