

Danwind Tools A/ S

Navervej 2, 7620 Lemvig

CVR no. 40 02 07 64

Annual report 2018/19

(As of the establishment of the Company 13 November 2018 - 31 December 2019)

Approved at the Company's annual general meeting on 30 June 2020

Chairman:

.....
Dan Thode Kjellgren





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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Danwind Tools A/S for the financial year as of the establishment of the Company 13 November 2018 - 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year as of the establishment of the Company 13 November 2018 - 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Lemvig, 30 June 2020
Executive Board:

.....
Brian Nygaard Lund

Board of Directors:

.....
Dan Thode Kjellgren
Chairman

.....
Jacob Berg Vendelbo

.....
Brian Nygaard Lund

Independent auditor's report

To the shareholders of Danwind Tools A/S

Opinion

We have audited the financial statements of Danwind Tools A/S for the financial year as of the establishment of the Company 13 November 2018 - 31 December 2019, which comprise 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 financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year as of the establishment of the company 13 November 2018 - 31 December 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 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 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 (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 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 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 the 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.

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 note 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.

Herning, 30 June 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lene Thorgård Andersen
State Authorised Public Accountant
mne42790

Management's review

Company details

Name	Danwind Tools A/S
Address, Postal code, City	Navervej 2, 7620 Lemvig
CVR no.	40 02 07 64
Established	13 November 2018
Registered office	Lemvig
Financial year	13 November 2018 - 31 December 2019
Board of Directors	Dan Thode Kjellgren, Chairman Jacob Berg Vendelbo Brian Nygaard Lund
Executive Board	Brian Nygaard Lund
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Industrivej Nord 9, 7400 Herning, Denmark

Management's review

Business review

The Company's main activity is selling and rental of tools in regards to wind tubines.

Financial review

The income statement for 2018/19 shows a profit of DKK 617,999, and the balance sheet at 31 December 2019 shows equity of DKK 1,017,999.

Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end and the world wide outbreak of COVID-19 has not had any significant influence.

Financial statements for the period 13 November 2018 - 31 December 2019

Income statement

Note	DKK	2018/19 14 months
	Gross profit	2,048,475
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,139,045
	Profit before net financials	909,430
2	Financial income	3,414
3	Financial expenses	-120,541
	Profit before tax	792,303
4	Tax for the year	-174,304
	Profit for the year	617,999
	 Recommended appropriation of profit	
	Retained earnings	617,999
		617,999

Financial statements for the period 13 November 2018 - 31 December 2019

Balance sheet

Note	DKK	2018/19
	ASSETS	
	Non-current assets	
5	Property, plant and equipment	
	Other fixtures and fittings, tools and equipment	4,579,002
		<u>4,579,002</u>
	Total non-current assets	<u>4,579,002</u>
	Current assets	
	Receivables	
	Trade receivables	642,069
	Receivables from associates	223,500
		<u>865,569</u>
	Cash	<u>773,446</u>
	Total current assets	<u>1,639,015</u>
	TOTAL ASSETS	<u>6,218,017</u>

Financial statements for the period 13 November 2018 - 31 December 2019

Balance sheet

Note	DKK	2018/19
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	400,000
	Retained earnings	617,999
	Total equity	1,017,999
6	Non-current liabilities	
	Deferred tax	65,470
	Bank debt	2,770,533
	Total non-current liabilities	2,836,003
	Current liabilities	
	Bank debt	1,360,882
	Trade payables	48,299
	Payables to associates	486,096
	Income taxes payable	108,834
	Other payables	359,904
	Total current liabilities	2,364,015
	Total liabilities	5,200,018
	TOTAL EQUITY AND LIABILITIES	6,218,017

- 1 Accounting policies
- 7 Contractual obligations and contingencies, etc.
- 8 Collateral
- 9 Related parties

Financial statements for the period 13 November 2018 - 31 December 2019

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Cash payments concerning formation of enterprise	400,000	0	400,000
Transfer through appropriation of profit	0	617,999	617,999
Equity at 31 December 2019	400,000	617,999	1,017,999

Financial statements for the period 13 November 2018 - 31 December 2019

Notes to the financial statements

1 Accounting policies

The annual report of Danwind Tools A/S for 2018/19 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The financial year is the first for the Company.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Income from contract work is recognised as revenue at the time of delivery and the transfer of the risk 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 and rebates granted are recognised in revenue.

Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	3-5 years
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Financial statements for the period 13 November 2018 - 31 December 2019

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Financial statements for the period 13 November 2018 - 31 December 2019

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Financial statements for the period 13 November 2018 - 31 December 2019

Notes to the financial statements

		2018/19 14 months
DKK		
2 Financial income		
Other financial income		3,414
		<u>3,414</u>
3 Financial expenses		
Other financial expenses		120,541
		<u>120,541</u>
4 Tax for the year		
Estimated tax charge for the year		108,834
Deferred tax		65,470
		<u>174,304</u>
5 Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	
DKK		
Additions in the year		5,961,547
Disposals in the year		-243,500
Cost at 31 December 2019		<u>5,718,047</u>
Amortisation/depreciation in the year		<u>1,139,045</u>
Impairment losses and depreciation at 31 December 2019		<u>1,139,045</u>
Carrying amount at 31 December 2019		<u>4,579,002</u>
Depreciated over		<u>3-5 years</u>
6 Non-current liabilities		
Of the long-term liabilities, DKK 0 falls due for payment after more than 5 years after the balance sheet date.		

Financial statements for the period 13 November 2018 - 31 December 2019

Notes to the financial statements

7 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company has provided joint suretyship for Danwind Construction A/S' balances with Vestjysk Bank. At 31 December 2019 the balance is a debt of DKK 1.5 million.

8 Collateral

As security for the Company's balance with Vestjysk Bank, the Company has provided security or other collateral in its assets for at total amount of DKK 6.2 million. At 31 December 2019 the balance is a debt of DKK 3.5 million.

9 Related parties

Information about consolidated financial statements

Parent	Domicile
Danwind Spare Parts ApS	Havnen 23, Lemvig

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Brian Nygaard Lund

Direktion

På vegne af: Danwind Tools A/S

Serienummer: PID:9208-2002-2-696098233203

IP: 212.112.xxx.xxx

2020-06-30 07:02:55Z

NEM ID 

Dan Thode Kjellgren

Dirigent

På vegne af: Danwind Tools A/S

Serienummer: PID:9208-2002-2-321647470518

IP: 37.97.xxx.xxx

2020-06-30 08:03:24Z

NEM ID 

Dan Thode Kjellgren

Bestyrelse

På vegne af: Danwind Tools A/S

Serienummer: PID:9208-2002-2-321647470518

IP: 37.97.xxx.xxx

2020-06-30 08:06:30Z

NEM ID 

Jacob Berg Vendelbo

Bestyrelse

På vegne af: Danwind Tools A/S

Serienummer: PID:9208-2002-2-825016750672

IP: 2.109.xxx.xxx

2020-06-30 08:16:35Z

NEM ID 

Brian Nygaard Lund

Bestyrelse

På vegne af: Danwind Tools A/S

Serienummer: PID:9208-2002-2-696098233203

IP: 212.112.xxx.xxx

2020-06-30 08:39:50Z

NEM ID 

Lene Thorgaard Andersen

Statsautoriseret revisor

På vegne af: Ernst & Young

Serienummer: CVR:30700228-RID:14141325

IP: 145.62.xxx.xxx

2020-06-30 08:47:53Z

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