Mesco Denmark A/S

Registration No. 13 25 53 77

Annual Report
2015

27th Financial Year

The Annual Report is adopted at the Annual General Meeting of shareholders on 23 February 2016.

Chairman ....

c/o LETT Advokatpartnerselskab, Rådhuspladsen 4, DK-1550 Copenhagen V, Denmark

Contents

Management's Statement

Today, the Executive Management and Board of Directors have discussed and adopted the Annual Report for 2015 of Mesco Denmark A/S.

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 Group's and Company's assets, liabilities and financial position at 31 December 2015, as well as of the results of the Group's and the Company's operations and the Group's consolidated cash flows for the financial year ended 31 December 2015.

In addition, it is our opinion, that the Management Report gives a true and fair view of the development in the Group's and the Company's operations and economic conditions, the year's result and of the Group's and the Company's financial position.

It is recommended that the Annual Report be approved at the Annual General Meeting.

Allerød, 23 February 2016

Executive Management

....
Artur Bugsgang
Managing Director

Board of Directors

内田俊彦 T. Uchida
....
Toshihiko Uchida
(Chairman)

....
Artur Bugsgang

....
Torkil Bentzen

Independent Auditors' Report

To the Shareholder of Mesco Denmark A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Mesco Denmark A/S for the financial year 1 January – 31 December 2015. The consolidated financial statements and the parent company financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the parent company and consolidated cash flow statement for the Group. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the parent company 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 that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's report

Pursuant to the Danish Financial Statements Act, we have read the Management's report. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's report is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 23 February 2016

KPMG
Statsautoriseret Revisionspartnerselskab
CVR No. 25 57 81 98

Per Ejsing Olsen
State Authorised Public Accountant

Niels Vendelbo
State Authorised Public Accountant

Company Information

The Company	**Mesco Denmark A/S** c/o LETT Advokatpartnerselskab Rådhuspladsen 4 DK-1550 Copenhagen V Denmark Registration No. (CVR-nr.) 13 25 53 77
Board of Directors	Toshihiko Uchida, Chairman Artur Bugsgang Torkil Bentzen
Executive Management	Artur Bugsgang, Managing Director
Sole shareholder	Mitsui Engineering & Shipbuilding Co. Ltd., Tokyo, Japan
Subsidiary	Burmeister & Wain Scandinavian Contractor A/S Gydevang 35 DK-3450 Allerød Denmark Registration No. (CVR-nr.) 87 92 91 16
Auditors	KPMG Statsautoriseret Revisionspartnerselskab
Bankers	Danske Bank A/S

Group Company Overview

Mesco Denmark A/S is the Parent Company in the Burmeister & Wain Scandinavian Contractor A/S Group

Company Name	Incorporated in:	Ownership
Parent Company in the Burmeister & Wain Scandinavian Contractor A/S Group		
Burmeister & Wain Scandinavian Contractor A/S*	Denmark	100%
Subsidiaries in the Burmeister & Wain Scandinavian Contractor A/S Sub-Group		
BWSC Generation ApS	Denmark	100%
BWSC Foreign Investments ApS	Denmark	100%
BWSC Generation Services UK Ltd.	United Kingdom	100%
BWSC (Mauritius) Ltd.	Mauritius	100%
BWSC Lebanon Construction SARL	Lebanon	100%
BWSC Panama S.A.	Panama	100%
BWSC Regional Services S.A.	Panama	100%
BWSC Lanka (Private) Ltd.	Sri Lanka	100%
BWCC Ltd.	The Bahamas	100%
BWSC Cayman Ltd	Cayman Islands	100%
Associated companies in the Burmeister & Wain Scandinavian Contractor A/S Sub-Group		
Western Biomass Operating Company Ltd.	United Kingdom	50%
APOM Ltd.	United Kingdom	50%
BWSC Power Corporation Ltd.	United Kingdom	37.5%
Rabai Power Holding Ltd.	United Kingdom	25.5%
ERE LPS Holdings Ltd.	United Kingdom	17.24%
Mersey Bioenergy Holdings Ltd.	United Kingdom	10.55%
Tilbury Green Power Holding Ltd.	United Kingdom	3.4%
Rabai Operation and Maintenance Ltd.	Kenya	51%
Pedregal Power Company S.D.E.R.L	Panama	7.6%
Asia Power (Private) Ltd.	Sri Lanka	6.8%

* The Subsidiary Burmeister & Wain Scandinavian Contractor A/S has branches in the United Kingdom, Greece and Suriname.

Companies and branched without material activity and assets and liablities and dormant companies are omitted from the list.

Group Financial Highlights

KEY FIGURES	2015	2014	2013	2012	2011
Income Statement (mDKK):					
Revenue	2,106	1,815	1,517	1,055	1,293
Gross profit	244	131	221	182	173
Net financials	7	6	-6	-2	8
Profit for the year	76	17	64	56	55
Balance Sheet (mDKK):					
Total assets	1,859	1,518	1,309	1,215	1,096
Cash	797	743	560	849	740
Equity	750	652	644	623	591
Interest-bearing debts	25	28	31	34	37
Investments in tangible fixed assets	-6	-6	-5	-2	-2

FINANCIAL RATIOS

Gross margin	12%	7%	15%	17%	13%
Profit ratio	5%	1%	6%	7%	6%
Solidity	40%	43%	49%	51%	54%
Return on equity	11%	3%	10%	9%	9%

According to the custom of the sector profit ratio has been calculated as the profit before tax proportional to the revenue. The calculations of the remaining financial ratios are described in the accounting policy section of the Annual Report.

2015 Review

Mesco Denmark A/S (the Company) is mainly a holding company with no revenue in the parent company. The Company employed one employee and the group employed an average of 558 employees during 2015 (2014: one in the parent company and 485 in the group).

Further description of the activity in the subgroup is available in the 2015 annual report of Burmeister & Wain Scandinavian Contractor A/S (hereinafter BWSC), which is accessible on the homepage of BWSC (www.bwsc.com).

Development in activities and finances

The Group's financial statements and the financial statements of the Parent Company show a profit for the year of mDKK 76 (2014: mDKK 11, the parent company's share of the profit for the year) and equity of mDKK 750 (2014: mDKK 652).

Events after the balance sheet date

After the close of the financial year, no events have taken place that may have a significant impact on the position of the group or the company.

Main Activities

The group has three main activities:

- Provider of tailored power plants
- Power plants generation service
- Investments in power plants

Knowledge sharing

The group is knowledge-based. People and internal processes are key resources to solve customers' challenges in the best and most efficient way possible. Furthermore, the group continuously focuses on maintaining and developing its employees.

Knowledge key figures of the group:

- 730 employees including associated companies
- 46 is the average age for the employees at the headquarters, which is in line with end December 2014
- 52% of the employees at the headquarters of BWSC have a seniority of 6 or more years (2014: 55%)
- 3.6 training days in average per employee

2015 Review

Profit before tax for 2015 for the group amounts to mDKK 100 (2014: mDKK 20) has materially been impacted by one large project which has been in suspension. The suspension was lifted in the beginning of

2015 and the claims have to a less extent affected 2015. BWSC has raised a claim against the customer for the costs incurred in connection with the suspension period. Currently the claim negotiations have not been finalized and a material part of the claim income cannot be recognized as income in the project accounts. The outcome of the claim settlement is uncertain and can have a material positive impact on the projects accounts and the profit before tax when the claims have been settled.

Four EPC projects and two biomass Operation & Maintenance projects have been obtained in 2015. The order backlog is at an all-time high of mDKK 6,597 (2014: mDKK 6,018) of which long-term O&M projects amount to mDKK 3,930 (2014: mDKK 3,288).

In line with the strategy, the group has in 2015 committed investments of 3.36% of the Tilbury biomass projects in the UK. The plant will be built over the next two and a half years by BWSC. In 2015 in total mDKK 185 net has been paid in and the committed investment not paid in amounts to mDKK 55 net which will be paid in 2016.

In 2015, contract work in progress on the balance sheet has increased by mDKK 105 and prepayments received from customers have increased by mDKK 265 which has a positive effect on cash flow from operation for 2015. Cash has increased by mDKK 54 to mDKK 797 at 31 December 2015, and represents 43% of total assets.

The expectation for 2015 stated in the Annual Report for 2014 of higher revenue and profit ratio have been realised.

Risk Management

Risk management is a fundamental part of the Group's business. The groups' business includes large construction and service projects in various jurisdictions and related contracts with sub-suppliers and consortium partners, which expose the group to a number of risks.

The group holds comprehensive experience within engineering, procurement, construction and servicing, which has been accumulated during construction of more than 175 power plants in more than 50 countries and a large number of service projects. The experience contributes to reducing potential risks. Risk will always be a significant factor in large construction and service projects, and each project is carefully evaluated in the planning and execution phases.

Beside the operational risks, the group is also exposed to currency, interest, counterpart and credit risks which are mitigated and considered less material.

Corporate social responsibility

The Company is mainly a holding company and consequently the Company has not itself implemented any policies for corporate social responsibility. The Company's Sub-Group has a separate CSR policy which is stated in their financial statement and on their homepage (www.bwsc.com).

Equal opportunities for all employees is important to the group and accordingly we do not differentiate based on gender, race or religion when people are employed, or when training programs are offered to employees or when employees are promoted. The Company has implemented a policy regarding gender parity. For Mesco Denmark A/S the policy reflects the fact that the Company is a holding company with only one employee and a Board of Directors of three members with an expected long term of service and anticipated little rotation. Burmeister & Wain Scandinavian Contractor A/S has furthermore implemented a gender parity policy.

2016 Outlook

The order intake for 2015 of mDKK 2,655 has been high and for 2016 the order intake is expected to be between bDKK 2.0 and bDKK 2.6

Revenue for 2016 is expected to increase materially compared to 2015 and the profit ratio is also expected to be below 5% but profit before tax for 2016 is expected to increase compared to the mDKK 100 for 2015.

As stated earlier, the group has claimed costs in connection with suspension from a customer. The settlement can have a positive impact on profit before tax when the claims have been settled.

Accounting Policies

General

The Annual Report of Mesco Denmark A/S has been presented in accordance with the provisions of the Danish Financial Statements Act for large reporting Class C companies.

Change in accounting policies

The accounting policies are unchanged from last year.

Accounting estimates and Judgements

In preparing the financial statement, the subsidiary BWSC has made a number of estimates and judgement that form the basis for recognition and measurement of assets, liabilities and items in the income statement. The most significant accounting estimates and judgements are stated below.

Determining the carrying amount of certain assets and liabilities requires judgements, estimates and assumptions relating to future events and is therefore by nature subject to uncertainty.

Particular risks referred to in the Risk Management section of the Management Review may have a substantial influence on the accounting risks.

In the financial statements for 2015, attention is particularly drawn to the following assumptions and uncertainties as these substantially influence the assets and liabilities recognised in the statements and may be adjusted in subsequent accounting years if the assumed course of events is not realised as anticipated:

- Construction contracts are measured at contract work performed, less prepayment received from the customers and anticipated losses. The percentage of completion is determined from an assessment based on 6 indicators of the stage of completion. The contract value is measured based on the total expected income on the individual contracts - claim income is further mentioned below. The total expected expenses are partly based on estimates as reservations are included for unforeseen cost deviations to plan cost due to project risks, disputes etc.

- BWSC has a material claim related to diesel projects in the Middle East. Currently, the claim negotiations have not been finalised, and a material part of claim income cannot be recognised as income in the project account. The outcome of the claim settlement is uncertain and can have a materially positive impact on profit before tax when the claim has been settled.

- Provisions are based on best estimate of the amount at which the obligation is expected to be discharged. Provision consists mainly of warranty provisions and other provisions.

Accounting judgements

In applying the accounting policies the subsidiary BWSC makes judgments concerning recognition principles to use. Especially related to when income and expenditure relating to third-party contracts must be treated in accordance with the percentage of completion method (construction contracts) compared to sale of goods. The subsidiary BWSC has for each group of transactions assessed, whether products contain a sufficiently high degree of individual adjustment to qualify for recognition as a construction contract under the percentage of completion method. If this is not the case the products are recognized as revenue on sale of finished products.

Going concern

The Company is required to decide whether the financial statements can be presented on a "going concern" basis. Based on budgets, forecast and expectations of future cash flow, etc. the Company is of the opinion that there are no factors giving reason to doubt whether the Company can continue operating for at least 12 months from the balance sheet date.

Recognition and measurement in general

Assets are recognized in the balance sheet, when it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

Liabilities are recognised in the balance sheet, when it is probable that future economic benefits associated with the liabilities will flow from the Company and the cost of the liabilities can be measured reliably.

At initial recognition assets and liabilities are measured at cost. Assets and liabilities are afterwards measured as described below for each balance sheet item.

Consolidation

The consolidated financial statements are prepared on the basis of audited financial statements of the parent company and each subsidiary by aggregating items of a similar nature and by eliminating intra-group transactions.

The project financial statements of international contracting activities are translated into Danish kroner as follows: The items in the income statement and the balance sheet are translated according to a weighted project rate, corresponding to the exchange rates according to forward exchange hedging contracts entered into. As the exchange rates applied are the same during the entire project period, generally no exchange rate differences arise on large projects.

The financial statements of foreign subsidiaries that operate as independent entities are translated into Danish kroner as follows: The items in the income statement are translated at average rates that do not differ materially from the exchange rates ruling at the date of transaction. Balance sheet items are translated into closing exchange rates. Exchange rate differences are recognised directly in equity.

The financial statements of international subsidiaries that operate as integrated entities are translated into Danish kroner as follows: The items in the income statement are translated at average rates that do not differ materially from the exchange rates ruling at the date of transaction. Current assets and liabilities are translated at closing exchange rates, whereas fixed assets and long-term liabilities are translated at historical rates. Exchange rate differences are recognised in the income statement.

The items from the subsidiaries are consolidated into the Group's Financial Statements 100% line-by-line. The minority interest's proportional share of the net result and equity of the subsidiaries is included as separate items under the consolidated net profit and equity.

Enterprises in which the Group holds between 20% and 50% of the voting rights or in some other way has significant influence, but not control, are regarded as associated companies as described under the item "Financial Fixed Assets".

Investments in joint ventures are treated in the same way as investments in associated companies.

Foreign currency translation
Transactions in foreign currency are translated at the exchange rate at the transaction date. Exchange rate differences arising between the exchange rate at the transaction date and the payment date are recognised in the Income Statement.

Receivables, payables and other monetary items in foreign currency, which are not paid at the balance sheet date, are translated at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the time when the receivable or payable is incurred is recognised in the Income Statement.

Derivative financial instruments
Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently measured according to fair value. The fair value of derivative financial instruments is included in other debtors (positive fair value) or other creditors (negative fair value) as the case may be.

Changes in the fair value of derivative financial instruments that hedge the fair value of already recognised assets or liabilities are recognised in the income statement under financial income or financial costs together with changes in the value of the assets and liabilities hedged.

Derivative financial instruments used to hedge expected future transactions regarding specific projects or interest payments are measured at fair value on the balance sheet date, and value adjustments are recognised directly in the equity until the hedged item is realised. When the hedged item is realised, the changes in value are recognised in the same accounting entry as the hedged item, as stated above by transferring the changes in value from the equity to the Income Statement.

Derivative financial instruments which are not held for hedging purposes regarding specific projects or interest payments are recognised in the balance sheet at fair value on the balance sheet date. Value adjustments are recognised in the income statement under financial income and financial costs.

INCOME STATEMENT

Revenue

The Group's revenue is derived from contract activities, service contracts, etc.

Contract work and operational contracts are recognized according to the percentage-of-completion method. Profits on contracts are recognised by reference to actual stage of completion, based on an estimate allowing for both known and expected additional costs. In connection with consortiums, only the Group's share is taken into account.

Stage of completion is determined on the basis of an assessment of the work carried out, evaluated on the basis of 6 indicators for the stage completion, including among others hours incurred in relation to the total budgeted hours, costs incurred on the projects compared to the total estimated costs and final delivery of the project.

Realised profits on completed contracts are recognised net of provisions for warranties.
Income from spare part contracts is recognised when invoiced.

Costs of Production

Costs of production comprise expenses, including wages and salaries and depreciation made for purposes of generating the year's net revenue, including direct and indirect costs related to raw materials and consumables, wages and salaries, rent and leases and depreciation.

Research costs, development costs that do not qualify for capitalisation and depreciation of capitalised development costs, are recognised as costs of production.

Write-downs in connection with expected losses on contract activities are recognised as costs of production.

Sales Costs

Costs related to offers and orders, including expenses related to sales personnel, marketing, including costs for Independent Power Producer (IPP) project development, and internal development projects, are recognised as sales costs.

Administrative Costs

Costs related to management and group administration, including costs related to administrative officers, management, office premises, office expenses, depreciation etc. are recognised as administrative costs.

The administrative costs that are included in production overheads are transferred to production overheads.

Net Financials

Financial income and costs include interest income and costs, realised and unrealised capital gains and losses, payables and transactions in foreign currency, amortisation of financial assets and liabilities and surcharges and allowances under the advance-payment-of-tax scheme, etc. financial income and costs are recognised at the amounts relating to the reporting period.

Tax

The estimated tax charge for the year is recognised in the Income Statement and is recorded as a current liability in the Balance Sheet. Non-refunded dividend tax concerning dividends from foreign subsidiaries is expensed in the year in which the dividend is declared.

The Company and the Danish subsidiaries are jointly taxed. The tax of the joint taxation income is fully allocated by payment of joint taxation contributions.

Deferred tax resulting from timing differences between income and expenses in the financial statements and the statement of taxable income and from tax loss carry-forwards is provided for in the balance sheet. Changes in the deferred tax charge for the year are taken to the income statement. Actual and deferred tax related to equity movements is recognised directly in equity.

BALANCE SHEET

Intangible and Tangible Fixed Assets

Intangible fixed assets and property, plant and equipment are measured at cost plus subsequent additions and revaluation and less accumulated amortisation/depreciation and write-downs.

Amortisation/depreciation in the year is provided on a straight-line basis over the estimated useful lives of the individual assets, using the following periods:

Office building	100	years
Warehouse	25	years
Installations	10	years
Cars	5	years
Plant and equipment	5	years
Fixtures and fittings	3-10	years
IT software	3-7	years
IT hardware	3	years

Financial Fixed Assets

Investments in subsidiaries, associated companies and joint ventures are recognised at the Company's proportionate share of the net assets of the companies, calculated by reference to the accounting polices applied by the Parent Company, adjusted for unrealised intra-group profits and losses (the equity method).

Subsidiaries, associated companies and joint ventures whose net asset value is negative are recognised at DKK 0, and any receivables from these companies are written down by the Company’s share of the negative net asset value. If the net asset value exceeds the receivables, the residual amount is recognized under provisions provided that the Company has a legal or actual obligation to cover the subsidiaries’ deficits.

Net revaluation of investments in subsidiaries, associated companies and joint ventures is taken to equity as a net revaluation reserve according to the equity method to the extent that the carrying amount according to the equity method exceeds the cost.

Newly acquired or newly established companies are recognized in the financial statements from the time of acquisition. Companies sold or otherwise disposed of are recognized until the time of sale.

Profits or losses on the sale of subsidiaries and associated companies are stated as the difference between the selling price and the carrying amount of the net assets at the time of sale and expected costs related to the sale and/or disposal and recognised in the income statements under net financials.

The takeover method is applied to newly acquired subsidiaries, associated companies and joint ventures. Thus, the assets and liabilities of such companies are measured at fair value at the time of acquisition.

Inventories

Inventories, including prepayments for goods, are measured at cost according to the FIFO principle. However, inventories are written down to the lower of cost or net realisable value.

Receivables

Receivables, etc. are measured at amortised cost, which usually equals the nominal value.

Write-downs for bad debts are based on individual assessments if there is an objective indication that a receivable is impaired.

Contract Work in Progress

Contract work in progress is measured by reference to the stage of completion. Reference is made to the section Net Revenue.

The sales value is based on the stage of completion at the balance sheet date and the total expected income on the individual work in progress.

The individual work in progress is recognised in the balance sheet under receivables or liabilities other than provisions, dependent on the net value of the selling price less payments on account and prepayments. Costs related to sales work and contracts are recognised in the income statement as incurred.

Prepayments

Payments, made or received concerning costs or income in subsequent years are recognised under prepayments.

Warranty Provisions

Warranty provision comprises commitments to repair work within the guarantee period. Provisions are measured and recognised based on previous experience with guarantee work.

Other Provisions

Provisions comprise expected remaining costs relating to delivered contracts expected costs to performance guarantees.

When it is probable that the total costs will exceed the total income on contract work in progress, a provision is made for the total loss expected to be incurred on the work. The provision is recognised as a cost under production costs.

Proposed Dividend for the Year

Proposed dividend for the year is included in the equity.

Financial Liabilities

Financial liabilities are recognised from the raising of the loan at the proceeds received net of transaction costs incurred.

Financial liabilities are subsequently measured at amortised cost, equalling the capitalised value, using the effective interest rate method. The difference between the proceeds and the nominal value is thus recognised in the Income Statement over the loan term.

Other financial liabilities, which comprise trade payables, payables to subsidiaries and associated companies and other payables, are measured at amortised cost, which usually corresponds to the nominal value.

Cash Flow Statement

The cash flow statement shows the Group's net cash flows for the year, broken down by operating, investing and financing activities, changes in cash and the Group's cash at the beginning and at the end of the year.

A cash flow statement for the parent company has not been prepared in accordance with §86,4 of the Danish Financial Statements Act.

Cash Flows from Operating Activities

Cash flows from operating activities are made up as the net profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes.

Cash Flows from Investing Activities

Cash flows from investing activities comprise payments related to additions and disposals of companies and activities and additions and disposals of intangible assets, property, plant and equipment and investments.

Cash Flows from Financing Activities

Cash flows from financing activities comprise changes in the size or composition of share capital and related costs, raising of loans and repayments of interest-bearing debt and dividends distributed to shareholders.

Key Figures

Analysis of the financial ratios included in the group financial highlights:

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Net revenue}}$
Profit ratio	$\frac{\text{Profit before tax x 100}}{\text{Net revenue}}$
Solidity ratio	$\frac{\text{Equity at year-end x 100}}{\text{Total equity and liabilities at year-end}}$
Return on equity	$\frac{\text{Profit after tax x 100}}{\text{Average equity}}$

Income Statement
(In DKK thousands)

Parent company 2014	Parent company 2015	Notes		The Group 2015	The Group 2014
0	0	1	Revenue	2,105,699	1,815,012
0	0		Costs of production	-1,861,767	-1,684,062
0	0		**Gross profit**	243,932	130,950
0	0		Sales costs	-46,434	-40,011
-1,238	-1,129		Administrative costs	-112,743	-96,864
0	0		Other operating income	0	4,788
-1,238	-1,129		**Operating profit/loss**	84,755	-1,137
11,477	76,428	5	Profit on investments in subsidiaries	0	0
0	0	5	Profit on investments in associated companies	7,803	15,264
10,239	75,299		**Profit before non-operating items**	92,558	14,127
61	14		Financial income	11,849	9,687
-1	-1		Financial costs	-4,751	-3,695
10,299	75,312		**Profit before tax**	99,656	20,119
289	262	2	Tax on profit for the year	-24,082	-3,599
10,588	75,574		**Profit for the year**	75,574	16,520
			Minority interests	0	-5,932
			The Parent Company's share of profit for the year	75,574	10,588

It is recommended that the profit of the year, DKK 75,574 thousands, is appropriated as follows:

	Parent company
Proposed dividend	36,000
Transferred to net revaluation reserves	40,428
Retained profit	-854
	75,574

Balance Sheet 31 December
Assets
(In DKK thousands)

Parent Company 2014	Parent Company 2015	Notes		The Group 2015	The Group 2014
0	0		Software and goodwill	22,318	21,023
0	0	3	**Intangible fixed assets**	22,318	21,023
0	0		Land and buildings	69,339	70,558
0	0		Fixture and fittings, tools and equipment	8,350	7,010
0	0	4	**Tangible fixed assets**	77,689	77,568
628,116	726,608		Investments in subsidiaries	0	0
0	0		Investments in associated companies	448,442	264,468
0	0		Other securities	1,499	1,499
628,116	726,608	5	**Financial fixed assets**	449,941	265,967
628,116	726,608		**Total fixed assets**	549,948	364,558
0	0		Raw materials and consumables	1,885	4,323
0	0		**Inventories**	1,885	4,323
0	0		Trade debtors	63,378	45,349
0	0	6	Contract work in progress	363,634	258,676
0	0		Amounts owed by associated companies	7,316	17,001
289	262		Receivable corporate taxes	614	7,738
1,227	99		Other debtors	69,731	73,910
0	0		Prepayments	6,119	3,156
1,516	361		**Debtors**	510,792	405,830
35,523	23,025		**Cash and cash equivalents**	796,696	743,060
37,039	23,386		**Total current assets**	1,309,373	1,153,213
665,155	749,994		**TOTAL ASSETS**	1,859,321	1,517,771

Balance Sheet 31 December
Equity and Liabilities
(In DKK thousands)

Parent Company 2014	Parent Company 2015	Notes		The Group 2015	The Group 2014
60,000	60,000		Share capital	60,000	60,000
463,116	576,608		Net revaluation reserve according to the equity method	23,769	25,199
0	0		Reserves for financial instruments	-25,122	-18,534
114,018	77,164		Retained earnings	655,125	570,469
13,000	36,000		Proposed dividend	36,000	13,000
650,134	749,772		Equity owned by shareholders of Mesco A/S	749,772	650,134
			Minority interests	0	1,551
			Equity	749,772	651,685
0	0	7	Deferred tax	33,399	19,401
0	0		Warranty provisions	25,029	27,820
0	0	8	Other provisions	39,523	50,757
0	0		**Provisions**	97,951	97,978
0	0		Mortgage debt	21,986	25,150
0	0		Other long-term liabilities	6,067	0
0	0	9	**Long-term liabilities**	28,053	25,150
0	0		Mortgage debt, short-term	3,113	3,084
0	0	6	Prepayments received from customers	661,245	396,708
60	0		Trade creditors	214,685	248,742
14,792	0		Amounts owed to related companies	4,804	6,857
0	0		Amounts owed to associated companies	3,485	234
0	0		Corporate tax	3,357	6,403
169	222	10	Other creditors	92,856	80,930
15,021	222		**Current liabilities**	983,545	742,958
15,021	222		**Total long-term and current liabilities**	1,011,598	768,108
665,155	749,994		**TOTAL EQUITY AND LIABILITIES**	1,859,321	1,517,771

Note 11: Audit fees
Note 12: Staff costs etc.
Note 13: Derivative financial instruments
Note 14: Transactions between related parties
Note 15: Contingency liabilities, security for loans, etc.

Statement of changes in Equity
(In DKK thousands)

Parent Company

	Share capital	Net revaluation reserve	Financial instrum.	Retained earnings	Dividend proposed	Total
Balance at 1 January 2015	60,000	463,116	0	114,018	13,000	650,134
Dividends paid	0	0	0	0	-13,000	-13,000
Profit of the year	0	76,428	0	-854		75,574
Proposed dividend for 2015	0	0	0	-36,000	36,000	0
Changes in financial instruments	0	-8,612	0	0	0	-8,612
Tax on changes in equity	0	2,024	0	0	0	2,024
Foreign exchange adjustment etc. of subsidiaries, joint ventures and associated companies	0	43,652	0	0	0	43,652
Other changes in equity	0	0	0	0	0	0
Equity at 31 December 2015	60,000	576,608	0	77,164	36,000	749,772

There have been no changes in the share capital during the last 5 years. The share capital is divided into 60 shares of DKK 1 million each.

The Group

	Share capital	Net revaluation reserve	Financial instrum.	Retained earnings	Dividend proposed	Total
Balance at 1 January 2015	60,000	25,199	-18,534	570,469	13,000	650,134
Dividends paid	0	-7,730	0	7,730	-13,000	-13,000
Profit of the year	0	7,803	0	67,771	0	75,574
Proposed dividend for 2015	0	0	0	-36,000	36,000	0
Changes in financial instruments	0	0	-8,612	0	0	-8,612
Tax on changes in equity	0	0	2,024	0	0	2,024
Foreign exchange adjustment etc. of subsidiaries, joint ventures and associated companies	0	41,902	0	1,750	0	43,652
Other changes in equity	0	-43,405	0	43,405	0	0
Equity at 31 December 2015	60,000	23,769	-25,122	655,125	36,000	749,772

Dividend from the subsidiary Company, which has been declared after the balance sheet date, but prior to adoption of the Annual Report of Mesco Denmark A/S, has been deducted from the net revaluation reserve.

Cash Flow Statement
(In DKK thousands)

The Group

	Notes	2015	2014
Operating profit		84,755	-1,137
Adjustments	16	39,970	72,370
Changes in working capital	17	130,974	268,616
Cash flows from operating activities before net financials		255,699	339,849
Financial income		11,694	9,522
Financial costs		-4,750	-1,023
Cash flows from ordinary activities		262,643	348,348
Taxes paid		-3,982	-13,545
Cash flows from operating activities		258,661	334,803
Additions of tangible assets		-5,810	-5,107
Additions of intangible assets		-11,610	-6,783
Dividends received from associated companies		7,867	9,902
Investments in associated companies		-197,889	-194,516
Disposals of investments in associated companies		12,485	75,222
Cash flows from investing activities		-194,957	-121,282
Deposits received		6,067	0
Repayment of mortgage debt		-3,135	-3,055
Dividends distributed		-13,000	-27,500
Cash flows from financing activities		-10,068	-30,555
Cash at beginning of year		743,060	560,094
Changes in cash		53,636	182,966
Cash at year-end		796,696	743,060

The cash flow statement cannot be derived directly from the Income Statement and Balance Sheets.

Notes
(in DKK thousands)

Note 1 Revenue

Parent Company 2014	Parent Company 2015		The Group 2015	The Group 2014
0	0	Final invoicing	924,725	1,222,944
0	0	Changes in contract work in progress	1,180,974	592,068
0	0		2,105,699	1,815,012

Revenue for the year is divided into the following geographical segments:

Parent Company 2014	Parent Company 2015		The Group 2015	The Group 2014
0	0	South and Central America	411,256	288,756
0	0	Southeast Asia	35,632	53,070
0	0	Africa and Middle East	308,008	589,876
0	0	Europe	1,350,803	883,310
0	0		2,105,699	1,815,012

Note 2 Tax for the year

Parent Company 2014	Parent Company 2015		The Group 2015	The Group 2014
-289	-262	Income tax payable	5,878	21,332
0	0	Deferred tax	15,776	-17,876
0	0	Change in tax rate	-1,756	-1,325
0	0	Tax on changes in equity	2,024	605
0	0	Adjustment of tax concerning previous years	1,613	-401
0	0	Paid dividend tax abroad	547	1,264
-289	-262		24,082	3,599

Notes
(in DKK thousands)

Note 3 **Intangible assets**

	The Group		
	Software	**Goodwill**	**Total**
Cost at 1 January 2015	45,271	0	45,271
Additions in the year	9,423	2,187	11,610
Cost at 31 December 2015	54,694	2,187	56,881
Deprecation at 1 January 2015	24,248	0	24,248
Deprecation for the year	9,829	486	10,315
Deprecation at 31 December 2015	34,077	486	34,563
Book value at 31 December 2015	20,617	1,701	22,318
Book value at 31 December 2014	21,023	0	21,023

Deprecation for the year DKK 10,315 thousand is included in administrative costs (DKK 7,331 thousand in 2014).

Notes
(in DKK thousands)

Note 4 Tangible fixed assets

	The Group	
	Fixture and fittings, tools and equipment	**Land and buildings**
Cost at 1 January 2015	24,445	116,480
Currency adjustment at 1 January 2015	237	0
Additions in the year	5,403	407
Disposals in the year	-1,977	0
Cost at 31 December 2015	28,108	116,887
Deprecation at 1 January 2015	17,435	45,922
Currency adjustment at 1 January 2015	82	0
Deprecation for the year	3,390	1,626
Deprecation of disposals	-1,149	0
Deprecation at 31 December 2015	19,758	47,548
Book value at 31 December 2015	8,350	69,339
Book value at 31 December 2014	7,010	70,558

Deprecation for the year is included in:

	2015	**2014**
Cost of production	968	1,064
Sales costs	70	70
Administrative costs	3,978	3,789
	5,016	4,923

Notes
(in DKK thousands)

Note 5 Financial fixed assets

Parent Company Investments Subsidiaries		The Group Associated Companies	The Group Other securities
150,000	Cost at 1 January 2015	239,269	1,514
0	Additions in the year	197,889	0
0	Disposals in the year	-12,485	0
150,000	Cost at 31 December 2015	424,673	1,514
478,116	Revaluations/write-downs at 1 January 2015	25,199	-15
76,428	Profit share	7,803	0
-6,588	Changes in financial instruments	0	0
43,652	Foreign exchange adjustments etc.	41,902	0
-15,000	Distribution of dividend to parent company	-7,867	0
0	Elimination intercompany profit	-44,875	0
0	Other adjustments	1,607	0
576,608	Revaluations/write-downs at 31 December 2015	23,769	-15
726,608	**Book value at 31 December 2015**	**448,442**	**1,499**
628,116	Book value at 31 December 2014	264,468	1,499

As per 31 December 2015, the accumulated elimination of the proportionate share of the intercompany profit of mDKK 88.4 (2014: mDKK 43.5) before tax has been deducted from the investments in associated companies

Notes
(in DKK thousands)

Note 6 Work in progress

Parent Company 2014	Parent Company 2015		The Group 2015	The Group 2014
0	0	Sales value of production in progress	3,348,704	2,167,730
0	0	Invoiced on account	-3,646,315	-2,305,762
0	0	Contract work in progress, net	-297,611	-138,032
		Classified as follows:		
0	0	Receivables	363,634	258,676
0	0	Prepayments received from customers	-661,245	-396,708
0	0		-297,611	-138,032

Note 7 Deferred tax

Parent Company 2014	Parent Company 2015		The Group 2015	The Group 2014
-361	-289	Deferred tax at 1 January	19,112	38,763
0	0	Adjustment concerning previous years	454	-522
0	0	Change in tax rate	-2,232	-1,325
72	289	Deferred tax	16,065	-17,804
-289	0		33,399	19,112
		Deferred tax can be specified as follows:		
0	0	Tangible fixed assets	11,680	12,796
0	0	Financial fixed assets	-19,434	-10,213
0	0	Contract work in progress etc.	55,535	18,255
0	0	Current assets	-1,056	-948
0	0	Provisions	0	-489
0	0	Liabilities other than provisions	0	0
-289	0	Tax deficit	-13,326	-289
-289	0		33,399	19,112
		Deferred tax distributed on		
289	0	Tax assets	0	289
0	0	Tax liabilities	-33,399	-19,401
289	0		-33,399	-19,112

Notes
(in DKK thousands)

Note 8 Other Provisions

Other Provisions DKK 39.5 million (2014: DKK 50.7 million) cover estimated remaining liabilities in connection with finalised contracts, other than warranty provisions.

Approximately 90% of other provisions is expected to be settled within the next 12 months from the balance sheet date.

Note 9 Mortgage debt

Long-term debts maturing after 5 years from the end of the fiscal year amount to DKK 15.6 million (2014: 12.7 million).

Note 10 Other creditors

Parent Company			The Group	
2014	2015		2015	2014
169	162	Payable payroll related costs	41,922	26,556
0	0	Financial instruments	42,284	42,460
0	0	Payable VAT	3,403	1,310
0	60	Other accrued expenses, etc.	5,247	10,604
169	222		92,856	80,930

Note 11 Audit fees

Parent Company			The Group	
2014	2015		2015	2014
60	55	Audit fee	862	973
0	0	Other declaration assignments	63	45
0	0	Tax advisory fee	222	741
0	0	Other fees	345	874
60	55		1,492	2,633

Notes
(in DKK thousands)

Note 12 **Staff costs etc.**

Parent Company 2014	Parent Company 2015		The Group 2015	The Group 2014
980	980	Wages and salaries	326,747	233,748
4	4	Social security costs	5,018	2,665
984	984		331,765	236,413
		Including remuneration for:		
984	984	Board of Directors of Parent Company	984	984
1	1	Average number of employees	558	485

Note 13 **Derivative financial instruments**

The subsidiary BWSC manages the currency hedging as well as the Group cash management. The major part of BWSC's cash flow are in DKK, EUR, USD and GBP. For projects and/or IPP's (Independent Power Producer), future cash flow and net positions in currencies other than EUR and DKK will be hedged initially upon contract signing and during the project execution, if changes in currency net positions occur. Subsequently, investment in subsidiaries, and associated companies in foreign currency are not hedged.

Foreign exchange forwards contracts are used to hedge future cash flow and net positions. Interest rate swaps are used to hedge interest rate exposure on borrowings.

The market value of open derivative financial instruments allocated by type as follows:

Open foreign exchange transactions and options as of 31 December 2015:

	Principal amount in DKK thousands		
	Sold	Bought	Net market value
USD	27,631	0	-2,748
GBP	679,353	9,050	-25,793
EUR	111,938	0	-858
CHF	0	14,092	-211

Notes

(in DKK thousands)

Note 13. Derivative financial instruments (continued)

The Company has made interest swaps to hedge payment of interest on a mortgage loan with variable interest. The principal of the loan at 31 December 2015 is mDKK 25.1 (2014: mDKK 28.2) with a maturity of 8 years. The market value of the interest swaps as per 31 December 2015, amounted to mDKK -4.6 (2014: mDKK -5.6) which has been accounted for in the equity.

Of the net market value for foreign exchange hedging mDKK 29.6 the main part mDKK 28.8 is recognised in the equity.

The market value of foreign exchange hedging recognised in the equity amounts to mDKK 34.2 (2014: mDKK 31.8). The maturity is as follows:

- Within one year mDKK -28.3 (2014: mDKK -13.2)
- Between one and five years mDKK -0,4 (2014: mDKK -5.9)
- Later than five years mDKK -4.6 (2014: mDKK -5.6)

Note 14. Transactions between related parties

Purchase of diesel engines, spare parts, guarantees etc. from Mitsui Engineering & Shipbuilding Co., Ltd., Japan and sale of goods to Subsidiaries and Associated Companies have taken place at market conditions.

Apart from intercompany transactions which have been eliminated in the Group accounts, plus usual management fee, no transactions have been made with the Board of Directors, Management group, Subsidiaries, and Associated Companies or other related parties during the year.

Group relationships
Burmeister & Wain Scandinavian Contractor A/S is 100% owned by MESCO Denmark A/S. The ultimate Parent Company is Mitsui Engineering & Shipbuilding Co., Ltd., which prepares the accounts for the group in which BWSC and Mesco is included.

Group accounts for the Parent Company can be obtained from: Mitsui Engineering & Shipbuilding Co., Ltd., 6-4, Tsukiji 5-chome, Chou-ku, Tokyo 104-8439, Japan or via www.mes.co.jp.

Notes

(in DKK thousands)

Note 15. Contingency liabilities, security for loans, etc.

The Group has not entered into any material leasing obligations.

The company is party to disputes and litigation from time to time which is normal for the Group's business. It is not estimated that the outcome of such disputes or litigation will have a material impact on the Group's financial position.

The Company is jointly taxed with the other Danish entities in the Mesco Denmark Group. As management Company, the Company is jointly and severally liable, together with the other jointly taxed entities, for Danish income taxes and withholding taxes on dividends, interest and royalties within the Group of jointly taxes entities. Any subsequent adjustments of the joint taxable income or withholding taxes may result in an increase of the Company's liability.

Land and buildings with a book value of mDKK 69 (2014: mDKK 71) has been provided as security for mortgage debt. The total mortgage debt is mDKK 25 (2014: mDKK 28).

For a subsidiary service company in the UK, which has entered into a number of long term Operation and Maintenance contracts the Subsidiary Burmeister & Wain Scandinavian Contractor A/S has issued a parent company guarantee for the duration of the O&M contracts lifetime. The duration of the O&M contracts are up to 20 years.

The subsidiary Burmeister & Wain Scandinavian Contractor A/S has invested in power plants via associated companies and the not paid in committed capital in associated companies amounts to mDKK 55 at 31 December 2015. The not paid in capital will be paid in during 2016.

Notes
(in DKK thousands)

Note 16 Cash flow adjustments

	The Group	
	2015	2014
Amortization/deprecation	15,331	12,254
Changes in provisions	-14,025	37,333
Profit/loss on the sale of fixed assets	0	-4,906
Derivative financial instruments	-6,211	8,426
Elimination of intercompany profit	44,875	19,263
	39,970	72,370

Note 17 Changes in working capital

	The Group	
	2015	2014
Changes in inventories	2,438	135
Changes in contract work in progress	159,579	245,864
Changes in trade receivables	-18,029	345
Changes in receivables from group enterprises and associates	10,513	3,024
Changes in other receivables	1,603	-1,004
Changes in prepayments and deferred income	-2,963	1,287
Changes in trade payables	-34,058	25,895
Changes in payables to group enterprises	1,198	1,472
Changes in other payables	10,693	-8,402
	130,974	268,616