

Grene WIND Industry Supplies A/S

Kobbervej 6
6900 Skjern

CVR no. 37 84 26 99

Annual report for the period 1 July - 31 December 2016

The annual report was presented and approved at the
Company's annual general meeting

on 31 May 20 17

Christie K. Høj
chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Grene WIND Industry Supplies A/S for the financial year 1 July – 31 December 2016.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's activities for the financial year 1 July – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Skjern, 22. Maj 2017
Executive Board:


Christian Hansen

Board of Directors:


Herman Johan
Scholten
Chairman
Birgitte Kloster
Christian Hansen



Independent auditor's report

To the shareholders of Grene WIND Industry Supplies A/S

Opinion

We have audited the financial statements of Grene WIND Industry Supplies A/S for the financial year 1 July – 31 December 2016, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 July – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these 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 company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view



Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Aarhus, 31 May 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Anette Harritz
State Authorised
Public Accountant

Michael E. K. Rasmussen
State Authorised
Public Accountant

Management's review

Operating review

Principal activities

Grene Wind Industry Supplies A/S' planned principal activity is to supply customised solutions for the global wind turbine industry.

Significant changes in the Company's activities and financial position

Grene Wind Industry Supplies A/S was established on 1 July 2016 with the said objective. Immediately after establishment, the Company acquired all shares in Jonic af 1993 A/S whose principal activity comprises customised solutions for the wind turbine industry.

Events after the balance sheet date

At 1 January 2017, the activity with customised solutions for the global wind turbine industry is scheduled to be demerged from the sister company, KRAMP Danmark A/S, and will be part of Grene Wind Industry Supplies A/S going forward. Furthermore the company expect to merge with the subsidiary Jonic af 1993 A/S.

Financial statements 1 July – 31 December

Income statement

DKK'000	Note	2016 (6 month)
Gross profit/loss		0
Other financial expenses	2	-186
Profit/loss before tax		-186
Tax on profit/loss for the year		41
Profit/loss for the year		<u>-145</u>
 Proposed distribution of loss		
Retained earnings		-145
		<u>-145</u>

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Balance sheet

DKK'000	Note	2016
ASSETS		
Fixed assets		
Investments		
Equity investments in group entities	3	13,000
		<u>13,000</u>
Total fixed assets		<u>13,000</u>
Current assets		
Receivables		
Other receivables, including taxes receivables		41
		<u>41</u>
Cash at bank and in hand		<u>499</u>
Total current assets		<u>540</u>
TOTAL ASSETS		<u>13,540</u>
EQUITY AND LIABILITIES		
Equity		
Share capital		500
Retained earnings		-145
Total equity		<u>355</u>
Liabilities other than provisions		
Current liabilities other than provisions		
Loan, group entities		13,000
Payables to group entities		185
		<u>13,185</u>
Total liabilities other than provisions		<u>13,185</u>
TOTAL EQUITY AND LIABILITIES		<u>13,540</u>

Financial statements 1 July – 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Proposed dividend	Total
Balance at 1 July 2016	500	0	0	500
Transferred over the [profit appropriation/distribution of loss]	0	-145	0	-145
Balance at 31 December 2016	500	-145	0	355

The share capital consists of:

A shares, 1 shares of nom. DKK 500,000 each

During the year the Company is establish with equity investments of nom. DKK 500,000.

All shares rank equally.

Financial statements 1 July – 31 December

Notes

1 Accounting policies

The annual report of Grene WIND Industry Supplies A/S for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

There are no comparative figures, why 2016 is the company's first financial year.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Grene WIND Industry Supplies A/S and group entities are included in the consolidated financial statements of KRAMP Groep B.V., Varsseveld.

Business combinations

When acquiring new entities, the purchase method is applied under which identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquirer at the acquisition date that are not a part of the acquisition are included in the pre-acquisition balance sheet and thus the determination of goodwill. Restructuring that is adopted after the acquisition is recognised in the income statement. The tax effect of revaluations is recognised as deferred tax.

Goodwill and negative goodwill from acquired entities may be adjusted until 12 months after the acquisition date.

The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities controlled by the Parent Company. The uniting of interests is considered to have been completed at the date of the acquisition without restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity is recognised in equity.

Gains or losses on the divestment of subsidiaries and associates are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including non-amortised goodwill and projected costs of divestment or winding-up.

Financial statements 1 July – 31 December

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1 Accounting policies (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit/loss

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit/loss.

Other external expenses

Other external expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for management, office premises, office expenses and depreciation.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in entities and associates measured at cost are recognised as income in the income statement in the financial year when the dividends are declared.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

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1 Accounting policies (continued)

Tax on profit/loss for the year

The Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

Kramp Danmark A/S is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

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

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Investments

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists. Write-down of goodwill is not reversed.

Other receivables and deposits are recognised at amortised cost.

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1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments and deferred income (assets)

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

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1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

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

Prepayments and deferred income (liabilities)

Deferred income comprises payments received regarding income in subsequent years.

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DKK'000	2016
2 Financial expenses	
Interest expense to group entities	185
Other interest expense	1
	<u>186</u>
3 Investments	
	Equity investments in subsi- diaries
DKK'000	
Cost at 1 July	0
Additions	13,000
Disposals	0
Cost at 31 December 2016	<u>13,000</u>
Impairment losses at 1 July	0
Impairment losses for the year	0
Depreciation on goodwill	0
Impairment losses at 31 December 2016	<u>0</u>
Carrying amount at 31 December 2016	<u><u>13,000</u></u>

	Registere d office	Equity interest	Equity DKK'000	Profit/loss for the year DKK'000
Jonic af 1993 A/S, financial statements per 30 June 2016	Randers	100%	3,100	6,827

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4 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. The jointly taxed entities' total net liability to SKAT amounted to app. DKK 12,500 thousand at 31 December 2016. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

5 Related parties

Grene WIND Industry Supplies A/S' related parties comprise the following:

Control

Grene WIND Industry Supplies A/S is part of the consolidated financial statements of KRAMP Groep B.V., Varsseveld.

The consolidated financial statements of KRAMP Groep B.V. can be obtained by contacting the Company.

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6 Events after the balance sheet date

At 1 January 2017, the activity with customised solutions for the global wind turbine industry is scheduled to be demerged from the sister company, KRAMP Danmark A/S, and will be part of Grene Wind Industry Supplies A/S going forward. Furthermore the company expect to merge with the subsidiary Jonic af 1993 A/S.