Fairwind Holding ApS

Hjulmagervej 6, 7100 Vejle

CVR no. 25 64 27 08

Annual report 2016

Approved at the annual general meeting of shareholders on 24 May 2017

Chairman:

R Kildegaard
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Building a better
working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Fairwind Holding ApS for the financial year 1 January - 31 December 2016.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2016 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

Vejle, 24 May 2017
Executive Board:

John Jørgen Funch

Board of Directors:

Hans Steffen Steffensen Chairman	Thomas Bechmann	Hans Christian Gabelgaard

Independent auditor's report

To the shareholders of Fairwind Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Fairwind Holding ApS for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity, consolidated cash flow statement and notes, including accounting policies, for both the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2016, and of the results of the Group and parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 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 consolidated financial statements and the parent Company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. 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 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 as 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.

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

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the Parent Company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the Parent Company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent auditor's report

Statement on Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 consolidated financial statements and the parent company 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.

Odense, 24 May 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised Public Accountant

Morten Østergaard Koch
State Authorised Public Accountant

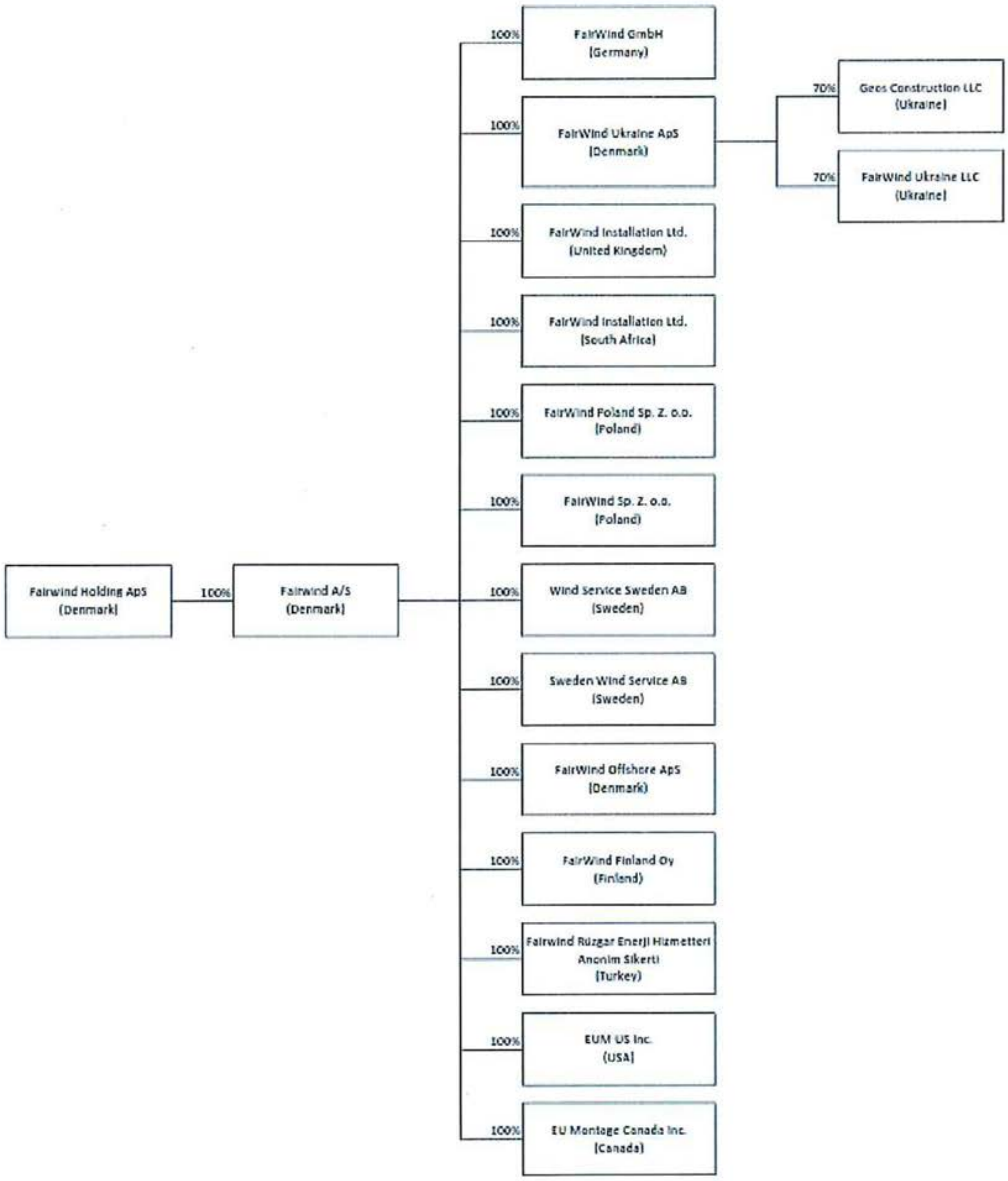
Management's review

Company details

Name	Fairwind Holding ApS
Address, Postal code, City	Hjulmagervej 6, 7100 Vejle
CVR no.	25 64 27 08
Established	18 December 2013
Registered office	Vejle
Financial year	1 January - 31 December
Website	www.fairwind.dk
Telephone	+45 75 11 76 20
Board of Directors	Hans Steffen Steffensen, Chairman Thomas Bechmann Hans Christian Gabelgaard
Executive Board	John Jørgen Funch
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark
Bankers	Sydbank Store Torv 12, 8000 Aarhus C

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2016	2015	2014
Key figures			
Revenue	448,057	315,256	0
Gross margin	91,878	73,258	40,770
Operating profit/loss	15,045	18,235	8,747
Net financials	-6,136	-4,560	-2,542
Profit/loss for the year	1,026	5,153	3,690
Total assets	341,532	249,843	184,727
Equity	59,066	51,409	41,816
Cash flows from operating activities	-1,846	-16,501	-16,472
Net cash flows from investing activities	-35,015	-12,858	-113,174
Investment in property, plant and equipment	-13,995	-13,669	-7,313
Cash flows from financing activities	12,045	25,223	67,463
Total cash flows .	-24,816	-4,136	-62,183
Financial ratios			
Return on assets	5.1%	8.4%	7.9%
Solvency ratio	17.3%	20.3%	22.4%
Return on equity	1.9%	11.2%	9.2%
Average number of employees	154	147	127

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Revenue for 2014 is not disclosed with reference to the Danish Financial Statements Act section 32.

Management's review

Management commentary

Business review

The group's principal activities are installation of wind turbines and other related services.

Financial review

The profit for the year amounts to DKK 1,026 thousand (2015: DKK 5,153 thousand) and total equity amount to DKK 59,066 thousand (2015: DKK 51,409 thousand), which does not quite meet the expectations set forth in the annual report 2015.

Management considers the development in turonver and activity as satisfacoty but there is room for improvement in the gross margin and therefore profit for the year is not satisfactory.

At the end of 2016 the group acquired all shares in EUM US Inc. and EU Montage Canada Inc. The acquisition does not have impact on current year income statement, but it has resulted in an increased balance sheet due to full consolidation of assets and lialbilities as of 31 December 2016. The acquisition will have a positive impact on the income statement for 2017.

Special risks

General risks

The group is not exposed to specific risks which are not common for the type of business activates performed by the group except for currency risks mentioned below.

Currency risks

The group has activities in a variety of countries around the world. Some countries have volatile currencies, which exposes the group to currency risks due to increase or decrease in local currencies compared to DKK.

Research and development activities

The group has no significant research and development activities.

Statutory CSR report

FairWind's CSR policy and responsibility is valid for all employees in FairWind.

We have displayed social responsibility since 2008

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

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

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

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

- Flexible: FairWind is always flexible and adaptable in order to suit the needs of our clients in the best way possible.
- Agile: FairWind is capable of rapid response to unexpected challenges, events, and opportunities. Built on policies and processes that facilitate speed and change, we aim to achieve continuous competitive advantages in serving our customers.

Management's review

Management commentary

- Initiative: FairWind prefers to be first mover within many different areas. This is done by fostering a culture where people take initiatives on their own due to a problem that needs to be solved or a customer that has special needs.
- Responsible: FairWind believes that a responsible business = a profitable business. Profitability should never override all other considerations. How our profits are made is extremely important to us and therein lies the key to all other areas of responsibility that we try to improve continuously.

We seek the dialogue

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

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

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

UN GLOBAL COMPACT - FairWind´s commitment to the 10 principles

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

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

FairWind supports and respects the protection of internally proclaimed human rights within the boundaries of what is influenced by the company.

- FairWind ensures that the company does not contribute to the violation of human rights.
- FairWind maintains the freedom of assembly and acknowledges the right of collective bargaining.
- FairWind supports the elimination of all forms of forced labor.
- FairWind supports the elimination of child labor.
- FairWind supports the elimination of discrimination related to work and employment conditions.
- FairWind supports a precautionary approach to environmental challenges.
- FairWind takes initiatives to promote greater environmental responsibility.
- FairWind encourages development and dispersion of environmental technologies.
- FairWind opposes all forms of corruption, extortion and bribery.

Management's review

Management commentary

Code of Conduct

FairWind's Code of Conduct is a set of principles for ethical behavior. It defines what we believe is a responsible ethical, social and environmental practice. It sets out clearly what is expected from our personnel.

As a global company, FairWind has personnel of many different nationalities, religious beliefs, cultures and political views. FairWind personnel are subject to various local laws and regulations. Although the Code of Conduct is applicable and enforceable in any country where FairWind performs its activities, personnel are also subject to the national laws and regulations in their respective countries of activity and to any laws in their own countries. FairWind will comply with the laws of every jurisdiction in which it operates. Where a local law sets higher standards than those set out in our Code of Conduct, the local law takes precedence. The Code of Conduct proposes a set of minimum standards. FairWind business units may set stricter standards, as long as these do not conflict with the Code of Conduct.

The Code of Conduct applies to all FairWind personnel. Moreover, all FairWind managers and supervisors must act as role models for staff by adhering to the principles set out in the Code of Conduct. Managers and supervisors have a duty to inform, encourage and monitor personnel who report to them in relation to the Code of Conduct. All managers must support personnel who raise questions or concerns in the conduct of their professional activities.

The full version of FairWind's Code of Conduct is available online at www.fairwind.dk.

Employees and work environment

The target

FairWind wants to bring down the number of work related incidents and near misses in operations as well as secure a low rate of absence due to illness. FairWind's goal for work environment is that the accident frequency rate in 2017 can be no higher than 2. The accident frequency rate is measured as the number of incidents multiplied by 200,000 and divided by the amounts of working hours in a year.

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

Achieving the target

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

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

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

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

The result

The increased focus on safety means that FairWind has only had 6 work related incidents in 2016. In 2015 FairWind had 11 work related incidents.

We are proud of our incident statistics.

The accident frequency rate in FairWind in 2016 was 1.6 compared to a Danish country average of 2.7 according to Dansk Arbejdsgiverforening.

Management's review

Management commentary

Environment and climate

The target

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

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

Achieving the target

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

In relation to the internal environment we strive to arrange work processes with consideration of the environmental im-pact. In relation to the external environment we strive to comply with relevant environmental legislation and we continuously work with resource and energy optimization.

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

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

Additionally, FairWind is certified according to ISO 14001.

The result

There have not been issued any enforcement notices from the environmental authorities in 2016 and our own self-regulation has not revealed any violations of the environmental law either.

Account of the gender composition of Management

The target

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

FairWind has a target of having 15 % of board members in FairWind Holding ApS being female.

The result

As per 31/12-2016 status is that there are no female board members.

We have 11 female managers or middle managers equivalent to 21.5 % of the total group of managers and middle managers.

Closing Statement

FairWind's CSR policy is long-term and future-oriented but also an important point of orientation in the daily operations for FairWind's managers and employees. The CSR policy will secure progress and results.

At FairWind we will continuously work on expanding our CSR policy as more relevant areas are included. It is our belief, that a sound CSR policy changes as our surroundings change. Our wish is to always be closely connected to, and in close dialogue with, both our global and local environments.

Management's review

Management commentary

Events after the balance sheet date

No subsequent events have occurred post the balance sheet date which has a significant impact on the Group's financial position.

Outlook

Management expects the group to continue the positive development in activity but with improvement in gross margin. In 2017 Management will improve the group's IT systems and develop our QHSE department. Management expects a profit for 2017 that is better than 2016.

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

Income statement

		Group		Parent	
Note	DKK'000	2016	2015	2016	2015
2	Revenue	448,057	315,256	0	0
	Cost of sales	-325,509	-194,905	0	0
	Other operating income	1,665	327	0	0
	External expenses	-32,335	-47,420	-30	-102
	Gross margin	91,878	73,258	-30	-102
3	Staff costs	-67,299	-48,008	0	0
	Other operation expenses	-150	0	0	0
	EBITDA	24,429	25,250	-30	-102
4	Amortisation, depreciation and impairment	-15,175	-12,806	0	0
	Profit/loss before net financials	9,254	12,444	-30	-102
	Income from investments in group entities	0	0	2,824	6,764
5	Financial income	177	1,446	0	0
6	Financial expenses	-6,313	-6,006	-2,286	-2,358
	Profit before tax	3,118	7,884	508	4,304
	Tax for the year	-2,092	-2,731	510	541
	Profit for the year	1,026	5,153	1,018	4,845

Specification og the Group's results of operation:		
Shareholders in Fairwind A/S	1,018	4,845
Non-controlling interests	8	308
	1,026	5,153

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2016	Group 2015	Parent company 2016	Parent company 2015
	ASSETS				
	Fixed assets				
7	Intangible assets				
	Goodwill	79,484	74,439	0	0
		79,484	74,439	0	0
8	Property, plant and equipment				
	Other fixtures and fittings, tools and equipment	22,069	17,362	0	0
		22,069	17,362	0	0
9	Investments				
	Investments in group entities, net asset value	0	0	112,941	112,686
	Deposits, investments	551	331	0	0
		551	331	112,941	112,686
	Total fixed assets	102,104	92,132	112,941	112,686
	Non-fixed assets				
	Inventories				
	Finished goods and goods for resale	2,563	2,843	0	0
		2,563	2,843	0	0
	Receivables				
	Trade receivables	134,222	106,991	0	0
10	Work in progress for third parties	51,911	27,961	0	0
	Receivables from group entities	0	0	2,201	0
13	Deferred tax assets	6,528	660	879	1,010
	Income taxes receivable	69	8	0	0
	Other receivables	7,326	8,070	0	0
	Prepayments	9,592	6,510	0	0
		209,648	150,200	3,080	1,010
	Cash	27,217	4,668	0	0
	Total non-fixed assets	239,428	157,711	3,080	1,010
	TOTAL ASSETS	341,532	249,843	116,021	113,696

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2016	Group 2015	Parent company 2016	Parent company 2015
	EQUITY AND LIABILITIES				
	Equity				
11	Share capital	220	200	220	200
	Net revaluation reserve according to the equity method	0	0	11,610	11,356
	Retained earnings	58,876	50,573	47,266	39,217
	Shareholders in Fairwind Holding ApS' share of equity	59,096	50,773	59,096	50,773
	Non-controlling interests	-30	636	0	0
	Total equity	59,066	51,409	59,096	50,773
	Provisions				
13	Deferred tax	3,167	1,636	0	0
	Total provisions	3,167	1,636	0	0
	Liabilities				
12	Non-current liabilities other than provisions				
	Bank debt	17,667	22,694	13,267	16,584
	Lease liabilities	1,169	2,663	0	0
14	Subordinate loan capital	43,531	45,224	43,531	45,224
	Other payables	4,377	0	0	0
		66,744	70,581	56,798	61,808
	Current liabilities				
	Mortgage debt	15,097	1,656	0	0
	Bank debt	80,352	32,987	78	0
	Trade payables	79,517	56,340	0	0
	Payables to group entities	0	0	0	1,065
	Income taxes payable	3,158	2,209	0	0
	Payables to shareholders and management	3,577	12,756	0	0
	Other payables	30,854	20,269	49	50
		212,555	126,217	127	1,115
	Total liabilities other than provisions	279,299	196,798	56,925	62,923
	TOTAL EQUITY AND LIABILITIES	341,532	249,843	116,021	113,696

1 Accounting policies
15 Contractual obligations and contingencies, etc.
16 Collateral
17 Related parties
18 Fee to the auditors appointed by the Company in general meeting

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Statement of changes in equity

		Group				
	DKK'000	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
	Equity at 1 January 2016	200	50,573	50,773	636	51,409
	Additions on merger / corporate acquisition	0	0	0	-666	-666
	Capital increase	20	9,855	9,875	0	9,875
19	Transfer, see "Appropriation of profit"	0	1,018	1,018	0	1,018
	Exchange adjustment	0	-2,570	-2,570	0	-2,570
	Equity at 31 December 2016	220	58,876	59,096	-30	59,066

		Parent company			
Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 1 January 2016	200	11,356	39,217	50,773
	Capital increase	20	0	9,855	9,875
19	Transfer, see "Appropriation of profit"	0	2,824	-1,806	1,018
	Exchange adjustment	0	-2,570	0	-2,570
	Equity at 31 December 2016	220	11,610	47,266	59,096

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Cash flow statement

Note	DKK'000	Group 2016	Group 2015
	Profit for the year	1,026	5,153
20	Adjustments	23,403	19,770
	Cash generated from operations (operating activities)	24,429	24,923
21	Changes in working capital	-22,598	-36,887
	Cash generated from operations (operating activities)	1,831	-11,964
	Interest received, etc.	177	1,446
	Interest paid, etc.	-8,185	-4,070
	Income taxes paid	-2,396	-2,136
	Other cash flows from operating activities	6,727	223
	Cash flows from operating activities	-1,846	-16,501
	Additions of intangible assets	-65	0
	Additions of property, plant and equipment	-13,995	-13,669
	Disposals of property, plant and equipment	775	811
22	Acquisition of companies and activities	-20,986	0
	Purchase of non-controlling interests	-744	0
	Cash flows to investing activities	-35,015	-12,858
	Proceeds from new loans and financial lease obligations	0	9,705
	Proceeds from new loans from shareholders and management	26,000	17,000
	Repayments, long-term liabilities	-5,830	-4,482
	Repayments, loans from shareholders and management	-35,000	-2,000
	Proceeds from increase in share capital	9,875	5,000
	Earn-out financing from acquisition of subsidiaries and activities	17,000	0
	Cash flows from financing activities	12,045	25,223
	Net cash flow	-24,816	-4,136
	Cash and cash equivalents at 1 January	-28,319	-24,183
23	Cash and cash equivalents at 31 December	-53,135	-28,319

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Fairwind Holding ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Changes to presentation and disclosures only

Effective 1 January 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

Consolidation

The consolidated financial statements comprise the parent company, Fairwind Holding ApS, and subsidiaries in which Fairwind Holding ApS - directly or indirectly - holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates.

The existence and impact of potential voting rights that are actually exercisable or convertible are taken into account when assessing whether control exists.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains in so far as they do not reflect impairment.

Entities acquired or formed are recognised in the consolidated financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Corporate acquisitions are accounted for using the purchase method, according to which the acquired entity's identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Restructuring costs recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition are part of the acquisition balance sheet and, hence, the calculation of goodwill. Restructuring costs decided by the acquiring entity must be recognised in the income statement. Allowance is made for the tax effect of revaluations made. Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset. Negative differences (negative goodwill) are recognised as income in the income statement at the time of acquisition when the general revenue recognition criteria are met. Goodwill and negative goodwill from acquired entities can be adjusted until 12 months after the year of acquisition.

Entities over which the Group has significant influence are considered associates. The Group is considered to have significant influence when it directly or indirectly holds between 20% and 50% of the voting rights or otherwise has or actually exercises significant influence. Associates are recognised in the consolidated financial statements at their net asset value.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Minority interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' ownership share or at the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities.

In the former scenario, goodwill relating to the non-controlling interests' ownership share in the acquired entity is thus recognised, while, in the latter scenario, goodwill relating to the non-controlling interests' ownership share is not recognised. Measurement of non-controlling interests is chosen on a transaction-by-transaction basis and is stated in the notes in connection with the description of acquired entities.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

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

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Income statement

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

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

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of non-current assets.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Goodwill is amortised over its estimated useful life determined on the bases of Management's experience of the specific business areas, longest for strategically acquired enterprises with strong market positions and long-term earnings profiles.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill (maximum useful life)	20 years

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, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, tools and equipment	2-10 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Income from investments in group entities and associates

The item includes the Company's proportionate share of the profit/loss for the year in subsidiaries and associates after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

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

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

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

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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

Investments in subsidiaries

On initial recognition, investments in subsidiaries are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Subsidiaries with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the entity's deficit. Net revaluations of investments in subsidiaries are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

Newly acquired or formed entities are recognised in the financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised up to the date of disposal.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity's identifiable assets and liabilities are measured at fair value at the date of acquisition. In connection with the acquisition, a provision is made for expenses related to adopted plans to restructure the acquired entity. The tax effect of revaluations made is taken into account.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated under "Financial highlights" have been calculated as follows:

Return on assets $$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$$

Solvency ratio $$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$$

Return on equity $$\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$$

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

		Group	Parent company
	DKK'000	2016	2016
2	Segment information		
	Breakdown of revenue by geographical segment:		
	Europe	275,607	0
	Scandinavia	93,660	0
	North and South America	9,069	0
	Rest of world	69,721	0
		448,057	0

		Group		Parent company	
	DKK'000	2016	2015	2016	2015
3	Staff costs				
	Wages/salaries	61,430	44,028	0	0
	Pensions	4,492	3,040	0	0
	Other social security costs	1,377	940	0	0
		67,299	48,008	0	0
	Average number of full-time employees	154	147	0	0

Group

Remuneration of the Executive Board and Board of Directors in the group amounts to DKK 1,741 thousand (2015: DKK 1,455 thousand).

Parent company

The parent Company has no employees.

		2016	2015	2016	2015
4	Financial income				
	Other financial income	177	1,446	0	0
		177	1,446	0	0
5	Financial expenses				
	Interest expenses, group entities	1,516	1,821	1,516	1,821
	Other financial expenses	4,797	4,185	770	537
		6,313	6,006	2,286	2,358

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

	Group		Parent company	
DKK'000	2016	2015	2016	2015
6 Tax for the year				
Estimated tax charge for the year	3,902	3,895	0	0
Deferred tax adjustments in the year	-1,810	-1,164	-510	-541
	2,092	2,731	-510	-541

7 Intangible assets

DKK'000	Group Goodwill
Cost at 1 January 2016	84,850
Additions in the year	10,900
Cost at 31 December 2016	95,750
Impairment losses and amortisation at 1 January 2016	10,411
Amortisation/depreciation in the year	5,855
Impairment losses and amortisation at 31 December 2016	16,266
Carrying amount at 31 December 2016	79,484
Amortised over	5-15 years

8 Property, plant and equipment

DKK'000	Group Other fixtures and fittings, tools and equipment
Cost at 1 January 2016	29,538
Exchange adjustment	307
Additions on merger / corporate acquisition	687
Additions in the year	13,995
Disposals in the year	-2,037
Cost at 31 December 2016	42,490
Impairment losses and depreciation at 1 January 2016	12,176
Exchange adjustment	153
Amortisation/depreciation in the year	9,320
Reversal of amortisation/depreciation and impairment of disposals	-1,228
Impairment losses and depreciation at 31 December 2016	20,421
Carrying amount at 31 December 2016	22,069
Property, plant and equipment include finance leases with a carrying amount totalling	1,512
Amortised over	2-10 years

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

9 Investments

DKK'000	Group Deposits, investments
Cost at 1 January 2016	331
Additions in the year	295
Disposals in the year	-75
Cost at 31 December 2016	551
Carrying amount at 31 December 2016	551

DKK'000	Parent company Investments in group entities, net asset value
Cost at 1 January 2016	101,330
Cost at 31 December 2016	101,330
Value adjustments at 1 January 2016	11,356
Exchange adjustment	-2,570
Share of the profit/loss for the year	7,591
Amortisation of goodwill	-4,766
Value adjustments at 31 December 2016	11,611
Carrying amount at 31 December 2016	112,941

Parent company

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries					
Fairwind	A/S	Denmark	100.00 %	55,319	7,591
Fairwind	GmbH	Germany	100.00 %	-506	8
Fairwind Ukraine	ApS	Denmark	100.00 %	93	-785
Fairwind Offshore	ApS	Denmark	100.00 %	4,101	1,020
Fairwind Installation	Ltd.	United Kingdom	100.00 %	3,569	2,715
Fairwind Installation	Ltd.	South Africa	100.00 %	610	1,883
Fairwind	Sp. Z.o.o.	Poland	100.00 %	19,903	1,922
Fairwind Poland	Sp. Z.o.o.	Poland	100.00 %	215	182
Wind Service Sweden	AB	Sweden	100.00 %	5,653	80
Sweden Wind Service	AB	Sweden	100.00 %	25	-3
Fairwind Finland	OY	Finland	100.00 %	344	120
Fairwind Rüzgar Enerji Hizmetteri	Anonim Sikerti	Turkey	100.00 %	2,036	601
Geos Construction	LLC	Ukraine	70.00 %	-187	49
Fairwind Ukraine	LLC	Ukraine	70.00 %	86	-21

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK'000	Group 2016	Group 2015	Parent company 2016	Parent company 2015
10	Work in progress for third parties				
	Selling price of work performed	196,873	98,854	0	0
	Progress billings	-144,962	-70,893	0	0
		51,911	27,961	0	0
	recognised as follows:				
	Work in progress for third parties (assets)	51,911	27,961	0	0
		51,911	27,961	0	0

	DKK'000	Parent company 2016	Parent company 2015
11	Share capital		
	Analysis of the share capital:		
	2,201 shares of DKK 100.00 nominal value each	220	200
		220	200

Analysis of changes in the share capital over the past 4 years:

DKK'000	2016	2015	2014	2013
Opening balance	200	200	80	0
Capital increase	20	0	120	80
	220	200	200	80

12 Long-term liabilities

Group

Of the long-term liabilities, DKK 43,531 falls due for payment after more than 5 years after the balance sheet date.

Parent company

Of the long-term liabilities, DKK 43,531 falls due for payment after more than 5 years after the balance sheet date.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

		Group		Parent company	
	DKK'000	2016	2015	2016	2015
13	Deferred tax				
	Deferred tax at 1 January	976	2,140	-1,010	-469
	Adjustmet of deferred tax	-1,810	-1,164	-510	-541
	Tax-loss carried forward used in joint taxation	641	0	641	0
	Addition on acquisition	-3,153	0	0	0
	Exchange adjustment	-15	0	0	0
	Deferred tax at 31 December	-3,361	976	-879	-1,010
	Analyses of the deferred tax				
	Deferred tax assets	-6,528	-660	-879	-1,010
	Deferred tax liabililties	3,167	1,636	0	0
		-3,361	976	-879	-1,010

14 Subordinate loan capital

DKK'000	Parent company Amount outstanding
Parent company	26,569
Other	16,962
	43,531

Subordinate loan capital has been granted by current and former owners and is subordinated in relation to all other creditors. Parent company subordinate loan capital will mature in 2026 or in the event of an exit. Other subordinate loan capital will mature in 2024 or in the event of an exit. The interest is added to the principal and does not fall due for payment until the principal does.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

15 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

Operating lease obligations:

The Group have entered into operating leasing agreements with a combined lease payment of DKK 5,340 thousand. The remaining term of the leases is 2 to 38 months.

Guarantees:

The Group has issued work guarantees of DKK 6,770 thousand for services delivered.

Parent company

Contingent liabilities regarding group entities:

The Company was jointly taxed with its Danish Subsidiaries until June 13, 2016. Hereafter, the company has entered into joint taxation with Apollo Group A/S. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes and withholding taxes relating to the respective joint taxations.

The company has provided the following guarantees for subsidiaries:

- Unlimited guarantee for Fairwind A/S for bank loans from Sydbank

16 Collateral

Group

Trade receivables and work in progress for third parties with a carrying amount of DKK 96,067 thousand and Equipment with a carrying amount of DKK 598 thousand have been provided as collateral for bank loans and overdrafts amounting to DKK 75,600 thousand at 31 December 2016.

Parent company

The parent company has provided DKK nom. 750,000 of the shares in Fairwind A/S as collateral for bank loans from Sydbank with a carrying amount of DKK 107,905 thousand at 31 December 2016.

17 Related parties

Parties exercising control

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

Group enterprise transactions not carried through on normal market terms

There are no related party transactions that have not been carried through on normal market terms.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK'000	Group 2016
18 Fee to the auditors appointed by the Company in general meeting	
Total fees to EY	1,971
Statutory audit	316
Tax assistance	802
Other assistance	853
	1,971

DKK'000	Parent company 2016	Parent company 2015
19 Appropriation of profit/loss		
Recommended appropriation of profit		
Net revaluation reserve according to the equity method	2,824	6,764
Retained earnings/accumulated loss	-1,806	-1,919
	1,018	4,845
20 Adjustments		
Amortisation/depreciation and impairment losses	15,175	12,806
Financial income	-177	-1,446
Financial expenses	6,313	6,006
Tax for the year	2,092	2,731
Other adjustments	0	-327
	23,403	19,770
21 Changes in working capital		
Change in inventories	280	-2,843
Change in receivables	-44,824	-60,715
Change in trade and other payables	21,946	26,671
	-22,598	-36,887
22 Acquisition of enterprises and activities		
Property, plant and equipment	687	0
Receivables	9,971	0
Cash	-986	0
Non-current liabilities	-127	0
Deferred tax	3,153	0
Trade payables	-1,233	0
Other payables	-2,300	0
	9,165	0
Goodwill	10,835	0
Cost of acquisition	20,000	0
Cash	986	0
Cost of acquisition paid in cash	20,986	0

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

		Group	
	DKK'000	2016	2015
23	Cash and cash equivalents at year-end		
	Cash according to the balance sheet	27,217	4,668
	Short-term debt to banks	-80,352	-32,987
		-53,135	-28,319