Ordyhna Holding A/S

Borupvang 3

2750 Ballerup

Annual report 2015

The annual report was presented and adopted at the Company's annual general meeting on 30/ 5 2016

Chairman
Jørgen Ajslev

CVR no. 27 61 61 27

© 2016 KPMG P/S, a Danish limited partnership company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ordyhna Holding A/S for the financial year 1 January – 31 December 2015.

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

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2015.

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

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

Ballerup, 4 May 2016

Executive Board:

Jens Jørgensen
CEO

Board of Directors:

Jørgen Ajslev Chairman	Torben von Lowzow Deputy chairman	Thomas W. Dedert
Arve Johan Andresen	Jannick E. Ajslev	Kenneth E. Ajslev

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 Ordyhna Holding A/S for the financial year 1 January – 31 December 2015.

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

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2015.

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

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

Ballerup, 4 May 2016

Executive Board:

Jens Jørgensen
CEO

Board of Directors:

Jørgen Ajslev Chairman	Torben von Lowzow Deputy chairman	Thomas W. Dedert
Arve Johan Andresen	Jannick E. Ajslev	Kenneth E. Ajslev

KPMG P/S
Dampfærgevej 28
2100 København Ø

Telefon 70 70 77 60
www.kpmg.dk
CVR-nr. 25 57 81 98

Independent auditor's report

To the shareholders of Ordyhna Holding A/S

Independent auditor's report on the consolidated financial statements and the parent company financial statements

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

Management's responsibility for the consolidated financial statements and the parent company financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of consolidated financial statements and parent company financial statements.

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

Our audit has not resulted in any qualification.

Independent auditor's report

Opinion

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

Statement on the Management's review

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

Copenhagen, 4 May 2016
KPMG
Statsautoriseret Revisionspartnerselskab

Per Ejsing Olsen	Christian Huss
State Authorised	State Authorised
Public Accountant	Public Accountant

Management's review

Company details

Ordyhna Holding A/S
c/o Dedert International A/S
Borupvang 3
2750 Ballerup

CVR no.:	27 61 61 27
Established:	27 February 2004
Registered office:	Ballerup
Financial year:	1 January – 31 December

Board of Directors

Jørgen Ajslev (Chairman)
Torben von Lowzow (Deputy chairman)
Thomas W. Dedert
Arve Johan Andresen
Jannick E. Ajslev
Kenneth E. Ajslev

Executive Board

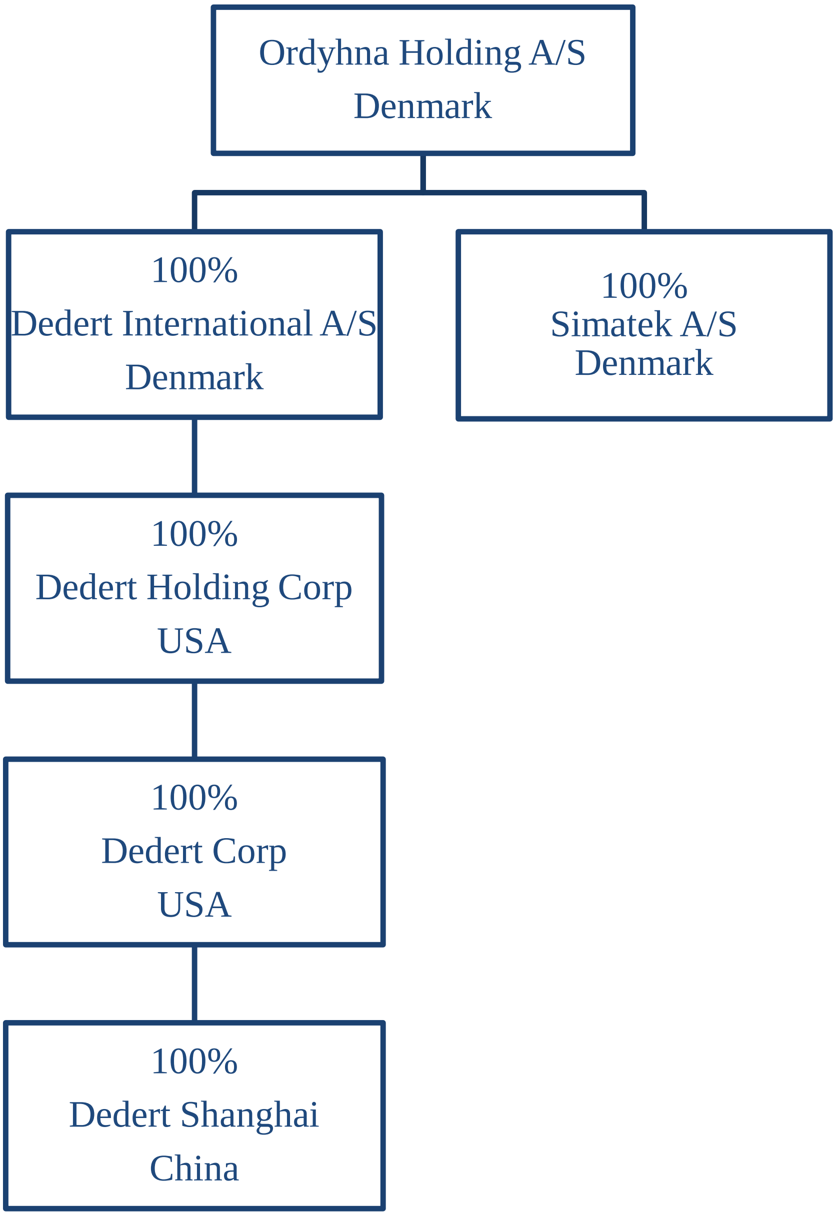
Jens Jørgensen (CEO)

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Management's review

Group chart



Management's review

Financial highlights for the Group

DKKm	2015	2014	2013	2012	2011
Key figures					
Revenue	316	254	328	296	342
Gross profit	89	72	89	60	51
EBITDA	11	1	24	-7	-9
Profit/loss from financial income and expenses	7	6	-2	-2	-6
Profit/loss for the year	**11**	**7**	**13**	**-18**	**-7**
Total assets	226	202	208	278	455
Equity	**123**	**122**	**137**	**145**	**233**
Cash flows from operating activities	20	12	-29	10	-4
Cash flows from investing activities	-8	-10	38	-5	-7
Cash flows from financing activities	-10	-18	-20	-91	-33
Total cash flows	**2**	**-16**	**-10**	**-87**	**-44**
Operating margin	2.2	neg	6.3	neg	neg
Gross margin	**28.1**	28,3	27.3	20.2	14.6
Solvency ratio	**54.5**	60,4	66.0	52.2	51.2
Average number of full-time employees	**108**	**110**	**113**	**103**	**99**

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.

Management's review

Operating review

Principal activities

As of 31 December 2015, Ordyhna Holding A/S owns two operating companies: Simatek A/S and Dedert International A/S.

Development in activities and financial position

The Dedert Group was reorganised with Dedert International A/S as the parent company domiciled in Denmark in order to have all Dedert activities in one Dedert group instead of earlier two. Further, Copenhagen is a world center for drying technology and hence a good future base for expansion.

Delay of some major orders influenced Dedert's 2015 result, which was not satisfactory. However, the delay strengthened the backlog and the outlook for 2016 is good.

The Dedert Group is expected to open a subsidiary in Montreal, Canada during 2016.

Simatek A/S performed stronger than expected through 2015 with improved profit and cash flow. The ongoing changes to the Company in line with the planned strategy has strengthened the Company considerable.

Outlook for 2016

The outlook for the markets in which the Group operates is satisfactory, and in some segments, an increase in activity is expected. Global representation requirements are still increasing, and the ability to sell and execute projects globally remains an important focus in 2016.

For Dedert Corp, the strong ending backlog from 2015 together with continued strong order income in the first quarter of 2016 supports the expectations for an improvement in the results for 2016.

For Simatek A/S, further improvement is expected.

Human resources

The total number of employees in 2015 amounted to 108; 56 employees in Denmark and 52 employees in the US and China.

Financial risks

Due to the Group's international activities, results, cash flows and equity are influenced by exchange rate developments.

Management's review

Operating review

According to the group exchange policy, commercial foreign exchange risks are considered hedged. Investments and loans designated as equity are not hedged according to the exchange policy.

Know-how

To ensure future operations, the operating companies must be able to attract and keep on board a broad line of specialists, including engineers and technological experts with dedicated knowledge and experience, to continuously develop state-of-the-art technology and competitive solutions.

Research and development

The subsidiaries continue to develop solutions and standard components to comply with customer demand for enhanced products and lower production costs.

Corporate social responsibility

The Group and the Company have no written corporate social responsibility policies.

Gender equality in Management and the Board of Directors

It is the intent that both women and men should be represented on the Group's Board of Directors and in the Group's Management, but also that board members have relevant industry know-how which supports the governance and management of the Group.

The Group is active within specialised engineering activities in a male-dominated industry. The Board consists of six men, and the CEO is a man. The target is to have one female board member appointed within 4 years.

For the future replacements of board members, at least one woman will be considered for election every time. There was no replacement of board members in 2015.

Climate

The Group and the Company have no written corporate climate responsibility policies.

Human rights

The Group and the Company have no written corporate policies.

Events after the balance sheet date

No events have occurred after the financial year end, which could significantly affect the company's financial position.

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

Accounting policies

The annual report of Ordyhna Holding A/S for 2015 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last year except that Ordyhna Holding A/S has early adopted the proposed changes to the Danish Financial Statements Act that allow actuarial gains and losses on defined benefit pension obligations to be recognised directly in equity. Comparative figures for 2014 have been updated. The change of accounting policies has no impact on total equity or total assets, but has improved the result for the year by DKK 755 thousand before tax and DKK 461 thousand after tax (2014: DKK 12,740 thousand before tax and DKK 7,610 thousand after tax).

Consolidated financial statements

The consolidated financial statements comprise the parent company, Ordyhna Holding A/S, and subsidiaries in which Ordyhna Holding A/S directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls. Entities over which the Group exercises significant influence, but which it does not control, are considered associates.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Foreign currency translation

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

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

Upon recognition of foreign subsidiaries and associates which are independent entities, the income statements are translated into Danish kroner at average exchange rates for the year, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

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

Accounting policies

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Income statement

Revenue

Revenue from the sale of goods for resale, finished goods and contract work in progress which do not meet the criteria for applying the percentage of completion method is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured excluding VAT and taxes charged on behalf of third parties.

Contract work in progress is recognised by reference to the percentage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method). Revenue is recognised when total income and expenses relating to the construction contract and the percentage of completion at the balance sheet date can be reliably measured, and when it is probable that future economic benefits, including payments, will flow to the Company.

Raw materials, consumables and goods for resale

The item comprises costs incurred in generating the revenue for the year. Such costs include direct and indirect costs for raw materials and consumables and rent and leases.

The item also comprises research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Also, provision for losses on construction contracts is included.

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 external costs

Other external costs comprise costs for distribution, sale, advertising, administration, premises, bad debt losses, operating leases, etc.

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

Accounting policies

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension contributions and other social security costs, etc., to the Group's employees, excluding reimbursements from public authorities.

Other operating costs

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

Profit/loss in subsidiaries

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses.

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.

Commission paid in connection with bank guarantees provided in relation to contract work in progress is recognised under financial expenses.

Interest expense and other borrowing costs to finance intangible assets and property, plant and equipment which relate to the production period are recognised in cost of the assets.

Tax on profit/loss for the year

Ordyhna Holding A/S is jointly taxed with the Danish subsidiaries. The current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses). The jointly taxed companies are taxed under the on-account tax scheme.

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

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

Accounting policies

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is five to ten years. The amortisation period does only exceed five years if the development project has strategic importance and long expected useful life.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding 10 years.

Gains and losses on the disposal of intangible assets are determined 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 operating income or operating costs, respectively.

Property, plant and equipment

Land and buildings, plant and machinery and 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 cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, energy consumption, staff and depreciation of machinery used.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

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

Accounting policies

Buildings	25-40 years
Plant and machinery	4-10 years
Fixtures and fittings, other plant and equipment	2-20 years

Depreciation is recognised separately in the income statement.

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

Leases for non-current 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 non-current 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.

Equity investments in subsidiaries

Equity investments in subsidiaries in the Parent Company are measured according to the equity method.

Equity investments in subsidiaries are measured at the proportionate share of the entities' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Equity investments in subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such entities are written down if the amount owed is irrecoverable. If the subsidiaries have a deficit that exceeds the amount owed, the remaining amount is recognised under provisions if the Parent Company has a legal or constructive obligation to cover the obligations of the subsidiary.

Net revaluation of equity investments in subsidiaries is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the

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

Accounting policies

approval of the annual report of Ordyhna Holding A/S are not recognised in the reserve for net revaluation.

Impairment losses

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates 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.

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

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

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

Receivables

Receivables are measured at amortised cost, which usually means nominal value. Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made.

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

Accounting policies

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the 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.

Prepaid costs

Prepaid costs comprise payments made concerning 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.

Treasury shares

Cost of acquisition of, consideration received for, and dividends received from treasury shares are recognised as retained earnings in 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.

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. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

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

Accounting policies

Deferred tax assets, including the tax value of tax loss carryforwards, 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 and jurisdiction.

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.

Provisions

Pension obligations

Pension obligations are the net liabilities of defined benefit obligations and plan assets. The defined benefit obligations are measured at the present value of expected future payments to be made in respect of services provided by employees up to the balance sheet date. Plan assets are measured at fair value. Actuarial gains and losses are recognised in other comprehensive income.

Warranties and projects

Provisions comprise anticipated costs of related to warranties, losses on work in progress, restructurings, etc. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value or fair value if the obligation is expected to be settled in the distant future.

Warranties comprise obligations to make good any defects within the warranty period. Provisions are measured at net realisable value and recognised based on past experience.

If it is likely that total costs will exceed total income from contract work in progress, a provision is made for the total loss anticipated on the contract. The provided amount is recognised in production costs.

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.

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

Accounting policies

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

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 corporation tax paid.

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

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".

The financial ratios have been calculated as follows:

Operating margin	$\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$

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

Income statement

		Group		Parent Company	
DKK'000	Note	2015	2014	2015	2014
Revenue	1	315,754	254,073	0	0
Other operating income		277	0	0	0
Raw materials, consumables and goods for resale		-197,757	-155,223	0	0
Other external costs		-29,564	-27,046	-901	-241
Gross profit/loss		88,710	71,804	-901	-241
Staff costs	16	-77,543	-69,403	-1,066	-1,331
Other operating costs		0	-1,477	0	0
EBITDA		11,167	924	-1,967	-1,572
Depreciation on property, plant and equipment		-2,196	-2,074	0	0
Amortisation of intangible assets		-2,018	-1,875	0	0
Operating profit/loss		6,953	-3,025	-1,967	-1,572
Profit/loss in subsidiaries after tax		0	0	-4,071	-9,332
Gain on disposal of subsidiary		0	0	0	0
Financial income	3	7,292	7,694	20,343	17,957
Financial expenses	4	-665	-1,803	-14	-2
Profit/loss before tax		13,580	2,866	14,291	7,051
Tax on profit/loss for the year	5	-2,289	4,185	-3,000	0
Profit/loss for the year		11,291	7,051	11,291	7,051

Proposed profit appropriation/distribution of loss

DKK'000		
Proposed dividends	15,000	10,000
Retained earnings	-3,709	-2,949
	11,291	7,051

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

Balance sheet

		Group		Parent Company	
DKK'000	Note	2015	2014	2015	2014
ASSETS					
Non-current assets					
Intangible assets	6				
Development projects		4,772	6,482	0	0
Patents and licences		1,934	2,241	0	0
Intangible assets under construction		0	0	0	0
		6,706	8,723	0	0
Property, plant and equipment	7				
Land and buildings		4,917	5,174	0	0
Plant and machinery		1,158	734	0	0
Fixtures and fittings, tools and equipment		7,158	4,611	0	0
Leasehold improvements		4,975	4,856	0	0
Property, plant and equipment under construction		3,109	2,289	0	0
		21,317	17,664	0	0
Financial non-current assets					
Investments in subsidiaries	8	0	0	20,037	22,201
Receivables from subsidiaries		0	0	75,342	83,784
Non-current receivables		3,348	2,851	0	0
		3,348	2,851	95,379	105,985
Total non-current assets		31,371	29,238	95,379	105,985
Current assets					
Inventories					
Raw materials and consumables		7,130	6,350	0	0
Finished goods and goods for resale		6,178	3,637	0	0
		13,308	9,987	0	0
Receivables					
Trade receivables		51,415	40,378	0	0
Contract work in progress	10	22,465	28,830	0	0
Receivables from subsidiaries	9	0	0	12,703	8,103
Other receivables		4,293	3,606	102	26
Corporation tax		1,669	2,068	1,195	0
Deferred tax assets	12	23,782	20,508	0	0
Prepaid costs	15	3,683	2,783	0	0
Deposited cash and cash equivalents		20,890	21,477	0	0
		128,197	119,650	14,000	8,129
Cash at bank and in hand		53,572	42,834	14,446	8,115
Total current assets		195,077	172,471	28,446	16,244
TOTAL ASSETS		226,448	201,709	123,825	122,229

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

Balance sheet

DKK'000	Note	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
EQUITY AND LIABILITIES					
Equity					
Share capital	11	81,574	81,574	81,574	81,574
Retained earnings		26,789	30,282	26,789	30,282
Proposed dividends for the financial year		15,000	10,000	15,000	10,000
Total equity		123,363	121,856	123,363	121,856
Provisions					
Other provisions	13	22,822	20,618	0	0
Total provisions		22,822	20,618	0	0
Liabilities other than provisions					
Non-current liabilities other than provisions					
Finance lease	14	107	251	0	0
		107	251	0	0
Current liabilities other than provisions					
Current portion of non-current liabilities other than provisions	14	24	74	0	0
Progress billings/work in progress	10	29,585	25,479	0	0
Trade payables		35,916	24,964	0	0
Income tax payable		0	622	0	0
Other payables		14,631	7,845	462	373
		80,156	58,984	462	373
Total liabilities other than provisions		80,263	59,235	462	373
TOTAL EQUITY AND LIABILITIES		226,448	201,709	123,825	122,229

Contingent assets	17
Contingent liabilities, etc.	17
Related parties	18
Collateral	19

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

Statement of changes in equity

	Group			
DKK'000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 January 2015	81,574	30,282	10,000	121,856
Payment of dividends	0	0	-10,000	-10,000
Foreign exchange adjustments, quasi equity loans	0	10,912	0	10,912
Foreign exchange adjustments, foreign subsidiaries	0	-10,235	0	-10,235
Actuarial gains and losses on pension obligations	0	-461	0	-461
Profit/loss for the year	0	-3,709	15,000	11,291
Equity at 31 December 2015	81,574	26,789	15,000	123,363

	Parent Company			
DKK'000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 January 2015	81,574	30,282	10,000	121,856
Payment of dividends	0	0	-10,000	-10,000
Foreign exchange adjustments, quasi equity loans	0	10,912	0	10,912
Foreign exchange adjustments, foreign subsidiaries	0	-10,235	0	-10,235
Actuarial gains and losses on pension obligations	0	-461	0	-461
Profit/loss for the year	0	-3,709	15,000	11,291
Equity at 31 December 2015	81,574	26,789	15,000	123,363

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

Cash flow statement

DKK'000	Note	2015	2014
Operating profit/loss		6,953	-3,025
Adjustment for non-cash operating items, etc.:			
Depreciation, amortisation and impairment losses		4,214	5,426
Changes in provisions		2,204	13,424
Cash generated from operations (operating activities) before changes in working capital		13,371	15,825
Changes in working capital	20	12,265	509
Cash generated from operations (operating activities)		25,636	16,334
Financial income		15	88
Financial expenses		-664	-689
Cash generated from operations (ordinary activities)		24,987	15,733
Corporation tax paid		-5,161	-3,530
Cash flows from operating activities		19,826	12,203
Acquisition of intangible assets		0	-361
Acquisition of property, plant and equipment		-7,680	-4,205
Changes in non-current receivables		-497	-463
Changes in deposited cash and cash equivalents		588	-4,699
Cash flows from investing activities		-7,589	9,727
Repayment of non-current liabilities other than provisions		-195	-58
Dividends (excl. treasury shares)		-10,000	-18,000
Cash flows from financing activities		-10,195	-18,058
Net cash flows from operating, investing and financing activities		2,042	-15,582
Cash and cash equivalents at the beginning of the year		42,834	60,617
Foreign exchange adjustment		8,696	-2,201
Cash and cash equivalents at 31 December		53,572	42,834

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

Notes

1 Revenue

Pursuant to section 96(1) of the Danish Financial Statements Act, segment split of revenue has not been specified. The market is dominated by a few suppliers, and segment disclosures are considered to be damaging for the Group.

		Group		Parent Company	
	DKK'000	2015	2014	2015	2014
2	**Fees to auditors appointed at the general meeting**				
	Total fees to KPMG	556	290	334	141
	Statutory audit	235	190	40	60
	Tax assistance	166	92	154	73
	Assurance engagements	55	0	55	0
	Non-audit services	100	8	85	8
3	**Financial income**				
	Interest income from subsidiaries	0	0	11,579	10,350
	Other financial income	7,292	7,694	8,764	7,607
		7,292	7,694	20,343	17,957
4	**Financial expenses**				
	Interest expense to subsidiaries	0	0	0	0
	Foreign exchange losses	0	1,117	0	2
	Other financial expenses	664	686	14	0
		664	1,803	14	2

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

Notes

		Group		Parent Company	
	DKK'000	2015	2014	2015	2014
5	**Tax on profit/loss for the year**				
	Current tax for the year	3,214	0	0	0
	Adjustment of deferred tax for the year	-1,354	8,693	2,571	0
	Adjustment regarding prior year	429	353	429	0
		2,289	9,046	3,000	0

6 Intangible assets

	Group			
DKK'000	Develop-ment projects	Patents and licences	Intangible assets under construction	Total
Cost at 1 January 2015	22,878	4,288	0	27,166
Additions	0	0	0	0
Cost at 31 December 2015	22,878	4,288	0	27,166
Amortisation and impairment losses at 1 January 2015	16,396	2,046	0	18,442
Amortisation for the year	1,710	308	0	2,018
Amortisation and impairment losses at 31 December 2015	18,106	2,354	0	20,460
Carrying amount at 31 December 2015	4,772	1,934	0	6,706

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

Notes

7 Property, plant and equipment

	Group					
DKK'000	Land and buildings	Plant and machine-ry	Fixtures and fittings, tools and equip-ment	Property, plant and equip-ment under construc-tion	Lease-hold improve-ments	Total
Cost at 1 January 2015	9,600	8,129	21,380	2,289	6,064	47,461
Foreign exchange adjustments in foreign entities	0	453	1,767	265	701	3,186
Additions	23	537	3,903	3,217	0	7,680
Disposals	0	-845	-871	-2,662	0	-4,378
Cost at 31 December 2015	9,623	8,274	26,179	3,109	6,765	53,950
Depreciation at 1 January 2015	4,426	7,395	16,769	0	1,208	29,798
Foreign exchange adjustments in foreign entities	0	376	1,420	0	150	1,946
Depreciation	280	190	1,584	0	432	2,486
Disposals	0	-845	-752	0	0	-1,597
Depreciation at 31 December 2015	4,706	7,116	19,021	0	1,790	32,633
Carrying amount at 31 December 2015	4,917	1,158	7,158	3,109	4,975	21,317

8 Investments in subsidiaries

	Parent company	
DKK'000	2015	2014
Cost at 1 January	269,760	269,760
Additions	68,300	0
Cost at 31 December	338,060	269,760
Value adjustments at 1 January	-333,094	-307,621
Foreign exchange adjustment	-10,235	-8,544
Actuarial gains and losses on pension obligations	-461	-7,597
Profit/loss for the year	-4,071	-9,332
Disposal	0	0
Value adjustments at 31 December	-347,861	-333,094
Carrying amount at 31 December	-9,801	-63,334

Recognised as follows in the financial statements:

Negative investments set off against receivables from the subsidiaries in question	-101,438	-85,535
Recognised as investments	91,637	22,201
	-9,801	-63,334

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

Notes

9 Receivables from subsidiaries

	Parent company	
DKK'000	2015	2014
Non-current receivable from subsidiary	105,180	169,320
Negative investment set off against receivable from subsidiary	-101,438	-85,535
Carrying amount at 31 December	3,742	83,784

	Group	
DKK'000	2015	2014

10 Contract work in progress

Contract work in progress	232,709	180,305
Progress billings	-239,829	-176,954
	-7,120	3,351

recognised as follows:

Contract work in progress (assets)	22,465	28,830
Contract work in progress (liabilities)	-29,585	-25,479
	-7,120	3,351

11 Share capital

The share capital comprises 81,574,430 shares at a nominal value of DKK 1 per share. All shares have equal rights.

Changes in share capital during the past five years are specified as follows:

DKK'000	2015	2014	2013	2012	2011
Balance at 1 January	81,574	94,216	94,216	97,587	97,587
Reduction in capital to cover loss	0	0	0	-3,371	0
Redemption of share capital	0	-12,642	0	0	0
	81,574	81,574	94,216	94,216	97,587

	Group		Parent Company	
DKK'000	2015	2014	2015	2014

12 Deferred tax

Deferred tax assets at 1 January	20,508	10,473	0	0
Foreign exchange adjustments, foreign entities	1,679	585	0	0
Adjustment of deferred tax	1,595	9,450	0	0
	23,782	20,508	0	0

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

Notes

DKK'000	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
13 Provisions				
Warranties	2,667	759	0	0
Projects	1,708	2,892	0	0
Pension obligations	18,447	16,967	0	0
Other provisions at 31 December 2015	22,822	20,618	0	0

Pension obligations can be specified as follows:

DKK'000	Group 2015	Group 2014
Defined benefit obligation	64,884	59,928
Fair value of plan assets	-46,437	-42,961
Net pension obligation	18,447	16,967

Of provisions, DKK 18,447 thousand are expected to fall due after more than five years.

14 Non-current liabilities other than provisions

Leases are specified as follows:

DKK'000	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
Finance leases				
Short-term	24	74	0	0
Long-term	107	251	0	0
	131	325	0	0

Of total non-current liabilities other than provisions, DKK 0 falls due after more than five years.

15 Prepaid costs

Prepaid costs, DKK 3,683 thousand (2014: DKK 2,783 thousand), comprise payments made to suppliers relating to the subsequent financial year.

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

Notes

		Group		Parent Company	
	DKK'000	2015	2014	2015	2014
16	**Staff costs and incentive schemes**				
	Remuneration of the Board of Directors and the Executive Board of the Parent Company	1,013	1,263	1,013	1,263
	Wages and salaries	64,138	58,541		0
	Pensions	4,179	2,542	39	52
	Other social security costs	8,213	7,057	14	16
		77,543	69,403	1,066	1,331
	Average number of full-time employees	108	110	1	1

17 **Contractual obligations, contingencies, etc.**

Contingent assets

The Group has deferred tax assets of DKK 6 million, and the Parent Company has deferred tax assets of DKK 2 million which are not recognised in the financial statements due to uncertainty regarding the future utilisation.

Contingent liabilities

Lease obligations

Lease obligations (operating leases) falling due within five years total DKK 2,655 thousand.

Obligations relating to the lease of office premises amount to DKK 4,281 thousand.

Guarantees

The Group has provided delivery and performance guarantees relating to projects. These guarantees may entail a liability which will not be recognised until the facilities have been delivered or put into operation. It is Management's assessment that the Group has met the provided guarantees, and consequently, no costs have been recognised in this respect. Bank guarantees of DKK 19,303 million have been provided in this respect.

Parent Company

The Parent Company guarantees lease obligations for a subsidiary in the amount of DKK 2,821 thousand.

17 **Contractual obligations, contingencies, etc. (continued)**

The Parent Company is jointly taxed with the Danish subsidiaries. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties. At 31 December 2015, the net taxes

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

Notes

payable to the Danish tax authorities by the companies included in the joint taxation amounted to DKK 3,214 thousand which is covered in full by on-account payments. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies' liability will increase. The Group as a whole is not liable to others.

18 Related party disclosures

Parties exercising control

No single shareholder exercises control.

19 Collateral

Group

DKK 21 million in cash has been provided as collateral for outstanding bank guarantees regarding ongoing customer projects. The amount will be fully released as the guarantees expire.

Parent Company

No collateral has been provided by the Parent Company.

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

Notes

DKK'000	Group 2015	Group 2014
20 Change in working capital		
Change in inventories	-3,321	243
Change in receivables	-6,259	3,822
Change in trade and other payables	21,845	-3,556
	12,265	509