

FairWind Holding ApS

Hjulmagervej 6, 7100 Vejle

CVR no. 25 64 27 08

Annual report 2018

Approved at the Company's annual general meeting on 30 April 2019

Chairman:


.....
René Kildsgaard





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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 FairWind Holding ApS for the financial year 1 January - 31 December 2018.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2018 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

Vejle, 30 April 2019
Executive Board:

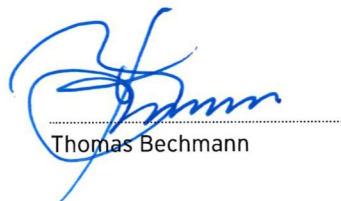


John Jørgen Funch

Board of Directors:



Hans Steffen Steffensen
Chairman



Thomas Bechmann



Hans Christian Gabelgaard

Independent auditor's report

To the shareholders of FairWind Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of FairWind Holding ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2018 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 consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "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 Group 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 consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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.
- ▶ 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

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 Statements Act. We did not identify any material misstatement of the Management's review.

Odense, 30 April 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Søren Smedegaard Hvid
State Authorised Public Accountant
mne31450



Morten Østergaard Koch
State Authorised Public Accountant
mne35420



Management's review

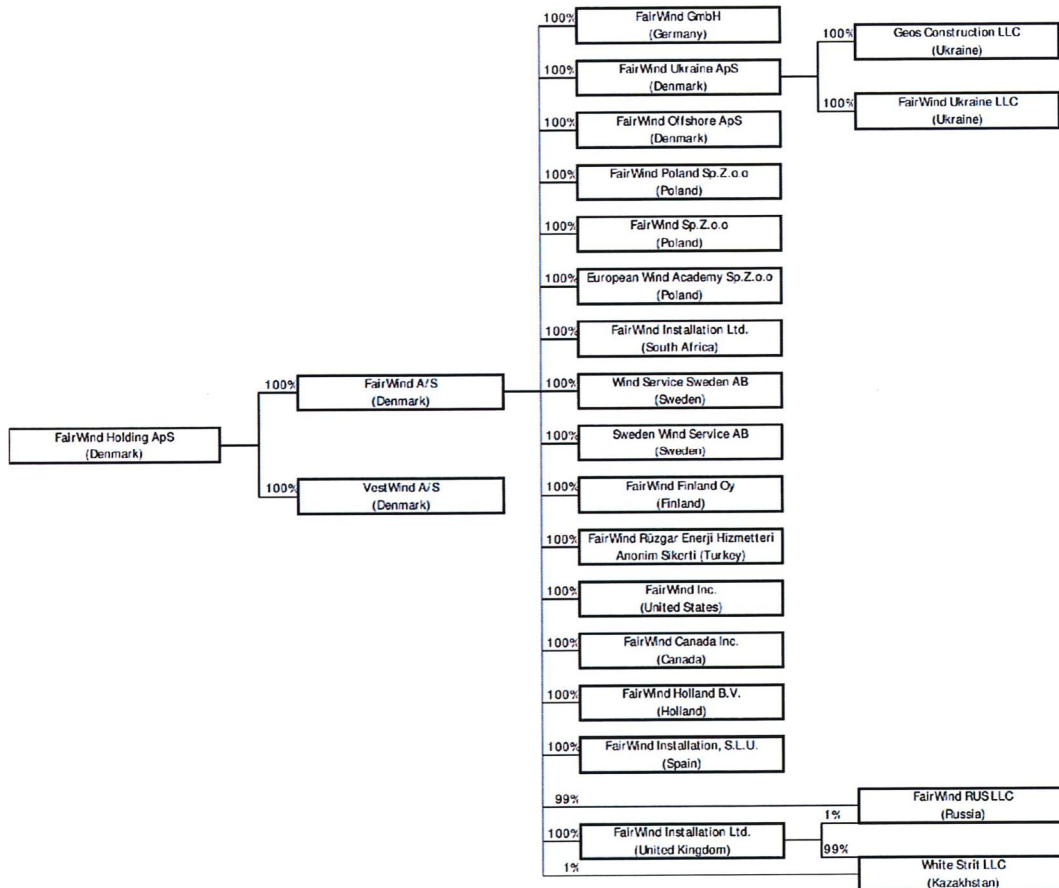
Company details

Name	FairWind Holding ApS
Address, Postal code, City	Hjulmagervej 6, 7100 Vejle
CVR no.	25 64 27 08
Established	18 December 2013
Registered office	Vejle
Financial year	1 January - 31 December
Website	www.fairwind.com
Telephone	+45 75 11 76 20
Board of Directors	Hans Steffen Steffensen, Chairman Thomas Bechmann Hans Christian Gabelgaard
Executive Board	John Jørgen Funch
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark
Bankers	Jyske Bank A/S Enghavevej 32, 7100 Vejle



Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2018	2017	2016	2015	2014
Key figures					
Revenue	648,956	684,200	448,058	315,256	0
Gross margin	100,643	100,374	72,052	73,258	40,770
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	37,586	43,470	24,365	25,250	17,260
Ordinary operating profit/loss	16,085	23,951	7,739	18,235	8,747
Net financials	-10,706	-9,138	-6,136	-4,560	-2,542
Profit/loss for the year	3,273	9,357	1,026	5,153	3,690
Total assets	414,736	346,553	341,533	249,843	184,727
Equity	67,053	65,637	59,066	51,409	41,816
Cash flows from operating activities	-5,390	13,834	-1,846	-16,501	-16,472
Net cash flows from investing activities	-25,813	-19,055	-35,015	-12,858	-113,174
Cash flows from financing activities	-9,988	-7,962	12,045	25,223	67,463
Total cash flows	-41,191	-13,183	-24,816	-4,136	-62,183
Financial ratios					
Return on assets	4.2%	7.0%	2.6%	8.4%	7.9%
Equity ratio	16.2%	18.9%	17.3%	20.3%	22.4%
Return on equity	4.9%	14.6%	1.9%	0.0%	0.0%
Average number of employees	451	493	233	147	127

For terms and definitions, please see the accounting policies.

Revenue for 2014 is not disclosed with reference to the Danish Financial Statements Act section 32.

Management's review

Business review

The group's principal activities are installation of wind turbines and other related services.

Financial review

The profit for the year amounts to DKK 3,273 thousand (2017: DKK 9,357 thousand) and total equity amounts to DKK 67,053 thousand (2017: DKK 65,637 thousand), which is lower than the expectations set forth in the annual report 2017.

Management considers the development in turnover and activity as satisfactory. However management considers the development in profit for the year as not satisfactory. Profit for the year has been impacted by an unexpected expense regarding an ongoing litigation regarding employees in the group.

Special risks

General risks

The group is not exposed to any specific risks which are not common for the type of business activities performed by the group except for currency risks mentioned below.

Currency risks

The group has activities in a variety of countries around the world. Some countries have volatile currencies, which expose the group to currency risks due to increase or decrease in local currencies compared to DKK.

Research and development activities

The group has no significant research and development activities.

Statutory CSR report

FairWind's CSR policy and responsibility applies for all employees in FairWind as well as subcontractors and suppliers.

We have displayed social responsibility since 2008

In FairWind, we are conscious of the fact that we have a responsibility to the community and wish to run a business that respects the people and the environment we are a part of.

FairWind supports and abides by the UN's Global Compact - 10 principles for social responsibility. With our CSR policy, we account for our goals, how to achieve our goals and the results hereof. It is FairWind's ambition to continuously improve our CSR every year.

Since 2008, we have been a guarantor for high quality and technical development. From the beginning FairWind has been based on strong ties to business partners and customers. The quality that comes from our way of working is non negotiable and to deliver a consist experience for our customer, FairWind has formulated four values:

- ▶ **Flexible:** FairWind is customer-oriented and has a flexible approach to our work in order to serve and provide the highest value to our customers.
- ▶ **Agile:** FairWind benefits from global know-how combined with local execution capabilities and costs, enabling us to rapidly provide quality solutions to our customers' global needs.
- ▶ **Initiative:** FairWind works proactively on adding value to our business partners. We work on early engagement with partners and promote a culture and tradition to develop our people to actively undertake new challenges.
- ▶ **Responsible:** FairWind takes ownership, and we always keep our promises and deliver externally as well as internally.

Management's review

We seek dialogue - informally and through newly implemented structure processes

Dialogue is a fundamental tool in order to run operations smoothly and to achieve the best result in cooperation with partners. FairWind has years of experience in taking responsibility and working to engage all parties in a constructive dialogue throughout the entire process of all projects. Through dialogue we achieve our goals to the satisfaction of both customers and other business partners.

FairWind wants to find solutions - not just for the benefit of FairWind, but for the whole supply chain. This requires close collaboration with subcontractors, suppliers and customers and detailed insight into our projects. Hence our customers often use FairWind as a sparring partner and knowledge bank on how to optimize processes in order to reduce total costs. FairWind participates in workshops every year, with different competences, to discuss process efficiencies and cost take-out without compromising quality or safety.

Over the course of the last years, FairWind has ambitiously pursued a formalization of internal as well as external dialogue. Concretely, the informal dialogues are now supported through customer satisfaction surveys, mapping of core processes, implementation of risk management tools and employee surveys.

UN GLOBAL COMPACT - FairWind's commitment to the 10 principles

Our relationship to our suppliers and subcontractors is a natural part of the Global Compact principles.

FairWind's contracts with suppliers and subcontractors are governed by various guidelines from the company that help ensure a high quality as well as orderly conditions in the supply chain. FairWind commits its subcontractors to contractually live up to the applicable national collective agreements. Non-compliance is considered a major breach of contract.

FairWind supports and respects the protection of human rights within the boundaries of what is influenced by the company.

- ▶ FairWind ensures that the company does not contribute to the violation of human rights.
- ▶ FairWind maintains the freedom of assembly and acknowledges the right of collective bargaining.
- ▶ FairWind supports the elimination of all forms of forced labour.
- ▶ FairWind supports the elimination of child labour.
- ▶ FairWind supports the elimination of discrimination related to work and employment conditions.
- ▶ FairWind supports initiatives regarding sustainable environmental challenges.
- ▶ FairWind takes initiatives to promote greater environmental responsibility.
- ▶ FairWind encourages the development and dispersion of environmental technologies.
- ▶ FairWind opposes all forms of corruption, extortion and bribery.

Code of Conduct - legislation, human rights and anticorruption

FairWind's Code of Conduct is a set of principles for ethical behaviour. It defines what we believe is a responsible ethical, social and environmental practice. It sets out clearly what is expected from our personnel.

As a global company, FairWind has personnel from more than 20 different nationalities with differences in religious beliefs, cultures and political views. FairWind personnel are subject to various local laws and regulations. Although the Code of Conduct is applicable and enforceable in any country where FairWind performs its activities, personnel are also subject to the national laws and regulations in their respective countries of activity and to any laws in their own countries. FairWind will comply with the laws of every jurisdiction in which it operates. Where a local law sets higher standards than those set out in our Code of Conduct, the local law takes precedence. The Code of Conduct proposes a set of minimum standards. FairWind business units may set stricter standards, as long as these do not conflict with the Code of Conduct.

Management's review

The Code of Conduct applies to all FairWind personnel. Moreover, all FairWind managers and supervisors must act as role models for staff by adhering to the principles set out in the Code of Conduct. Managers and supervisors have a duty to inform, encourage and monitor personnel who report to them in relation to the Code of Conduct. All managers must support personnel who raise questions or concerns in the conduct of their professional activities.

The full version of FairWind's Code of Conduct is available online at www.fairwind.com.

Target & results

The risk regarding human rights primarily relates to breach on human rights in the supply chain, in relation to suppliers operations in foreign countries. The risk regarding anticorruption for FairWind primarily relates to corruption and bribery in the value chain, in relation to suppliers operations in foreign countries.

With zero breaches of the Code of Conduct FairWind in 2018 has delivered to our target.

Achieving the target & future ambitions

During 2018 all new office employees, technicians, subcontractors and suppliers received the Code of Conduct and were informed of our targets.

At the Q4 2018 Board of Directors meeting a separate Anti-Bribery Policy was also approved. The policy describes the dos and don'ts as well as outlining very clear limits for receiving gifts and hospitality. This is the first step for FairWind towards implementation of a general anti-corruption policy.

Finally, as part of the employee survey action plan FairWind will expand our whistle blower program during Q2 2019 by adding a separate process for reporting bullying and sexual harassment, but other breaches of the code of conduct can still be reported via ethics@fairwind.dk.

The target for 2019 is zero breaches of the Code of Conduct.

Safety culture

Target & results

The risk regarding social and employee conditions for FairWind primarily relates to work accidents under installation of wind turbines.

In FairWind safety is non-negotiable as every employee of FairWind has the right to feel safe. While our Safety culture is driven by the FairWind Quality & Safety department, we are also in close dialogue with customers in order to understand and be compliant with their requirements. However, FairWind always strives to exceed these as safety must be embedded in daily activities. For 2018 some targets were defined:

- ▶ For 2018 FairWind had a target of 0 fatal accidents
- ▶ For 2018 FairWind had a target for Lost time injury frequency at 2.0 measured per 200,000 hours

In 2018, FairWind had zero fatal accidents, but had 13 work related incidents, which resulted in a Lost Time Injury frequency of 1.5, which is below our target. This is also considered a satisfactory development as we had 18 work related incidents in 2017 (Lost Time Injury frequency of 2.6).

Achieving the target & future ambitions

In 2018, our QHSE and HR departments continuously measured the number of work-related incidents and reported these at all management meetings on our company dashboard. This to ensure that the management focuses on the targets, actuals and ambitions.

Supported by a strong QHSE organization, FairWind carries out the mandatory workplace evaluations and is continuously working to improve any matters that do not live up to the requirements.

Management's review

Also, as part of the onboarding procedure all new employees receive all internal policies and safety procedures, and the company's QHSE department monitors that all policies and regulations are up to date and being followed.

Worth highlighting is also that in 2018 our QHSE department intensified the measuring of leading indicators to be proactive on improving. This has provided us with data to set new and more ambitious targets for 2019.

The health & safety targets for 2019 are:

- ▶ Fatal accidents at 0
- ▶ Lost Time Injury Frequency below 5 now measured per 1,000,000 hours (as per client comparison)
- ▶ Total recordable Injury Frequency below 8 measured per 1,000,000 hours
- ▶ Minimum 1 health & safety campaign per quarter
- ▶ Minimum 2 safety walks per year for C-level managers

Environment and climate

Target & results

The risk regarding environment and climate for FairWind primarily relates to spills of chemicals and CO₂-emission and excess energy consumption.

Environment and climate are high priorities in FairWind. The target for FairWind is that the company is perceived by customers, employees, suppliers and authorities as a climate and environmentally conscious company.

The climate priority is an embedded part of the FairWind vision: "Grow to be the global leader within installation and service of wind turbines based on our commitment to green transformation on earth".

FairWind's main operation is installation of turbines, and this year we can proudly share that we have been involved in the installation of more than 3.5 GW (in 2018).

Also, we wish to protect the environment and support society's interests in environmental improvements by paying responsible attention to the internal and external environment. In 2018, FairWind's target was to start collecting and measuring environmental and climate data for electricity and heating energy consumption in our offices in Poland and Denmark.

It was the target to reduce electricity and heating energy consumption by 3% in 2018, but due to more changes in locations and new offices, this comparison is not available. However, with the current tracking performed in 2018, FairWind has the foundation to compare energy consumption in 2019.

Our target for 2018 was to reduce the number of spills of chemical substances by at least 15 % compared to 2017. In both 2017 and 2018, FairWind had 11 minor chemical spillages to the environment. The result is considered not to be satisfactory as we every year must have the ambition to reduce the absolute number of chemical spillages. However, worth noticing the increased activities as FairWind has managed to reduce the 'environmental frequency rate' from 1.0 to approx. 0.9 per 100,000 project site hours.

No enforcement notices have been issued by the environmental authorities in 2018, and our own self regulation has not revealed any violations of the environmental law either.

Additionally, FairWind is still certified according to ISO 14001.

Achieving the target & future ambitions

FairWind secures the company's environmental arrangements through detailed internal control systems such as:

- ▶ Checking waste management on site
- ▶ Checking chemical management on site
- ▶ Determining environmental aspects and impacts

Management's review

- ▶ Including clear rules and environmental policies in EHS Plan issued for each project
- ▶ Including control measures related to environmental aspects in risk assessments issued for each project
- ▶ Carrying out audits on site (where waste and chemical management are the crucial points for checking)
- ▶ Monitoring environmental indicators (EFR) from site
- ▶ Carrying out internal audits (especially in warehouse where environmental aspects are visible and can influence on employees directly)
- ▶ Developing environmental campaigns among the employees
- ▶ Promoting pro-environmental behaviours

In Q4 2018 FairWind completed an environmental recycling campaign, implementing recycling at our North American office in Miami, U.S.A., increasing access to segregated rubbish bins in the Stettin office in Poland, making recycling information available to employees in Vejle, Denmark and Stettin, and instituting recycling for batteries on certain sites.

In relation to the internal environment we strive to arrange work processes with consideration of the environmental impact. In relation to the external environment we strive to comply with relevant environmental legislation and we continuously work with resource and energy optimization. The 2019 goals for the environmental area are

- ▶ Environmental penalties from authorities = 0
- ▶ Environmental Frequency Rate < 0.8
- ▶ Minimum 1 environmental campaign per half a year
- ▶ Reduce energy consumption (ECR) for the offices 3% year to year
- ▶ Reduce waste generation (WHR) for the offices 3% year to year

Account of the gender composition of Management

The target & result

FairWind sees it as a corporate responsibility to contribute to solving the task of gender equality. We believe that diversity among our employees, including gender distribution contributes positively to the work environment, the company's performance and our competitiveness.

FairWind has a target of having 15% female board members in FairWind before 2021. In 2018 the board have not found any competent females for the board.

Also, FairWind has a target of an increased percentage of female managers and middle managers. As per 31 December 2018, we have 19 female managers or middle managers, equivalent to 24% of the total group of managers and middle managers. This percentage is status quo since 2017, but since FairWind has grown in the number of total employees, we now have 6 more females at leadership levels since last year.

Achieving the target & future ambitions

In FairWind the Board consists of a Chairman and three members. As per 31 December 2018 the status is that there are no female board members, but it is FairWind's ambition to search for competent female candidates for the board in 2019.

At the level for manager and middle manager FairWind have been successful in attracting females. The success was due to a continuous focus on attracting females in these positions. In 2017 and 2018 FairWind did focus on the recruiting process where all candidates are treated equal.

Management's review

Quality culture

The target & result

FairWind quality strategy is focused on two main aspects; customer satisfaction as well as skills & competences of our staff. For 2018 FairWind's quality measures were primarily related to snagging on delivered towers and the targets were:

- ▶ Less than 10 snags for onshore turbines for SGRE and Vestas (target agreed through client dialogues)
- ▶ Internally we strive for the same level of snags for Enercon - but dialogues on snags less mature

In 2018, FairWind delivered a satisfying result for snagging as FairWind delivered results in between 3.4 and 7.7 for all of our clients.

2018 was also the year when FairWind formalized our customer satisfaction & loyalty survey with a result of 3.92.

Achieving the target & future ambitions

In 2018 FairWind significantly improved our approach to quality management by:

- ▶ Developing process mapping and customer satisfaction process in a formalized way
- ▶ Developing and implementing risk assessment process running every 6 months across all business areas
- ▶ Developing customer complaint process (NCRs)
- ▶ Developing project specific quality plan

In 2018, Quality / snagging levels have been reported and communicated on leadership as well as Board meeting, to ensure constant monitoring of performance. On top of this, NCRs have been an often-discussed topic, and learning and actions plan from the customer satisfaction survey has been an agenda point at several leadership meetings.

Continuing the improvement process, FairWind has set targets for new measures going into 2019. These are:

- ▶ Average number of snagging below 7
- ▶ Customer satisfaction score 4 or above
- ▶ Minimum 2 supplier audits carried out
- ▶ Carry our risk assessment at least once a year in each business area

Closing Statement

FairWind's CSR policy is long term and future oriented but also an important point of orientation in the daily operations for FairWind's managers and employees, our subcontractors and suppliers. FairWind is confident that our CSR policy and related activities will also will ensure progress and results in 2019. At FairWind we will continuously work on expanding our CSR policy as more relevant areas are included. It is our belief that a sound CSR policy changes as our surroundings change. Our wish is to always be closely connected to, and in close dialogue with both our global and local environments.

Events after the balance sheet date

No subsequent events have occurred post the balance sheet date which have a significant impact on the Group's financial position.

Outlook

Management expects the group to continue the positive development. In 2019, Management will continue improving the group's IT systems and the group's procedures. Management expects a profit level for 2019 above the level for 2018.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

Note	DKK'000	Group		Parent company	
		2018	2017	2018	2017
3	Revenue	648,956	684,200	0	0
4,5	Production costs	-548,313	-583,826	-6,200	0
	Gross margin	100,643	100,374	-6,200	0
4	Distribution costs	-4,812	-6,623	0	0
4,5	Administrative expenses	-79,745	-69,801	-18	-25
	Operating profit/loss	16,086	23,950	-6,218	-25
	Other operating income	0	228	0	0
	Profit/loss before net financials	16,086	24,178	-6,218	-25
	Income from investments in group entities	0	0	9,472	10,421
6	Financial income	892	1,304	0	0
7	Financial expenses	-11,598	-10,442	-1,730	-1,732
	Profit before tax	5,380	15,040	1,524	8,664
	Tax for the year	-2,107	-5,683	1,749	457
	Profit for the year	3,273	9,357	3,273	9,121
Specification of the Group's results of operations:					
	Shareholders in FairWind Holding ApS	3,273	9,121		
	Non-controlling interests	0	236		
		3,273	9,357		



Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2018	2017	2018	2017
	ASSETS				
	Fixed assets				
8	Intangible assets				
	Goodwill	68,034	74,472	0	0
		<u>68,034</u>	<u>74,472</u>	<u>0</u>	<u>0</u>
9	Property, plant and equipment				
	Other fixtures and fittings, tools and equipment	37,688	27,452	0	0
		<u>37,688</u>	<u>27,452</u>	<u>0</u>	<u>0</u>
10	Investments				
	Investments in group entities	0	0	128,896	120,780
	Deposits, investments	843	610	0	0
		<u>843</u>	<u>610</u>	<u>128,896</u>	<u>120,780</u>
	Total fixed assets	<u>106,565</u>	<u>102,534</u>	<u>128,896</u>	<u>120,780</u>
	Non-fixed assets				
	Inventories				
	Finished goods and goods for resale	709	132	0	0
		<u>709</u>	<u>132</u>	<u>0</u>	<u>0</u>
	Receivables				
	Trade receivables	209,963	148,188	0	0
11	Work in progress for third parties	53,809	32,683	0	0
	Receivables from group entities	0	0	1,188	989
13	Deferred tax assets	3,184	1,959	1,951	589
	Other receivables	16,044	18,310	0	0
	Prepayments	17,424	15,962	0	0
		<u>300,424</u>	<u>217,102</u>	<u>3,139</u>	<u>1,578</u>
	Cash	<u>7,038</u>	<u>26,785</u>	<u>42</u>	<u>2</u>
	Total non-fixed assets	<u>308,171</u>	<u>244,019</u>	<u>3,181</u>	<u>1,580</u>
	TOTAL ASSETS	<u>414,736</u>	<u>346,553</u>	<u>132,077</u>	<u>122,360</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2018	2017	2018	2017
		EQUITY AND LIABILITIES			
		Equity			
12	Share capital	220	220	220	220
	Net revaluation reserve according to the equity method	0	0	27,066	19,449
	Retained earnings	66,833	65,417	39,767	45,968
	Total equity	67,053	65,637	67,053	65,637
	Provisions				
13	Deferred tax	7,431	4,513	0	0
14	Other provisions	6,200	0	6,200	0
	Total provisions	13,631	4,513	6,200	0
	Liabilities other than provisions				
	Non-current liabilities other than provisions				
	Bank debt	10,400	9,434	0	6,634
	Lease liabilities	0	255	0	0
15	Subordinate loan capital	53,148	51,412	44,203	44,933
		63,548	61,101	44,203	51,567
	Current liabilities other than provisions				
	Current portion of non-current liabilities other than provisions				
	Bank debt	2,855	16,357	0	3,317
	Subordinate loan capital	114,547	93,103	0	0
15	Trade payables	1,067	0	1,067	0
	Payables to group entities	132,030	86,783	0	0
	Income taxes payable	0	0	13,529	1,833
	Other payables	0	3,475	0	0
		20,005	15,584	25	6
		270,504	215,302	14,621	5,156
	Total liabilities other than provisions	334,052	276,403	58,824	56,723
	TOTAL EQUITY AND LIABILITIES	414,736	346,553	132,077	122,360

- 1 Accounting policies
- 2 Financing
- 16 Contractual obligations and contingencies, etc.
- 17 Collateral
- 18 Related parties
- 19 Fee to the auditors appointed by the Company in general meeting

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

		Group		
		Share capital	Retained earnings	Total
Note	DKK'000			
	Equity at 1 January 2018	220	65,417	65,637
	Transfer through appropriation of profit	0	3,273	3,273
	Exchange adjustment	0	-1,857	-1,857
	Equity at 31 December 2018	220	66,833	67,053

		Parent company			
		Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Note	DKK'000				
	Equity at 1 January 2018	220	19,449	45,968	65,637
20	Transfer, see "Appropriation of profit"	0	9,474	-6,201	3,273
	Exchange adjustment	0	-1,857	0	-1,857
	Equity at 31 December 2018	220	27,066	39,767	67,053



Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group	
		2018	2017
	Profit for the year	3,273	9,357
21	Adjustments	34,313	33,885
	Cash generated from operations (operating activities)	37,586	43,242
22	Changes in working capital	-28,381	3,442
	Cash generated from operations (operating activities)	9,205	46,684
	Interest received, etc.	5,062	1,304
	Interest paid, etc.	-15,768	-10,442
	Income taxes paid	-3,889	-934
	Other cash flows from operating activities	0	-22,778
	Cash flows from operating activities	-5,390	13,834
	Additions of property, plant and equipment	-29,179	-18,063
	Disposals of property, plant and equipment	3,366	174
	Purchase of non-controlling interests	0	-1,166
	Cash flows to investing activities	-25,813	-19,055
	Proceeds from new loans and financial lease obligations	0	6,375
	Proceeds from new loans from shareholders and management	3,971	7,880
	Repayments, long-term liabilities	-12,791	-18,639
	Repayments, loans from shareholders and management	-1,168	-3,578
	Cash flows from financing activities	-9,988	-7,962
	Net cash flow	-41,191	-13,183
	Cash and cash equivalents at 1 January	-66,318	-53,135
23	Cash and cash equivalents at 31 December	-107,509	-66,318

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of FairWind Holding ApS for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is thus recognised.

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.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Leases

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Income statement

Revenue

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 construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

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.

Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Also, provision for losses on construction contracts is recognised.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation.

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Goodwill is amortised over its estimated useful life determined on the bases of Management's experience of the specific business areas, longest for strategically acquired enterprises with strong market positions and long-term earnings profiles.

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

Goodwill (maximum useful life)	15 years
--------------------------------	----------

The period is 15 years due to strategically acquired group entities with strong markets positions and long-term earning profiles.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Fixtures and fittings, tools and equipment	2-10 years
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The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

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.

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

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

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 is used as discount rate.

Other receivables consists of VAT, withholding taxes etc.

Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

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.

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.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.



Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year excl. non-controlling interests} \times 100}{\text{Average equity excl. non-controlling interests}}$

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

2 Financing

The Group has experienced significant increases in working capital which has resulted in negative cash flow from operations. It is expected that future growth will also result in further increases in working capital and thus depend on increased credit limits. As a result thereof it is necessary to constantly monitor credit limits, guarantees as well as forecast cash flow. Management is aware of the premise and is confident that the strong cooperation with current credit institutions will lead to increased credit limits during 2019 which will enable the Group to realize the expected growth.

DKK'000	Group		Parent company	
	2018	2017	2018	2017
3 Segment information				
Breakdown of revenue by geographical segment:				
Europe	406,288	349,480	0	0
Scandinavia	173,974	170,499	0	0
North and South America	48,837	110,376	0	0
Rest of the world	19,857	53,845	0	0
	<u>648,956</u>	<u>684,200</u>	<u>0</u>	<u>0</u>
4 Staff costs				
Wages/salaries	155,904	188,342	0	0
Pensions	4,862	9,035	0	0
Other social security costs	4,299	1,701	0	0
Other staff costs	5,423	6,575	0	0
	<u>170,488</u>	<u>205,653</u>	<u>0</u>	<u>0</u>

Staff costs are recognised as follows in the consolidated financial statements and the parent company financial statements:

Production	123,632	161,512	0	0
Distribution	3,008	5,856	0	0
Administration	43,848	38,285	0	0
	<u>170,488</u>	<u>205,653</u>	<u>0</u>	<u>0</u>
Average number of full-time employees	<u>451</u>	<u>493</u>	<u>0</u>	<u>0</u>

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration for 2018 to the Executive Board and the Board of Directors in the group and in the parent company is not disclosed (2017: DKK 4,004 thousand).

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group		Parent company	
	2018	2017	2018	2017
5 Amortisation/depreciation of intangible assets and property, plant and equipment				
Amortisation of intangible assets	6,438	6,565	0	0
Depreciation of property, plant and equipment	15,062	12,727	0	0
	<u>21,500</u>	<u>19,292</u>	<u>0</u>	<u>0</u>

Amortisation/depreciation of intangible assets and property, plant and equipment is recognised in the income statement under the following items:

DKK'000	Group		Parent company	
	2018	2017	2018	2017
Production costs	15,062	12,727	0	0
Administrative expenses	6,438	6,565	0	0
	<u>21,500</u>	<u>19,292</u>	<u>0</u>	<u>0</u>
6 Financial income				
Other financial income	892	1,304	0	0
	<u>892</u>	<u>1,304</u>	<u>0</u>	<u>0</u>
7 Financial expenses				
Interest expenses, group entities	1,105	1,063	1,105	1,063
Other financial expenses	10,493	9,379	625	669
	<u>11,598</u>	<u>10,442</u>	<u>1,730</u>	<u>1,732</u>



Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

8 Intangible assets

	<u>Group</u>
	<u>Goodwill</u>
DKK'000	
Cost at 1 January 2018	97,533
Cost at 31 December 2018	97,533
Impairment losses and amortisation at 1 January 2018	23,061
Amortisation/depreciation in the year	6,438
Impairment losses and amortisation at 31 December 2018	29,499
Carrying amount at 31 December 2018	68,034
Amortised over	<u>5-15 years</u>

9 Property, plant and equipment

	<u>Group</u>
	<u>Other fixtures and fittings, tools and equipment</u>
DKK'000	
Cost at 1 January 2018	60,292
Exchange adjustment	-729
Additions in the year	29,179
Disposals in the year	-4,420
Cost at 31 December 2018	84,322
Impairment losses and depreciation at 1 January 2018	32,840
Exchange adjustment	-214
Amortisation/depreciation in the year	15,062
Reversal of amortisation/depreciation and impairment of disposals	-1,054
Impairment losses and depreciation at 31 December 2018	46,634
Carrying amount at 31 December 2018	37,688
Property, plant and equipment include finance leases with a carrying amount totalling	<u>0</u>
Depreciated over	<u>2-10 years</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

10 Investments

	<u>Group</u> <u>Deposits,</u> <u>investments</u>
DKK'000	
Cost at 1 January 2018	610
Additions in the year	236
Disposals in the year	-3
Cost at 31 December 2018	<u>843</u>
Carrying amount at 31 December 2018	<u>843</u>

Group

Name	Legal form	Domicile	Interest
Subsidiaries			
FairWind	A/S	Denmark	100%
FairWind	GmbH	Germany	100%
FairWind Ukraine	ApS	Denmark	100%
FairWind Installation	Ltd.	United Kingdom	100%
FairWind Offshore	ApS	Denmark	100%
FairWind Installation	Ltd.	South Africa	100%
FairWind	Sp. Z.o.o	Poland	100%
Wind Service Sweden	AB	Sweden	100%
Sweden Wind Service	AB	Sweden	100%
FairWind Finland	Oy.	Finland	100%
FairWind Rüzgar Enerji Hizmetleri	Anonim Sikerti	Turkey	100%
Geos Construction	LLC	Ukraine	100%
FairWind Ukraine	LLC	Ukraine	100%
FairWind Poland	Sp. Z.o.o	Poland	100%
FairWind	Inc.	United States	100%
FairWind Canada	Inc.	Canada	100%
FairWind Holland	B.V.	Holland	100%
European Wind Academy	Sp. Z.o.o	Poland	100%
FairWind RUS	LLC	Russia	100%
White Strit	LLC	Kazakhstan	100%
FairWind Installation	SLU	Spain	100%
VestWind	A/S	Denmark	100%

	<u>Parent company</u> <u>Investments in</u> <u>group entities</u>
DKK'000	
Cost at 1 January 2018	101,330
Additions in the year	500
Cost at 31 December 2018	<u>101,830</u>
Value adjustments at 1 January 2018	19,450
Exchange adjustment	-1,856
Share of the profit/loss for the year	14,238
Amortisation of goodwill	-4,766
Value adjustments at 31 December 2018	<u>27,066</u>
Carrying amount at 31 December 2018	<u>128,896</u>



Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	<u>Group</u>		<u>Parent company</u>		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
DKK'000					
11 Work in progress for third parties					
Selling price of work performed	287,902	256,464	0	0	
Progress billings	-234,093	-223,781	0	0	
	<u>53,809</u>	<u>32,683</u>	<u>0</u>	<u>0</u>	
recognised as follows:					
Work in progress for third parties (assets)	53,809	32,683	0	0	
	<u>53,809</u>	<u>32,683</u>	<u>0</u>	<u>0</u>	
			<u>Parent company</u>		
DKK'000			<u>2018</u>	<u>2017</u>	
12 Share capital					
Analysis of the share capital:					
2,201 shares of DKK 100.00 nominal value each			220	220	
			<u>220</u>	<u>220</u>	
Analysis of changes in the share capital over the past 5 years:					
DKK'000	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Opening balance	220	220	200	200	80
Capital increase	0	0	20	0	120
	<u>220</u>	<u>220</u>	<u>220</u>	<u>200</u>	<u>200</u>
	<u>Group</u>		<u>Parent company</u>		
DKK'000	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
13 Deferred tax					
Deferred tax at 1 January	2,554	-1,809	-589	-879	
Adjustmet of deferred tax	1,693	4,363	-1,362	290	
Deferred tax at 31 December	<u>4,247</u>	<u>2,554</u>	<u>-1,951</u>	<u>-589</u>	
Analysis of the deferred tax					
Deferred tax assets	-3,184	-1,959	-1,951	-589	
Deferred tax liabilities	7,431	4,513	0	0	
	<u>4,247</u>	<u>2,554</u>	<u>-1,951</u>	<u>-589</u>	

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group		Parent company	
	2018	2017	2018	2017
14 Other provisions				
Opening balance at 1 January	0	0	0	0
Provisions in the year	6,200	0	6,200	0
Other provisions at 31 December	6,200	0	6,200	0
The provisions are expected to be payable in:				
0-1 year	6,200	0	6,200	0
	6,200	0	6,200	0

Other provisions relates to an ongoing litigation regarding employees in the group.

15 Subordinate loan capital

DKK'000	Group
	Amount outstanding
Parent company	37,682
Other	15,466
	53,148
	Parent company
	Amount outstanding
DKK'000	
Parent company	28,737
Other	15,466
	44,203

Subordinate loan capital has been granted by current and former owners and is subordinated in relation to all other creditors. Parent company subordinate loan capital will mature in 2026 or in the event of an exit. An amount of DKK 13,235 thousand of other subordinate loan capital will mature in 2024 or in the event of an exit and an amount of DKK 2,230 thousand of other subordinate loan capital will mature in 2020 and 2021. The interest is added to the principal and does not fall due for payment until the principal does.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

16 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

Operating lease obligations:

The Group have entered into operating leasing agreements with a combined lease payment of DKK 5.777 thousand. The remaining term of the leases is 6 to 48 months.

Guarantees:

The Group has issued work guarantees of DKK 9,492 thousand for services delivered.

Parent company

Contingent liabilities regarding group entities:

The Company is jointly taxed with Apollo Group A/S. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes and withholding taxes relating to the respective joint taxations.

The company has provided the following guarantees for subsidiaries:

- ▶ Unlimited guarantee for FairWind A/S for bank loans from Jyske Bank
- ▶ Unlimited guarantee for FairWind Offshore A/S for bank loans from Jyske Bank
- ▶ Unlimited guarantee for FairWind Ukraine ApS for bank loans from Jyske Bank

17 Collateral

Group

Trade receivables and work in progress for third parties with a carrying amount of DKK 124,180 thousand have been provided as collateral for bank loans and overdrafts amounting to DKK 111,733 thousand at 31 December 2018.

Parent company

The parent company has provided DKK nom. 750,000 of the shares in FairWind A/S as collateral for bank loans from Jyske Bank with a carrying amount of DKK 111,733 thousand at 31 December 2018.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

18 Related parties

FairWind Holding ApS' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
FairWind Invest ApS	Vordingborg, Denmark	Participating interest

Related party transactions

DKK'000	<u>2018</u>	<u>2017</u>
Group		
Subordinate loan capital	-54,215	-51,412
Subordinate loan capital, interest	-1,901	-1,505
Parent Company		
Subordinate loan capital	-45,270	-44,933
Subordinate loan capital, interest	-1,560	-1,402

	<u>Group</u>	
DKK'000	<u>2018</u>	<u>2017</u>
19 Fee to the auditors appointed by the Company in general meeting		
Total fees to EY	2,576	2,338
Statutory audit	426	420
Assurance engagements	0	20
Tax assistance	1,016	876
Other assistance	1,134	1,022
	<u>2,576</u>	<u>2,338</u>

	<u>Parent company</u>	
DKK'000	<u>2018</u>	<u>2017</u>
20 Appropriation of profit		
Recommended appropriation of profit	9,474	10,419
Net revaluation reserve according to the equity method	-6,201	-1,298
Retained earnings/accumulated loss	<u>3,273</u>	<u>9,121</u>

	<u>Group</u>	
DKK'000	<u>2018</u>	<u>2017</u>
21 Adjustments		
Amortisation/depreciation and impairment losses	21,500	19,292
Gain/loss on the sale of non-current assets	0	-228
Financial income	-5,062	-1,304
Financial expenses	15,768	10,442
Tax for the year	2,107	5,683
	<u>34,313</u>	<u>33,885</u>



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Notes to the financial statements

22 Changes in working capital

Change in inventories	-577	2,431
Change in receivables	-83,672	-6,249
Change in provisions and payables	55,868	7,260
	<u>-28,381</u>	<u>3,442</u>

23 Cash and cash equivalents at year-end

Cash according to the balance sheet	7,038	26,785
Short-term debt to banks	-114,547	-93,103
	<u>-107,509</u>	<u>-66,318</u>