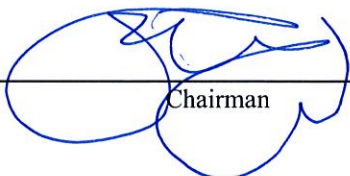


MULTI-WING INTERNATIONAL A/S  
Staktoften 16, 2950 Vedbæk

Annual report for the period  
1 January to 31 December 2015

Adopted at the annual general meeting on

*20/5-2016*

  
Chairman

CVR no. 11 95 95 98

# CONTENTS

	<b>Page</b>
<b>Management's Statement and Auditors' Report</b>	
Statement by management on the annual report	3
Independent auditor's report	4
<b>Management's Review</b>	
Company details	6
Financial highlights	7
Management's review	8
<b>Financial Statements</b>	
Accounting policies	10
Income statement 1 January - 31 December	14
Balance sheet at 31 December	15
Statement of changes in equity	17
Notes to the annual report	18

## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

Today, the board of directors and the executive board have discussed and approved the annual report of Multi-Wing International A/S for the financial year 1 January - 31 December 2015.

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 financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

We recommend the adoption of the annual report at the annual general meeting.

Vedbæk, 20 May 2016

### Board of Executives



Lisbeth Tonsberg Dahl

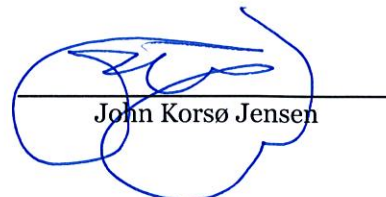
### Board of Directors



Annette Bernhoft Andersen  
chairman



Jesper Bernhoft



John Korsø Jensen

# INDEPENDENT AUDITOR'S REPORT

*To the Shareholder of Multi-Wing International A/S*

## **Report on the financial statements**

We have audited the financial statements of Multi-Wing International A/S for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

## **Management's responsibility for the financial statements**

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

## **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

## **Opinion**

In our opinion, the financial statement give a true and fair view of the company's financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

## INDEPENDENT AUDITOR'S REPORT

### Statement on management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

København, 20 May 2016

### MAZARS

Statsautoriseret Revisionspartnerselskab  
CVR-no.31 06 17 41



Kurt Christensen  
Statsautoriseret revisor  
(State-authorised Public Accountant)

## COMPANY DETAILS

The company	Multi-Wing International A/S Staktoften 16 2950 Vedbæk
	Tel: +45 45 89 01 33
	Fax: +45 45 89 31 33
	E-mail: <a href="mailto:info@multi-wing.com">info@multi-wing.com</a>
	Website: <a href="http://www.multi-wing.com">www.multi-wing.com</a>
	CVR no.: 11 95 95 98
	Financial year: 1 January - 31 December
	Incorporated: 1 December 1987
	Domicile: Rudersdal
Board of Directors	Annette Bernhoft Andersen, chairman Jesper Bernhoft, John Korsø Jensen
Board of Executives	Lisbeth Tonsberg Dahl
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Østerfælled Torv 10, 2. sal 2100 København Ø



## FINANCIAL HIGHLIGHTS

5-year summary:

	2015	2014	2013	2012	2011
	mio. kr.	mio. kr.	mio. kr.	mio. kr.	mio. kr.
<b>KEY FIGURES</b>					
<b>Profit/loss</b>					
Gross profit/loss	39	50	40	42	45
Profit/loss before financial income and expenses	12	28	19	15	18
Result of net financials	-1	-1	-2	-1	-2
Profit/loss for the year	8	20	12	10	12
<b>Balance sheet</b>					
Balance sheet total	98	95	77	72	74
Investment in property, plant and equipment	5	4	5	3	3
Equity	30	41	31	29	30
<b>FINANCIAL RATIOS</b>					
Return on equity	22,5%	55,6%	40,0%	33,9%	36,4%
ROIC	27,1%	37,1%	36,1%	31,4%	33,6%

The financial ratios are calculated in accordance with the Danish Society of Financial Analysts' recommendations and guidelines. For definitions, see the summary of significant accounting policies.

## MANAGEMENT'S REVIEW

### **Business activities**

The Company's activity is developing, producing and selling axial impellers for industrial purposes. The impellers are sold globally.

### **Unusual matters**

No unusual matters have affected the Financial Statements for 2015.

### **Developments in the financial year**

Income statement items comprise the Company's operations for the period 1 January – 31 December 2015. The Company continued to make strides in its markets in 2015. The new emerging markets in India and South America contributed to the growth. The volatile oil and gas market had a negative impact as many customers are within this sector. This had a minor negative impact on both turnover and revenue in 2015.

### **Post balance sheet events**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

### **Outlook**

The outlook for 2016 is that the markets will continue to struggle in the first half of the year but experience a moderate recovery in the second half of the year, although the pace and strength of the recovery are uncertain. Furthermore, major geographical differences are expected. We expect the sales of components to most markets will be at a slightly higher level except for the North American market where we are expecting a decline although the size is uncertain.

It is expected that 2016 will be a year where the Company will continue to participate in various development projects with large global customers. It is a resource-consuming process, but will also involve a significant opportunity for close a long-lasting cooperation. These development projects are subject to great risk because it cannot be predicted with any certainty if and when they will come into actual production. This depends on many factors such as oil pricing and not least whether the final applications can meet the new US and EU standards.

The Company also faces a number of major investments in 2016. These investments will be capital-intensive, and their implementation will require vast internal resources. 2016 will be a challenging year that placing high demands on the organization's flexibility and ability to adapt.

### **Special risks**

#### ***Price risks***

The impeller components are cast in aluminium and engineering thermoplastics. Both markets are relatively volatile and are especially sensitive to increasing oil prices and, to some extent, the development of the USD exchange rate.

#### ***Currency risks***

Since the Company is increasingly doing business in foreign currencies, it assumes a growing currency risk. The risk is limited to the share of deals made with companies outside Europe.

The Company's interest-rate risks are limited.



## MANAGEMENT'S REVIEW

### ***Knowledge resources***

The Company consistently focuses on having a highly skilled workforce in order to be at the forefront of the latest technologies in its core competency areas. The Company's main objective is to work with innovative approaches that will improve and streamline the Company's interaction with customers.

### ***Environmental conditions***

The Company's environmental impact is assessed to be minimal, since there are no associated production activities.

### ***Recognition and measurement uncertainties***

No recognition and measurement uncertainties exist.

### ***Research and development***

The Company has ongoing development projects, which are derived from expectations of future demand as well as the potential development of the technology involved.

## ACCOUNTING POLICIES

The annual report of Multi-Wing International A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C

The accounting policies applied are consistent with those applied last year.

The annual report for 2015 is presented in Danish kroner.

With reference to section 86, 4 of the Danish Financial Statements Act, the cash flow statement is not included in the Financial Statements since it appears from the Consolidated Financial Statements for the ultimate parent.

### **Basis of recognition and measurement**

Income is recognised in the income statement as it is earned including adjustments in total value of financial assets and liabilities. All expenses, including depreciation, amortisation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of such assets can be reliably measured.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company and the value of the liabilities can be reliably measured.

On initial recognition, assets and liabilities are measured at cost and subsequently measured as described for each item below.

Recognition and measurement, foreseeable risks and losses arising before presentation of the annual report which affect matters arising on or before the balance sheet date are taken into account.

### **Income statement**

#### **Gross profit**

With reference to section 32 of the Danish Financial Statements Act, the items "Net revenue" to and including "Other external expenses" are consolidated into one time designated "Gross profit".

#### **Revenue**

Income from the sale of goods for resale and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably. VAT, indirect taxes and discounts are excluded from the revenue.

#### **Raw materials and consumables**

Raw materials and consumables comprise the raw materials and consumables to achieve revenue for the year.

#### **Other operating income**

Other operating income comprises items of a secondary nature in relation to companies' core business, including gains and losses on intangible fixed assets sale and property, plant and equipment sale.

## ACCOUNTING POLICIES

### **Other operating expenses**

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and property, plant and equipment.

### **Staff costs**

Staff costs include salaries and wages as well as holiday allowance social security expenses, pensions etc. for the Company's staff.

### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts that relates to the reporting period. Net financials include interest income and expenses, realised and unrealised capital and exchange rate gains and losses on transactions in foreign currencies etc.

### **Tax on profit/loss for the year**

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

The Company is jointly taxed with the parent company and other Danish Group companies.

The net tax of the joint taxed income is divided proportionately on the Danish companies with a positive income. Companies with a loss in the joint taxation are refunded an amount equal to the gained tax savings. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

### **Balance sheet**

#### **Intangible assets**

##### ***Development projects***

Development costs incurred in connection with development projects comprise the internal and external expenses that are directly attributable to the Company's development activities and which meet the criteria for recognition.

Capitalised development costs are measured at cost less accumulated amortisation or at the recoverable amount where this is lower.

#### **Property, plant and equipment**

Items of Tangible assets are measured at cost less accumulated depreciation and impairment losses.

Depreciation is provided on a straight-line basis over the expected useful life of the asset based on the following expected useful lives:

Property, plant and equipment	3 - 5
Leasehold improvements	3



## ACCOUNTING POLICIES

Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

### **Stocks**

Stocks are measured at cost using the FIFO-method. In cases where the net realisable value is lower than cost, the inventories are written down to such lower value.

The cost includes acquisition cost with addition of purchase costs.

The net realisable value of stocks is determined as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.

### **Receivables**

Receivables are measured at amortised cost, usually equivalent to the nominal value. Provisions for anticipated losses are made to the net realisable value.

### **Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

### **Equity**

#### **Dividend**

Dividend expected to be paid for the financial year is shown as a separate item under equity. Dividend is recognised as a liability at the time of its adoption at the Annual General Meeting.

#### **Income tax and deferred tax**

Current tax and current tax receivable are recognised in the balance sheet as computed tax of taxable income for the financial year adjusted for tax of taxable income for previous years and paid account taxes.

Deferred tax is measured in accordance with the balance sheet liability method on all temporary differences between carrying amount and tax base of assets and liabilities. In those cases, e.g. for shares where the statement of tax can be made for alternative taxation rules, the deferred tax measured on the basis of the intended use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carried forward, are measured at the value at which the assets is expected to be realised, either by elimination in tax on future earnings or against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at the net realisable value.

Deferred tax is measured on the basis of the tax rules and tax rates, which are operative at the balance sheet date, if the deferred tax was expected realised as current tax. Changes in deferred tax due to changes in the tax rate are measured in the income statement. For the present financial year a tax rate of 22 %.

### **Liabilities**

Liabilities to suppliers and other liabilities are measured at amortised cost, normally corresponding to nominal value.

## ACCOUNTING POLICIES

### Prepayments

Prepayments recognised under liabilities, cover payments received for the ensuing years.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

### FINANCIAL HIGHLIGHTS

Definitions of financial ratios

Return on equity

Net profit for the year x 100 / Average equity

ROIC

EBITA x 100 / Average invested capital excluding goodwill



## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2015 kr.	2014 t.kr.
<b>GROSS PROFIT</b>		39.088.113	50.383
Staff costs	1	-19.574.471	-16.977
Depreciations		-7.897.762	-5.211
<b>PROFIT/LOSS BEFORE FINANCIAL INCOME AND EXPENSES</b>		11.615.880	28.195
Financial income	2	112.395	182
Financial costs	3	-1.051.826	-1.614
<b>PROFIT/LOSS BEFORE TAX</b>		10.676.449	26.763
Tax on profit/loss for the year	4	-2.319.015	-6.431
<b>PROFIT/LOSS FOR THE YEAR</b>		8.357.434	20.332
Proposed dividend for the year		15.000.000	20.000
Retained earnings		-6.642.566	332
		8.357.434	20.332

## BALANCE SHEET AT 31 DECEMBER

	<u>Note</u>	<u>2015</u> kr.	<u>2014</u> t.kr.
<b>ASSETS</b>			
Completed development projects		9.803.749	10.213
Development projects in progress		3.542.554	3.832
<b>Intangible assets</b>	5	<u>13.346.303</u>	<u>14.045</u>
Exhibition equipment		0	0
Other plant, operating equipment and fixtures		12.260.509	11.147
Leasehold improvements		61.836	97
<b>Tangible assets</b>	6	<u>12.322.345</u>	<u>11.244</u>
Other receivables		0	95
<b>Fixed asset investments</b>		<u>0</u>	<u>95</u>
<b>FIXED ASSETS TOTAL</b>		<u>25.668.648</u>	<u>25.384</u>
Finished goods and goods for resale		10.449.346	8.067
<b>Stocks</b>		<u>10.449.346</u>	<u>8.067</u>
Trade receivables		6.537.684	10.009
Receivables from group enterprises		38.463.117	44.244
Other receivables		1.644.023	2.317
Prepayments	7	944.804	1.453
<b>Receivables</b>		<u>47.589.628</u>	<u>58.023</u>
<b>Cash at bank and in hand</b>		<u>14.757.106</u>	<u>3.484</u>
<b>CURRENT ASSETS TOTAL</b>		<u>72.796.080</u>	<u>69.574</u>
<b>ASSETS TOTAL</b>		<u><u>98.464.728</u></u>	<u><u>94.958</u></u>

## BALANCE SHEET AT 31 DECEMBER

	Note	2015 kr.	2014 t.kr.
<b>LIABILITIES AND EQUITY</b>			
Share capital		500.000	500
Retained earnings		14.224.952	868
Proposed dividend for the year		15.000.000	40.000
<b>Equity total</b>	8	<b>29.724.952</b>	<b>41.368</b>
Provision for deferred tax		2.964.045	3.193
<b>Provisions total</b>		<b>2.964.045</b>	<b>3.193</b>
Bond		0	17.893
<b>Long-term debt</b>	9	<b>0</b>	<b>17.893</b>
Banks		25.905.872	0
Trade payables		5.608.328	8.914
Payables to group enterprises		18.990.823	11.175
Corporation tax		7.683.325	5.136
Other payables		7.587.383	7.279
<b>Short-term debt</b>		<b>65.775.731</b>	<b>32.504</b>
<b>DEBT TOTAL</b>		<b>65.775.731</b>	<b>50.397</b>
<b>LIABILITIES AND EQUITY TOTAL</b>		<b>98.464.728</b>	<b>94.958</b>
Contingencies, etc.	10		
Collateral and security	11		
Related parties and ownership	12		

## STATEMENT OF CHANGE IN EQUITY

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2015	500.000	20.867.518	20.000.000	41.367.518
Ordinary dividend paid	0	0	-20.000.000	-20.000.000
Net profit/loss for the year	0	-6.642.566	15.000.000	8.357.434
Equity at 31 December 2015	<u>500.000</u>	<u>14.224.952</u>	<u>15.000.000</u>	<u>29.724.952</u>

## NOTES TO THE ANNUAL REPORT

	2015	2014
	kr.	t.kr.
<b>1 STAFF COSTS</b>		
Wages and salaries	18.974.042	16.598
Pensions	2.400.967	2.144
Other social security costs	260.069	123
Other staff costs	758.833	604
	22.393.911	19.469
Transfer to production wages	-2.819.440	-2.492
	19.574.471	16.977
Including remuneration to the Executive and Supervisory Boards	1.941.370	2.048
Average number of employees	32	28
<b>2 FINANCIAL INCOME</b>		
Interest received from group enterprises	95.596	38
Exchange adjustments	16.799	144
	112.395	182
<b>3 FINANCIAL COSTS</b>		
Financial expenses, group entities	104.817	131
Other financial costs	947.009	1.483
	1.051.826	1.614
<b>4 TAX ON PROFIT/LOSS FOR THE YEAR</b>		
Current tax for the year	2.547.682	5.136
Deferred tax adjustment	-228.667	1.295
	2.319.015	6.431



## NOTES TO THE ANNUAL REPORT

### 5 INTANGIBLE ASSETS

	Completed development projects	Development projects in progress
Cost at 1 January 2015	21.484.428	3.832.095
Additions for the year	585.927	3.398.810
Disposals for the year	-47.835	-211.254
Transfers for the year	3.477.097	-3.477.097
Cost at 31 December 2015	<u>25.499.617</u>	<u>3.542.554</u>
Impairment losses and amortisation at 1 January 2015	11.272.444	0
Amortisation for the year	4.461.692	0
Reversal of impairment and amortisation of disposed assets	-38.268	0
Impairment losses and amortisation at 31 December 2015	<u>15.695.868</u>	<u>0</u>
Carrying amount at 31 December 2015	<u><u>9.803.749</u></u>	<u><u>3.542.554</u></u>

### 6 TANGIBLE ASSETS

	Exhibition equipment	Other plant, operating equipment and fixtures	Leasehold improvements
Cost at 1 January 2015	137.549	30.647.216	393.363
Additions for the year	0	4.550.734	0
Disposals for the year	0	-126.990	0
Cost at 31 December 2015	<u>137.549</u>	<u>35.070.960</u>	<u>393.363</u>
Impairment losses and depreciation at 1 January 2015	137.549	19.498.770	295.859
Depreciation for the year	0	3.438.671	35.668
Reversal of impairment and depreciation of sold assets	0	-126.990	0
Impairment losses and depreciation at 31 December 2015	<u>137.549</u>	<u>22.810.451</u>	<u>331.527</u>
Carrying amount at 31 December 2015	<u><u>0</u></u>	<u><u>12.260.509</u></u>	<u><u>61.836</u></u>

## NOTES TO THE ANNUAL REPORT

### 7 PREPAYMENTS

Activated accrued costs include prepaid expenses concerning insurance, licenses and subscriptions.

### 8 EQUITY

The share capital consists of:

10 -shares a kr. 30.000	300.000
2 -shares a kr. 100.000	200.000
	500.000
	500.000

There have been no changes in the share capital during the last 5 years.

### 9 LONG TERM DEBT

	Debt at 1 January 2015	Debt at 31 December 2015	Payment within 1 year	Debt after 5 years
Bond	17.892.691	0	0	0
	17.892.691	0	0	0

### 10 CONTINGENCIES, ETC.

#### Contingent liabilities

The Company is jointly taxed with other Danish companies in the Multi-Wing Group. The Danish companies of the Group are jointly and severally liable to tax of the Group's jointly taxed income etc. The total payable corporate tax is shown in MWH af 2015 ApS' annual report, CVR-no. 36 96 68 90, who is managing company in relation to the joint taxation. Furthermore, the Danish companies of the Group are jointly and severally liable to the Danish withholding taxes in form of dividend tax, royalty tax and interest tax. Any future corrections to corporate taxes and withholding taxes can result in a larger amount of the Company's liability.

The Company is jointly registered for VAT with Multi-Wing Group ApS and Wind Dynamic ApS. These companies are jointly and severally liable to VAT under this registration.

#### Contractual obligations

The Company has contracted to rent the premises. The annual rent for the premises amounts to 1,287 DKK,000. The lease is irrevocable until 30 June 2019 and thereafter redeemable with six months' notice.

The Company has signed leases with residual maturity of up to 48 months. The remaining lease obligation represents 667 DKK,000 exclusive of VAT.

## NOTES TO THE ANNUAL REPORT

### 11 COLLATERAL AND SECURITY

As security for credit institute engagement pledges are given in the Company's operating equipment, stocks and receivables amounting to 10,000 DKK,000.

In provision of security for credit institute engagement, the Company has pedgded movables in form of tools and equipment at a total value of 17,994 DKK,000. The carrying amount constitutes to 12,322 DKK,000.

### 12 RELATED PARTIES AND OWNERSHIP

#### Controlling interest

MWH af 2015 ApS, Rudersdal. Ultimate parent  
Multi-Wing Group ApS, Rudersdal. Capital owner

#### Other related parties

Annette Bernhoft Andersen, member of the board  
Jesper Bernhoft, member of the board  
John Korsø Jensen, member of the board

#### GROUP COMPANIES:

Multi-Wing GmbH, Germany  
Multi-Wing India Pvt., Ltd., India  
Multi-Wing Group Management Holding, Pte., Ltd., Singapore  
Multi-Wing CZ, s.r.o., Czech Republic  
Wind Dynamic ApS  
Multi-Wing Ibérica S.L., Spain  
Multi-Wing (Sozhou) Co. Ltd., China  
Multi-Wing France SARL, France  
Multi-Wing NEA, Pte. Ltd., Singapore  
Multi-Wing South East Asia, Singapore  
Multi-Wing (Sozhou) Trading Co. Ltd., China  
Multi-Wing Italia srl., Italy  
Multi-Wing do Brasil Ltda., Brazil  
Multi-Wing US Trading LLC, USA  
Multi-Wing US Inc., USA  
Multi-Wing Australia Pty. Ltd., Australia  
Residential Air-Con ApS, Denmark. Associate

#### Ownership

The Company is 100 % owned by Multi-Wing Group ApS.

The Company's ultimate parent company is MWH af 2015 ApS and is included in the Consolidated Annual Report of the ultimate parent.