Jonic af 1993 A/S

Lodsvejen 23
Mellerup
8930 Randers NØ

CVR no. 76 14 63 14

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 15 June 20 17

Christian Kalhøj

chairman of the annual general meeting

Contents

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 Jonic af 1993 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 operations 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.

Randers, 15 June 2017
Executive Board:

Christian Nørgaard
John Hansen

Board of Directors:

Herman Johan Scholten Chairman	Christian Nørgaard John Hansen	Birgitte Kloster

KPMG

Independent auditor's report

To the shareholders of Jonic af 1993 A/S

Opinion

We have audited the financial statements of Jonic af 1993 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.

KPMG

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, 15 June 2017
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Anette Harritz
State Authorised
Public Accountant

Management's review

Operating review

Principal activities

Jonic af 1993 A/S main activity is supply of customised solutions for the global wind turbine industry.

Significant changes in the Company's activities and financial position

From 1 July 2016 Jonic af 1993 A/S is part of the Kramp Groep B.V., and with effect from 1 January 2017 the activity will be merged with the parent company Grene Wind Industry Supplies A/S. Due to this, the financial period only covers 6 months and are not comparable to the comparative figures for 2015/16.

Events after the balance sheet date

At 1 January 2017, the activity with customised solution for global wind turbine industry is merged with the parent company Grene Wind Industry Supplies A/S. Futhermore, the activity concerning the wind turbine industry in the sister company Kramp Danmark A/S is part of Grene Wind Industry Supplies A/S as from 1 January 2017.

Financial statements 1 July – 31 December

Income statement

DKK	Note	1 July – 31 Dec. 2016	1 July 2015 – 30 June 2016
Gross profit		4,182,356	11,119,646
Staff costs	2	-513,434	-2,294,598
Depreciation on property, plant and equipment and impairment losses		-5.482	-113,467
Operating profit		3,663,440	8,711,581
Other financial income		1,113	-5,761
Other financial expenses		0	-38
Profit before tax		3,664,553	8,705,782
Tax on profit for the year		-806,000	-1,879,011
Profit for the year		2,858,553	6,826,771

Proposed profit appropriation		
Extraordinary dividends	0	5,729,500
Retained earnings	2,858,553	1,097,271
	2,858,553	6,826,771

Financial statements 1 July – 31 December

Balance sheet

DKK	Note	31 Dec. 2016	30 June 2016
ASSETS			
Fixed assets			
Property, plant and equipment	3		
Fixtures and fittings, tools and equipment		0	5,482
Total fixed assets		0	5,482
Current assets			
Inventories			
Finished goods and goods for resale		1,151,787	1,275,846
		1,151,787	1,275,846
Receivables			
Trade receivables		1,959,470	3,147,754
Receivables from group entities		1,053,556	0
Other receivables		45,388	0
		3,058,414	3,147,754
Cash at bank and in hand		5,206,958	1,347,567
Total current assets		9,417,159	5,771,167
TOTAL ASSETS		9,417,159	5,776,649

Financial statements 1 July – 31 December

Balance sheet

DKK	Note	31 Dec. 2016	30 June 2016
EQUITY AND LIABILITIES			
Equity			
Share capital		500,000	500,000
Retained earnings		5,458,835	2,600,282
Total equity		5,958,835	3,100,282
Provisions			
Provisions for deferred tax		24,202	24,202
Total provisions		24,202	24,202
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		822,569	727,692
Corporation tax		806,000	293,514
Other payables		1,805,553	1,630,959
		3,434,122	2,652,165
Total liabilities other than provisions		3,434,122	2,652,165
TOTAL EQUITY AND LIABILITIES		9,417,159	5,776,649

Financial statements 1 July – 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Balance at 1 July 2016	500,000	2,600,282	3,100,282
Transferred over the profit appropriation	0	2,858,553	2,858,553
Balance at 31 December 2016	500,000	5,458,835	5,958,835

Financial statements 1 July – 31 December

Notes

1 Accounting policies

The annual report of Jonic af 1993 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.

The financial period of the Company has been changed to 6 months, due to the matter described in the operating review. The comparative figures have not been restated.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

— Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

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

Financial statements 1 July – 31 December

Notes

1 **Accounting policies (continued)**

Income statement

Gross profit

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

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, excluding reimbursements from public authorities.

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

Financial statements 1 July – 31 December

Notes

1 Accounting policies (continued)

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 group entities and associates measured at cost are recognised as income in the Parent Company's 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.

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.

Financial statements 1 July – 31 December

Notes

1 **Accounting policies (continued)**

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

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.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Financial statements 1 July – 31 December

Notes

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.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

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.

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.

Equity

Dividends

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

Financial statements 1 July – 31 December

Notes

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

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

Financial statements 1 July – 31 December

Notes

DKK		1 July – 31 Dec. 2016	1 July 2015 – 30 June 2016
2	**Staff costs**		
	Wages and salaries	465,678	2,208,587
	Pensions	42,000	55,296
	Other social security costs	5,756	30,715
		513,434	2,294,598
	Average number of full-time employees	3	4

3 **Property, plant and equipment**

DKK	Fixtures and fittings, tools and equipment
Cost at 1 July 2016	426,306
Additions	0
Disposals	0
Cost at 31 December 2016	426,306
Depreciation and impairment losses at 1 July 2016	-420,824
Depreciation	-5,482
Depreciation and impairment losses at 31 December 2016	-426,306
Carrying amount at 31 December 2016	0

4 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly and severally liable together with Jonic Holding ApS for tax on the Group's jointly taxed income and for certain possible withholding taxes until 30 June 2016. The Company has from 1 July 2016 entered into a new joint taxation arrangement in Kramp Danmark Group. In accordance with the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from 1 July 2016 for income taxes etc. for the jointly taxed entities.

5 Related parties

Jonic af 1993 A/S' related parties comprise the following:

Control

Grene WIND Industry Supplies A/S.

Consolidated financial statements:

Jonic af 1993 A/S is part of the consolidated financial statements of KRAMP Groep B.V., Varsseveld, which is the smallest group in which the Company is included as a subsidiary.

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