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Total Wind Group A/S
Central Business Registration No 30555058
Sjællandsvej 5
7330 Brande

Annual report 2015

The Annual General Meeting adopted the annual report on 30.05.2016

Chairman of the General Meeting

Name: Birger Brix

Contents

Entity details

Entity

Total Wind Group A/S
Sjællandsvej 5
7330 Brande

Central Business Registration No: 30555058
Founded: 01.06.2007
Registered in: Brande
Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Birger Brix, Chairman
Jens Nygaard Laursen
Lars Blavnsfeldt

Executive Board

Jens Nygaard Laursen

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Total Wind Group A/S for the financial year 01.01.2015 - 31.12.2015.

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

In our opinion, the financial statements give a true and fair view of the Entity’s financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 – 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Brande, 30.05.2016

Executive Board

Jens Nygaard Laursen

Board of Directors

Birger Brix Chairman	Jens Nygaard Laursen	Lars Blavnsfeldt

Independent auditor's reports

To the owners of Total Wind Group A/S
Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of Total Wind Group A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Management is responsible for the preparation of consolidated financial statements and parent 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 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 parent 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 about whether consolidated financial statements and parent financial statements are free from material misstatement.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations and the Group's cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Aarhus, 30.05.2016

Deloitte
Statsautoriseret Revisionspartnerselskab

Henrik Vedel	Jacob Tækker Nørgaard
State Authorised Public Accountant	State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000	2011 DKK'000
Financial highlights					
Key figures					
Revenue	498.982	404.566	392.021	369.366	339.384
Gross profit/loss	227.909	198.314	199.212	181.122	175.155
Operating profit/loss	13.981	26.686	24.058	27.958	7.639
Net financials	(6.093)	(3.281)	(2.794)	4.906	(5.780)
Profit/loss for the year	1.114	16.208	10.537	10.277	201
Total assets	370.626	291.387	266.458	223.818	221.817
Investments in property, plant and equipment	62.776	32.515	26.571	17.980	31.927
Equity	60.529	63.525	47.691	35.805	24.543
Employees in average	456	334	311	264	235
Ratios					
Gross margin (%)	45,7	49,0	50,8	49,0	51,6
Net margin (%)	0,2	4,0	2,7	2,8	0,1
Return on equity (%)	1,8	29,1	25,2	34,1	0,8
Equity ratio (%)	16,3	21,9	17,9	16,0	11,1

Management commentary

Primary activities

Total Wind Group's activities comprise transportation, crane work, and turnkey solutions for installation of wind turbines as well as other related activities. The activities are primarily performed in the EMEA-countries, in North and South America and in Northern Africa. The activities are performed from the main office in Denmark and through foreign subsidiaries. The parent company is primarily a holding company. The activities also include services for wind turbines in the form of, inter alia, inspection, service, maintenance and repair.

Development in activities and finances

The Group achieved a net result of DKK ('000) 1,114 in 2015 against DKK ('000) 16,208 in 2014. The result was significantly below expectations and can be explained by the difficult market conditions in the first half of the year and is considered unsatisfactory.

In the On Shore Installation segment business developed satisfactorily adding new strategic clients as well as geographic markets to Total Wind Group portfolio. The European market was characterized by a weak first half year and a strong second half year. Following a couple of weak years the Asian market is expected to regain strength.

In the financial year the Group has contracted the delivery of a new crane. The Group has tested the crane, which will be ready for use in the first half of 2016. Since the agreement and delivery of the crane made in 2015, there are included DKK ('000) 35,268 prepayments for property, plant and equipment. Similarly, the are included DKK ('000) 25,602 under finance lease liabilities.

The Group expected profitable growth within service and repair offerings. This market was in 2015 characterized by intensified competition and new major players causing an unsatisfactory result in this segment. The Group has adapted its setup and strategy accordingly and expects improved result in 2016.

The Group has during 2015 strengthened the organization on both operational and management level to strengthen Group competitiveness and to ensure improved efficiency in all central areas. Particular focus is allocated to optimization of working capital and further improvement of cash management. The Group will continue the efforts in 2016.

The Group expects to achieve satisfactory earnings in the coming years including 2016.

Total Wind Group's markets maintain high focus on safety, work environment and local legislation to protect against social dumping and tax/social security evasions. Total Wind meets these requirements and sees a continued improvement in the competitive power.

Management commentary

Total Wind is certified according to ISO 9001, ISO 14001 and OHSAS 18001. Quality assurance is vital to the Group as a business partner with the professional customers in the world market. The supplementary training activities increased in 2015 which will continue in the coming year.

Outlook

The Group foresees a positive result for the coming year. The outlook for the installation markets in mid to late 2016 for new turbines looks positive and Total Wind is in good position to secure orders in the market. Indications of increased demand for services within Total Wind's core competences provide basis for confidence in the Group core strategy.

Material assumptions and uncertainties

On presentation of the annual report of the Company and the Group, Management has assumed that the annual report can be presented on a going concern basis. DKK 37m of the Group's bank loan is to be renegotiated in August 2016, and in this connection the Company's owners have declared that they will see to that any uncovered capital requirement in continuation thereof will be covered if, contrary to expectations, the bank facility is not extended.

Particular risks

Special risks

The Group's most significant operating risk is attached to the ability to be strongly positioned in the markets where the products are sold and to the ability to ensure that production prices are competitive.

Foreign exchange risks

The Groups revenue and expenses are primarily in Euro. The foreign exchange risk is therefore in all material respects limited to the exchange risk of this currency. Group results originating from foreign subsidiaries will be affected by fluctuations in the respective currencies. It is not the company's policy to hedge this risk.

No speculative foreign currency positions are entered into.

Exchange adjustment of investments in subsidiary enterprises and associates that are independent entities is recognized directly in the equity. Long term loans provided by Total Wind Group A/S to subsidiaries are treated as part of net investment in the subsidiary. Related exchange risks are generally not hedged because it is the company's opinion that a current hedging of such long-term investments will not be optimal from an overall risk and cost viewpoint.

Interest risks

Changes in the interest level will have a direct impact on the earnings. The risk is considered insignificant.

Management commentary

Targets and policies for under-representation of gender

Total Wind Group believes that diversity among the employees, including even gender distribution, will contribute positively to the work environment and strengthen the company's performance and competitive power.

The company's shareholders have composed the board of directors of the most qualified representatives among the candidates of both genders. The company and the minority shareholders have done the same in the subsidiaries.

Status is at the end of 2015 that none of the members on the company's board of directors are women. In the company's subsidiaries none of the members on the company's board of directors are women, however compared to set target of 25%, 21 % of the management positions in the Group are held by women.

The company's overall policy and goal is to compose board of directors and leadership teams with the best qualified persons, and in so far there is an equal number of qualified persons from both genders, the candidate representing the under-represented gender will be appointed.

Corporate social responsibility

Total Wind has formulated an overall CSR policy. The policy is being implemented throughout the group through guidelines and procedures in QA systems.

The Company have developed corporate social responsibility policies in most areas relevant to Total Wind's business. The policies aim to ensure proper business conduct and optimum working, health and safety conditions for our employees.

The company' corporate social responsibility policies currently comprise social and working conditions, anti-bribery and gender representation. The group is still working on formulating more coherent CSR policies which will be supported by our ISO 9001 (quality management), ISO 14.001 (environmental management) and OHSAS 18.001 (Occupational Health and Safety Standard) certifications. At present, the group has not formulated policies concerning human rights and climate protection.

Management continuously follows up on compliance with these policies in practice.

Social and working conditions

Management has increased focus on quality, health and security issues and it is our policy to be a safe and healthy place to work. We will send our employees home after work in the same good state as they meet on work. We therefore train, inform and motivate employees continuously to achieve the best safety, health and environmental conditions and thus allow for the environmental conditions to be compatible.

Management commentary

Internally we are improving our health and safety procedures with specific requirements to use personal protection equipment such as glasses, helmets, high visibility wests and safety shoes. Our target is zero accidents or near miss incidents.

Incidents and deviations are registered and evaluated, and improvements, follow-up and reminders are implemented continuously. Top management follow up monthly on reporting and KPI´s set for the individual areas to ensure continuous focus. Results are reported, scrutinized and evaluated in cooperation with core customers. The effort made in 2015 in this area was satisfactory. Health and Safety will remain a focus area in the coming years.

It is also company policy to ensure compliance with laws and regulations to e.g. ensure workers' rights in the countries in which we operate. This is e.g .ensured throughout our employment contracts. Besides improving health and safety, we believed this contribute to employee satisfaction, quality of work and loyalty also ensuring customer satisfaction and basis for a long-term interesting work place. This has also been the case in 2015.

Total Wind has established a dedicated department within the organization to ensure compliance with company policy. We work – to the extent possible – in close cooperation with authorities and other representatives in all countries with the aim to ensure compliance, which at the same time improves the possibility for an effective and smooth execution of the customers' projects. The result of this work in 2015 has been satisfactory.

Anti-bribery

Total Wind does not tolerate corruption or bribery. The employment handbook describes these company policies explicitly. No actions violating these policies have been observed in 2015. It is management's intention to update the policy as adequate and to add more detailed policies and instructions as required by external as well as internal development.

Events after the balance sheet date

To ensure operational and financial maneuverability in 2016 the Group has strengthened its capital base through increased paid-in shareholder capital (6,100 DKK ('000)) as well as increased responsible loans from shareholders (6,400 DKK ('000)).

No other events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (big).

The accounting policies applied for this consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Accounting policies

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered as belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Accounting policies

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in associates

Income from investments in group associates are measured in the parent company's income statement under the equity method.

Accounting policies

Other financial income
Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The group is jointly taxed with Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill
Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 10 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc
Intellectual property rights etc comprise development projects in progress with related intellectual property rights.

Accounting policies

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation, including wages and costs that be directly allocated to the asset. For financial leased assets the cost equals the lowest of the fair value of the asset and the net present value of the future leasing payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Residual values are reviewed regularly Straightline depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10-25 years (0% residual value)
Other fixtures and fittings, tools and equipment	1-10 years (0-50% residual value)

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises’ equity.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent’s share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Accounting policies

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 5 years, however, in certain cases it may be up to 20 years. The amortization period is longest for strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value.

Associates with negative equity are measured at DKK 0, and any receivables from these associates are written down by the share of such negative equity if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if there is a legal or constructive obligation to cover the liabilities of the relevant associate.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Assets held for sale

Assets held for sale are measured at the lower of cost and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Accounting policies

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

The company applies structured sale of receivables to financial institution. At the event of sale the majority of the value is settled from the financial institution. Remaining settlement is received in accordance with the final payment from the end-customer to the financial institution or after an agreed time.

This scheme applies the same type of risks to the company with respect to potential credit note issuance as if sale of the receivable had not taken place.

Risk of lacking payment has been limited to 10% of the transferred amount.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Accounting policies

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Minority interests

Minority interests consist of non-controlling interests share of equity in subsidiaries not 100% owned by the parent company.

Other provisions

Other provisions comprise liabilities regarding investments in group companies.

Finance lease commitments

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Accounting policies

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Financial Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	Gross profit x 100 / Revenue	The Entity's operating gearing.
Net margin (%)	Profit/loss for the year x 100 / Revenue	The Entity's operating profitability.
Return on equity (%)	Profit/loss for the year x 100 / Average equity	The Entity's return on capital invested in the Entity by the owners.
Equity ratio (%)	Equity x 100 / Total assets	The financial strength of the Entity.

Consolidated income statement for 2015

	Notes	2015 DKK'000	2014 DKK'000
Revenue	2	498.982	404.566
Other operating income		1.942	1.238
Cost of sales		(7.622)	(11.338)
Costs of raw materials and consumables		(168.184)	(125.530)
Other external expenses	4	(97.209)	(70.622)
Gross profit/loss		**227.909**	**198.314**
Staff costs	3	(186.215)	(146.781)
Depreciation, amortisation and impairment losses		(27.234)	(24.499)
Other operating expenses		(479)	(348)
Operating profit/loss		**13.981**	**26.686**
Income from investments in associates		(159)	1.504
Other financial income		2.717	2.001
Other financial expenses	5	(8.651)	(6.786)
Profit/loss from ordinary activities before tax		**7.888**	**23.405**
Tax on profit/loss from ordinary activities	6	(2.530)	(4.424)
Consolidated profit/loss		**5.358**	**18.981**
Minority interests’ share of profit/loss		(4.244)	(2.773)
Profit/loss for the year		**1.114**	**16.208**

	2015	2014
Proposed distribution of profit/loss		
Dividend for the financial year	0	200
Reserve for net revaluation according to the equity method	415	1.504
Retained earnings	699	14.504
	1.114	**16.208**

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Acquired intangible assets		16	26
Goodwill		10.469	7.343
Development projects in progress		1.866	1.063
Intangible assets	7	**12.351**	**8.432**
Land and buildings		1	14
Other fixtures and fittings, tools and equipment		122.067	117.710
Leasehold improvements		41	301
Prepayments for property, plant and equipment		35.268	7.816
Property, plant and equipment	8	**157.377**	**125.841**
Investments in associates		5.061	5.526
Deposits		3.886	3.870
Fixed asset investments	9	**8.947**	**9.396**
Fixed assets		**178.675**	**143.669**
Manufactured goods and goods for resale		9.779	8.586
Assets held for sale		2.057	2.081
Inventories		**11.836**	**10.667**
Trade receivables		85.733	100.705
Contract work in progress	12	41.555	9.027
Receivables from associates		1.740	2.049
Deferred tax assets		4.187	2.779
Other short-term receivables		19.883	11.674
Income tax receivable		0	382
Receivables from owners and management	13	9	26
Prepayments		4.892	2.102
Receivables		**157.999**	**128.744**
Cash		**22.116**	**8.307**
Current assets		**191.951**	**147.718**
Assets		**370.626**	**291.387**

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Contributed capital		1.220	1.220
Reserve for net revaluation according to the equity method		415	5.094
Retained earnings		58.894	57.011
Proposed dividend		0	200
Equity		**60.529**	**63.525**
Minority interests	14	**12.559**	**12.928**
Provisions for deferred tax		235	3.092
Other provisions	15	384	0
Provisions		**619**	**3.092**
Subordinate loan capital		2.737	5.613
Finance lease liabilities		68.475	54.364
Non-current liabilities other than provisions	16	**71.212**	**59.977**
Current portion of long-term liabilities other than provisions	16	33.451	23.503
Bank loans		79.931	48.776
Contract work in progress		6.563	2.702
Trade payables		52.776	36.946
Payables to shareholders and management		0	135
Income tax payable		4.932	1.048
Other payables		48.054	38.755
Current liabilities other than provisions		**225.707**	**151.865**
Liabilities other than provisions		**296.919**	**211.842**
Equity and liabilities		**370.626**	**291.387**
Going concern	1		
Subsidiaries	10		
Contingent assets	18		
Mortgages and securities	19		

Consolidated statement of changes in equity for 2015

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	1.220	5.094	57.011	200
Ordinary dividend paid	0	0	0	(200)
Exchange rate adjustments	0	0	(5.120)	0
Other adjustments	0	(5.094)	6.304	0
Profit/loss for the year	0	415	699	0
Equity end of year	**1.220**	**415**	**58.894**	**0**

	Total DKK'000
Equity beginning of year	63.525
Ordinary dividend paid	(200)
Exchange rate adjustments	(5.120)
Other adjustments	1.210
Profit/loss for the year	1.114
Equity end of year	**60.529**

Consolidated cash flow statement for 2015

	Notes	2015 DKK'000	2014 DKK'000
Operating profit/loss		13.981	26.686
Amortisation, depreciation and impairment losses		27.234	24.499
Other provisions		384	0
Working capital changes	17	10.380	(4.097)
Other adjustments		(2.762)	(345)
Cash flow from ordinary operating activities		**49.217**	**46.743**
Financial income received		2.717	2.001
Financial income paid		(8.651)	(6.786)
Income taxes refunded/(paid)		(3.563)	(5.048)
Cash flows from operating activities		**39.720**	**36.910**
Acquisition etc of intangible assets		(6.060)	(29)
Acquisition etc of property, plant and equipment		(36.935)	(35.571)
Sale of property, plant and equipment		3.061	5.566
Acquisition of fixed asset investments		(16)	0
Dividends received from associates		143	1.360
Other cash flows from investing activities		(3.765)	108
Cash flows from investing activities		**(43.572)**	**(28.566)**
Loans raised		0	6.852
Instalments on loans etc		(13.396)	(21.201)
Dividend paid		(98)	(1.715)
Cash flows from financing activities		**(13.494)**	**(16.064)**
Increase/decrease in cash and cash equivalents		**(17.346)**	**(7.720)**
Cash and cash equivalents beginning of year		(40.469)	(32.749)
Cash and cash equivalents end of year		**(57.815)**	**(40.469)**
Cash and cash equivalents at year-end are composed of:			
Cash		22.116	8.307
Short-term debt to banks		(79.931)	(48.776)
Cash and cash equivalents end of year		**(57.815)**	**(40.469)**

Notes to consolidated financial statements

1. Going concern

On presentation of the annual report of the Company and the Group, Management has assumed that the annual report can be presented on a going concern basis. DKK 37m of the Group's bank loan is to be renegotiated in August 2016, and in this connection the Company's owners have declared that they will see to that any uncovered capital requirement in continuation thereof will be covered if, contrary to expectations, the bank facility is not extended.

	2015 DKK'000	2014 DKK'000
2. Revenue		
Domestic	73.094	65.244
Abroad	425.888	339.322
	498.982	**404.566**

The revenue has not been specified further due to competitive reasons.

	2015 DKK'000	2014 DKK'000
3. Staff costs		
Wages and salaries	158.136	121.222
Pension costs	14.203	15.555
Other social security costs	11.574	10.004
Other staff costs	2.302	0
	186.215	**146.781**
Average number of employees	**456**	**334**

	Remuneration of management 2015 DKK'000	Remuneration of management 2014 DKK'000
Total amount for management categories	1.923	1.425
	1.923	**1.425**

The executive board consists of one person and therefore the total remuneration of management (Board of Directors and Executive Board) is presented as a whole in accordance with § 98b paragraph 3 in the Danish Financial Statement Act.

Notes to consolidated financial statements

4. Fees to the auditor appointed by the Annual General Meeting

	2015 DKK'000	2014 DKK'000
Statutory audit services	605	640
Tax services	215	243
Other services	927	819
	1.747	**1.702**

The fee to Deloitte in 2014 amounts to DKK 610k.

5. Other financial expenses

	2015 DKK'000	2014 DKK'000
Interest expenses	5.646	5.476
Exchange rate adjustments	2.682	1.310
Other financial expenses	323	0
	8.651	**6.786**

6. Tax on profit/loss from ordinary activities

	2015 DKK'000	2014 DKK'000
Tax on current year taxable income	7.015	3.055
Change in deferred tax for the year	(4.265)	1.535
Adjustment concerning previous years	(209)	(250)
Effect of changed tax rates	(11)	84
	2.530	**4.424**

7. Intangible assets

	Acquired intangible assets DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	29	18.699	1.063
Additions	0	5.257	803
Cost end of year	**29**	**23.956**	**1.866**
Amortisation and impairment losses beginning of year	(3)	(11.356)	0
Amortisation for the year	(10)	(2.131)	0
Amortisation and impairment losses end of year	**(13)**	**(13.487)**	**0**
Carrying amount end of year	**16**	**10.469**	**1.866**

Notes to consolidated financial statements

8. Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Prepayments for property, plant and equipment DKK'000
Cost beginning of year	130	194.965	946	7.816
Exchange rate adjustments	0	(3.255)	(2)	0
Additions	0	35.289	35	27.452
Disposals	0	(9.776)	(256)	0
Cost end of year	**130**	**217.223**	**723**	**35.268**
Depreciation and impairment losses beginning of the year	(116)	(77.255)	(645)	0
Exchange rate adjustments	0	156	0	0
Depreciation for the year	(13)	(25.471)	(101)	0
Reversal regarding disposals	0	7.414	64	0
Depreciation and impairment losses end of the year	**(129)**	**(95.156)**	**(682)**	**0**
Carrying amount end of year	**1**	**122.067**	**41**	**35.268**
Recognised assets not owned by entity	**0**	**84.215**	**0**	**0**

Notes to consolidated financial statements

9. Fixed asset investments

	Investments in associates DKK'000	Deposits DKK'000
Cost beginning of year	374	3.870
Additions	0	16
Disposals	(333)	0
Cost end of year	**41**	**3.886**
Revaluations beginning of year	5.152	0
Adjustments on equity	12	0
Share of profit/loss for the year	803	0
Dividend	(143)	0
Reversal regarding disposals	(804)	0
Revaluations end of year	**5.020**	**0**
Carrying amount end of year	**5.061**	**3.886**

10. Subsidiaries

	Registered in	Corpo-rate form	Equity inte-rest %
Total Wind A/S	Denmark	A/S	100,0
- Total Wind Canada Inc	Canada	Inc.	100,0
- Total Wind Romania LLC	Romania	LLC	100,0
- Total Wind Service ApS	Denmark	ApS	100,0
- Total Wind Sverige AB	Sweden	AB	64,0
- Kusgoz Total Wind A.S	Turkey	A.S	51,0
- Total Wind Brasil Ltda.	Brazil	Ltda.	75,0
- Total Wind Blades ApS	Denmark	ApS	100,0
- Total Wind Maroc SARL	Marrocco	SARL	100,0
- Total Wind Poland Sp. z.o.o.	Poland	z.o.o.	80,0
- Total Wind Services Sp. z.o.o.	Poland	z.o.o.	100,0
- Total Wind UK Ltd.	United Kingdom	Ltd.	70,0
- Total Wind GmbH	Germany	GmbH	100,0
- Total Wind Iberia Lda	Portugal	Lda.	100,0
- Total Wind Benelux BV	Holland	BV	70,0
Total Wind Property ApS	Denmark	ApS	100,0
Total Wind Equipment ApS	Denmark	ApS	100,0
Bolt Machine ApS	Denmark	ApS	51,0

Notes to consolidated financial statements

11. Associates

	Registered in	Equity interest %
Certion BV	Netherlands	31,3

12. Contract work in progress

	2015 DKK'000	2014 DKK'000
Contract work in progress	184.239	126.472
Progress billings regarding contract work in progress	(149.247)	(120.147)
Transferred to liabilities other than provisions	6.563	2.702
	41.555	**9.027**

13. Short-term receivables from owners and management

Receivables from owners and management consist of receivable from a member of the board of directors.

The amount is due, and has accrued interest at 10,20% p.a. as required in the company act.

14. Minority interests

Minority interests consist of the share of the equity and profit/loss of the group companies that their respective shares provide.

15. Other provisions

Other provisions comprise provisions to mitigate tax risks.

16. Long-term liabilities other than provisions

	Instalments within 12 months 2015 DKK'000	Instalments within 12 months 2014 DKK'000	Instalments beyond 12 months 2015 DKK'000
Subordinate loan capital	4.473	8.420	2.737
Finance lease liabilities	28.978	15.083	68.475
	33.451	**23.503**	**71.212**

Notes to consolidated financial statements

None of the long-term liabilities are due after 5 years.

Subordinate loan capital resigns for the other creditors of the Group and is remunerated with a flowing interest rate that are continuously compounded.

17. Change in working capital

	2015 DKK'000	2014 DKK'000
Increase/decrease in inventories	(1.169)	(2.966)
Increase/decrease in receivables	(21.738)	(15.376)
Increase/decrease in trade payables etc	33.287	14.245
	10.380	**(4.097)**

18. Contingent assets

The Group has undertaken legal actions against former employees regarding violation of Danish marketing laws. The Group has not recognized a possible receivable related to the action.

19. Mortgages and securities

Floating charge secured on claim amounts to DKK 24.000k.

The Group is also involved in legal actions against customers regarding claims against the Group and has recognized the expected liability in the balance sheet.

Parent income statement for 2015

	Notes	2015 DKK'000	2014 DKK'000
Other external expenses		(200)	(68)
Operating profit/loss		**(200)**	**(68)**
Income from investments in group enterprises		2.158	16.824
Other financial income	2	165	0
Other financial expenses	3	(858)	(712)
Profit/loss from ordinary activities before tax		**1.265**	**16.044**
Tax on profit/loss from ordinary activities	4	(151)	164
Profit/loss for the year		**1.114**	**16.208**

Proposed distribution of profit/loss			
Dividend for the financial year		0	200
Reserve for net revaluation according to the equity method		2.158	16.824
Retained earnings		(1.044)	(816)
		1.114	**16.208**

Parent balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Investments in group enterprises		64.285	67.247
Fixed asset investments	5	**64.285**	**67.247**
Fixed assets		**64.285**	**67.247**
Receivables from group enterprises		3.743	10.127
Deferred tax assets		803	807
Income tax receivable		24	171
Receivables		**4.570**	**11.105**
Cash		**35**	**0**
Current assets		**4.605**	**11.105**
Assets		**68.890**	**78.352**

Parent balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Contributed capital	6	1.220	1.220
Reserve for net revaluation according to the equity method		38.673	41.635
Retained earnings		20.636	20.470
Proposed dividend		0	200
Equity		**60.529**	**63.525**
Subordinate loan capital		2.737	5.613
Non-current liabilities other than provisions	7	**2.737**	**5.613**
Current portion of long-term liabilities other than provisions	7	4.473	8.420
Payables to group enterprises		702	436
Other payables		449	358
Current liabilities other than provisions		**5.624**	**9.214**
Liabilities other than provisions		**8.361**	**14.827**
Equity and liabilities		**68.890**	**78.352**
Going concern	1		
Contingent liabilities	8		
Mortgages and securities	9		

Parent statement of changes in equity for 2015

	Contributed capital DKK'000	Reserve for net revalua-tion accor-ding to the equity me-thod DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	1.220	41.635	20.470	200
Ordinary dividend paid	0	0	0	(200)
Exchange rate adjustments	0	(5.120)	0	0
Other adjustments	0	0	1.210	0
Profit/loss for the year	0	2.158	(1.044)	0
Equity end of year	**1.220**	**38.673**	**20.636**	**0**

	Total DKK'000
Equity beginning of year	63.525
Ordinary dividend paid	(200)
Exchange rate adjustments	(5.120)
Other adjustments	1.210
Profit/loss for the year	1.114
Equity end of year	**60.529**

Notes to parent financial statements

1. Going concern

On presentation of the annual report of the Company and the Group, Management has assumed that the annual report can be presented on a going concern basis. DKK 37m of the Group's bank loan is to be renegotiated in August 2016, and in this connection the Company's owners have declared that they will make sure that any uncovered capital requirement in continuation thereof will be covered if, contrary to expectations, the bank facility is not extended.

2. Other financial income

	2015 DKK'000	2014 DKK'000
Financial income arising from group enterprises	144	0
Interest income	5	0
Exchange rate adjustments	16	0
	165	**0**

3. Other financial expenses

	2015 DKK'000	2014 DKK'000
Interest expenses	858	712
	858	**712**

4. Tax on profit/loss from ordinary activities

	2015 DKK'000	2014 DKK'000
Tax on current year taxable income	0	(164)
Change in deferred tax for the year	4	0
Adjustment concerning previous years	147	0
	151	**(164)**

Notes to parent financial statements

	Investments in group enterprises DKK'000
5. Fixed asset investments	
Cost beginning of year	25.612
Cost end of year	**25.612**
Revaluations beginning of year	41.635
Exchange rate adjustments	(5.120)
Amortisation of goodwill	(1.386)
Share of profit/loss for the year	3.544
Revaluations end of year	**38.673**
Carrying amount end of year	**64.285**

For an overview of group companies, please see note 10 in the notes to consolidated financial statements.

Goodwill is included in the investments in group enterprises and amounts 1,963k DKK.

	Number	Par value DKK'000	Nominal value DKK'000
6. Contributed capital			
A-shares	12.200	100	1.220
	12.200		**1.220**

	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000	2011 DKK'000
Changes in contributed capital					
Contributed capital beginning of year	1.220	1.220	1.220	1.220	1.031
Increase of capital	0	0	0	0	494
Decrease of capital	0	0	0	0	(305)
Contributed capital end of year	**1.220**	**1.220**	**1.220**	**1.220**	**1.220**

Notes to parent financial statements

7. Long-term liabilities other than provisions

	Instalments within 12 months 2015 DKK'000	Instalments within 12 months 2014 DKK'000	Instalments beyond 12 months 2015 DKK'000
Subordinate loan capital	4.473	8.420	2.737
	4.473	**8.420**	**2.737**

None of the long-term liabilities are due after 5 years.

Subordinate loan capital resigns for the other creditors of the Group and is remunerated with a flowing interest rate that are continuously compounded.

8. Contingent liabilities

The company has guaranteed the debt regarding the financial lease debt in Total Wind Equipment ApS to Nordea Finans. As of 31.12.2015 the total financial lease debt amounts to 20,991k DKK.

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

9. Mortgages and securities

The company has provided shares in subsidiaries as security for debt. The value of secured shares amounted to 64.285k DKK at 31 December 2015. (2014: 67,247k DKK)

The company has guaranteed the debt regarding Total Wind Equipment ApS and Total Wind Property ApS to the banks. As of 31.12.2015 the total bank debt amounts to 792k DKK. (2014: 4k DKK).

The Company has guaranteed for bank loans in Total Wind A/S. The maximum limit of the guarantee is 63,200k DKK. As of 31.12.2015 the total bank debt amounts to 62,510k DKK (2014: 48,397k DKK).

The Company has guaranteed for bank loans in Total Wind Service ApS. The maximum limit of the guarantee is 16,200k DKK. As of 31.12.2015 the total bank debt amounts to 15,705k DKK (2014: 328k DKK).

The Company has issued letters of support to the subsidiaries Total Wind Equipment ApS and Bolt Machine ApS. The Company declares that it will add the require cash in order to meet the liabilities in the subsidiaries.