



# Connected Wind Services Refurbishment A/S

CVR no. 37 56 84 81

**Annual report 2020**

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

On 6<sup>th</sup> of April 2021

A handwritten signature in blue ink, reading "Morten Lund", is written over a horizontal line.

Chairman of the annual general meeting

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Connected Wind Services Refurbishment A/S  
Annual report 2020  
CVR no. 37 56 84 81

## 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 A/S for the financial year 1 January – 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.


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.

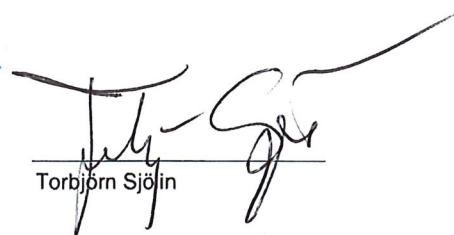
Balle, 6<sup>th</sup> of April 2021  
Executive Board:

  
Martin Wiborg Serup

Board of Directors:

  
Oliver Auras  
Chairman

  
Morten Lund

  
Torbjørn Sjölin

# 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 2020 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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We 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.

### Independence

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

### 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.

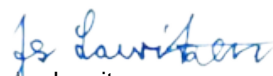
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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, 6th of April 2021

**EY Godkendt Revisionspartnerselskab**

CVR no. 30 70 02 28



Jes Lauritzen  
State Authorised  
Public Accountant  
mne10121



Christian Jøker  
State Authorised  
Public Accountant  
mne31471

## 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](http://www.connectedwind-refurbishment.com)  
E-mail: [info.ref@connectedwind.com](mailto: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

Oliver Auras, Chairman

Morten Lund

Torbjörn Sjölin

### Executive Board

Martin Wiborg Serup

### Auditor

EY Godkendt Revisionspartnerselskab  
Værkmestergade 25, 8100 Aarhus C

## Management's review

### Financial highlights

DKK'000	2020	2019	2018	2017	2016 (9 months)
Gross profit/loss	-91	-1.643	-23.295	-20.752	-3.379
Operating profit/loss	-368	-8.136	-32.018	-29.552	-7.896
Profit/loss from financial income and expenses	-48	-766	-1.461	-1.653	-876
Profit/loss for the year	-416	-8.902	-33.479	-31.205	-8.766
Total assets	1.143	10.632	24.873	51.758	70.813
Investments in property, plant and equipment	0	0	721	545	16.723
Equity	-1.268	-852	-15.950	4.529	21.734

## Management's review

### Operating review

#### Principal activities

The main activity of Connected Wind Services Refurbishment A/S has been 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

It was decided to close all current activities in the company in July 2019. Following this, major assets were sold to a new owner who have taken over the fixed assets and inventory. At the end of 2019, all activities had been closed down.

Currently, no decisions have been taken with regards to the continuation of the company and the company is therefore currently considered to be a dormant company.

#### *Profit/loss for the year*

The company's activities show a loss for the year of TDKK 416 against a loss in 2019 of TDKK 8.902. All known cost relating to the decision of closing the activities has been included in the result. The management considers the result unsatisfactory.

#### *Capital resources*

The company intends to fulfil all of its obligations. The management consider the current available resources sufficient to continue the company in 2021 and beyond.

### Outlook

Management expect limited activities and a small negative result from cost occurring during 2021 under the assumption that the company will not experience a significant negative effect of the ongoing Covid-19 virus outbreak.

### 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 2020.



## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2020	2019
<b>Gross loss</b>		-91	-1.643
Distribution costs		-5	-24
Administrative expenses	2	-272	-6.469
<b>Operating profit/loss</b>		-368	-8.136
Financial expenses	3	-48	-766
<b>Loss before tax</b>		-416	-8.902
Tax on loss for the year	4	0	0
<b>Loss for the year</b>		<u>-416</u>	<u>-8.902</u>
<b>Distribution of loss</b>			
Proposed dividend for the financial year		0	0
Retained earnings		<u>-416</u>	<u>-8.902</u>
		<u>-416</u>	<u>-8.902</u>

# Financial statements 1 January – 31 December

## Balance sheet

DKK'000	Note	2020	2019
<b>ASSETS</b>			
<b>Receivables</b>			
Trade receivables		15	15
Receivables from group entities		0	113
Other receivables		0	620
		<u>15</u>	<u>748</u>
<b>Cash at bank and in hand</b>		<u>1.128</u>	<u>9.884</u>
<b>Total current assets</b>		<u>1.143</u>	<u>10.632</u>
<b>TOTAL ASSETS</b>		<u><u>1.143</u></u>	<u><u>10.632</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	5	500	500
Retained earnings		-1.768	-1.352
<b>Total equity</b>		<u>-1.268</u>	<u>-852</u>
<b>Provisions</b>			
Warranty commitments	6	2.228	3.138
<b>Total provisions</b>		<u>2.228</u>	<u>3.138</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Payables to group entities	7	0	6.482
		<u>0</u>	<u>6.482</u>
<b>Current liabilities other than provisions</b>			
Trade payables		5	260
Payables to group entities	7	75	854
Other payables, including taxes payable		103	750
		<u>183</u>	<u>1.864</u>
<b>Total liabilities other than provisions</b>		<u>183</u>	<u>8.346</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1.143</u></u>	<u><u>10.632</u></u>

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total equity
<b>Equity at 1 January 2020</b>	500	-1.352	-852
Transferred over the distribution of loss	0	-416	-416
<b>Equity at 31 December 2020</b>	<b>500</b>	<b>-1.768</b>	<b>-1.268</b>

# Financial statements 1 January – 31 December

## Notes

### 1 Accounting policies

The annual report of Connected Wind Services Refurbishment A/S for 2020 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.

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

#### 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 turbines, 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

## Notes

### 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

## Notes

### 1 Accounting policies (continued)

#### Balance sheet

##### 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.

##### 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)

#### 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.

## Financial statements 1 January – 31 December

### Notes

#### 2 Staff costs and incentive schemes

DKK'000	2020	2019
Wages and salaries	0	10.448
Pensions	0	1.350
Other social security costs	0	163
	<u>0</u>	<u>11.961</u>
Average number of full-time employees	<u>0</u>	<u>19</u>

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

#### 3 Financial expenses

Interest expense to group entities	43	635
Foreign exchange losses	0	72
Other interest expense	5	59
	<u>48</u>	<u>766</u>

#### 4 Tax on loss for the year

Current tax for the year	0	0
Deferred tax adjustment for the year	0	0
	<u>0</u>	<u>0</u>

#### 5 Share capital

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

#### 6 Warranty commitments

Warranty commitments at 1 January	3.138	1.101
Change for the year	-910	2.037
<b>Warranty commitments at 31 December</b>	<u>2.228</u>	<u>3.138</u>

The provisions are expected to be activated as follows:

0-1 years	1.569	551
1-5 years	659	550
<b>Other provisions at 31 December</b>	<u>2.228</u>	<u>1.101</u>

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



# Financial statements 1 January – 31 December

## Notes

### 7 Non-current liabilities other than provisions

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

DKK'000	2020	2019
Payables to group entities:		
0-1 years	75	854
1-5 years	0	6.146
<b>Total non-current liabilities other than provisions</b>	<b>75</b>	<b>7.336</b>

### 8 Contractual obligations, contingencies, etc.

#### 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.

### 9 Mortgages and collateral

No assets have been provided as collateral of debts.

### 10 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](http://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.