

**Stormgade II ApS**  
Bøgildvej 3  
7430 Ikast  
Business Registration No  
38114271

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 04.04.2019

**Chairman of the General Meeting**



Name: Allan Gabriel Zandberg

## Contents

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2018	7
Balance sheet at 31.12.2018	8
Statement of changes in equity for 2018	10
Notes	11
Accounting policies	14

## Entity details

### Entity

Stormgade II ApS

Bøgildvej 3

7430 Ikast

Central Business Registration No (CVR): 38114271

Registered in: Ikast-Brande

Financial year: 01.01.2018 - 31.12.2018

### Board of Directors

Denis Jean Jørgen Viet-Jacobsen

Johan Olof Cervin

Jørn Mørkeberg Nielsen

Tommy Gundelund Jespersen

Jan Vestergaard Olsen

### Executive Board

Chlinton Arendahl Nielsen

Søren Bæk Just

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Stormgade II ApS for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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, 04.04.2019

### Executive Board




Chlinton Arendahl Nielsen



Søren Bæk Just

### Board of Directors



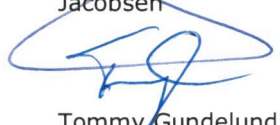
Denis Jean Jørgen Viet-Jacobsen



Johan Olof Cervin



Jørn Mørkeberg Nielsen



Tommy Gundelund Jespersen



Jan Vestergaard Olsen

## Independent auditor's report

### To the shareholders of Stormgade II ApS

#### Opinion

We have audited the financial statements of Stormgade II ApS for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

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

## Independent auditor's report

- 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.

## Independent auditor's report

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, 04.04.2019

### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR)  
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

Stormgade II ApS serves as the parent company of the company KK Group A/S, which acts as the parent company of KK Wind Solutions A/S, KK Wind Solutions Service A/S, and KK Wind Solutions Polska sp. z.o.o

The company performs management services for the Group, and a management fee for these services is settled.

### Development in activities and finances

No special events occurred through the financial year 2018.

### Profit/loss for the year in relation to expected developments

Stormgade II ApS achieved a profit of DKK 22,254k after tax in the 2018 financial year, against a profit of 9,801k in the 2016/17 accounts. The result is satisfactory.

### Outlook

Earnings are expected to be on a par with 2018 in the coming year. For further information, please refer to the consolidated financial statements for KK Wind Solutions Holding ApS.

### Particular risks

No risks that are specific to what is common in the industry. For further information, please refer to the consolidated financial statements.

### Events after the balance sheet date

No events have occurred after the end of the financial year that could materially affect the company's financial position.



## Income statement for 2018

	<u>Notes</u>	<u>2018 DKK'000</u>	<u>2016/17 DKK'000</u>
<b>Gross profit</b>		<b>3.683</b>	<b>4.570</b>
Administrative expenses	1	(6.153)	(4.069)
<b>Operating profit/loss</b>		<b>(2.470)</b>	<b>501</b>
Income from investments in group enterprises		65.078	52.000
Other financial income	2	1.083	615
Other financial expenses	3	(46.678)	(48.001)
<b>Profit/loss before tax</b>		<b>17.013</b>	<b>5.115</b>
Tax on profit/loss for the year	4	5.241	4.686
<b>Profit/loss for the year</b>		<b>22.254</b>	<b>9.801</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		22.254	9.801
		<b>22.254</b>	<b>9.801</b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK'000</u>	<u>2016/17 DKK'000</u>
Investments in group enterprises		1.225.019	1.225.019
<b>Fixed asset investments</b>	5	<u>1.225.019</u>	<u>1.225.019</u>
<b>Fixed assets</b>		<u>1.225.019</u>	<u>1.225.019</u>
Receivables from group enterprises		53.071	109.527
Deferred tax		173	0
Income tax receivable		28.522	0
<b>Receivables</b>		<u>81.766</u>	<u>109.527</u>
<b>Cash</b>		<u>233</u>	<u>726</u>
<b>Current assets</b>		<u>81.999</u>	<u>110.253</u>
<b>Assets</b>		<u>1.307.018</u>	<u>1.335.272</u>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK'000</u>	<u>2016/17 DKK'000</u>
Contributed capital		50.050	50.050
Retained earnings		<u>526.608</u>	<u>503.965</u>
<b>Equity</b>		<b><u>576.658</u></b>	<b><u>554.015</u></b>
Deferred tax		<u>0</u>	<u>155</u>
<b>Provisions</b>		<b><u>0</u></b>	<b><u>155</u></b>
Bank loans		246.392	364.561
Payables to group enterprises		<u>294.240</u>	<u>266.959</u>
<b>Non-current liabilities other than provisions</b>	6	<b><u>540.632</u></b>	<b><u>631.520</u></b>
Current portion of long-term liabilities other than provisions	6	121.500	108.000
Trade payables		17	7
Payables to group enterprises		3.910	447
Income tax payable		51.247	27.716
Other payables		<u>13.054</u>	<u>13.412</u>
<b>Current liabilities other than provisions</b>		<b><u>189.728</u></b>	<b><u>149.582</u></b>
<b>Liabilities other than provisions</b>		<b><u>730.360</u></b>	<b><u>781.102</u></b>
<b>Equity and liabilities</b>		<b><u>1.307.018</u></b>	<b><u>1.335.272</u></b>
Contingent liabilities	7		
Assets charged and collateral	8		
Group relations	9		

## Statement of changes in equity for 2018

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	50.050	503.965	554.015
Fair value adjustments of hedging instruments	0	389	389
Profit/loss for the year	0	22.254	22.254
<b>Equity end of year</b>	<b>50.050</b>	<b>526.608</b>	<b>576.658</b>

## Notes

	<b>2018</b>	<b>2016/17</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	5.357	3.893
Pension costs	0	91
Other social security costs	12	9
	<b>5.369</b>	<b>3.993</b>
Average number of employees	<b>2</b>	<b>2</b>
	<b>2018</b>	<b>2016/17</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>2. Other financial income</b>		
Financial income arising from group enterprises	1.075	615
Other interest income	5	0
Exchange rate adjustments	3	0
	<b>1.083</b>	<b>615</b>
	<b>2018</b>	<b>2016/17</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>3. Other financial expenses</b>		
Financial expenses from group enterprises	27.275	26.959
Other interest expenses	19.403	21.042
	<b>46.678</b>	<b>48.001</b>
	<b>2018</b>	<b>2016/17</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>4. Tax on profit/loss for the year</b>		
Current tax	(4.949)	(4.841)
Change in deferred tax	(328)	155
Adjustment concerning previous years	36	0
	<b>(5.241)</b>	<b>(4.686)</b>

## Notes

	<b>Investments in group enterprises DKK'000</b>
<b>5. Fixed asset investments</b>	
Cost beginning of year	1.225.019
<b>Cost end of year</b>	<b>1.225.019</b>
<b>Carrying amount end of year</b>	<b>1.225.019</b>

	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>	<b>Equity DKK'000</b>	<b>Profit/loss DKK'000</b>
Investments in group enterprises comprise:					
KK-GROUP A/S	Ikast-Brande, Denmark	A/S	100,0	6.395	62.424

	<b>Due within 12 months 2018 DKK'000</b>	<b>Due within 12 months 2016/17 DKK'000</b>	<b>Due after more than 12 months 2018 DKK'000</b>
<b>6. Liabilities other than provisions</b>			
Bank loans	121.500	108.000	246.392
Payables to group enterprises	0	0	294.240
	<b>121.500</b>	<b>108.000</b>	<b>540.632</b>

### 7. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. 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.

## Notes

The Entity is party to a tax case relating to transfer pricing, which is unsettled at 31 December 2018. A settlement of the case is expected within one year. The Group disagree on the views taken by the Danish Tax Administration. The case is fully provided for in the financial statements and awaits the Danish and Polish authorities' mutual agreement procedure.

### **8. Assets charged and collateral**

Stormgade II ApS has issued a surety guarantee and pledged investments in subsidiaries for all bank debt in the KK Wind Solutions Holding ApS Group. The book value of debt to banks in the Group amounts to DKK 664,100k. The book value in investments in group enterprises comprise DKK 1,225,019k.

### **9. Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

KK Wind Solutions Holding ApS, Ikast, business registration no. 38173766.

## 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.

### 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 ApS, business registration no. 38173766.

### Non-comparability

The comparable figures comprise 15 months and the figures for the current year consist of 12 months hence the figures are not comparable.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue and other operating income.

#### 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.

#### Administrative costs

Administrative costs comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, and equipment used for administration of the Entity.

#### Income from investments in group enterprises

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year.

#### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, 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, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.



## Accounting policies

### 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.

#### 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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

#### 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.