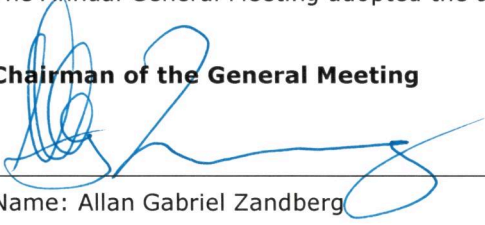


KK-GROUP A/S
Bøgildvej 3
7430 Ikast
Business Registration No
66821110

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

	<u>Page</u>
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	13

Entity details

Entity

KK-GROUP A/S
Bøgildvej 3
7430 Ikast

Central Business Registration No (CVR): 66821110

Registered in: Ikast-Brande

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Jørn Mørkeberg Nielsen
Dorrit Zenner Torp
Jacob Steffensen
Mogens Sode Nielsen
Johan Olof Cervin
Jan Vestergaard Olsen
Tommy Gundelund Jespersen
Denis Jean Jørgen Viet-Jacobsen

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 KK-GROUP A/S 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



Jørrn Mørkeberg Nielsen



Dorrit Zenner Torp



Jacob Steffensen



Mogens Sode Nielsen



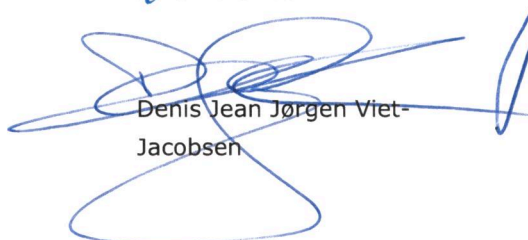
Johan Olof Cervin



Jan Vestergaard Olsen



Tommy Gundelund
Jespersen



Denis Jean Jørgen Viet-
Jacobsen

Independent auditor's report

To the shareholders of KK-GROUP A/S

Opinion

We have audited the financial statements of KK-GROUP A/S 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

KK Group A/S acts as the parent company of the companies KK Wind Solutions A/S, KK Wind Solutions Service A/S, and KK Wind Solutions Polska sp. z.o.o

The company has previously served as the top management body in the Group, and has performed group and management tasks for the rest of the Group. This activity has been moved to another group company in a previous financial year.

Description of material changes in activities and finances

No special events to report occurred through 2018.

Development in activities and finances

In the financial year 2018, KK Group A/S achieved a profit of DKK 62,424 K after tax against a profit of DKK 155,026 K after tax in 2016/17.

Outlook

Improved earnings are expected 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 balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018

	Notes	2018	2016/17
		DKK'000	DKK'000
Gross profit		0	4.279
Administrative expenses	1	(1.579)	(7.744)
Operating profit/loss		(1.579)	(3.465)
Income from investments in group enterprises		65.000	159.500
Other financial income		0	7
Other financial expenses	2	(1.495)	(1.952)
Profit/loss before tax		61.926	154.090
Tax on profit/loss for the year	3	498	936
Profit/loss for the year		62.424	155.026
Proposed distribution of profit/loss			
Extraordinary dividend distributed in the financial year		65.000	152.000
Retained earnings		(2.576)	3.026
		62.424	155.026

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>DKK'000</u>	<u>2016/17</u> <u>DKK'000</u>
Investments in group enterprises		55.326	55.326
Other investments		325	325
Fixed asset investments	4	<u>55.651</u>	<u>55.651</u>
Fixed assets		<u>55.651</u>	<u>55.651</u>
Receivables from group enterprises		2.925	32.780
Deferred tax		610	112
Other receivables		16	212
Income tax receivable		27.333	11.832
Receivables		<u>30.884</u>	<u>44.936</u>
Current assets		<u>30.884</u>	<u>44.936</u>
Assets		<u>86.535</u>	<u>100.587</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>DKK'000</u>	<u>2016/17</u> <u>DKK'000</u>
Contributed capital		7.294	7.294
Retained earnings		(899)	1.677
Equity		<u>6.395</u>	<u>8.971</u>
Bank loans		342	9.682
Payables to group enterprises		78.751	81.219
Other payables		1.047	715
Current liabilities other than provisions		<u>80.140</u>	<u>91.616</u>
Liabilities other than provisions		<u>80.140</u>	<u>91.616</u>
Equity and liabilities		<u>86.535</u>	<u>100.587</u>
Contingent liabilities	5		
Assets charged and collateral	6		
Group relations	7		

Statement of changes in equity for 2018

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	7.294	1.677	8.971
Extraordinary dividend paid	0	(65.000)	(65.000)
Profit/loss for the year	0	62.424	62.424
Equity end of year	7.294	(899)	6.395

Notes

	2018	2016/17
	DKK'000	DKK'000
1. Staff costs		
Wages and salaries	1.272	6.599
Pension costs	0	54
Other social security costs	0	(5)
	1.272	6.648
Average number of employees	0	2
	2018	2016/17
	DKK'000	DKK'000
2. Other financial expenses		
Financial expenses from group enterprises	1.197	1.521
Other interest expenses	298	431
	1.495	1.952
	2018	2016/17
	DKK'000	DKK'000
3. Tax on profit/loss for the year		
Current tax	(498)	(972)
Change in deferred tax	0	36
	(498)	(936)
	Invest-	Other
	ments in	investment
	group	s
	enterprises	s
	DKK'000	DKK'000
4. Fixed asset investments		
Cost beginning of year	55.326	325
Cost end of year	55.326	325
Carrying amount end of year	55.326	325

Notes

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>	<u>Equity DKK'000</u>	<u>Profit/loss DKK'000</u>
Investments in group enterprises comprise:					
KK Wind Solutions A/S	Ikast-Brande, Denmark	A/S	100,0	200.897	106.516
KK Wind Solutions Service A/S	Ikast-Brande, Denmark	A/S	100,0	13.725	5.563
KK Wind Solutions Polska Sp. Z.o.o.	Stettin, Polen	Sp. Z.o.o.	100,0	60.800	6.958

5. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Stormgade II ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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 disagrees on the views taken by the Danish Tax Administration. The case is fully provided for in the financial statements of Stormgade II ApS and awaits the Danish and Polish authorities' mutual agreement procedure.

6. Assets charged and collateral

KK-GROUP A/S has issued a surety guarantee and pledged investments in subsidiaries for all bank debt in KK Wind Solutions Holding ApS Group. The book value of the debt to banks in the Group amounts to DKK 664,100k. The book value of investments in group enterprises comprise DKK 55,326k.

7. 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, 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.

Recognition and measurement

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

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

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

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

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

Foreign currency translation

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

Accounting policies

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 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 salaries for administrative staff and Management.

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 etc.

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.

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.

Other investments

Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

Receivables

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

Accounting policies

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

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.

Income tax payable or receivable

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

Other financial liabilities

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