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MULTI-WING INTERNATIONAL A/S  
Staktoften 16  
2950 Vedbæk

Annual report for the period  
1 January to 31 December 2017

Adopted at the annual general meeting on  
29 May 2018



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John Korsø Jensen  
chairman

CVR-nr. 11 95 95 98

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## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of Multi-Wing International A/S for the financial year 1 January - 31 December 2017.

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 company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017.

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

Management recommends that the annual report should be approved at the annual general meeting.

Vedbæk, 29 May 2018

### Board of Executives



Lisbeth Tonsberg Dahl

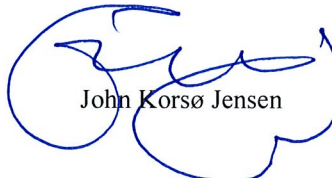
### Board of Directors



Annette Bernhoft Andersen  
chairman



Jesper Bernhoft



John Korsø Jensen

## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

We have audited the financial statements of Multi-Wing International A/S for the financial year 1 January - 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under 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 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017 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 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 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 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 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

## INDEPENDENT AUDITOR'S REPORT

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 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 management's review**

Management is responsible for management's review.

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

## INDEPENDENT AUDITOR'S REPORT

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

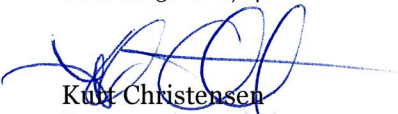
Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review 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 management's review.

Copenhagen, 29 May 2018

**MAZARS**

Statsautoriseret Revisionspartnerselskab  
CVR no. 31 06 17 41



Kull Christensen  
Statsautoriseret revisor  
(State-authorised Public Accountant)  
MNE no. mne26824

## COMPANY DETAILS

The company	Multi-Wing International A/S Staktoften 16 2950 Vedbæk
	Telephone: +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
	Reporting period: 1 January - 31 December 2017 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

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2017 MDKK	2016 MDKK	2015 MDKK	2014 MDKK	2013 MDKK
<b>KEY FIGURES</b>					
<b>Profit/loss</b>					
Gross profit/loss	55	40	39	50	40
Profit/loss before financial income and expenses	27	15	12	28	19
Net financials	-2	-1	-1	-1	-2
Profit/loss for the year	19	11	8	20	12
<b>Balance sheet</b>					
Balance sheet total	94	85	98	95	77
Investment in property, plant and equipment	0	0	5	4	5
Equity	30	26	30	41	31
<b>FINANCIAL RATIOS</b>					
Return on assets	30,2%	16,4%	12,4%	32,6%	25,5%
Solvency ratio	31,9%	30,6%	30,6%	43,2%	40,3%

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



## MANAGEMENT'S REVIEW

### **Business activities**

The Company's principal activity is to develop, produce and sell axial impellers for industrial purposes. The impellers are sold globally.

### **Recognition and measurement uncertainties**

The recognition and measurement of items in the financial statements is not subject to any uncertainty.

### **Unusual matters**

No unusual matters have affected the Financial Statement for 2017.

### **Business review**

The Company's income statement for the year ended 31 December shows a profit of DKK 18.992.781, and the balance sheet at 31 December 2017 shows equity of DKK 29.916.050.

Income statement items comprise the Company's operations for the period 1 January - 31 December 2017. 2017 was a year of recovery. All mature markets experienced recovery from 2016 decline in sales, especially the construction machinery and the volatile oil & gas market improved in sales as many customers are within this sector.

The emerging markets in Southeast Asia and India in particular, was struggling more to come up to expectations. This is however, expected to improve in 2018. The recovery of all mature markets made 2017 a very satisfying year going beyond the expectations in the budget of the year. The efficient procurement processes and strict cost control also enabled stable earnings.

In 2017 the Company finalised law-suits with Hascon and Enginemates to satisfactory agreements.

## MANAGEMENT'S REVIEW

### **Financial review**

#### **Outlook**

The outlook for 2018 is that we expect that the sales of components to the mature markets will be in growth in the first half of the year, we expect especially the North American and the German market to grow. Earnings will be affected by significant increases in raw materials. Moderate risk hedging will reduce the effect of these increases.

Growth in the emerging markets India, Southeast Asia and South America are expected.

It is expected that 2018 will be a year where the Company will continue to participate in various development projects with large global customer. It is a resource consuming process, but will also involve a significant opportunity for close a long-lasting cooperation.

Development projects are subject to external factors like demand and supply, regulatory developments in general and specifically in US and EU and resources that cannot be predicted with any certainty such as oil pricing.

The company is expected to make major investments in 2018. These investments will be capital-intensive, and their implementation will require vast internal resources. 2018 will be a year placing high demands on the organization's flexibility and ability to adapt.

#### **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.

#### **Special risks apart from generally occurring risks in industry**

##### ***Operating risks***

The impeller components are cast in aluminum and engineered thermoplastics. Both markets are relative volatile and are especially sensitive to increasing oil prices and, to some extent, the development of the USD exchange rate. Significant increases in raw material prices are expected for 2017.

##### ***Financial 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.

##### ***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.

## MANAGEMENT'S REVIEW

### ***Interest-rate risks***

The Company's interest-rate risks are limited.

### ***Credit risks***

The impeller components are cast in aluminum and engineered 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. Significant increases in raw material prices are expected for 2018. Alternatives are to be considered to counter this.

### **Impact on external environment and measures of preventing, reducing or mitigating damage**

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

### **Research and development activities in and for reporting entity**

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

The major part of development projects are related to the development of new types of fans with a particular focus on noise reduction and energy optimization. The projects are proceeding as planned and expected to be completed within 1 to 5 years. The increased demands for environmental impact in both the US and the EU mean that there is increased focus and demand for this type of fans.

### **Branches abroad**

#### **Significant events occurring after end of reporting period**

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

## ACCOUNTING POLICIES

The annual report of Multi-Wing International A/S for 2017 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 of last year.

The annual report for 2017 is presented in DKK

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

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation 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 the asset can be measured reliably.

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

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

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### **Income statement**

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

## ACCOUNTING POLICIES

### **Revenue**

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

### **Raw materials and consumables**

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

### **Other operating income**

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

### **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.

### **Other external expenses**

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

Other external expenses also comprise research and development costs that do not qualify for capitalisation.

### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

## ACCOUNTING POLICIES

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

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

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

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.

### **Balance sheet**

#### **Intangible assets**

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.

Development costs are usually depreciated over a period of 3 - 5 years.

Capitalized development costs subsequent to 1 January 2016 less depreciation are transferred under equity to net revaluation reserve for development cost.

#### **Tangible assets**

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

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

## ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Andre anlæg, driftsmateriel og inventar	3 - 5 years	0 %
Indretning lejede lokaler	3 years	0 %

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

### Stocks

Stocks are measured using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

### Receivables

Receivables are measured at amortised cost.

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 is impaired, an impairment loss for that individual asset is recognised.

### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

### Equity

#### Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

## ACCOUNTING POLICIES

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

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

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

### Liabilities

Liabilities, which include trade receivables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### 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. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

## FINANCIAL HIGHLIGHTS

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$



## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2017 DKK	2016 TDKK
<b>Gross profit</b>		<b>55.278.287</b>	<b>40.135</b>
Staff costs	1	-16.189.940	-16.142
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-8.053.072	-8.537
Other operating costs		-4.277.692	0
<b>Profit/loss before financial income and expenses</b>		<b>26.757.583</b>	<b>15.456</b>
Financial income	3	141.822	52
Financial costs	4	-2.531.654	-1.144
<b>Profit/loss before tax</b>		<b>24.367.751</b>	<b>14.364</b>
Tax on profit/loss for the year	5	-5.374.970	-3.166
<b>Net profit/loss for the year</b>		<b>18.992.781</b>	<b>11.198</b>
Distribution of profit	6		

## BALANCE SHEET 31 DECEMBER

	Note	2017 DKK	2016 TDKK
<b>ASSETS</b>			
Completed development projects		4.313.763	8.311
Development projects in progress		6.164.645	3.249
<b>Intangible assets</b>	7	<b>10.478.408</b>	<b>11.560</b>
Plant and machinery		0	0
Other plant, operating equipment and fixtures		11.342.520	12.274
Leasehold improvements		13.113	61
<b>Tangible assets</b>	8	<b>11.355.633</b>	<b>12.335</b>
<b>Fixed assets total</b>		<b>21.834.041</b>	<b>23.895</b>
Finished goods and goods for resale		9.772.918	8.904
Goods in transit		1.154.303	1.392
<b>Stocks</b>		<b>10.927.221</b>	<b>10.296</b>
Trade receivables		6.828.521	5.524
Receivables from group enterprises		45.347.350	40.805
Other receivables		4.689.361	1.899
Prepayments	9	368.182	423
<b>Receivables</b>		<b>57.233.414</b>	<b>48.651</b>
<b>Cash at bank and in hand</b>		<b>3.589.783</b>	<b>2.085</b>
<b>Current assets total</b>		<b>71.750.418</b>	<b>61.032</b>
<b>Assets total</b>		<b>93.584.459</b>	<b>84.927</b>

## BALANCE SHEET 31 DECEMBER

	Note	2017 DKK	2016 TDKK
<b>LIABILITIES AND EQUITY</b>			
Share capital		500.000	500
Reserves for development expenditure		5.631.099	2.784
Retained earnings		3.784.951	7.639
Proposed dividend for the year		20.000.000	15.000
<b>Equity</b>	10	<b>29.916.050</b>	<b>25.923</b>
Provision for deferred tax	11	2.260.887	2.597
<b>Provisions total</b>		<b>2.260.887</b>	<b>2.597</b>
Banks		22.825.650	17.630
Trade payables		17.719.760	9.091
Payables to group enterprises		8.281.338	19.541
Corporation tax		5.675.241	3.529
Other payables		6.905.533	6.616
<b>Short-term debt</b>		<b>61.407.522</b>	<b>56.407</b>
<b>Debt total</b>		<b>61.407.522</b>	<b>56.407</b>
<b>Liabilities and equity total</b>		<b>93.584.459</b>	<b>84.927</b>
Contingent assets, liabilities and other financial obligations	12		
Charges and securities	13		
Related parties and ownership	14		

## STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Reserves for development expenditure</u>	<u>Retained earnings</u>	<u>Proposed dividend for the year</u>	<u>Total</u>
Equity at 1 January 2017	500.000	2.783.515	7.639.754	15.000.000	25.923.269
Ordinary dividend paid	0	0	0	-15.000.000	-15.000.000
Transfers, reserves	0	2.847.584	-2.847.584	0	0
Net profit/loss for the year	0	0	-1.007.219	20.000.000	18.992.781
Equity at 31 December 2017	<u>500.000</u>	<u>5.631.099</u>	<u>3.784.951</u>	<u>20.000.000</u>	<u>29.916.050</u>

## NOTES

	2017 DKK	2016 TDKK
<b>1 STAFF COSTS</b>		
Wages and salaries	16.128.250	15.870
Pensions	2.179.600	2.309
Other social security costs	174.035	234
Other staff costs	268.494	101
	18.750.379	18.514
Transfer to production wages	-2.560.439	-2.372
	16.189.940	16.142
 Including remuneration to the Executive and Supervisory Boards		
Executive Board	1.481.568	1.347.123
	1.481.568	1.347.123
 Average number of employees	24	28
<b>2 SPECIAL ITEMS</b>		
Special Items includes gains and losses on finished law-suits in the year. This years finished law-suits has a net cost of 2.456 T.DKK which has been recognised in the income statement.		
<b>3 FINANCIAL INCOME</b>		
Interest received from group enterprises	130.224	52
Other financial income	11.598	0
	141.822	52
<b>4 FINANCIAL COSTS</b>		
Financial expenses, group entities	297.123	106
Other financial costs	2.234.531	1.038
	2.531.654	1.144

## NOTES

	2017	2016
	DKK	TDKK
<b>5 TAX ON PROFIT/LOSS FOR THE YEAR</b>		
Current tax for the year	5.711.082	3.533
Deferred tax adjustment	-336.112	-367
	5.374.970	3.166
<b>6 DISTRIBUTION OF PROFIT</b>		
Proposed dividend for the year	20.000.000	15.000
Transferred to development expenditure	0	2.784
Retained earnings	-1.007.219	-6.586
	18.992.781	11.198
<b>7 INTANGIBLE ASSETS</b>		
	Completed development projects	Development projects in progress
Cost at 1 January 2017	28.576.822	3.248.864
Additions for the year	0	2.915.781
Transfers for the year	0	0
Cost at 31 December 2017	28.576.822	6.164.645
Impairment losses and amortisation at 1 January 2017	20.266.651	0
Amortisation for the year	3.996.408	0
Impairment losses and amortisation at 31 December 2017	24.263.059	0
Carrying amount at 31 December 2017	4.313.763	6.164.645

The major part of development projects are related to the development of new types of axial impellers with a particular focus on noise reduction and energy optimization. The projects are proceeding as planned and expected to be completed within 1 to 5 years. The increased demands for environmental impact in both the US and the EU mean that there is increased focus and demand for this type of axial impellers.

## NOTES

### 8 TANGIBLE ASSETS

	Plant and machinery	Other plant, operating equipment and fixtures	Leasehold improvements
Cost at 1 January 2017	137.549	38.750.576	393.363
Additions for the year	0	3.309.027	15.900
Disposals for the year	0	0	0
Cost at 31 December 2017	<u>137.549</u>	<u>42.059.603</u>	<u>409.263</u>
Impairment losses and depreciation at 1 January 2017	137.549	26.475.914	331.527
Depreciation for the year	0	4.241.169	64.623
Impairment losses and depreciation at 31 December 2017	<u>137.549</u>	<u>30.717.083</u>	<u>396.150</u>
Carrying amount at 31 December 2017	<u><u>0</u></u>	<u><u>11.342.520</u></u>	<u><u>13.113</u></u>

### 9 PREPAYMENTS

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

### 10 EQUITY

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

## NOTES

	2017	2016
	DKK	TDKK
<b>11 PROVISION FOR DEFERRED TAX</b>		
Provision for deferred tax at 1 January 2017	2.596.999	2.964
Applied in the year	-336.112	-367
<b>Provision for deferred tax at 31 December 2017</b>	2.260.887	2.597
Intangible assets	2.305.250	2.543
Property, plant and equipment	-44.365	54
	2.260.887	2.597

## 12 CONTINGENT ASSETS, LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

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 group's danish entities are jointly and severally liable for joint VAT registration.

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.

## 13 CHARGES AND SECURITIES

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 pledged movables in form of tools and equipment at a total value of 17,994 DKK,000. The carrying amount constitutes to 11,356 DKK,000.



## NOTES

### 14 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

Multi-Wing Group Management Holding, Pte., Ltd., Singapore  
Multi-Wing CZ, s.r.o., Czech Republic  
Multi-Wing India Pvt., Ltd, India  
Wind Dynamic ApS,  
Multi-Wing GmbH, Germany  
Multi-Wing Italia srl., Italy  
Multi-Wing US Trading LLC, USA  
Multi-Wing US Inc., USA  
Multi-Wing NEA, Pte. Ltd., Singapore  
Multi-Wing South East Asia, Singapore  
Multi-Wing Iberica S.L., Spain  
Multi-Wing France SARL, France  
Multi-Wing Australia Pty. Ltd., Australia  
Multi-Wing Brasil Ltda., Brazil  
Multi-Wing (Sozhou) Trading Co. Ltd., China  
Multi-Wing (Sozhou) Co. Ltd., China  
Multi-Wing UK, United Kingdom  
Multi-Wing (Thailand) Co., Ltd.  
Multi Wing (Malaysia) SDN. BHD.

#### Transactions

There have been no transactions with related parties besides transactions between Group Companies in regard of ordinary intercompany trade.