


**Jupiter Group A/S**  
Theilgaards Allé 4  
4600 Køge  
Central Business Registration No  
71078418

## **Annual report 2016**

The Annual General Meeting adopted the annual report on 31.05.2017

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

Name:

  
Jan Kjærsgaard

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## Entity details

### Entity

Jupiter Group A/S  
Theilgaards Allé 4  
4600 Køge

Central Business Registration No: 71078418

Registered in: Køge

Financial year: 01.01.2016 - 31.12.2016

### Board of Directors

Jan Kjærsgaard, Chairman  
Max Bertil Gustaf Carlsén  
Arne Handeland  
Thomas Bechmann

### Executive Board

Jens Kristensen

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
P.O. Box 1600  
0900 Copenhagen C

## Statement by Management on the annual report

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

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Køge, 03.04.2017

### Executive Board



Jens Kristensen

### Board of Directors



Jan Kjærsgaard  
Chairman



Thomas Bechmann



Max Bertil Gustaf Carlsén



Arne Handeland

# Independent auditor's report

## To the shareholder of Jupiter Group A/S

### Opinion

We have audited the financial statements of Jupiter Group A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations and cash flows for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial statements Act.

### Basis for opinion

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

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

### Statement on the management commentary

Management is responsible for the management commentary.

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

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

## Independent auditor's report

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial statements Act. We did not identify any material misstatement of the management commentary.

### Report on other legal and regulatory requirements


#### Violation of the Danish Companies Act

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

Copenhagen, 03.04.2017

#### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No: 33963556



Nikolaj Thomsen

State-Authorised Public Accountant

## Management commentary

	2016	2015	2014	2013	2012
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Financial highlights</b>					
<b>Key figures</b>					
Revenue	491,027	411,857	231,628	198,225	406,671
Gross profit/loss	46,897	33,235	20,276	22,794	68,367
Operating profit/loss	19,770	7,224	(2,457)	(6,905)	6,598
Net financials	16,724	25,474	13,210	845	1,784
Profit/loss for the year	31,464	29,106	11,348	(4,630)	9,892
Total assets	158,786	180,067	166,218	100,731	110,298
Investments in property, plant and equipment	1,023	35	197	6,425	1,421
Equity	100,851	70,342	40,417	27,579	40,515
Employees in average	40	38	37	42	124
<b>Ratios</b>					
Gross margin (%)	9.6	8.1	8.8	11.5	16.8
Net margin (%)	6.4	7.1	4.9	(2.3)	2.4
Return on equity (%)	36.8	52.6	33.4	(13.6)	27.8
Equity ratio (%)	63.5	39.1	24.3	27.4	36.7

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

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



## Management commentary

### Primary activities

The Company's primary activities comprise sale and production of composite components for the wind turbine industry.

### Development in activities and finances

The Company's income statement for 2016 shows a profit of DKK 31,464 thousand and the balance sheet at 31 December 2016 shows equity of DKK 100,851 thousand.

In 2016, the Company experienced financial prosperity in terms of both revenue and earnings compared to 2015. Management considers profit after tax of DKK 31,464 thousand satisfactory.

### Outlook

With the exception of 2013, the global market for wind turbines has generally increased for many years. In 2016, the Company registered revenue growth from new customers. Engagements with these new customers are expected to expand further in 2017 contributing to a further risk diversification. Based on the above as well as the initiation of several new projects with existing customers, the Company expects to be able to follow the global rise in the market in 2017.

### Particular risks

#### *Price risks*

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

#### *Currency and interest rate risks*

The Company sells products predominantly settled in DKK, EUR or USD and its cost base is mainly settled in CNY. The Company has chosen not to enter into forward exchange contracts to hedge currency risks.

The majority of the Company's payables to credit institutions comprise floating-rate loans.

### Intellectual capital resources

The Company continues to strengthen its Management platform and thus its knowledge base is today well documented and spread to a wider group of employees. Strengthening of Management skills also continues to be a key focus point.

### Environmental performance

In 1999, the Company introduced ISO 9001 which is subject to an ongoing inspection to ensure a constant surveillance of the Company's quality. The subsidiaries in china, USA and Poland have also obtained ISO 9001 certificates.

## Management commentary

The subsidiary in China has also obtained an ISO 14001 certification to ensure a constant surveillance of its environmental issues. There are no known particular environmental risks.

The related management systems for both certifications are continuously inspected and updated to ensure improvements on essential parameters.

### Corporate social responsibility

Jupiter Group A/S complies with all statutory requirements related to social and environmental considerations, human rights as well as the fight against corruption. However, taking the size and limited resources of the Company into consideration, the Company has no separate CSR policies and thus it does not separately account for its work on corporate social responsibility.

### Statement of the underrepresented gender

Jupiter Group A/S has a policy for gender equality at all levels in the organisation. The policy is stated in the employee manual and, among other matters, it stipulates the possibilities for flexible career opportunities, working hours, etc.

The Company has a target figure of 20-25% for the underrepresented gender at the top management level. The Company expects to reach this target figure within 2020. At other levels of management, the above-mentioned policy for gender equality applies.

### Events after the balance sheet date

Jupiter Group A/S and BACH Composite Industry (BC Group A/S) have entered into a definitive merger agreement realised under the leadership of Verdane Capital Advisors (Verdane Capital VIII K/S), who acquired Jupiter Group in May 2016.

There are no known other subsequent events after the balance sheet date which may or will have material effect on the financial statements.

## Income statement for 2016

	<b>Notes</b>	<b>2016 DKK'000</b>	<b>2015 DKK'000</b>
Revenue	1	491,027	411,857
Costs of raw materials and consumables		(423,137)	(356,728)
Other external expenses	2	<u>(20,993)</u>	<u>(21,894)</u>
<b>Gross profit/loss</b>		<b>46,897</b>	<b>33,235</b>
Staff costs	3	(26,500)	(25,483)
Depreciation, amortisation and impairment losses	4	<u>(627)</u>	<u>(528)</u>
<b>Operating profit/loss</b>		<b>19,770</b>	<b>7,224</b>
Income from investments in group enterprises		21,751	24,126
Other financial income	5	9,467	9,890
Other financial expenses	6	<u>(14,494)</u>	<u>(8,542)</u>
<b>Profit/loss before tax</b>		<b>36,494</b>	<b>32,698</b>
Tax on profit/loss for the year	7	<u>(5,030)</u>	<u>(3,592)</u>
<b>Profit/loss for the year</b>	8	<b><u>31,464</u></b>	<b><u>29,106</u></b>

## Balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Acquired intangible assets		578	249
<b>Intangible assets</b>	9	<b>578</b>	<b>249</b>
Other fixtures and fittings, tools and equipment		1,116	1,051
Leasehold improvements		468	0
<b>Property, plant and equipment</b>	10	<b>1,584</b>	<b>1,051</b>
Investments in group enterprises		49,669	41,744
Deposits		218	0
<b>Fixed asset investments</b>	11	<b>49,887</b>	<b>41,744</b>
<b>Fixed assets</b>		<b>52,049</b>	<b>43,044</b>
Raw materials and consumables		1,087	1,024
Work in progress		754	1,238
Manufactured goods and goods for resale		2,123	757
<b>Inventories</b>		<b>3,964</b>	<b>3,019</b>
Trade receivables		32,749	30,219
Receivables from group enterprises		47,985	93,656
Deferred tax		0	2,214
Other receivables		2,242	167
Prepayments	12	242	1,447
<b>Receivables</b>		<b>83,218</b>	<b>127,703</b>
<b>Cash</b>		<b>19,555</b>	<b>6,301</b>
<b>Current assets</b>		<b>106,737</b>	<b>137,023</b>
<b>Assets</b>		<b>158,786</b>	<b>180,067</b>

## Balance sheet at 31.12.2016

	<b>Notes</b>	<b>2016 DKK'000</b>	<b>2015 DKK'000</b>
Contributed capital	13	1,000	1,000
Reserve for net revaluation according to the equity method		27,710	19,785
Retained earnings		72,141	49,557
<b>Equity</b>		<b>100,851</b>	<b>70,342</b>
Deferred tax		78	0
<b>Provisions</b>		<b>78</b>	<b>0</b>
Bank loans		28,324	27,125
<b>Non-current liabilities other than provisions</b>	14	<b>28,324</b>	<b>27,125</b>
Current portion of long-term liabilities other than provisions	14	4,047	3,500
Bank loans		0	54,570
Prepayments received from customers		0	804
Trade payables		6,853	6,286
Payables to group enterprises		9,744	10,463
Income tax payable		971	0
Other payables		7,918	6,977
<b>Current liabilities other than provisions</b>		<b>29,533</b>	<b>82,600</b>
<b>Liabilities other than provisions</b>		<b>57,857</b>	<b>109,725</b>
<b>Equity and liabilities</b>		<b>158,786</b>	<b>180,067</b>
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Mortgages and securities	17		
Related parties with controlling interest	18		
Transactions with related parties	19		
Group relations	20		

## Statement of changes in equity for 2016

	<b>Contributed capital DKK'000</b>	<b>Reserve for net revaluation according to the equity method DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	1,000	19,785	49,557	70,342
Exchange rate adjustments	0	(631)	0	(631)
Value adjustments	0	0	(324)	(324)
Profit/loss for the year	0	8,556	22,908	31,464
<b>Equity end of year</b>	<b>1,000</b>	<b>27,710</b>	<b>72,141</b>	<b>100,851</b>

## Notes

	<b>2016</b> <b>DKK'000</b>	<b>2015</b> <b>DKK'000</b>
<b>1. Revenue</b>		
Europe	199,020	140,383
America	292,007	271,474
	<b>491,027</b>	<b>411,857</b>
	<b>2016</b> <b>DKK'000</b>	<b>2015</b> <b>DKK'000</b>
<b>2. Fees to the auditor appointed by the Annual General Meeting</b>		
Statutory audit services	230	180
Tax services	267	209
	<b>497</b>	<b>389</b>
	<b>2016</b> <b>DKK'000</b>	<b>2015</b> <b>DKK'000</b>
<b>3. Staff costs</b>		
Wages and salaries	22,522	21,605
Pension costs	1,607	1,555
Other social security costs	154	180
Other staff costs	2,217	2,143
	<b>26,500</b>	<b>25,483</b>
Average number of employees	<b>40</b>	<b>38</b>
		<b>Remunera- tion of manage- ment 2015 DKK'000</b>
Total amount for management categories		2,000
		<b>2,000</b>

Referring to S 98(b) Danish Financial Statements Act, management remuneration is not disclosed for 2016.

## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>4. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	174	150
Depreciation of property, plant and equipment	454	380
Profit/loss from sale of intangible assets and property, plant and equipment	(1)	(2)
	<b>627</b>	<b>528</b>

	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>5. Other financial income</b>		
Financial income arising from group enterprises	2,216	4,229
Interest income	2	63
Exchange rate adjustments	7,249	5,598
	<b>9,467</b>	<b>9,890</b>

	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>6. Other financial expenses</b>		
Financial expenses from group enterprises	979	447
Interest expenses	2,880	3,569
Exchange rate adjustments	10,635	4,526
	<b>14,494</b>	<b>8,542</b>

	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>7. Tax on profit/loss for the year</b>		
Tax on current year taxable income	2,238	1,724
Change in deferred tax for the year	2,292	1,888
Adjustment concerning previous years	500	(20)
	<b>5,030</b>	<b>3,592</b>

	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>8. Proposed distribution of profit/loss</b>		
Transferred to reserve for net revaluation according to the equity method	8,556	4,226
Retained earnings	22,908	24,880
	<b>31,464</b>	<b>29,106</b>



## Notes

	<b>Acquired intangible assets DKK'000</b>	
<b>9. Intangible assets</b>		
Cost beginning of year		1,040
Additions		503
<b>Cost end of year</b>		<b>1,543</b>
Amortisation and impairment losses beginning of year		(791)
Amortisation for the year		(174)
<b>Amortisation and impairment losses end of year</b>		<b>(965)</b>
<b>Carrying amount end of year</b>		<b>578</b>
	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Leasehold improve- ments DKK'000</b>
<b>10. Property, plant and equipment</b>		
Cost beginning of year	13,771	0
Additions	460	563
Disposals	(1,226)	0
<b>Cost end of year</b>	<b>13,005</b>	<b>563</b>
Depreciation and impairment losses beginning of the year	(12,720)	0
Depreciation for the year	(359)	(95)
Reversal regarding disposals	1,190	0
<b>Depreciation and impairment losses end of the year</b>	<b>(11,889)</b>	<b>(95)</b>
<b>Carrying amount end of year</b>	<b>1,116</b>	<b>468</b>

## Notes

	<b>Investments in group enterprises DKK'000</b>	<b>Deposits DKK'000</b>
<b>11. Fixed asset investments</b>		
Cost beginning of year	21,959	0
Additions	0	218
<b>Cost end of year</b>	<b>21,959</b>	<b>218</b>
Revaluations beginning of year	19,785	0
Exchange rate adjustments	(631)	0
Share of profit/loss for the year	21,751	0
Dividend	(12,864)	0
Investments with negative equity depreciated over receivables	(331)	0
<b>Revaluations end of year</b>	<b>27,710</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>49,669</b>	<b>218</b>

	<b>Registered in</b>	<b>Equity inte- rest %</b>
Investments in group enterprises comprise:		
Jupiter Composites Inc.	USA	100.0
Shandong Jupiter Wind Composites Co., Ltd	China	100.0
Jupiter Polska Sp Z.o.o	Poland	100.0

## 12. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

	<b>Number</b>	<b>Par value DKK'000</b>	<b>Nominal value DKK'000</b>
<b>13. Contributed capital</b>			
Shares	1,000	1000	1,000
	<b>1,000</b>		<b>1,000</b>

## Notes

	Instalments within 12 months 2016 DKK'000	Instalments within 12 months 2015 DKK'000	Instalments beyond 12 months 2016 DKK'000
<b>14. Liabilities other than provisions</b>			
Bank loans	4,047	3,500	28,324
	<b>4,047</b>	<b>3,500</b>	<b>28,324</b>

All non-current liabilities fall due within five years.

	2016 DKK'000	2015 DKK'000
<b>15. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>2,274</b>	<b>705</b>

### 16. Contingent liabilities

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

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

### 17. Mortgages and securities

As security for the Group's total engagements with Nykredit, Jupiter Group A/S has granted a company charge of nominal DKK 45,000 thousand and a personal property mortgage of DKK 5,600 thousand. Total withdrawal on the banking arrangements amounts to DKK 120,384 thousand at 31 December 2016.

### 18. Related parties with controlling interest

VC VIII Jupiter Group ApS, Køge, Denmark owns all the shares and thus controls the Entity.

## Notes

### **19. Transactions with related parties**

No transactions with related parties were made in the financial year of 2016, which were not made on an arm's length basis.

### **20. Group relations**

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

## Accounting policies

### Reporting class

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

Last year, the annual report was presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium). Further disclosures have been included in the annual report due to the change in reporting class. Besides this, the accounting policies applied for these financial statements are consistent with those applied last year.

### Consolidated financial statements

Referring to S 112(1) Danish Financial Statements Act, no consolidated financial statements have been prepared. Jupiter Group A/S and its subsidiaries are included in the consolidated financial statements of Winds Holding AS.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question are classified directly as equity.

## Accounting policies

### Income statement

#### Revenue

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

#### Costs of raw materials and consumables

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

#### Other external expenses

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

#### Staff costs

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

#### Amortisation, depreciation and impairment losses

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

#### Income from investments in group enterprises

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

#### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies etc.

#### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, etc.

#### Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## Accounting policies

The Entity is jointly taxed with all Danish Group entities. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

### Balance sheet

#### Intellectual property rights etc

Intellectual property rights etc comprise software licences.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 3 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

Material assets comprise other fixtures and fittings, tools and equipment and leasehold improvements and are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Material assets are written down to the lower of recoverable amount and carrying amount.

#### Investments in group enterprises

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

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

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

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

## Accounting policies

### Inventories

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

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

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

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

### Receivables

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

### Prepayments

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

### Cash

Cash comprises cash in hand and bank deposits.

### Deferred tax

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

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Other financial liabilities

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

### Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.



## Accounting policies

### Cash flow statement

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