

Mammoet Denmark

A/S

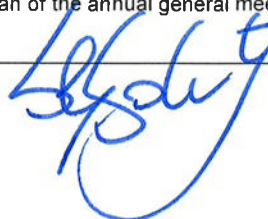
Lavavej 16
DK-9220 Aalborg Øst

CVR no. 26 53 39 53

Annual report 2016

The annual report was presented and approved at the
Company's annual general meeting
on 9 June 2017

chairman of the annual general meeting

 S.G. Splinter

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Mammoet Denmark A/S for the financial year 1 January – 31 December 2016.

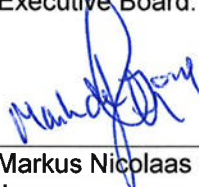
The annual report has been prepared in accordance with the Danish Financial Statements Act.

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

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

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

Aalborg, 9 June 2017
Executive Board:

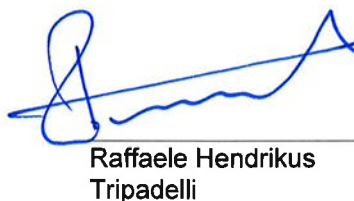


Markus Nicolaas de
Jong

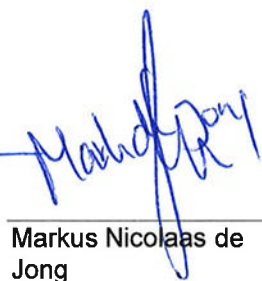
Board of Directors:



Peter Johannes Boer
Chairman



Raffaele Hendrikus
Tripadelli



Markus Nicolaas de
Jong



Sander Splinter



Independent auditor's report

To the shareholders of Mammoet Denmark A/S

Opinion

We have audited the financial statements of Mammoet Denmark A/S for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 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 financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

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

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



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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

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

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



Independent auditor's report

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Aalborg, 9 June 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Steffen S. Hansen
State Authorised
Public Accountant

Management's review

Financial highlights

DKK'000	2016	2015	2014	2013	2012
Gross profit/loss	-16,004	58,851	67,293	68,938	51,159
Operating profit/loss	-84,498	-4,884	6,246	8,336	-3,716
Profit/loss from financial income and expenses	4,414	3,041	664	-4,939	3,978
Profit for the year	-69,123	724	7,629	2,559	370
Total assets	389,828	574,881	546,513	657,682	660,778
Investment in fixtures and fittings, tools and equipment	-1,281	-6,049	-7,402	-32,464	-284,490
Equity	156,609	225,732	225,008	216,716	211,692
Solvency ratio	40.2%	39.4%	41.2%	33.0%	32.0%
Average number of full-time employees	65	60	52	52	45

Financial ratios

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

The financial ratios have been calculated as follows:

$$\text{Solvency ratio} = \frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

Management's review

Company details

Mammoet Denmark A/S
Lavavej 16
DK-9220 Aalborg Øst

Telephone:	+45 99 30 36 66
Website:	www.mammoetwind.com
E-mail:	info@mammoetwind.com
CVR no.:	26 53 39 53
Established:	21.03.2002
Registered office:	Aalborg
Financial year:	1 January – 31 December

Board of Directors

Peter Johannes Boer
Raffaele Hendrikus Tripadelli
Markus Nicolaas de Jong
Sander George Splinter

Executive Board

Markus Nicolaas de Jong

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Østre Havnegade 18
DK-9000 Aalborg

Annual general meeting

The annual general meeting will be held on 9 June 2017.

Management's review

Operating review

Main activity

The main activities of the company are logistics and project services specialising in wind turbines including crane and transport service, installation and maintenance services and consultancy services.

The activities are primarily carried in European countries.

Development during the year

The income statement of the Company for 2016 shows a loss of DKK 69,123 thousand and at 31 December 2016 the balance sheet of the Company shows positive equity of DKK 156,609 thousand.

The main part to the loss in 2016 are one-offs relating to write down on a cancelled strategic project outside Europe and losses from project works and rentals executed in prior years

Operationally the result is influenced by less activity and utilisation of resources coming from a change in strategy with focus on the European market and change on the activity scopes. A positive impact from this is expected during the coming years.

Results for the year are considered unsatisfactory.

Through intercompany funding the company has sufficient cash resources.

Operating risks and financial risks

The group's most significant operating risks are related to the ability to position itself as one of the best in the market for installation of wind turbines. Furthermore, it is important for the group to be the forefront of the technological development within the main activities of the group.

Due to its operations, investments and financing the group is exposed to changes in exchange rates and interest rate level. It is the group's policy not actively to speculate in financial risks. The group's financial management is solely aimed at controlling already assumed risks.

The main part of the interest bearing debt is financed in floating rate loans and therefore changes to the level of interest rates may affect the Company significantly.

Management's review

Operating review

Targets and expectations for the year ahead

In 2017, Management expects a continued growth in the wind sector. Management expects that the company – following reorganization and full integration in the Mammoet Group – Will gain market shares and increase earnings in 2017 and the following years.

The company expects to have a positive cash flow from operations.

The company expects no material investments in 2017.

Safety and environment

We work target-orientated and structured to continually improve environment and safety in our everyday work at the sites all over the world.

The Mammoet management has zero tolerance for actions and decisions that may undermine safety to even the slightest extent, both when it comes to commercial issues as well as regards work undertaken by subcontractors.

It is an uncompromising stance that builds naturally on one of our core values.

With years of experience in the wind energy industry – we are acutely aware of the risks that are imminent whenever you are constructing a wind farm. We are dealing with large and heavy components, we take them to great heights, we often have challenging transport conditions – and there is always the weather that needs to be taken into consideration.

It demands a lot from each and every one on site – cooperation, a keen sense of responsibility, and a great deal of common sense.

However, it all starts with the management and our conscious and systematically work with safety and safety education of our employees.

At Mammoet, we have set up a management system that describes the daily work in a number of procedures, instructions and policies that give the tools not only to improve but as a minimum also to ensure that all requirements in the ISO standards that we are certified with for environment as well as occupational health and safety (ISO 14001 and OHSAS 18001) are complied with at all times.

Mammoet Denmark prepares a yearly Safety and Environmental Survey. The conclusion from 2016 concerning environmental issues are as follows:

From January 2015, Mammoet has implemented a new system named SIF (Serious Incident & Facility) to categorize any near-miss or incident which potentially are life threatening or life altering. Focus on these specific cases have proven to reduce employees getting injured, this is the outcome of the preventive actions found during the in-depth investigation of these cases. This focus continues in 2016, and all employees will be trained in spotting SIFs.

Management's review

Operating review

During 2016, Mammoet Denmark has not experienced any reporting on significant environmental spills. Only minor spills have been reported and have been dealt with locally using spill kits.

Looking at the energy consumption for 2016, we have not observed any increase that does not correspond to the level of activities in the company. In 2016 Mammoet Denmark will establish a Sustainovation group that will actively look into how and where Mammoet Denmark can improve its sustainability approach throughout the organisation.

New type of site generators will be deliveries with an automatic start / stop function which will lower the fuel consumption considerably.

All new equipment (cranes, forklifts, wheel loaders, trucks and cars) will be delivered with data loggers to log fuel consumption and idling time on each equipment.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2016	2015
Gross profit/loss		-16,004	58,851
Staff costs	2	-51,477	-43,977
Depreciation of fixtures and fittings, tools and equipment		-17,017	-19,758
Operating profit/loss		-84,498	-4,884
Financial income	3	2,248	9,749
Financial expenses	4	-6,661	-6,708
Profit/loss before tax		-88,911	-1,843
Tax on profit/loss for the year	5	19,788	2,567
Profit/loss for the year	6	-69,123	724

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Fixed assets			
Property, plant and equipment	7		
Fixtures and fittings, tools and equipment		105,551	205,665
Leasehold improvements		71	104
		<u>105,622</u>	<u>205,769</u>
Investments	8		
Investments in subsidiaries		88,891	88,891
Other receivables		227	116
		<u>89,118</u>	<u>89,007</u>
Total fixed assets		<u>194,740</u>	<u>294,776</u>
Current assets			
Inventories			
Inventory of spare parts		2,000	2,000
		<u>2,000</u>	<u>2,000</u>
Receivables			
Trade receivables		17,926	39,162
Receivables from group entities		162,447	226,502
Other receivables		6,580	2,692
Corporation tax		7,122	7,500
Prepayments		0	2,237
		<u>194,075</u>	<u>278,093</u>
Cash at bank and in hand		<u>13</u>	<u>12</u>
Total current assets		<u>196,088</u>	<u>280,105</u>
TOTAL ASSETS		<u>390,828</u>	<u>574,881</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
EQUITY AND LIABILITIES			
Equity			
Share capital		6,250	6,250
Retained earnings		150,359	219,482
Total equity		156,609	225,732
Provisions			
Provisions for deferred tax	9	13,147	31,806
Total provisions		13,147	31,806
Liabilities other than provisions			
Non-current liabilities other than provisions			
Lease obligations	10	18,152	25,013
		18,152	25,013
Current liabilities other than provisions			
Credit institutions		149,945	196,010
Lease obligations	10	9,791	23,212
Construction contracts	11	940	1,722
Trade payables		11,183	3,798
Payables to group entities		16,841	56,479
Other payables		14,220	11,109
		202,920	292,330
Total liabilities other than provisions		221,072	317,343
TOTAL EQUITY AND LIABILITIES		390,828	574,881
Contractual obligations, contingencies, etc.	12		
Related party disclosures	13		
Events after the balance sheet date	14		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2015	6,250	218,758	225,008
Net profit for the year	0	724	724
Equity at 1 January 2016	6,250	219,482	225,732
Net profit/loss for the year	0	-69,123	-69,123
Equity at 31 December 2016	6,250	150,359	156,609

The share capital consists of 6,250 shares of a nominal value of DKK 1,000. No shares carry any special rights.

No changes have been made to the share capital during the last five years.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Mammoet Denmark A/S for 2016 has been presented in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

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

- Going forward, dividends from equity investments in subsidiaries recognised at cost are always recognised in the income statement. In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in subsidiaries. Previously, cost was reduced to the extent that distributed dividend exceeded accumulated earnings after the acquisition date.
- Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.
- Going forward, intangible assets will be amortised over the useful life. Previously, the maximum period of amortisation was 20 years.

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

Consolidated financial statements

According to section 112 (1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

According to section 86 (4) of the Danish Financial Statements Act, the Company has not prepared any cash flow statement since the Company is included in the consolidated cash flow statements for the Parent Company.

The financial statements of Mammoet Denmark A/S and its group subsidiaries are included in the consolidated financial statements of SHV Holdings B. V, Rijnkade 1, Utrecht, the Netherlands.

The consolidated financial of SHV Holdings B. V. can be obtained from the Company.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of SHV Holdings B. V.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at 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 rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currencies are translated at the exchange rates at the transaction date.

Income statement

Gross profit/loss

With reference to section 31 of the Danish Financial Statements Act, the items "revenue" to and including "other external costs" are aggregated in the item "Gross profit"

Revenue

Revenue from the sale of services is recognised in the income statement as the services are provided (percentage of completion method).

Income from the sale of goods and finished goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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

Other operating income

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

Other operating costs

Other operating costs comprise items secondary to the activities of the entities, including losses on the disposal of intangible assets and property, plant and equipment.

Depreciation/amortisation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

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

Dividends from equity investments in group entities and associates measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared. To the extent that the dividends exceed the accumulated earnings after the acquisition date, the dividends are recognised as a reduction of the cost of the equity investment.

Tax on profit/loss for the year

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Fixtures and fittings, tools and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

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

Leasehold improvements	20 years
Fixtures and fittings, tools and equipment	3-15 years

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

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, 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 depreciated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Investments

Equity investments in subsidiaries are measured at cost. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Other receivables and deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of fixtures and fittings, tools and equipment as well as investments in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

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

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

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.

Consumables and spare parts are measured at cost, comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost.

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

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Construction contracts

Construction contracts are measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual work. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual work.

When the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual contract work is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise total work in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise total work in progress where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

Prepayments

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

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

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

Finance lease obligations are recognised as financial liabilities at amortised cost.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

	DKK'000	2016	2015
2	Staff costs		
	Wages and salaries	46,992	39,574
	Pensions	3,282	3,137
	Other social security costs	572	536
	Other staff expenses	631	730
		<u>51,477</u>	<u>43,977</u>
	Average number of full-time employees	<u>65</u>	<u>60</u>
Remuneration of the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.			
3	Financial income		
	Interest received from group entities	261	6,436
	Other financial income	172	105
	Exchange gains, net	<u>1,815</u>	<u>3,208</u>
		<u>2,248</u>	<u>9,749</u>
4	Financial expenses		
	Interest paid to group entities	3,820	2,711
	Other financial expenses	<u>2,841</u>	<u>3,997</u>
		<u>6,661</u>	<u>6,708</u>

Financial statements 1 January – 31 December

Notes

DKK'000	2016	2015	
5 Tax on profit/loss for the year			
Deferred tax adjustment for the year	-19,788	-373	
Effect on reduction of corporate tax rate on deferred tax	0	-2,194	
	<u>-19,788</u>	<u>-2,567</u>	
6 Proposed profit appropriation/distribution of loss			
Retained earnings	<u>-69,123</u>	<u>724</u>	
7 Property, plant and equipment			
	Fixtures and fittings, tools and equipment	Leasehold improve- ments	Total
DKK'000			
Cost at 1 January 2016	330,423	767	331,190
Additions	1,281	0	1,281
Disposals	-142,060	0	-142,060
Cost at 31 December 2016	<u>189,644</u>	<u>767</u>	<u>190,411</u>
Depreciation and impairment losses at 1 January 2016	124,758	663	125,421
Depreciation for the year	16,985	33	17,018
Reversed depreciation and impairment losses of assets sold	<u>-57,650</u>	<u>0</u>	<u>-57,650</u>
Depreciation and impairment losses at 31 December 2016	<u>84,093</u>	<u>696</u>	<u>84,789</u>
Carrying amount at 31 December 2016	<u>105,551</u>	<u>71</u>	<u>105,622</u>
Assets held under finance leases	54,345	0	54,345

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8 Investments in subsidiaries

DKK'000	2016	2015
Cost at 1 January 2016	88,891	36,943
Additions for the year	0	51,948
Carrying amount at 31 December 2016	88,891	88,891

Investments in subsidiaries are specified as follows:

Name	Place of regi- stered office	Share capital	Votes and owner- ship	Equity	Net profit/ loss for the year
DKK'000					
Mammoet Wind PTY Ltd.	Australia	52,352	100%	28,813	4,756
Mammoet Wind GmbH	Germany	194	100%	5,420	4,526
Mammoet Wind Inc.	USA	7	100%	-145,813	-102,969
Mammoet Wind Ltd.	England	10	100%	-18,192	-3,469
Mammoet Wind Brande A/S	Denmark	500	100%	-7,850	-1,663
Ejendomsselskabet Højmarksvej 7 ApS	Denmark	200	100%	3,174	299
Mammoet Wind AB	Sweden	41	100%	2,852	1,204
KR Wind S.R.L.	Italy	75	100%	-164	-7,066
Mammoet Wind S.R.L.	Romania	0	100%	-46,801	-50,843
Mammoet Wind	Brazil	262	100%	-52,321	-68,682
				-230,882	-223,907

Management has carried out impairment tests of one subsidiary for which cost makes up a significant amount and exceeds equity.

The impairment tests rely on projected net cash flows based on budgets and forecasts for the years 2017-2021 and a discount rate of 7.2%.

The five-year budgeting and forecasting period anticipates an annual revenue increase of 2% (average) and no further growth during the terminal period.

The recoverable amount is deemed to exceed the carrying amount based on the impairment test.

The calculated recoverable amount is particularly sensitive to earnings performance and discount rates.

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DKK'000	2016	2015
9 Provisions for deferred tax		
Property, plant and equipment	12,456	10,339
Assets held under finance leases	5,798	21,539
Financial assets	-3,154	0
Trade receivables	-759	0
Construction contracts	1,041	1,041
Amortisation	-56	-56
Tax loss carryforwards	-2,179	-1,057
	<u>13,147</u>	<u>31,806</u>
10 Lease obligations		
0-1 year (short term)	9,791	23,212
1-5 years (long term)	18,152	25,013
	<u>27,943</u>	<u>48,225</u>
11 Construction contracts		
Selling price of worked performed	2,513	40,151
Progress billing made	-3,453	-41,873
	<u>-940</u>	<u>-1,722</u>
Specified as follows		
Construction contracts (liabilities)	-940	-1,722
	<u>-940</u>	<u>-1,722</u>

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12 Contractual obligations, contingencies, etc.

DKK'000	2016	2015
Rental agreements and leases		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	28,364	19,986
Between 1 and 5 years	1,362	5,168
After 5 years	0	1,535
	<u>29,726</u>	<u>26,689</u>
Rental obligations, non-cancellable period until 31 December 2022	<u>4,606</u>	<u>5,374</u>
Collateral		
The following assets have been placed as collateral with bankers:		
Mammoet Denmark Brande A/S and Højmarksvej 7 ApS at a total carrying amount of	<u>36,146</u>	<u>36,146</u>
The following assets have been provided as collateral for finance leases:		
Fixtures and fittings, tools and equipment	<u>54,345</u>	<u>129,347</u>

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12 Contractual obligations, contingencies, etc. (continued)

Contingent liabilities

The Company guarantees for group entities' bank loans. At 31 December 2016, the group entities' bank loans amounted to DKK 149,945 thousand.

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income etc. Mammoet Denmark A/S is the administrative company for the joint taxation. Danish entities are also jointly and severally liable for Danish tax in the form of dividend tax and interest tax.

13 Related party disclosures

Mammoet Denmark A/S' related parties comprise the following:

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Mammoet Europe Holding B.V., Karel Doormanweg 47, 3115 JD Schiedam, the Netherlands.

Mammoet Europe Holding B.V holds the majority of the share capital in the Company

Mammoet Denmark Brande A/S is part of the consolidated financial statements of Mammoet Europe Holding B.V, registered office, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Mammoet Europe Holding B.V can be obtained by contacting the Company or at the following website: www.shv.nl

Mammoet Europe Holding B.V is part of the consolidated financial statements of SHV Group, which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of SHV Group can be obtained by contacting the Company.

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

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14 Events after the balance sheet date

No events have occurred after the end of the financial year with a significant impact on the financial position of the Group.