

**PolyTech A/S**  
Industrivej 37  
6740 Bramming  
Central Business Registration No  
17736590

## **Annual report 2016**

The Annual General Meeting adopted the annual report on 31.05.2017

### **Chairman of the General Meeting**

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Name: Knud Andersen

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## Entity details

### Entity

PolyTech A/S  
Industrivej 37  
6740 Bramming

Central Business Registration No: 17736590

Registered in: Esbjerg

Financial year: 01.01.2016 - 31.12.2016

### Board of Directors

Knud Andersen, Chairman  
Bjarne Lie  
Frank Virenfeldt Nielsen  
Erik Göran Mikael Strandberg

### Executive Board

Mads Kirkegaard

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of PolyTech A/S for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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.

Bramming, 13.03.2017

### Executive Board

Mads Kirkegaard

### Board of Directors

Knud Andersen  
Chairman

Bjarne Lie

Frank Virefeldt Nielsen

Erik Göran Mikael Strandberg

# Independent auditor's report

## To the shareholder of PolyTech A/S

### Opinion

We have audited the financial statements of PolyTech A/S for the financial year 01.01.2016 - 31.12.2016, 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 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.

## Independent auditor's report

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.

## Independent auditor's report

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.

### Report on other legal and regulatory requirements

#### Violation of the Danish Companies Act

Contrary to S 206 Danish Companies Act, the Company has indirectly contributed to the financing of VC VIII JSB Holding ApS' acquisition of shares in the Company. The financing ceased in FY 2017 by distribution of an extraordinary dividend from the Company to VC VIII JSB Holding ApS. Management consider this to be an isolated case and has changed procedures for intercompany transactions and implemented further internal controls to prevent this type of financing to occur again.

Copenhagen, 13.03.2017

#### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No: 33963556

Nikolaj Thomsen  
State-Authorised Public Accountant

## Management commentary

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
<b>Financial highlights</b>					
<b>Key figures</b>					
Gross profit	137.479	95.659	74.718	29.566	36.833
Operating profit/loss	46.419	39.640	41.297	5.508	8.910
Net financials	2.413	(3.600)	(4.260)	(5.162)	(6.159)
Profit/loss for the year	39.158	26.381	27.044	(827)	661
Total assets	210.447	156.995	92.361	54.967	45.766
Investments in property, plant and equipment	49.678	35.882	6.441	6.187	3.795
Equity	95.987	57.130	50.266	22.309	14.471
<b>Ratios</b>					
Return on equity (%)	51,1	49,1	74,5	(4,5)	4,3
Equity ratio (%)	45,6	36,4	54,4	40,6	31,6

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

<b>Ratios</b>	<b>Calculation formula</b>	<b>Ratios</b>
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.



## Management commentary

### Primary activities

The Company's primary activities comprise development, manufacturing and sale of supply systems for the wind industry as well as the offshore industry.

### Development in activities and finances

Profit for the year amounts to DKK 39,157k (DKK 26,381k in 2015). On 31 December 2016 equity stands at DKK 95,987k (DKK 57,130k in 2015).

### Outlook

Positive results for 2017 are expected.

### Particular risks

Significantly increased commodity prices may affect the results negatively. Some of the prices of raw materials are indirectly controlled by the oil prices.

The Company buys and sells products predominantly settled in EUR, USD or CNY. The Company has chosen not to enter into forward exchange contracts to hedge currency risks.

The majority of the Company's payables to credit institutions constitute floating rate payables.

### Environmental performance

The Company has achieved an ISO 9001 Quality Management Systems certification which is subject to inspection on a current basis to ensure a constant monitoring of the Company's quality.

The Company is also implementing ISO 14001 with a view to achieve a certification.

The management system is examined and updated on a current basis to ensure improvement on key parameters. The ISO 14001 certification is expected to be achieved in 2018.

## Income statement for 2016

	<u>Notes</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
<b>Gross profit</b>		<b>137.479</b>	<b>95.659</b>
Staff costs	1	(78.601)	(49.759)
Depreciation, amortisation and impairment losses	2	<u>(12.459)</u>	<u>(6.260)</u>
<b>Operating profit/loss</b>		<b>46.419</b>	<b>39.640</b>
Income from investments in group enterprises		4.503	(3.106)
Other financial income	3	857	697
Other financial expenses	4	<u>(2.947)</u>	<u>(1.191)</u>
<b>Profit/loss before tax</b>		<b>48.832</b>	<b>36.040</b>
Tax on profit/loss for the year	5	<u>(9.674)</u>	<u>(9.659)</u>
<b>Profit/loss for the year</b>	6	<u><b>39.158</b></u>	<u><b>26.381</b></u>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK'000</u>	<u>2015 DKK'000</u>
Other fixtures and fittings, tools and equipment		52.648	29.007
Leasehold improvements		4.500	2.636
Property, plant and equipment in progress		4.240	4.196
<b>Property, plant and equipment</b>	7	<b><u>61.388</u></b>	<b><u>35.839</u></b>
Investments in group enterprises		16.611	12.410
Receivables from group enterprises		10.630	11.502
<b>Fixed asset investments</b>	8	<b><u>27.241</u></b>	<b><u>23.912</u></b>
<b>Fixed assets</b>		<b><u>88.629</u></b>	<b><u>59.751</u></b>
Raw materials and consumables		19.547	16.590
Manufactured goods and goods for resale		20.525	5.748
<b>Inventories</b>		<b><u>40.072</u></b>	<b><u>22.338</u></b>
Trade receivables		66.472	62.917
Receivables from group enterprises		3.677	8.268
Other receivables		4.272	2.314
Prepayments	9	758	1.372
<b>Receivables</b>		<b><u>75.179</u></b>	<b><u>74.871</u></b>
<b>Cash</b>		<b><u>6.567</u></b>	<b><u>35</u></b>
<b>Current assets</b>		<b><u>121.818</u></b>	<b><u>97.244</u></b>
<b>Assets</b>		<b><u>210.447</u></b>	<b><u>156.995</u></b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
Contributed capital	10	3.000	3.000
Retained earnings		92.987	54.130
<b>Equity</b>		<b>95.987</b>	<b>57.130</b>
Deferred tax		444	514
<b>Provisions</b>		<b>444</b>	<b>514</b>
Bank loans		34.804	12.000
Finance lease liabilities		14.937	11.472
<b>Non-current liabilities other than provisions</b>	11	<b>49.741</b>	<b>23.472</b>
Current portion of long-term liabilities other than provisions	11	8.005	5.140
Bank loans		128	29.611
Trade payables		34.132	26.881
Payables to group enterprises		4.089	0
Income tax payable		9.700	8.497
Other payables		8.221	5.750
<b>Current liabilities other than provisions</b>		<b>64.275</b>	<b>75.879</b>
<b>Liabilities other than provisions</b>		<b>114.016</b>	<b>99.351</b>
<b>Equity and liabilities</b>		<b>210.447</b>	<b>156.995</b>
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Mortgages and securities	14		
Related parties with controlling interest	15		
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Group relations	17		

## Statement of changes in equity for 2016

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	3.000	54.130	57.130
Exchange rate adjustments	0	(301)	(301)
Profit/loss for the year	0	39.158	39.158
<b>Equity end of year</b>	<b>3.000</b>	<b>92.987</b>	<b>95.987</b>

## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	69.810	44.437
Pension costs	6.691	4.008
Other social security costs	1.937	1.213
Other staff costs	163	101
	<b>78.601</b>	<b>49.759</b>
Average number of employees	<b>193</b>	<b>126</b>

	<b>Remunera- tion of manage- ment 2016 DKK'000</b>	<b>Remunera- tion of manage- ment 2015 DKK'000</b>
Total amount for management categories	2.442	1.532
	<b>2.442</b>	<b>1.532</b>

Remuneration for Management covers total remuneration for the Executive Board and the Board of Directors.

	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	12.467	6.317
Profit/loss from sale of intangible assets and property, plant and equipment	(8)	(57)
	<b>12.459</b>	<b>6.260</b>
	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>3. Other financial income</b>		
Financial income arising from group enterprises	848	619
Other financial income	9	78
	<b>857</b>	<b>697</b>

## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>4. Other financial expenses</b>		
Financial expenses from group enterprises	0	113
Other financial expenses	<u>2.947</u>	<u>1.078</u>
	<b><u>2.947</u></b>	<b><u>1.191</u></b>
	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>5. Tax on profit/loss for the year</b>		
Tax on current year taxable income	9.700	8.795
Change in deferred tax for the year	(70)	465
Adjustment concerning previous years	44	434
Effect of changed tax rates	<u>0</u>	<u>(35)</u>
	<b><u>9.674</u></b>	<b><u>9.659</u></b>
	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>6. Proposed distribution of profit/loss</b>		
Retained earnings	<u>39.158</u>	<u>26.381</u>
	<b><u>39.158</u></b>	<b><u>26.381</u></b>
<b>Dividend distributed after the balance sheet date</b>		
Extraordinary dividend	<u>3.300</u>	<u>0</u>

## Notes

	<b>Other fixtures, tools and equipment DKK'000</b>	<b>Leasehold improve- ments DKK'000</b>	<b>Property, plant and equipment in progress DKK'000</b>
<b>7. Property, plant and equipment</b>			
Cost beginning of year	57.369	2.784	4.196
Additions	34.964	3.045	11.669
Disposals	(1.114)	0	(11.625)
<b>Cost end of year</b>	<b>91.219</b>	<b>5.829</b>	<b>4.240</b>
Depreciation and impairment losses beginning of the year	(28.362)	(148)	0
Depreciation for the year	(11.286)	(1.181)	0
Reversal regarding disposals	1.077	0	0
<b>Depreciation and impairment losses end of the year</b>	<b>(38.571)</b>	<b>(1.329)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>52.648</b>	<b>4.500</b>	<b>4.240</b>
		<b>Investments in group enterprises DKK'000</b>	<b>Receivables from group enterprises DKK'000</b>
<b>8. Fixed asset investments</b>			
Cost beginning of year		30.021	11.502
Disposals		0	(872)
<b>Cost end of year</b>		<b>30.021</b>	<b>10.630</b>
Impairment losses beginning of year		(17.611)	0
Exchange rate adjustments		(301)	0
Share of profit/loss for the year		5.138	0
Adjustment of intra-group profits		(636)	0
<b>Impairment losses end of year</b>		<b>(13.410)</b>	<b>0</b>
<b>Carrying amount end of year</b>		<b>16.611</b>	<b>10.630</b>

## 9. Prepayments

Prepayments consist of prepaid expenses.



## Notes

	<u>Number</u>	<u>Par value DKK'000</u>	<u>Nominal value DKK'000</u>
<b>10. Contributed capital</b>			
Share capital	3.000.000	1	3.000
	<b>3.000.000</b>		<b>3.000</b>

	<u>Instalments within 12 months 2016 DKK'000</u>	<u>Instalments within 12 months 2015 DKK'000</u>	<u>Instalments beyond 12 months 2016 DKK'000</u>	<u>Outstanding after 5 years DKK'000</u>
<b>11. Liabilities other than provisions</b>				
Bank loans	4.972	4.000	34.804	14.916
Finance lease liabilities	3.033	1.140	14.937	2.511
	<b>8.005</b>	<b>5.140</b>	<b>49.741</b>	<b>17.427</b>

	<u>2016 DKK'000</u>	<u>2015 DKK'000</u>
<b>12. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>2.048</b>	<b>1.897</b>

### 13. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which VC VII Jupiter Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from 13 May 2016 for income taxes etc and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

The Entity has previously participated in a Danish joint taxation arrangement with "WIND GROUP ApS under frivillig likvidation", Central Business Registration No 32660711, as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable until 12 May 2016 for income taxes etc and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

## Notes

### **14. Mortgages and securities**

Bank loans are secured by way of a registered company charge of DKK 40,000k nominal. Total withdrawal on the banking arrangements amounts to DKK 39,776k at 31 December 2016.

A bank guarantee is provided for cooperative partners in the shape of a letter of credit of DKK 230k.

### **15. Related parties with controlling interest**

VC VIII Polytech Holding ApS, Denmark owns all the shares and thus controls the Company.

### **16. Transactions with related parties**

There have been no non-arm's length transactions with related parties.

### **17. Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Winds Holding AS, reg. no. 917 105 839, Oslo, Norway.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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. Polytech A/S and its subsidiaries are included in the consolidated financial statements of Winds Holding AS.

### 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.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

## Accounting policies

### Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital 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.

### Balance sheet

#### Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

## Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	7 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

### Receivables

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

### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

## Accounting policies

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand and bank deposits.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets 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.

### Finance lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

### Other financial liabilities

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

### Income tax receivable or payable

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.

### Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement as it is included in the group cash flow statement of Winds Holdings AS.