

# FairWind Holding ApS

Hjulmagervej 6, 7100 Vejle

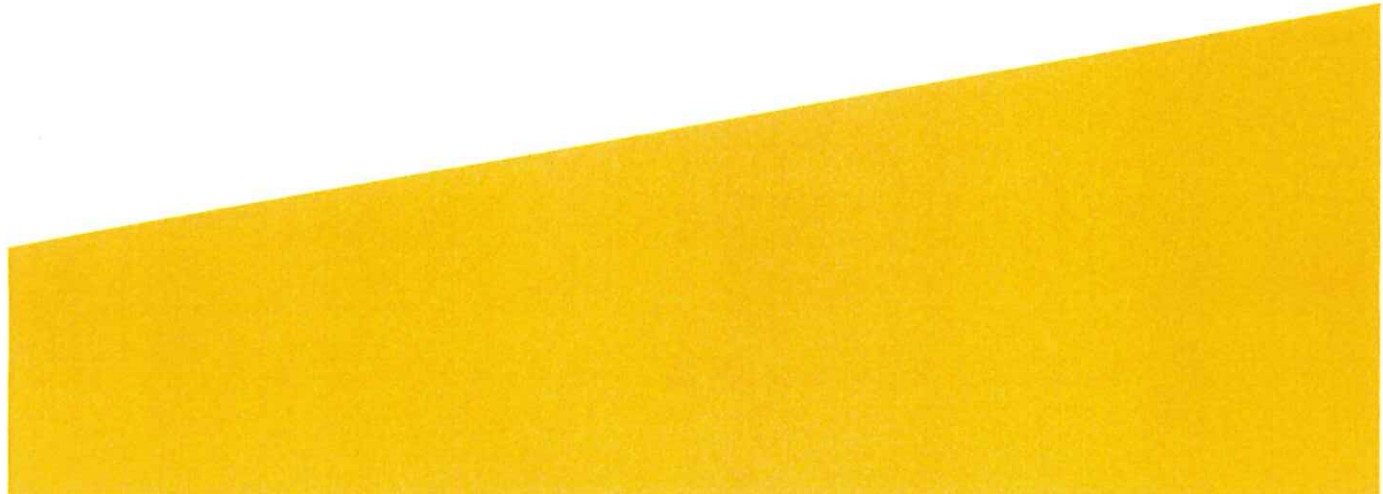
CVR no. 25 64 27 08

## Annual report 2017

Approved at the Company's annual general meeting on 25 May 2018

Chairman:

  
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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 2017.

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 2017 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 2017.

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 2018  
Executive Board:

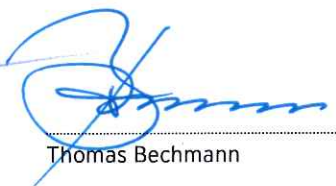


John Jørgen Funch

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 2017, 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 2017, 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 2017 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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 2018  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Søren Smedegaard Hvid  
State Authorised Public Accountant  
MNE no.: mne31450

Morten Østergaard Koch  
State Authorised Public Accountant  
MNE no.: mne35420



## Management's review

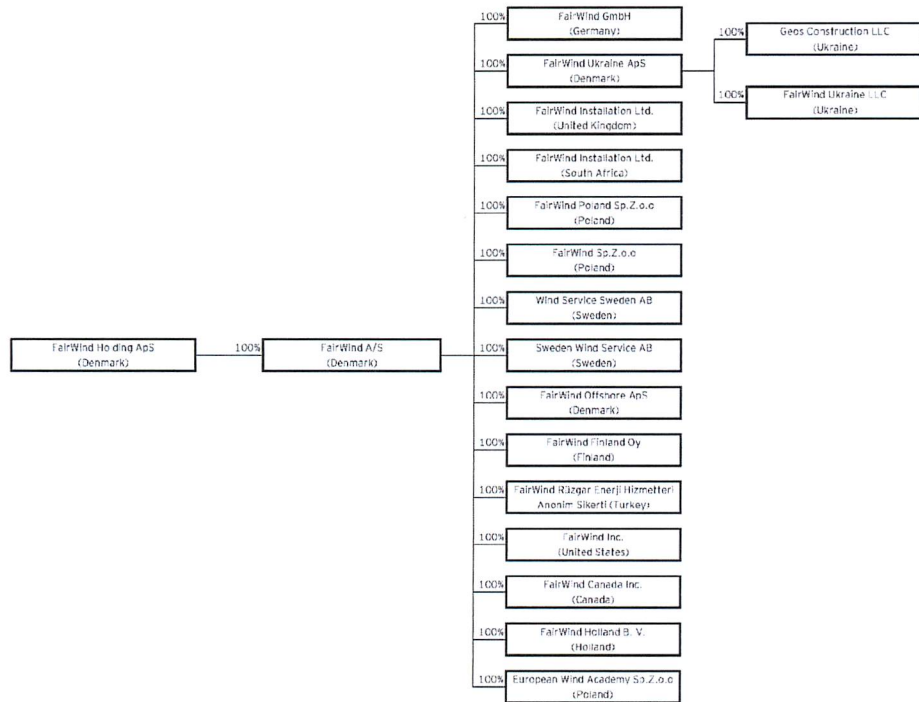
### Company details

Name	FairWind Holding ApS
Address, Postal code, City	Hjulgagervej 6, 7100 Vejle
CVR no.	25 64 27 08
Established	18 December 2013
Registered office	Vejle
Financial year	1 January - 31 December
Website	<a href="http://www.fairwind.dk">www.fairwind.dk</a>
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	Sydbank Store Torv 12, 8000 Aarhus C



## Management's review

### Group chart





## Management's review

### Financial highlights for the Group

DKK'000	2017	2016	2015	2014
<b>Key figures</b>				
Revenue	684,200	448,058	315,256	0
Gross margin	100,374	72,052	73,258	40,770
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	43,470	24,365	25,250	17,260
Operating profit/loss	23,950	7,739	18,235	8,747
Net financials	-9,138	-6,136	-4,560	-2,542
<b>Profit/loss for the year</b>	<b>9,357</b>	<b>1,026</b>	<b>5,153</b>	<b>3,690</b>
<b>Total assets</b>	<b>346,552</b>	<b>341,533</b>	<b>249,843</b>	<b>184,727</b>
<b>Equity</b>	<b>65,637</b>	<b>59,066</b>	<b>51,409</b>	<b>41,816</b>
Cash flows from operating activities	13,834	-1,846	-16,501	-16,472
Net cash flows from investing activities	-19,055	-35,015	-12,858	-113,174
Cash flows from financing activities	-7,962	12,045	25,223	67,463
<b>Total cash flows</b>	<b>-13,183</b>	<b>-24,816</b>	<b>-4,136</b>	<b>-62,183</b>
<b>Financial ratios</b>				
Return on assets	7.0%	2.6%	8.4%	7.9%
Solvency ratio	18.9%	17.3%	20.3%	22.4%
Return on equity	14.6%	1.9%	0.0%	0.0%
<b>Average number of employees</b>	<b>493</b>	<b>233</b>	<b>147</b>	<b>127</b>

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios. 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 9,357 thousand (2016: DKK 1,026 thousand) and total equity amounts to DKK 65,637 thousand (2016: DKK 59,066 thousand), which is close in line with the expectations set forth in the annual report 2016.

Management considers the development in turnover, activity and profit for the year as satisfactory.

In December 2016 FairWind acquired EUM US Inc. and EU Montage Canada Inc. Following the original purchase price allocation management has identified a need for an adjustment of deferred tax assets of DKK 1,552 thousands. The total purchase price remains unchanged hence the reduction of deferred tax assets are offset against an increase in goodwill. Comparison figures has been updated accordingly.

### Special risks

#### *General risks*

The group is not exposed to 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 is valid for all employees in FairWind.

### We have displayed social responsibility since 2008

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

FairWind supports and respects the UN's Global Compact - 10 principles for social responsibility.

FairWind has chosen several focus areas including employees and their work environment as well as environment and climate. With our CSR policy, we will account for our goals, how to achieve our goals and the results hereof. Every year we will attempt to expand our focus areas to constantly force ourselves to develop and improve our results. FairWind is open for a dialogue and cooperation with customers and business partners.

Since 2008 we have been a guarantor for high quality and technical development. FairWind has from the beginning been based on strong ties to business partners and customers. The quality that comes from our way of working is non-negotiable. We exert ourselves on what we do. FairWind's values are:

- ▶ **Flexible:** FairWind is always flexible and adaptable in order to suit the needs of our clients in the best way possible.
- ▶ **Agile:** FairWind is capable of rapid response to unexpected challenges, events, and opportunities. Built on policies and processes that facilitate speed of change, we aim to achieve continuous competitive advantages in serving our customers.
- ▶ **Initiative:** FairWind prefers to be first mover within many different areas. This is done by fostering a culture where people take initiatives on their own due to a problem that needs to be solved or a customer who has special needs.

## Management's review

- ▶ Responsible: FairWind believes that a responsible business = a profitable business. Profitability should never override all other considerations. How our profits are made is extremely important to us and therein lies the key to all other areas of responsibility that we try to improve continuously.

### We seek the dialogue

Dialogue is a basic tool for management to run operations smoothly and to achieve the best result in cooperation with partners. FairWind has years of experience in taking responsibility and working towards all parties engaging in a constructive dialogue throughout the entire course of any project. Dialogue means that we achieve our goals to the satisfaction of both customers and other business partners.

We want cooperation between all parties in our operations - customers, FairWind and other business partners.

FairWind wants to find solutions - not just for FairWind but for the whole supply chain. This requires close collaboration with the customer and detailed insight into our projects. With our strong culture and good work environment we can carry out cooperation every day. We are a natural center point for the cooperation because we are always closely connected.

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

The relationship to our suppliers and subcontractors is a natural extension of the Global Compact principles.

FairWind's contracts with suppliers and subcontractors are governed by various guidelines from the company, that will help ensure a high quality as well as orderly conditions going backwards in the supply chain. FairWind commits its subcontractors to contractually live up to the applicable national collective agreements. If this is not complied with, it is considered a significant breach of contract.

FairWind supports and respects the protection of internally proclaimed 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 labor.
- ▶ FairWind supports the elimination of child labor.
- ▶ FairWind supports the elimination of discrimination related to work and employment conditions.
- ▶ FairWind supports a precautionary approach to environmental challenges.
- ▶ FairWind takes initiatives to promote greater environmental responsibility.
- ▶ FairWind encourages development and dispersion of environmental technologies.
- ▶ FairWind opposes all forms of corruption, extortion and bribery.

### Code of Conduct

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 of many different nationalities, 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](http://www.fairwind.com).

### *Target*

In 2017 FairWind's target has been to inform all new employees, technicians, contractors and suppliers of FairWind's Code of Conduct. Furthermore FairWind have had a target of 0 breaches of the Code of Conduct.

The target for 2018 will remain 0 breaches of the Code of Conduct.

### *Achieving the target*

All new employees, technicians, contractors and suppliers will receive the Code of Conduct. New employees and technicians are trained in the Code of Conduct at beginner's day.

### *Result*

In 2017 all new employees, technicians, contractors and suppliers received the Code of Conduct. FairWind have counted 0 breaches of the Code of Conduct in 2017.

## Employees and work environment

### *The target*

FairWind wants to bring down the number of work related incidents and near misses in operations as well as secure a low rate of absence due to illness. FairWind's goal for work environment is that the accident frequency rate in 2018 can be no higher than 2.9. The accident frequency rate is measured as the number of incidents multiplied by 200,000 and divided by the amounts of working hours in a year.

Another goal is to strengthen the instruction on the individual work place so we can bring down the number of work related incidents through targeted efforts.

### *Achieving the target*

At FairWind a good and healthy work environment is everything. This both in terms of the physical and psychological work environment. Our QHSE and HR departments are continuously measuring the number of work related incidents.

Quality, environment and the target for our work environment is deeply anchored in both our company profile as well as operations. Thus, we continuously achieve to secure a good work environment, that is being supported by a strong HSE organization.

FairWind carries out the mandatory workplace evaluations and is continuously working on improving the conditions that do not live up to the requirements.

With all new employments, all internal policies and safety procedures are presented and handed out, and the company's QHSE department monitors that all policies and regulations are up to date and being followed.

### *The result*

With the increased focus on reporting internally FairWind counted 17 work related incidents in 2017. In 2016 FairWind had 6 work related incidents.

The incident frequency rate in FairWind in 2017 was 2.6 compared to 1.6 in 2016.

## Management's review

### Environment and climate

#### *The target*

Environment and climate is a high priority in FairWind. The target for FairWind is that the company is perceived by customers, employees and authorities as a climate and environment conscious company.

We wish to protect the environment and support society's interests in environmental improvements through a responsible attention to the internal and external environment.

In 2017 FairWind's target was to start collecting and measure environmental and climate data for electricity and heating energy consumption in our offices in Poland and Denmark.

In 2017 FairWind's target was to start collecting data for spills to the environment.

For 2018 the target is to have a full year of data, analyze the consumption and derive concrete and measurable targets on electricity and heating energy consumption. The target for 2018 is a 3% reduction of consumption.

Our target for 2018 is to reduce the number of spill of chemical substances with at least 15 % compared to 2017.

Awareness of site personnel and contractors has been raised during 2017 by conducting toolbox meetings on each site on a frequent basis.

#### *Achieving the target*

FairWind secures the company's environmental arrangements through detailed internal control systems.

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.

All policies are aligned and responsibility is distributed at all management levels. After this all policies are communicated to all employees and are supported continuously with training and education. We also carry out environmental controls.

FairWind continuously works on minimizing the energy consumption of our company.

Additionally, FairWind is certified according to ISO 14001.

FairWind have been measuring the electricity and heating energy consumption throughout most of, but not the whole 2017 for our offices in Denmark and Poland.

#### *The result*

There have not been issued any enforcement notices from the environmental authorities in 2017 and our own self-regulation has not revealed any violations of the environmental law either.

In 2017 we have changed the office in Poland to a more environmental and climate friendly facilities.

In 2017 FairWind counted 11 small chemical spillages to the environment. All of them was remediated on the spot without further consequences to the environment.

## Management's review

### Account of the gender composition of Management

#### *The target*

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

FairWind has a target of having 15 % of board members in FairWind being female before 2021. FairWind has a target of having an increased percentage of managers and middle managers being female.

In 2018 FairWind will be looking for competent female candidates for the board.

#### *Achieving the target*

In 2017 the board have not found any competent females for the board.

On 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 FairWind did focus on the recruiting process where all candidates are treated equal. Also FairWind held one-on-one conversations with female employees to discuss their development and opportunities in FairWind.

#### *The result*

In FairWind the Board consists of a Chairman and two members.

As per 31/12-2017 the status is that there are no female board members.

We have 13 female managers or middle managers equivalent to 25 % of the total group of managers and middle managers, meaning the share of females in these positions has increased from 21.5 % in 2016 to 25 % in 2017.

### 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. The CSR policy will secure progress and results.

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 has a significant impact on the Group's financial position.

### Outlook

Management expects the group to continue the positive development. In 2018, Management will continue improving the group's IT systems and better the group's procedures. Management expects a profit for 2018 equal to that of 2017.

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

### Income statement

Note	DKK'000	Group		Parent company	
		2017	2016	2017	2016
2	Revenue	684,200	448,058	0	0
3	Production costs	-583,826	-376,006	0	0
	<b>Gross margin</b>	<b>100,374</b>	<b>72,052</b>	<b>0</b>	<b>0</b>
	Distribution costs	-6,623	-4,185	0	0
3	Administrative expenses	-69,801	-60,128	-25	-30
	<b>Operating profit/loss</b>	<b>23,950</b>	<b>7,739</b>	<b>-25</b>	<b>-30</b>
	Other operating income	228	1,665	0	0
	Other operating expenses	0	-150	0	0
	<b>Profit/loss before net financials</b>	<b>24,178</b>	<b>9,254</b>	<b>-25</b>	<b>-30</b>
	Income from investments in group entities	0	0	10,421	2,824
4	Financial income	1,304	177	0	0
5	Financial expenses	-10,442	-6,313	-1,732	-2,286
	<b>Profit before tax</b>	<b>15,040</b>	<b>3,118</b>	<b>8,664</b>	<b>508</b>
	Tax for the year	-5,683	-2,092	457	510
	<b>Profit for the year</b>	<b>9,357</b>	<b>1,026</b>	<b>9,121</b>	<b>1,018</b>
Specification of the Group's results of operations:					
	Shareholders in FairWind Holding ApS	9,121	1,018		
	Non-controlling interests	236	8		
		<b>9,357</b>	<b>1,026</b>		

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

### Balance sheet

Note	DKK'000	Group		Parent company	
		2017	2016	2017	2016
	<b>ASSETS</b>				
	<b>Fixed assets</b>				
6	<b>Intangible assets</b>				
	Goodwill	74,472	81,037	0	0
		<u>74,472</u>	<u>81,037</u>	<u>0</u>	<u>0</u>
7	<b>Property, plant and equipment</b>				
	Other fixtures and fittings, tools and equipment	27,451	22,069	0	0
		<u>27,451</u>	<u>22,069</u>	<u>0</u>	<u>0</u>
8	<b>Investments</b>				
	Investments in group entities	0	0	120,779	112,941
	Deposits, investments	685	551	0	0
		<u>685</u>	<u>551</u>	<u>120,779</u>	<u>112,941</u>
	<b>Total fixed assets</b>	<u>102,608</u>	<u>103,657</u>	<u>120,779</u>	<u>112,941</u>
	<b>Non-fixed assets</b>				
	<b>Inventories</b>				
	Finished goods and goods for resale	132	2,563	0	0
		<u>132</u>	<u>2,563</u>	<u>0</u>	<u>0</u>
	<b>Receivables</b>				
	Trade receivables	148,188	134,222	0	0
9	Work in progress for third parties	32,683	51,911	0	0
	Receivables from group entities	0	0	989	2,201
12	Deferred tax assets	1,959	4,976	589	879
	Income taxes receivable	0	69	0	0
	Other receivables	18,235	7,326	0	0
	Prepayments	15,962	9,592	0	0
		<u>217,027</u>	<u>208,096</u>	<u>1,578</u>	<u>3,080</u>
	<b>Cash</b>	<u>26,785</u>	<u>27,217</u>	<u>2</u>	<u>0</u>
	<b>Total non-fixed assets</b>	<u>243,944</u>	<u>237,876</u>	<u>1,580</u>	<u>3,080</u>
	<b>TOTAL ASSETS</b>	<u>346,552</u>	<u>341,533</u>	<u>122,359</u>	<u>116,021</u>



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

### Balance sheet

Note	DKK'000	Group		Parent company	
		2017	2016	2017	2016
		<b>EQUITY AND LIABILITIES</b>			
		<b>Equity</b>			
10	Share capital	220	220	220	220
	Net revaluation reserve according to the equity method	0	0	19,449	11,610
	Retained earnings	65,417	58,876	45,968	47,266
	<b>Shareholder in FairWind Holding ApS' share of equity</b>	<b>65,637</b>	<b>59,096</b>	<b>65,637</b>	<b>59,096</b>
	Non-controlling interests	0	-30	0	0
	<b>Total equity</b>	<b>65,637</b>	<b>59,066</b>	<b>65,637</b>	<b>59,096</b>
	<b>Provisions</b>				
12	Deferred tax	4,513	3,167	0	0
	<b>Total provisions</b>	<b>4,513</b>	<b>3,167</b>	<b>0</b>	<b>0</b>
	<b>Liabilities other than provisions</b>				
11	<b>Non-current liabilities other than provisions</b>				
	Bank debt	9,434	14,350	6,634	9,950
	Lease liabilities	255	1,169	0	0
13	Subordinate loan capital	51,411	43,531	44,933	43,531
	Other payables	0	4,377	0	0
		61,100	63,427	51,567	53,481
	<b>Current liabilities other than provisions</b>				
	Current portion of non-current liabilities other than provisions	16,357	18,414	3,317	3,317
	Bank debt	93,103	80,352	0	78
	Trade payables	86,783	79,519	0	0
	Payables to group entities	0	0	1,833	0
	Income taxes payable	3,475	3,158	0	0
	Payables to shareholders and management	0	3,577	0	0
	Other payables	15,584	30,853	5	49
		215,302	215,873	5,155	3,444
	<b>Total liabilities other than provisions</b>	<b>276,402</b>	<b>279,300</b>	<b>56,722</b>	<b>56,925</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>346,552</b>	<b>341,533</b>	<b>122,359</b>	<b>116,021</b>

- 1 Accounting policies
- 14 Staff costs
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Related parties
- 18 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				
Note	DKK'000	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
	Equity at 1 January 2017	220	58,876	59,096	-30	59,066
	Transfer through appropriation of profit	0	9,121	9,121	236	9,357
	Exchange adjustment	0	-1,650	-1,650	0	-1,650
	Corporate acquisition	0	-930	-930	-206	-1,136
	<b>Equity at 31 December 2017</b>	<b>220</b>	<b>65,417</b>	<b>65,637</b>	<b>0</b>	<b>65,637</b>

		Parent company			
Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 1 January 2017	220	11,610	47,266	59,096
19	Transfer, see "Appropriation of profit"	0	10,419	-1,298	9,121
	Exchange adjustment	0	-1,650	0	-1,650
	Corporate acquisition	0	-930	0	-930
	<b>Equity at 31 December 2017</b>	<b>220</b>	<b>19,449</b>	<b>45,968</b>	<b>65,637</b>

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

### Cash flow statement

Note	DKK'000	Group	
		2017	2016
	Profit for the year	9,357	1,026
20	Adjustments	33,885	23,403
	Cash generated from operations (operating activities)	43,242	24,429
21	Changes in working capital	3,442	-22,598
	Cash generated from operations (operating activities)	46,684	1,831
	Interest received, etc.	1,304	177
	Interest paid, etc.	-10,442	-8,185
	Income taxes paid	-934	-2,396
	Other cash flows from operating activities	-22,778	6,727
	<b>Cash flows from operating activities</b>	<b>13,834</b>	<b>-1,846</b>
	Additions of intangible assets	0	-65
	Additions of property, plant and equipment	-18,063	-13,995
	Disposals of property, plant and equipment	174	775
22	Acquisition of companies and activities	0	-20,986
	Purchase of non-controlling interests	-1,166	-744
	<b>Cash flows to investing activities</b>	<b>-19,055</b>	<b>-35,015</b>
	Proceeds from new loans and financial lease obligations	6,375	0
	Proceeds from new loans from shareholders and management	7,880	26,000
	Repayments, long-term liabilities	-18,639	-5,830
	Repayments, loans from shareholders and management	-3,578	-35,000
	Proceeds from increase in share capital	0	9,875
	Earn-out financing from acquisition of subsidiaries	0	17,000
	<b>Cash flows from financing activities</b>	<b>-7,962</b>	<b>12,045</b>
	<b>Net cash flow</b>	<b>-13,183</b>	<b>-24,816</b>
	Cash and cash equivalents at 1 January	-53,135	-28,319
23	<b>Cash and cash equivalents at 31 December</b>	<b>-66,318</b>	<b>-53,135</b>

## 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 2017 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.

In 2017 the income statement is prepared using the income statement classified by function. In previous years the income statement was prepared using the income statement classified by nature.

Management has assessed that an adjustment of the purchase price allocation related to the acquisition of EUM US Inc. and EU Montage Canada Inc. in December 2016 is needed. It has become clear that deferred tax assets in the purchase price allocation was overstated by DKK 1,552 thousand. Management has assessed that the total value of the acquisition remain unchanged and therefore the adjustment of deferred tax assets is offset towards goodwill. The adjustment has no effect on the parent company financial statements but has been incorporated in the comparison figures with the following effect on the consolidated financial statements:

- Profit for the year 2016 remain unchanged
- Total assets as of 31 December 2016 remain unchanged but goodwill has been increased by DKK 1,552 thousand and deferred tax assets has been reduced by DKK 1,552 thousand
- Equity as of 31 December 2016 remain unchanged

#### 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 or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

In the former scenario, goodwill relating to the non-controlling interests' share of the acquiree is thus recognised, whereas, in the latter scenario, goodwill relating to the non-controlling interests' share is not recognised. The measurement scenario is decided transaction by transaction.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

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

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

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".

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

###### 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 and operating expenses

Other operating income and operating expenses 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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

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

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.

#### Income 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.

#### Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

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

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

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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 deducted 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.

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates 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.



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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### *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".

##### **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.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

##### **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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of 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

DKK'000	Group		Parent company	
	2017	2016	2017	2016
<b>2 Segment information</b>				
Breakdown of revenue by geographical segment:				
Europe	349,480	275,608	0	0
Scandinavia	170,499	93,660	0	0
North and South America	110,376	9,069	0	0
Rest of the world	53,845	69,721	0	0
	<u>684,200</u>	<u>448,058</u>	<u>0</u>	<u>0</u>
<b>3 Amortisation/depreciation of intangible assets and property, plant and equipment</b>				
Amortisation of intangible assets	6,565	5,791	0	0
Depreciation of property, plant and equipment	12,727	9,320	0	0
	<u>19,292</u>	<u>15,111</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:				
Production costs	12,727	9,320	0	0
Administrative expenses	6,565	5,791	0	0
	<u>19,292</u>	<u>15,111</u>	<u>0</u>	<u>0</u>
<b>4 Financial income</b>				
Other financial income	1,304	177	0	0
	<u>1,304</u>	<u>177</u>	<u>0</u>	<u>0</u>
<b>5 Financial expenses</b>				
Interest expenses, group entities	1,063	1,516	1,063	1,516
Other financial expenses	9,379	4,797	669	770
	<u>10,442</u>	<u>6,313</u>	<u>1,732</u>	<u>2,286</u>



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

**Notes to the financial statements**

**6 Intangible assets**

	<u>Group</u>
	<u>Goodwill</u>
DKK'000	
Cost at 1 January 2017	97,303
Cost at 31 December 2017	97,303
Impairment losses and amortisation at 1 January 2017	16,266
Amortisation/depreciation in the year	6,565
Impairment losses and amortisation at 31 December 2017	22,831
<b>Carrying amount at 31 December 2017</b>	<b>74,472</b>
Amortised over	<u>5-15 years</u>

**7 Property, plant and equipment**

	<u>Group</u>
	<u>Other fixtures and fittings, tools and equipment</u>
DKK'000	
Cost at 1 January 2017	42,925
Exchange adjustment	-126
Additions in the year	18,063
Disposals in the year	-570
Cost at 31 December 2017	60,292
Impairment losses and depreciation at 1 January 2017	20,856
Exchange adjustment	-118
Amortisation/depreciation in the year	12,727
Reversal of amortisation/depreciation and impairment of disposals	-624
Impairment losses and depreciation at 31 December 2017	32,841
<b>Carrying amount at 31 December 2017</b>	<b>27,451</b>
Property, plant and equipment include finance leases with a carrying amount totalling	<u>440</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

#### 8 Investments

	Group
	Deposits, investments
DKK'000	
Cost at 1 January 2017	551
Additions in the year	188
Disposals in the year	-54
Cost at 31 December 2017	685
Carrying amount at 31 December 2017	685
	Parent company
	Investments in group entities
DKK'000	
Cost at 1 January 2017	101,330
Cost at 31 December 2017	101,330
Value adjustments at 1 January 2017	11,611
Exchange adjustment	-1,653
Share of the profit/loss for the year	15,187
Equity adjustments, investments	-930
Amortisation of goodwill	-4,766
Value adjustments at 31 December 2017	19,449
Carrying amount at 31 December 2017	120,779

#### Parent company

Name	Legal form	Domicile	Interest
<b>Subsidiaries</b>			
Fairwind	A/S	Denmark	100%
Fairwind	GmbH	Germany	100%
Fairwind Ukraine	ApS	Denmark	100%
Fairwind Offshore	ApS	Denmark	100%
Fairwind Installation	Ltd.	United Kingdom	100%
Fairwind Installation	Ltd.	South Africa	100%
Fairwind	Sp. Z.o.o	Poland	100%
Fairwind Poland	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	Inc.	United States	100%
FairWind Canada	Inc.	Canada	100%
Fairwind Holland	B.V.	Holland	100%
European Wind Academy	Sp. Z.o.o	Poland	100%

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

### Notes to the financial statements

DKK'000	Group		Parent company	
	2017	2016	2017	2016
<b>9 Work in progress for third parties</b>				
Selling price of work performed	256,464	196,873	0	0
Progress billings	-223,781	-144,962	0	0
	<u>32,683</u>	<u>51,911</u>	<u>0</u>	<u>0</u>
recognised as follows:				
Work in progress for third parties (assets)	32,683	51,911	0	0
	<u>32,683</u>	<u>51,911</u>	<u>0</u>	<u>0</u>

DKK'000	Parent company				
	2017	2016			
<b>10 Share capital</b>					
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	2017	2016	2015	2014	2013
Opening balance	220	200	200	80	0
Capital increase	0	20	0	120	80
	<u>220</u>	<u>220</u>	<u>200</u>	<u>200</u>	<u>80</u>

### 11 Non-current liabilities other than provisions

#### Group

Of the long-term liabilities, DKK 51,412 falls due for payment after more than 5 years after the balance sheet date.

#### Parent company

Of the long-term liabilities, DKK 44,933 falls due for payment after more than 5 years after the balance sheet date.

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

### Notes to the financial statements

DKK'000	Group		Parent company	
	2017	2016	2017	2016
<b>12 Deferred tax</b>				
Deferred tax at 1 January	-1,809	976	-879	-1,010
Adjustmet of deferred tax	4,363	-1,810	290	-510
Tax-loss carried forward used in joint taxation	0	641	0	641
Addition on acquisition	0	-3,153	0	0
Exchange adjustment	0	-15	0	0
Other deferred tax	0	1,552	0	0
<b>Deferred tax at 31 December</b>	<b>2,554</b>	<b>-1,809</b>	<b>-589</b>	<b>-879</b>
<b>Analysis of the deferred tax</b>				
Deferred tax assets	-1,959	-4,976	-589	-879
Deferred tax liabilities	4,513	3,167	0	0
	<b>2,554</b>	<b>-1,809</b>	<b>-589</b>	<b>-879</b>

### 13 Subordinate loan capital

DKK'000	Group
	Amount outstanding
Parent company	34,110
Other	17,301
	<b>51,411</b>
	Parent company
	Amount outstanding
Parent company	27,632
Other	17,301
	<b>44,933</b>

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. Other subordinate loan capital will mature in 2024 or in the event of an exit. 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

DKK'000	Group		Parent company	
	2017	2016	2017	2016
<b>14 Staff costs</b>				
Wages/salaries	188,342	96,133	0	0
Pensions	9,035	4,492	0	0
Other social security costs	1,701	1,340	0	0
Other staff costs	6,575	4,659	0	0
	<u>205,653</u>	<u>106,624</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	161,512	79,727	0	0
Distribution	5,856	3,568	0	0
Administration	38,285	23,329	0	0
	<u>205,653</u>	<u>106,624</u>	<u>0</u>	<u>0</u>
Average number of full-time employees	<u>493</u>	<u>233</u>	<u>0</u>	<u>0</u>

Remuneration of the Executive Board and Board of Directors in the group and in the parent company amounts to DKK 4,004 thousand (2016: DKK 1,741 thousand). The remuneration is to two members of the Executive Board in 2017 and also includes severance pay.

### 15 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 6,451 thousand. The remaining term of the leases is 6 to 45 months.

#### *Guarantees:*

The Group has issued work guarantees of DKK 10,346 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 Sydbank

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

### Notes to the financial statements

#### 16 Collateral

##### Group

Trade receivables and work in progress for third parties with a carrying amount of DKK 101,331 thousand have been provided as collateral for bank loans and overdrafts amounting to DKK 94,142 thousand at 31 December 2017.

##### Parent company

The parent company has provided DKK nom. 750,000 of the shares in FairWind A/S as collateral for bank loans from Sydbank with a carrying amount of DKK 94,142 thousand at 31 December 2017.

#### 17 Related parties

##### Parties exercising control

Related party	Domicile	Basis for control
FairWind Invest ApS	Vordingborg, Denmark	Participating interest

##### Transactions with related parties

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

DKK'000	Group	
	2017	2016
<b>18 Fee to the auditors appointed by the Company in general meeting</b>		
Total fees to EY	2,238	1,971
Statutory audit	320	316
Assurance engagements	20	0
Tax assistance	876	802
Other assistance	1,022	853
	2,238	1,971



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

### Notes to the financial statements

DKK'000	Parent company	
	2017	2016
<b>19 Appropriation of profit</b>		
Recommended appropriation of profit		
Net revaluation reserve according to the equity method	10,419	2,824
Retained earnings/accumulated loss	-1,298	-1,806
	<u>9,121</u>	<u>1,018</u>
	Group	
	2017	2016
<b>20 Adjustments</b>		
Amortisation/depreciation and impairment losses	19,292	15,175
Gain/loss on the sale of non-current assets	-228	0
Financial income	-1,304	-177
Financial expenses	10,442	6,313
Tax for the year	5,683	2,092
	<u>33,885</u>	<u>23,403</u>
<b>21 Changes in working capital</b>		
Change in inventories	2,431	280
Change in receivables	-6,249	-44,824
Change in trade payables	7,260	21,946
	<u>3,442</u>	<u>-22,598</u>
<b>22 Acquisition of enterprises and activities</b>		
Property, plant and equipment	0	687
Receivables	0	9,971
Cash	0	-986
Non-current liabilities	0	-127
Deferred tax	0	1,601
Trade payables	0	-1,233
Other payables	0	-2,300
	<u>0</u>	<u>7,613</u>
Goodwill	0	12,387
<b>Cost of acquisition</b>	0	20,000
Cash	0	986
<b>Cost of acquisition paid in cash</b>	<u>0</u>	<u>20,986</u>
<b>23 Cash and cash equivalents at year-end</b>		
Cash according to the balance sheet	26,785	27,217
Short-term debt to banks	-93,103	-80,352
	<u>-66,318</u>	<u>-53,135</u>