

## KK-Group A/S

Bøgildvej 3  
7430 Ikast  
CVR No. 66821110

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 16.04.2020

Handwritten signature of Allan Gabriel Zandberg in blue ink.

**Allan Gabriel Zandberg**  
Chairman

# Contents

Entity details	2
Statement by Management	3
Independent auditor's report	5
Management commentary	8
Income statement for 2019	9
Balance sheet at 31.12.2019	10
Statement of changes in equity for 2019	12
Notes	13
Accounting policies	15

# Entity details

## Entity

KK-Group A/S

Bøgildvej 3

7430 Ikast

CVR No.: 66821110

Registered office: Ikast-Brande

Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Jan Thorsgaard Nielsen, Chairman

Simon Krogsgaard Ibsen

Jesper Ridder Olsen

Michael Nøddebo Nielsen

Elke Eckstein

Fabrice Brégier

Dorrit Zenner Torp

Jacob Steffensen

## Executive Board

Chlinton Arendahl Nielsen, CEO

Søren Bæk Just, Director

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of KK-Group A/S for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Ikast, 16. April 2020

## Executive Board




**Chlinton Arendahl Nielsen**  
CEO



**Søren Bæk Just**  
Director

Board of Directors



Jan Thorsgaard Nielsen  
Chairman



Jesper Ridder Olsen



Elke Eckstein

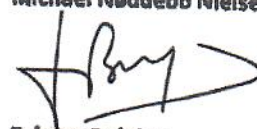


Dorrit Zennér Torp



Simon Krogsgaard Ibsen

Michael Aadaen  
Michael Noddebo Nielsen



Fabrice Brégier



Jacob Steffensen

# Independent auditor's report

## To the shareholder of KK-Group A/S

### Opinion

We have audited the financial statements of KK-Group A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 16. April 2020

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556



**Henrik Vedel**  
State Authorised Public Accountant  
Identification No (MNE) mne10052



**Jacob Tækker Nørgaard**  
State Authorised Public Accountant  
Identification No (MNE) mne40049



# Management commentary

## Primary activities

KK 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, performing group and management tasks for the rest of the Group. This activity is today performed by KK Wind Solutions Holding A/S which is also the entity preparing the consolidated financial statements.

## Development in activities and finances

KK Group A/S achieved a result of DKK 132,856k after tax in the 2019 financial year against a profit of DKK 62,424k after tax in 2018. The management regards the result as satisfactory.

## 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

Since the balance sheet date, the world has been severely hit by the global spreading of the COVID 19 pandemic. The many initiatives done globally to contain, control and minimize the impact of the virus will potentially influence the ability of the KK Group, to procure and assemble the systems ordered or forecasted by the customers.

The potential impact of COVID 19 is not possible to assess and highly dependent on the time it takes the world and the different countries to harness the virus and how long before the economy rebounds. The primary risks for KK are lack of deliveries of critical components from sub suppliers, long term shutdown of KK factories by governmental decree or delay in customer projects.

# Income statement for 2019

	Notes	2019 DKK'000	2018 DKK'000
Administrative expenses		168	(1,578)
<b>Operating profit/loss</b>		<b>168</b>	<b>(1,578)</b>
Income from investments in group enterprises		134,500	65,000
Other financial expenses	2	(2,276)	(1,496)
<b>Profit/loss before tax</b>		<b>132,392</b>	<b>61,926</b>
Tax on profit/loss for the year	3	464	498
<b>Profit/loss for the year</b>		<b>132,856</b>	<b>62,424</b>
<b>Proposed distribution of profit and loss</b>			
Ordinary dividend for the financial year		130,000	0
Extraordinary dividend distributed in the financial year		0	65,000
Retained earnings		2,856	(2,576)
<b>Proposed distribution of profit and loss</b>		<b>132,856</b>	<b>62,424</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK'000	2018 DKK'000
Investments in group enterprises		55,326	55,326
Other investments		325	325
<b>Other financial assets</b>	4	<b>55,651</b>	<b>55,651</b>
<b>Fixed assets</b>		<b>55,651</b>	<b>55,651</b>
Receivables from group enterprises		57,252	2,925
Deferred tax		610	610
Other receivables		68	16
Income tax receivable		33,932	27,333
<b>Receivables</b>		<b>91,862</b>	<b>30,884</b>
<b>Current assets</b>		<b>91,862</b>	<b>30,884</b>
<b>Assets</b>		<b>147,513</b>	<b>86,535</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK'000</b>	<b>2018 DKK'000</b>
Contributed capital		7,294	7,294
Retained earnings		1,957	(899)
Proposed dividend		130,000	0
<b>Equity</b>		<b>139,251</b>	<b>6,395</b>
Bank loans		8,178	342
Payables to group enterprises		18	78,751
Other payables		66	1,047
<b>Current liabilities other than provisions</b>		<b>8,262</b>	<b>80,140</b>
<b>Liabilities other than provisions</b>		<b>8,262</b>	<b>80,140</b>
<b>Equity and liabilities</b>		<b>147,513</b>	<b>86,535</b>
Events after the balance sheet date	1		
Contingent liabilities	5		
Assets charged and collateral	6		
Group relations	7		

# Statement of changes in equity for 2019

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Proposed dividend DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	7,294	(899)	0	6,395
Profit/loss for the year	0	2,856	130,000	132,856
<b>Equity end of year</b>	<b>7,294</b>	<b>1,957</b>	<b>130,000</b>	<b>139,251</b>

# Notes

## 1 Events after the balance sheet date

Since the balance sheet date, the world has been severely hit by the global spreading of the COVID 19 pandemic. The many initiatives done globally to contain, control and minimize the impact of the virus will potentially influence the ability of the KK Group to procure and assemble the systems ordered or forecasted by the customers.

The potential impact of COVID 19 is not possible to assess and highly dependent on the time it takes the world and the different countries to harness the virus and how long before the economy rebounds. The primary risks for KK are lack of deliveries of critical components from sub suppliers, long term shutdown of KK factories by governmental decree or delay in customer projects.

## 2 Other financial expenses

	2019 DKK'000	2018 DKK'000
Financial expenses from group enterprises	1,439	1,197
Other interest expenses	837	299
	<b>2,276</b>	<b>1,496</b>

## 3 Tax on profit/loss for the year

	2019 DKK'000	2018 DKK'000
Current tax	(464)	(498)
	<b>(464)</b>	<b>(498)</b>

## 4 Financial assets

	Investments in group enterprises DKK'000	Other investments DKK'000
Cost beginning of year	55,326	325
<b>Cost end of year</b>	<b>55,326</b>	<b>325</b>
<b>Carrying amount end of year</b>	<b>55,326</b>	<b>325</b>

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>	<b>Equity DKK'000</b>	<b>Profit/loss DKK'000</b>
KK Wind Solutions A/S	Ikast-Brande, Denmark	A/S	100	339,941	137,257
KK Wind Solutions Service A/S	Ikast-Brande, Denmark	A/S	100	26,607	12,880
KK Wind Solutions Polska Sp. Z.o.o.	Stettin, Poland	Sp. Z.o.o.	100	4,900	3,405

### 5 Contingent liabilities

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

### 6 Assets charged and collateral

KK-Group A/S has issued a surety guarantee and pledged investments in subsidiaries for all balances with banks. The book value of debt to banks in the KKWSH ApS Group amounts to DKK 1.094.029 k. The book value of investments in group enterprises comprise DKK 55.326 k.

### 7 Group relations

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

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

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

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

## 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

### Administrative expenses

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 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.

**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.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Other financial liabilities**

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