NordEnergie Renewables

Amaliegade 45, 1256 København K

CVR No.: 31 05 00 22

ANNUAL REPORT
2015
(8. accounting year)

The annual report has been submitted and approved by the general meeting on the 2~~6~~5/5, 2016

Niels Thestrup
Chairman of the meeting

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NordEnergie Renewables

COMPANY DETAILS

ANNUAL REPORT

The Company:	NordEnergie Renewables A/S Amaliegade 45, 2 tv 1256 København K Denmark	
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	Fax:	+45 33 14 14 59
	Website:	www.Nordenergierenewables.com
	E-mail:	info@Nordenergierenewables.com
	CVR No.:	31 05 00 22
	Incorporated:	5 November 2007
	Registered office:	Municipality of Copenhagen, Denmark
	Financial period:	1 January - 31 December
Board of Management:	Kim Brangstrup	CEO
	Jan Kurt Christensen	COO
Board of Directors:	Preben Kønig	Chairman
	Jeppe Øvli Øvlesen	
	Peter Høstgaard-Jensen	
	Odd Torland	
	Paal August Nordhagen	
	Henrik Krefting	
	Kim Brangstrup	
Auditors:	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	

MANAGEMENT'S REVIEW

The group's activities

NordEnergie Renewables A/S is an independent renewable power producer which owns and operates a portfolio of wind power plants in Germany and Sweden.

Vision and Mission

NordEnergie Renewables vision is to become a significant European independent energy producer.

NordEnergie Renewables goal is to generate cost effective clean energy. We believe that wind power generation is an ecofriendly alternative to traditional energy.

Business Review 2015

Revenue

Revenue amounted to tEUR 27.458, equivalent to an increase of 12 % compared to 2014. By the end of 2015 Nordenergie Renewables produced renewable energy from a portfolio of wind parks with a installed capacity of 145,7 MW.

Profits from operations

Profits from operations (EBIT) amounted to tEUR 9.834 compared to tEUR 7.161 for 2014 – an increase of 37 %. The consolidated profit margin for 2015 amounted to 36 % compared to 29 % in 2014.

The Group's investments in new wind turbines and technical improvements on existing turbines in 2015 was at a total of t.EUR 46.

MANAGEMENT'S REVIEW

Net profit for the year
In 2015 the net profit amounted to t.EUR 3.146 compared to t.EUR 123.

The year 2015 was a good wind year achieving an index of 104 of a normal wind year which was higher than 2014 in which the wind was at index 78 of a normal wind year.

During the year management has worked intensively on further improving operational efficiency by driving down cost and increasing revenue by, among other, negotiating a direct marketing agreement with Statkraft Markets GmbH under which Statkraft purchases the energy produced from all of the German wind turbines at a price significantly higher than the guaranteed feed-in tariff.

Events reported after the end of the financial year
There has been no events after the end of the financial year that has any materially effect on the accounts.

Equity
Equity by the end of 2015 amounts to tEUR 70.584 compared to tEUR 67.162 at the same time last year.

Dividend
The Board of Directors recommends to the Annual General Meeting that no dividend is paid out for 2015.

Outlook 2016
Under the assumption of an unchanged production base and a normal wind year, the Company expects to realize an EBITDA of around tEUR 18.600 in 2016.

In 2015 the Company realized an EBITDA of tEUR 19.084 which was tEUR 300 higher than expected due to the realized wind index of 104. The Company budget for 2016 is based on the assumption of a normal wind year corresponding to an index 100.

CONSOLIDATED KEY FIGURES

EUR'000	2015	2014	2013	2012	2011
Consolidated Income Statement					
Revenue	27.458	24.423	23.691	24.452	24.668
Gross profit	20.757	18.207	17.605	19.194	19.393
Operating result before depreciation	19.084	16.453	17.325	18.821	17.607
Operating result (profit before financials)	9.834	7.161	8.333	10.494	9.523
Financing income/expenses, net	-4.667	-5.955	-6.375	-10.644	-7.144
Result before tax	5.167	1.206	1.958	-150	2.379
Result for the year	3.146	123	803	-2.044	2.379
Consolidated Balance sheet					
Non-current assets	176.233	184.625	195.772	196.204	191.562
Current assets	15.893	15.251	15.995	17.238	16.707
Total assets	192.126	199.876	211.767	213.442	208.269
Share capital	3.100	3.100	3.100	3.100	3.100
Total equity	70.584	67.162	68.264	69.460	68.315
Non-current liabilities	101.647	111.279	122.079	118.918	106.948
Current liabilities	19.895	21.435	21.424	25.064	33.006
Consolidated Statement of cash flows					
Cash flow from operating activities	13.487	11.787	9.927	13.124	10.533
Cash flow from investing activities	-682	524	-9.962	-11.748	-7.794
Of which investment in property, plant and equipment	-46	-34	-8.307	-11.815	-7.794
Cash flow from financing activities	-13.586	-12.181	-1.740	2.116	-1.173
Employees					
Average number of employees	4	4	3	3	3
Key figures					
Gross margin	75,60%	74,55%	74,31%	78,50%	78,62%
Profit margin	35,81%	29,32%	35,17%	42,92%	38,60%
Return on assets	5,12%	3,58%	3,93%	4,92%	4,57%
Equity ratio	36,74%	33,60%	32,24%	32,54%	32,80%
Return on equity	4,57%	0,18%	1,17%	-2,97%	3,51%

NordEnergie Renewables

DIRECTORS' AND MANAGEMENTS' STATEMENT ON THE ANNUAL REPORT

Today, the Board of Directors and Executive Management approved the Annual Report of NordEnergie Renewables A/S for the year 2015.

The Consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act. The Financial statements of the parent company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated financial statements and the Financial statements of the parent company give a true and fair view of the financial position at 31 December 2015, the results of the Group and parent company operations and consolidated cash flows for the financial year 2015.

Furthermore, in our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances, of the results for the year and of the financial position of the Group and the parent company as well as a description of the most significant risks and elements of uncertainty facing the Group and the parent company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen 19 April 2016

Executive management

Kim Brangstrup

Jan Kurt Christensen

Board of Directors

Copenhagen 19. April 2016

Preben König
Chairman

Jeppe Øvli Øvlesen

Peter Høstgaard-Jensen

Odd Torland

Paal August Nordhagen

Henrik Krefting

Kim Brangstrup

INDEPENDENT AUDITOR´S REPORTS

To the shareholders of NordEnergie Renewables A/S

Report on Consolidated financial statements and Financial statements of the Parent Company
We have audited the Consolidated financial statements and the Financial statements of NordEnergie Renewables A/S for the financial year 1 January to 31 December 2015, which comprise Income Statement, Balance Sheet, Statement of Changes in Equity, and Notes including accounting policies, for the Group as well as for the Parent Company, and Statement of Comprehensive Income and Cash Flow Statement for the Group. The Consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements act. The Financial statements of the Parent Company are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Consolidated financial statements and Financial statements of the Parent Company
The Management is responsible for the preparation of Consolidated financial statements and the Financial statements of the Parent Company that give a true and fair view in accordance with the above legislation and accounting standards and for such internal control as the Management determines is necessary to enable the preparation of Consolidated financial statements and the Financial Statements of the Parent Company 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 Financial statements of the Parent Company 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 the Consolidated financial statements and the Financial statements of the Parent Company 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 Financial statements of the Parent Company. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the Consolidated financial statements and the Financial statements of the Parent Company, 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 Financial statements of the Parent Company 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 entity's internal control.

INDEPENDENT AUDITOR´S REPORTS

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as the overall presentation of the Consolidated financial statements and the Financial statements of the Parent Company.

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated financial statements give a true and fair view of the Group's financial position at 31 December 2015 and of the results of the Group's operations and consolidated cash flows for the financial year 1 January to 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act. Moreover, in our opinion the Financial statements of the Parent Company give a true and fair view of the financial position at 31 December 2015 and of the results of the Parent Company's operations for the financial year 1 January to 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 19 April 2016

Grant Thornton

Statsautoriseret Revisionspartnerselskab

CVR-nr. 34 20 99 36

Carsten Mønster

State Authorized Public Accountant

CONSOLIDATED FINANCIAL STATEMENTS
INCOME STATEMENT 1 JANUARY - 31 DECEMBER

EUR'000	Note	2015	2014
Revenue	3, 4	27.458	24.423
Operating expenses		-6.701	-6.216
Gross profit		**20.757**	**18.207**
Other external expenses	5	-694	-811
Staff cost	6	-979	-943
Other income		0	0
Operating result before depreciation		**19.084**	**16.453**
Depreciation	7	-9.250	-9.292
Operating result		**9.834**	**7.161**
Financial income	8	329	40
Financial expenses	9	-4.996	-5.995
Financing income/expenses, net		**-4.667**	**-5.955**
Result before tax		**5.167**	**1.206**
Tax on profit/loss for the year	10	-2.022	-1.083
Result for the year		**3.146**	**123**

STATEMENT OF COMPREHENSIVE INCOME 1 JANUARY - 31 DECEMBER

Result for the year	3.146	123
Other comprehensive income:		
Currency translation differences	276	-1.225
Comprehensive income for the year	**3.422**	**-1.102**

CONSOLIDATED FINANCIAL STATEMENTS
BALANCE SHEET AT 31. DECEMBER

EUR'000	Note	2015	2014
ASSETS			
Wind turbines		174.471	183.125
Tangible assets	11	**174.471**	**183.125**
Deferred income tax assets	17	631	325
Other non-current assets	12	1.131	1.175
Other non-current assets		**1.762**	**1.500**
Non-current assets		**176.233**	**184.625**
Trade receivables	13	5.070	4.593
Other receivables	13	544	240
Prepayments	13	1.039	1.033
Marketable securities	14	1.128	492
Cash at bank and cash equivalents	15	8.112	8.893
Current assets		**15.893**	**15.251**
Assets		**192.126**	**199.876**

CONSOLIDATED FINANCIAL STATEMENTS
BALANCE SHEET AT 31. DECEMBER

EUR'000	Note	2015	2014
LIABILITIES AND EQUITY			
Share capital		3.100	3.100
Share premium		63.681	63.681
Currency translation reserves		2.443	2.167
Retained earnings		1.360	-1.786
Total Equity	16	**70.584**	**67.162**
Provision for deferred tax	17	6.652	4.667
Other provisions	18	1.045	991
Credit institutions	19, 24	93.950	105.621
Other trade payables	24	0	0
Non-current liabilities		**101.647**	**111.279**
Credit institutions	19, 24	17.939	19.854
Trade payables		731	655
Tax payables		143	108
Other payables		1.040	777
Accruals		42	41
Current liabilities	24	**19.895**	**21.435**
Total liabilities		**121.542**	**132.714**
Liabilities and Equity		**192.126**	**199.876**

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CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CHANGE IN EQUITY

EUR' 000

	Share capital	Share premium account	Currency translation reserves	Retained earning	Total
Equity at 1 January 2014	**3.100**	**63.681**	**3.392**	**-1.909**	**68.264**
Result for the year	0	0	0	123	**123**
Other comprehensive income					
Currency translation differences	0	0	-1.225	0	**-1.225**
Equity at 31 December 2014	**3.100**	**63.681**	**2.167**	**-1.786**	**67.162**
Equity at 1 January 2015	**3.100**	**63.681**	**2.167**	**-1.786**	**67.162**
Result for the year	0	0	0	3.146	**3.146**
Other comprehensive income					
Currency translation differences	0	0	276	0	**276**
Equity at 31 December 2015	**3.100**	**63.681**	**2.443**	**1.360**	**70.584**

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CASH FLOW

EUR'000	Note	2015	2014
Operating result		9.834	7.161
Depreciation wind turbines		9.250	9.292
Depreciation other assets		0	0
Other adjustments for non cash-transactions	21	-273	305
Change in working capital	22	-349	1.129
Cash flow from operations before interest		**18.462**	**17.887**
Interest received		329	40
Interest paid		-4.996	-5.995
Cash flow from ordinary activities		**13.795**	**11.932**
Tax paid/received		-308	-145
Cash flow from operating activities		**13.487**	**11.787**
Investments in power plants		-46	-34
Disposals of investments in power plants		0	359
Investments in other non-current assets		0	0
Change in marketable securities		-636	199
Cash flow from investing activities		**-682**	**524**
Increase in bank debt		-13.586	-12.181
Settling of cash flow hedge		0	0
Purchase own shares		0	0
Cash flow from financing activities		**-13.586**	**-12.181**
Cash flow for the year		**-781**	**130**
Cash and cash equivalents, beginning of year		8.893	8.763
Cash and cash equivalents, year end		**8.112**	**8.893**

Of the cash at bank and cash equivalents at tEUR 8.112 at year end 2015 is tEUR 4.613 restricted and deposited on bank accounts. At the year end 2014 restricted cash constituted an comparable amount of tEUR 4.157.

CONSOLIDATED FINANCIAL STATEMENTS
NOTES

1. Accounting policies

Basis of presentation

The consolidated financial statements have been presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements in the Danish Financial Statements Act. The annual report of the parent company, NordEnergi Renewables A/S, is prepared in accordance with the Danish Financial Statements Act.

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarized below.

The consolidated financial statements are prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are described in more detail in the accounting policies below.

The annual report is presented in Euro (tEUR).

New accounting policies and disclosures

The annual report for 2015 has been prepared in accordance with the new and revised standards (IFRS / IAS) applicable for the year. Implementation of these standards have not affected recognition and measurement in 2015. Available approved accounting standards effective for the annual report 2016 and not yet EU endorsed IFRS is not expected to have material impact on the annual report 2016.

CONSOLIDATED FINANCIAL STATEMENTS
NOTES

Consolidated financial statements
The consolidated financial statements comprise the Parent Company NordEnergie Renewables and subsidiaries in which Nordenergie Renewables exercises control over the financial and operational policies of the enterprise to achieve a return on or other benefits from its activities. Control is achieved by directly or indirectly holding or having the disposal of more than 50% of the voting rights or otherwise exercising a controlling influence over the relevant enterprise. Enterprises in which the Group exercises significant influence but not control are classified as associates. Significant influence is generally achieved by directly or indirectly holding or having the disposal of more than 20%, but less than 50%, of the voting rights. In determining whether Nordenergie Renewables exercises control or has a significant influence, potential votes exercisable at the balance sheet date are taken into account.

The consolidated financial statements have been prepared by combining the financial statements of the Parent Company and the individual subsidiaries stated under the Group's accounting policies, eliminating intra-group income and expenses, shareholdings, balances and dividends as well as realized and unrealized profits on transactions between consolidated enterprises.

Unrealized and realized gains on transactions with associates are eliminated in proportion to the Group's share of the enterprise. Unrealized losses are eliminated in the same way as unrealized gains, to the extent that no impairment has occurred.

Investments in subsidiaries are eliminated by the proportionate share of the subsidiaries' fair value of identifiable net assets and recognized contingent liabilities at the date of acquisition.

Business combinations
Newly acquired or newly established companies are recognized in the consolidated financial statements from the date of acquisition. Enterprises divested or wound up are included in the consolidated income statement until the date of disposal. Comparative figures are not restated to reflect acquisitions. Discontinued operations are presented as a separate item. See below.

The purchase method is applied on acquisitions if the Parent Company gains control of the company acquired. Identifiable assets, liabilities and contingent liabilities in companies acquired are measured at the fair value at the date of acquisition. Identifiable intangible assets are recognized if they can be separated or arise from a contractual right and the fair value can be reliably measured. Deferred tax on revaluations made is recognized.

For business combinations effected, any excess of the cost of acquisition over the fair value of the acquired identifiable assets, liabilities and contingent liabilities is recognized as goodwill under intangible assets. Goodwill is not amortized, but is tested for impairment annually. An impairment test is also made in case of any indication of an impairment. The first impairment test is performed before the end of the year of acquisition. On acquisition, goodwill is transferred to the cash-generating units which will subsequently form the basis for future impairment tests.

CONSOLIDATED FINANCIAL STATEMENTS
NOTES

Any goodwill arising and any fair value adjustments made on the acquisition of a foreign entity whose functional currency differs from the NordEnergie Renewables Group's presentation currency are treated as assets and liabilities of the foreign entity and translated to the foreign entity's functional currency at the exchange rate at the transaction date. Any excess of the fair value over the cost of acquisition (negative goodwill) is recognized in the income statement at the acquisition date.

If the measurement of acquired identifiable assets, liabilities and contingent liabilities is subject to uncertainty at the time of acquisition, initial recognition will be made on the basis of a preliminary calculation of fair values. If it later turns out that the identifiable assets, liabilities and contingent liabilities had a different fair value at the time of acquisition than that originally assumed, goodwill will be adjusted until 12 months after the acquisition. The effect of the adjustments will be recognized in the opening equity, and comparative figures will be restated accordingly. Henceforth, goodwill will be adjusted only to reflect changes in estimates of contingent consideration, or if material errors are made.

Any gains or losses on the disposal of subsidiaries and associates are stated as the difference between the sales sum or the proceeds from the winding-up and the carrying amount of net assets, including goodwill, at the date of disposal net of expenses for selling or winding-up.

Foreign currency translation
A functional currency is determined for each of the reporting entities in the Group. The functional currency is the currency in the primary economic environment in which the reporting entity operates (EUR). Transactions in currencies other than the functional currency (EUR) are transactions in foreign currencies.

On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate ruling at the transaction date. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of actual payment are recognized in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rate ruling at the balance sheet date and the exchange rate ruling at the date when the receivable or payable arose or the exchange rate applied in the most recent annual report is recognized in the income statement under financial income or financial expenses.

CONSOLIDATED FINANCIAL STATEMENTS
NOTES

On consolidation of companies with functional currencies other than EUR, the income statements are translated at the exchange rates ruling at the transaction date, and the balance sheets are translated at the exchange rates ruling at the balance sheet date. The average exchange rate for each individual month is used as the rate at the transaction date, provided this does not give a much different view. Exchange differences arising on the translation of the opening equity of such companies at the exchange rates ruling at the balance sheet date and on the translation of the income statements from the exchange rates ruling at the transaction date to the exchange rates ruling at the balance sheet date are recognized in other comprehensive income and in equity under a separate reserve for currency translation.

The incorporation of the results and financial position of a foreign operation with those of the reporting entity follows normal consolidation procedures, such as the elimination of intragroup balances and intragroup transactions of a subsidiary. However, an intragroup monetary asset (or liability), whether short-term or long-term, cannot be eliminated against the corresponding intragroup liability (or asset) without showing the results of currency fluctuations in the consolidated financial statements. This is because the monetary item represents a commitment to convert one currency into another and exposes the reporting entity to a gain or loss through currency fluctuations. Accordingly, in the consolidated financial statements of the reporting entity, such an exchange difference is recognised in profit or loss.

On recognition in the consolidated financial statements of associates with a functional currency other than EUR, the share of results for the year is translated at average exchange rates, and the share of equity including goodwill is translated at the exchange rates at the balance sheet date.

Exchange adjustments arising on the translation of the share of the opening equity of foreign associates at exchange rates at the balance sheet date and on the translation of the share of results for the year from average exchange rates to exchange rates at the balance sheet date are recognized in other comprehensive income and in equity under a separate reserve for currency translation.

CONSOLIDATED FINANCIAL STATEMENTS
NOTES

INCOME STATEMENT

Revenue

Revenue from the sale of electricity is recognized from the time when production output was delivered to the power network, and calculated on the basis of meters. Revenue is calculated in accordance with the laws applicable in the production country.

Revenue from green certificates and other incentive systems is recognized at the time when the related power is generated. The sale is calculated based on a fixed price or a daily rate during the period when entitlement is earned.

Production costs

Production costs comprise the costs paid to obtain the revenue for the year. Cost comprises raw materials and consumables as well as maintenance and depreciation, etc.

Other external expenses

Other external expenses comprise administrative expenses, office premises, office expenses, sales expenses, travelling expenses, advisory services etc.

Financial income and expenses

Financial income and financial expenses comprise interest, capital gains and losses as well as exchange rate gains and losses on assets, liabilities and transactions in foreign currencies, amortization of financial assets and liabilities as well as extra payments and repayment under the on-account taxation scheme, etc. Furthermore, realized and unrealized gains and losses on derivative financial instruments that do not qualify as hedge accounting are recognized.

Dividend on investments in subsidiaries and subsidiaries is recognized in the Parent Company's income statement in the financial year in which the dividend is declared.

Tax on profit/loss for the year

The tax expenses for the period comprise current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in the other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expenses is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the group operate and generate taxable income.

The group is jointly taxed with the Danish as well as foreign subsidiaries.

The jointly taxed companies pay tax under the Danish on-account tax scheme.

CONSOLIDATED FINANCIAL STATEMENTS
NOTES

BALANCE SHEET

Tangible assets

Tangible assets comprise wind turbines and other fixtures, and are measured at cost less accumulated depreciation and impairment losses.

Cost encompasses the acquisition price and costs directly associated with the purchase until the time when the asset is ready to be brought into use. For assets produced in-house, cost comprises direct costs of materials, components, third-party suppliers, labor and borrowing costs. Cost is increased by the present value of estimated liabilities for the removal and disposal of the asset and restoration of the site on which the asset was used. The cost of a total asset is broken down into separate components that are depreciated separately if the useful lives of the individual components vary significantly.

Subsequent expenses, e.g. for replacing components of an asset, are recognized in the carrying amount of the asset in question when it is probable that the payment of the expense will lead to future economic benefits to the Group. The replaced components are no longer recognized in the balance sheet, and the carrying amount is transferred to the income statement. All other ordinary repair and maintenance costs are recognized in the income statement when incurred.

Tangible assets are depreciated on a straight-line basis over the expected useful lives of the assets/components, which are expected to be as follows:

Wind turbines	25 years
Other fixtures	3-5 years

The basis of depreciation is calculated with due consideration to the asset's scrap value, reduced by any impairment losses. The scrap value is determined at the date of acquisition and revalued each year. There is recognized no scrap value reduction in the basis of depriciation calculations for the group's present tangible assets. Where the residual value exceeds the carrying amount of the asset, the asset ceases to be depreciated. Land and assets under construction are not depreciated.

If the depreciation period or the residual values are changed, the effect on depreciation going forward is recognized as a change in accounting estimates.

CONSOLIDATED FINANCIAL STATEMENTS
NOTES

Impairment of long-term assets
Development projects in progress are tested for impairment annually. An impairment test is also made in case of any indication of an impairment requirement.

The carrying amounts of long-term assets are evaluated annually by the management to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the fair value of the asset less costs to sell and value in use.

An impairment loss is recognized when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognized in the income statement. Impairment losses on other assets are reversed to the extent changes have occurred to the assumptions and estimates on which the impairment loss was based. Impairment losses are only reversed to the extent the new carrying amount of an asset does not exceed the carrying amount the asset would have had net of depreciation if no impairment losses had been recognized on the asset. For assets associated with wind farms, the individual wind farm is considered to be the cash-generating unit.

Receivables and loans
On initial recognition, receivables and loans are measured at fair value adjusted for transaction costs, and subsequently they are measured at amortized cost. Provisions are made for bad debts. Provisions for bad debts are made on the basis of an individual assessment of the receivable concerned.

Prepayments
Prepayments include expenses paid in respect of subsequent financial years.

Treasury shares
Treasury shares acquired by the Parent Company or subsidiaries are recognized directly in equity at cost. If treasury shares are subsequently sold, any consideration is correspondingly recognized directly in equity.

Deferred tax
Deferred tax is accounted for under the liability method which requires recognition of deferred tax on all temporary differences between the carrying amount of assets and liabilities and the tax base of such assets and liabilities. This includes the tax value of tax losses carried forward.

Deferred tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the group operate and generate taxable income. Changes in deferred tax as a result of changes in tax rates are recognized in the income statement.

Deferred tax assets resulting from temporary differences, including the tax value of losses to be carried forward, are recognized only to the extent that it is probable that future taxable profit will be available against which the differences can be utilized.

Provisions
Provisions for environmental restoration and restructuring costs are recognized when: the group has a present legal or constructive obligation as a result of past events; it is probable that outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating loses.

Provisions are measured at present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expenses.

Restructuring costs are recognized as liabilities when a detailed, formalized plan of the restructuring has been published not later than the balance sheet date to the parties affected by the plan. Upon business acquisitions, restructuring provisions relating to the acquired enterprise are included in the calculation of goodwill only if the acquired enterprise has a liability at the date of acquisition.

Provisions are recognized in respect of loss-making contracts when the unavoidable costs under a contract exceed the expected benefits to the Group from the contract.

Where the Group has an obligation to dismantle or dispose of an asset or to restore the location where the asset is used, a liability corresponding to the net present value of the expected future expenses is recognized.

CONSOLIDATED FINANCIAL STATEMENTS
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Marketable securities
Non-listed marketable securities, classified as available for sale, are initially recognized at cost. Subsequently non-listed marketable securities are measured at amortized cost. When a marketable security are sold or expired the realized gain or loss are recognized in the income statement.

Prepayments and accrued income
Accruals and deferred income recognized under liabilities comprise payments received relating to the following financial year.

Financial liabilities
Loans from credit institutions etc. are recognized at the raising of a loan at fair value adjusted by transaction costs incurred. Subsequently, the loans are measured at amortized cost using the effective interest method; the difference between the proceeds and the nominal value is recognized in financial liabilities in the income statement over the loan period.

Derivative financial instruments and hedging activities
Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Derivate financial instruments comprises cash flow hedges.

The group management documents at the inception of the transaction the relationship between hedging financial instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The management also documents its assessment, both at hedge inception and on ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivative financial instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The full fair value of a hedging derivative is classified as a current asset or liability. Amounts accumulated in equity under a separate reserve are reclassified to the income statement when the hedged item affects profit or loss. When a cash flow hedging instument expires or is sold, or when a hedge no longer meets the criteria for hedging accounting, the accumulated gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is immediately transferred to the income statement.

CONSOLIDATED FINANCIAL STATEMENTS
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STATEMENT OF CASH FLOW

The statement of cash flow shows the Group´s cash flows for the year distributed on operating, investing and financing activities, net changes for the year 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 net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortization and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities
Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities
Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise "Cash at bank and in hand" and "Current asset investments". "Current asset investments" consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

CONSOLIDATED FINANCIAL STATEMENTS
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Definitions

Key ratios are calculated in accordance with "Recommendations and Ratios 2010" issued by the Danish Society of Financial Analysts.

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Equity ratio	$\frac{\text{Total equity x 100}}{\text{Total liabilities and Equity}}$
Return on equity	$\frac{\text{Net profit of the year x 100}}{\text{Average equity}}$

CONSOLIDATED FINANCIAL STATEMENTS
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2. Material accounting estimates and assessments

The calculation of the carrying amounts of certain assets and liabilities requires an estimate of how future events will affect the value of such assets and liabilities at the balance sheet date. Estimates vital to the financial reporting are made in the calculation of, inter alia, depreciation, amortisation and impairment losses, provisions as well as contingent liabilities and assets.

The estimates applied are based on assumptions which Management believes to be reasonable, but which are inherently uncertain and unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise.

Wind turbines

Management has determined the depreciation period based on historical experience and on the residual value of a corresponding asset with the same age as the asset at the end of the useful life. Based on this, wind turbines should, in Management's opinion, be depreciated over 25 years. Wind turbines are depreciated on a straight-line basis as, in Management's opinion, such depreciation method best reflects the pattern of consumption of wind turbines by the group.

Impairment tests

Long-term assets including wind turbines and the Parent Company's investments in subsidiaries are impairment-tested if there are indications of impairment. The Management performs an annual evaluation for indications of impairment. Each individual impairment test is based on the lowest cash-generating unit affected by the changes that indicate impairment. The impairment test is based on budgeted and estimated cash flows from the cash-generating unit. The pre-tax discount rate reflects the risk-free interest rate with the addition of a risk premium associated with the particular asset.

Receivables

Receivables are measured at amortised cost less impairment. Management performs analysis on the basis of customers' expected ability to pay at the end of the reporting period, historical information on payment patterns and doubtful debts. Write-downs made are expected to be sufficient to cover losses. The financial uncertainty associated with write-downs for bad debt losses is usually considered to be limited.

CONSOLIDATED FINANCIAL STATEMENTS
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EUR' 000

3. Segment information

	Germany		Sweden		Non allocated		Group	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	26.059	22.773	1.399	1.574	0	76	27.458	24.423
Operating result before depreciation	20.359	17.380	399	760	-1.673	-1.688	19.085	16.453
Depreciation	8.377	8.374	874	918	0	0	9.250	9.292
Operating result	11.982	9.006	-475	-158	-1.673	-1.688	9.835	7.161
Financing income/expenses, net	-4.469	-5.080	-71	-817	-126	-58	-4.667	-5.955
Result before tax	7.512	3.926	-547	-975	-1.799	-1.746	5.167	1.206
Tax on profit/loss for the year	-2.332	-1.201	306	115	3	3	-2.022	-1.083
Result for the year	5.181	2.726	-241	-860	-1.796	-1.743	3.146	123
Non-current assets	155.044	163.413	21.189	21.212	0	0	176.234	184.625
Current assets	14.165	14.297	1.495	642	233	313	15.894	15.251
Segment assets	169.208	177.709	22.684	21.854	233	313	192.127	199.876
Non-current liabilities	101.648	111.279	0	0	0	0	101.647	111.279
Current liabilities	12.909	12.963	6.756	8.204	229	268	19.894	21.435
Segment liabilities	114.557	124.242	6.756	8.204	229	268	121.541	132.714
Average number of employees	0	0	0	0	4	4	4	4
Investment i tangible assets	46	34	0	0	0	0	46	34

The NordEnergie Renewables group has only one reporting segment. Therefore the segment reporting is equal to the consolidated financial statements."Non allocated" includes administrative expenses etc. and cost associated with the administration of the Parent Company.

The above represents the group segment based on the geography. There are no material transactions between the reporting segments, and the revenue listed for the segments is therefore external revenue.

	2015	2014
4. Revenue		
Sales of electricity (windenergy)	27.458	24.423
	27.458	**24.423**
5. Fee to auditors appointed at the General Meeting		
Grant Thornton:		
Audit services	26	27
Tax and VAT services	8	11
Non-audit services	39	23
	73	**61**

CONSOLIDATED FINANCIAL STATEMENTS
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EUR'000	2015	2014
6. Staff costs		
Wages and salaries	974	942
Other social security costs	5	1
	979	**943**
Here of:		
Management (wages and salaries)	628	626
Board of Directors (remuneration)	43	43
	671	**669**
Average number of employees	**4**	**4**
7. Depreciation		
Wind turbines	9.250	9.292
	9.250	**9.292**
8. Financial income		
Foreign exchange rate gains	298	0
Interest on bank deposits	31	40
	329	**40**
9. Financial expenses		
Interest on bank loans	4.944	5.621
Foreign exchange rate losses	0	322
Provision provided for the year, change in present value	52	52
	4.996	**5.995**

CONSOLIDATED FINANCIAL STATEMENTS
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EUR'000	2015	2014
10. Tax on profit/loss for the year		
Curent tax on profits for the year	343	211
Deferred tax adjustment	1.679	872
	2.022	**1.083**
Income tax expense from continuing operations is explained as follows:		
Calculated 23,5% tax on profit before tax	1214	295
Effect of tax rates in foreign subsidiaries compared to 23,5%	317	185
Tax effects of:		
Losses not represented by deferred tax asset	336	356
Non-deductable expenses	156	198
Other permanent tax differences (incl. currency translation)	-1	49
	2.022	**1.083**

CONSOLIDATED FINANCIAL STATEMENTS
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EUR'000

11. Tangible assets

	Wind turbines	Wind turbines under construct	Other fixtures	Total
2014				
Cost at 1 January 2014	237.302	0	27	237.329
Exchange differences	-1.720	0	0	-1.720
Additions	34	0	0	34
Transfered	0	0	0	0
Disposals	-359	0	0	-359
Cost at 31 December 2014	**235.257**	**0**	**27**	**235.284**
Depreciation at 1 January 2014	-43.033	0	-27	-43.060
Exchange differences	164	0	0	164
Depreciation of the year	-9.263	0	0	-9.263
Depreciation at 31 December 2014	**-52.132**	**0**	**-27**	**-52.159**
Carrying amount at 31 December 2014	**183.125**	**0**	**0**	**183.125**

For the period 1st January to 31st December 2014 the amount of capitalized borrowing cost amount to tEUR 0. Wind turbines includes land with a carring ammount of tEUR 62, land are not depreciated.

	Wind turbines	Wind turbines under construct	Other fixtures	Total
2015				
Cost at 1 January 2015	235.257	0	27	235.284
Exchange differences	1.089	0	0	1.089
Additions	46	0	0	46
Transfered	0	0	0	0
Disposals	0	0	0	0
Cost at 1 January 2015	**236.392**	**0**	**27**	**236.419**
Depreciation at 1 January 2015	-52.132	0	-27	-52.159
Exchange differences	-523	0	0	-523
Depreciation of the year	-9.266	0	0	-9.266
Depreciation at 31 December 2015	**-61.921**	**0**	**-27**	**-61.948**
Carrying amount at 31 December 2015	**174.471**	**0**	**0**	**174.471**

For the period 1st January to 31st December 2015 the amount of capitalized borrowing cost amount to tEUR 0. Wind turbines includes land with a carring ammount of tEUR 62, land are not depreciated.

CONSOLIDATED FINANCIAL STATEMENTS
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EUR'000	2015	2014

12. Other non-current assets

Prepaid land lease and right to use Infrastructures:		
Prepaid land lease and right to use Infrastructures at 1 January	1.175	1293
Additions (use of infrastructure)	0	0
Land lease for the year and use of infrastructure	-54	-95
Exchange differences	10	-23
Prepaid land lease and right to use infrastructure at 31 December	**1.131**	**1.175**

Prepaid land lease and right to use infrastructure are depreciated in accordance with the turbines and consists of 19 years of prepaid land lease respectively 23 years use of infrastructure.

13. Receivables

Trade receivables (current)	5.070	4.593
Other receivables (current)	544	240
Prepayment (current)	1.039	1.033
	6.653	**5.866**

The receivables (current) primarily involve publicly owned power companies. As a result the credit risk relating to receivables is limited.

Prepaymant relate primarily to service contracts.

14. Marketable securities

Marketable securities:		
Marketable securities fair value at 1 January	492	691
Additions	636	0
Deductions	0	-199
Marketable securities fair value at 31 December	**1.128**	**492**

15. Cash at bank and cash equivalents

Cash at bank and on hand	3.499	4.736
Restricted Cash	4.613	4.157
	8.112	**8.893**

CONSOLIDATED FINANCIAL STATEMENTS
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EUR'000	2015	2014
16. Equity		
	Number of shares (1.000)	
Share capital at 1 January	23.096	23.096
Capital increase	0	0
Share capital at 31 December	**23.096**	**23.096**
	Nominal value	
Share capital at 1 January	3.100	3.100
Capital increase	0	0
Share capital at 31 December	**3.100**	**3.100**

The share capital consists of 23.096.300 shares of DKK 1 nominal value each. No shares carry any special rights. The share capital is fully paid up. No change in the share capital has occured for the previous 4 years.

Treasury shares
The Company owns nom. DKK 368.000 treasury shares corresponding to 1.59 pct. of shares outstanding. The shares are not cancelled and the acquisition of the shares is part of corporate strategy.

17. Deferred tax

Deferred tax at 1 January	4.342	3.467
Adjustment for the year	1.679	875
	6.021	**4.342**
Deferred tax is recognized in the balance sheet as follows:		
Deferred tax asset	-631	-325
Deferred tax	6.652	4.667
	6.021	**4.342**
Deferred tax recognized:		
Wind turbines	18.685	17.506
Provisions	-136	-158
Receivable	187	151
Borrowing costs	-67	-76
Tax loss carry-forward	-12.648	-13.081
	6.021	**4.342**

EUR'000	2015	2014
18. Provisions		
Provision for restoring sites used:		
Provision at 1 January	991	939
Change for the year due to discounting	0	0
Provided for the year - change in present value	54	52
Provisions at 31 December	**1.045**	**991**

Provisions relate to the restoration of sites used for the installation and operation of wind turbines. The restoration obligation is calculated as the present value, using a 5,5 pct. discount, of the estimated net costs of restoration when the wind farm is de-commissioned. This will occur no earlier than 25 years after the turbines are commissioned.

19. Payables to credit institutions

Payables to credit institutions are recognized as follows in the balance-sheet:		
Non-current liabilities	93.950	105.621
Current liabilities	17.939	19.854
Total payables to credit institutions	**111.889**	**125.475**

Loan	**Expiry**	**Fixed/ floating**	**Carrying amount**	
EUR	2022	Fixed	3.738	4.336
EUR	2022	Fixed	9.798	11.306
EUR	2015	Fixed	0	100
EUR	2023	Fixed	4.037	4.542
EUR	2024	Fixed	1.278	1.428
EUR	2020	Fixed	429	481
EUR	2024	Fixed	2.538	2.853
EUR	2023	Fixed	1.572	1.769
EUR	2024	Fixed	442	490
EUR	2023	Fixed	256	288
EUR	2025	Fixed	2.965	3.277
EUR	2024	Fixed	3.106	3.451
EUR	2022	Fixed	714	816
EUR	2022	Fixed	4.958	5.666
EUR	2023	Fixed	1.445	1.626
EUR	2023	Fixed	1.593	1.792
EUR	2023	Fixed	388	440
Transferred			**39.257**	**44.661**

EUR'000 | **2015** | **2014**

19. Payables to credit institutions (continued)

Loan	Expiry	Fixed/ floating	Carrying amount 2015	Carrying amount 2014
Transferred			39.257	44.661
EUR	2023	Fixed	156	175
EUR	2024	Fixed	1.034	1.156
EUR	2024	Fixed	126	140
EUR	2024	Fixed	54	60
EUR	2024	Fixed	3.343	3.714
EUR	2026	Fixed	20.946	22.852
EUR	2025	Fixed	7.400	8.200
EUR	2024	Fixed	6.000	6.667
EUR	2026	Fixed	5.450	5.982
EUR	2025	Fixed	925	1.025
EUR	2026	Fixed	3.495	3.862
EUR	2026	Fixed	1.886	2.057
EUR	2027	Fixed	14.687	15.911
EUR	2028	Fixed	862	931
EUR (bank overdraft)	2028	Floating	5.685	0
EUR (bank overdraft)	2018	Floating	583	8.082
			111.889	**125.475**

Due to the financing being mainly long term and with fixed interest rates for several years it is the group's opinion that it has limited risk related to change in interest rate. Regarding interest rate risk refer to note 23.

The average interest rate on the bank debt 2015 was 4,03 percent (2014: 4,22 percent). The interest rate on ordinary bank debt (overdraft facilities) is determined based on LIBOR + margin. At the end of December 2015 the group's bank overdrafts constituted tEUR 6.268 (2014: tEUR 8.082).

CONSOLIDATED FINANCIAL STATEMENTS
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20. Related parties

Shareholders
The following shareholders are recorded in the group's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Pensjonskassen for Helseforetakene, Oslo, Norway
Storebrand Liv, Oslo, Norway
Pareto Growth, Oslo, Norway
Brancor Capital Partners ApS, Copenhagen, Denmark
Smedvig Family Office, Stavanger, Norway

Subsidiaries
The subsidiaries pays an administration fee to the parent company. In 2015 the subsidiaries paid an administration fee of tEUR 220 to the parent company NordEnergie Renewables A/S (2014: tEUR 220).

Overall, the Parent Company received interest income from subsidiaries of net tEUR 376 (2014: tEUR 278).

Other related parties
NordEnergie Renewables A/S has in 2015 paid rent and administration costs of tEUR 473 to a group owned by the group's CEO (2014: tEUR 500).

CONSOLIDATED FINANCIAL STATEMENTS
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EUR'000	2015	2014
21. Other adjustments for non cash-transactions		
Currency translation	-273	302
	-273	**302**
22. Cash flow statement - Change in working capital		
Change in receivables	-477	-503
Change in other receivables	-304	86
Change in prepayments and accruals	-6	1.092
Change in prepayments and accruals (non-current assets)	44	118
Change in trade payables (Non-current)	54	52
Change in trade payables	76	-76
Change in other payables and accruals	264	360
	-349	**1.129**

CONSOLIDATED FINANCIAL STATEMENTS
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23. Financial instruments

Receivables break down as follows

2014	0-30 days	31-90 days	> 90 days	Total
Receivables	4.593	0	0	4.593
Other receivables	240	0	0	240
Impaired Value	**4.833**	**0**	**0**	**4.833**
2015				
Receivables	5.070	0	0	5.070
Other receivables	544	0	0	544
Impaired Value	**5.614**	**0**	**0**	**5.614**

Credit institutions and other payables

Maturities 2014	0-1 years	1-3 years	3-5 years	> 5 years	Carrying amount
Credit institutes	19.855	23.351	23.351	58.918	125.475
Trade payables	655	0	0	0	655
Other payables	777	0	0	0	777
Accruals	41	0	0	0	41
Tax payables	108	0	0	0	108
	21.436	**23.351**	**23.351**	**58.918**	**127.056**
Maturities 2015					
Credit institutes	17.940	23.342	23.342	47.265	111.889
Trade payables	731	0	0	0	731
Other payables	1.040	0	0	0	1.040
Accruals	41	0	0	0	41
Tax payables	143	0	0	0	143
	19.895	**23.342**	**23.342**	**47.265**	**113.844**

The tEUR 17.940 (2014: tEUR 19.855) to credit institutions is partly made up of bank overdrafts. The amortization 2016 amounts to tEUR 11.772 (2015: tEUR 11.772).

EUR'000	2015	2014
23. Financial instruments (continued)		
Financial assets		
Receivables	5.070	4.593
Other receivables	544	240
Marketable securities	1.128	492
Receivables	**6.742**	**5.325**
Cash at bank and cash equivalents	**8.112**	**8.893**
Financial liabilities		
Credit institutions (Non-current and current)	111.889	125.475
Trade payables	731	655
Other payables (Non-current and current)	1.040	777
Accruals	41	41
Tax payables	143	108
	113.844	**127.056**

CONSOLIDATED FINANCIAL STATEMENTS
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Group policies in terms of managing financial risk

Risks associated with availability of suitable sites

The group is seeking to construct wind projects solely in regions with suitable weather conditions. In addition, the following constraints must be taken into account: topographic conditions; various easements (notably access easements); connection capacities of the local electrical network; and various environmental constraints associated with proximity to dwellings or sites that are protected pursuant to local laws or regulations. Additionally, local, regional or national governments set an upper limit on the size of the total number of energy plants that may be erected in a certain geographical area. Therefore, the group may be in competition with other project developers for the limited number of permits and for a limited number of sites in certain geographical areas.

Risks associated with weather conditions

The business of the group is the generation of electricity from wind. The profitability of a wind energy project is dependent on weather conditions at the site, which vary from time to time, and which may differ from wind conditions observed during the project development stage. The group cannot guarantee that observed weather conditions will be the same as those assessed at the project development stage.

Risks associated with the profitability of wind energy projects

The economic model for NordEnergie Renewables wind energy projects is based on a long term financing plan (generally 25 years) that is sensitive to the revenue stream generated by the site. Such revenue stream is susceptible to fluctuations driven by weather conditions, electricity demand, the structure of power purchase contracts, local regulatory structures and rate levels (except in the case of special contracts relating thereto), tax incentives, subsidies or aid granted by certain authorities.

Although NordEnergie Renewables monitors each of these factors with care and attempts to protect itself against corresponding risks in its contracts, it cannot provide any guarantee as to equipment reliability, customer solvency, changes in operating and maintenance costs, changes in interest rates and borrowing costs, temporary or definitive shutdowns of wind energy projects, or any event that would result in reduced profitability of NordEnergie Renewables wind energy projects.

CONSOLIDATED FINANCIAL STATEMENTS
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Risks associated with obtaining financing
Before construction commences for any wind energy projects, it is are necessary for the group to obtain funding. The group's funding arrangements primarily consist of project financing of 75-85% of the total project investment, which is provided by one or several banks. The remaining portion of the funding required is usually financed through equity provided by the group. Whilst the group expects to continue to reinforce its capital base, and expects that the possibilities of obtaining banking finance should increase as banks become increasingly familiar with the development and operation of wind and/or energy projects, if the group is unable to source the funding it requires it will be unable to implement the investment schedule.

Risks associated with fluctuations in electricity prices and revenue
Wind energy plants are estimated to have a technical life of 25 years. The markets in which NordEnergie Renewables is planning to operate have systems to guarantee a 20-year fixed price for the electricity. Consequently there is a risk that the variable payments the last five years of the project will be insufficient to meet the repayment profile on the financing agreed with the lenders.

Interest rate risks
The group will be subject to outstanding loan instruments on which interest is payable when a acquisition of an energy plant is financed in whole or in part by debt. Wind energy projects are typically financed through a high proportion of project finance debt. Consequently, a significant rise in interest rates could adversely affect the profitability of the group's energy projects and the viability of projects in the development stage and accordingly have a negative impact on the financial position of the group or its ability to meet its objectives.

By the end of 2015 the interest bearing debt amount to tEUR 111.889 (2014: tEUR 125.475). Long term debt amounts to tEUR 93.950 (2014: tEUR 105.621) and short debt amounts to tEUR 17.939 (2014: tEUR 19.854). A change of 1 %-point in regards to loans with floting rates that are not hegded will affect the profit & loss with tEUR 63 (2014: tEUR 81). It is the policy of the group to finance the wind parks with long term fixed loans and to hedge interest risk by using interest rate swaps for the few non fixed loans.

Credit risks
The group is selling the vast majority of its production of electricity to the German Regional utilities which are regarding as very solid with a high credit rating. The payments are made by day 20 the following month. The group regards its credit risks as very limited.

Currency risk
The Swedish subsidiary operates in SEK which gives rise to currency fluctuations. A change in the SEK of 10% will affect the profit & loss with tEUR 802 (2014: tEUR 546).

Liquidity risk

The liquidity preparedness of the group consists of its liquid holdings. The liquidity preparedness together with the group's existing and unused drawing rights are sufficient to cover its short term liquidity needs.

EUR'000	**2015**	**2014**
The cash balance		
Cash at bank and on hand	3.499	4.736
Restricted Cash	4.613	4.157
Available bank overdrafts	361	47
	8.473	**8.940**

24. Operating leases

The Group has entered operating leases on land lease. Assets held under operating leases comprise land relating to wind farms in Germany for a period of 25 years from the date of transaction and the term to maturity is 18-28 years. None of the leases includes contingent rentals. The rent of land is either a fixed minimum price or a percentage of revenue in the range of 4-7%. The average annual output totaled tEUR 1.164 per. Year (2014: tEUR 1.137).

Maturity of leases of land:		
0-1 years	1.164	1.137
1-5 years	4.656	4.548
> 5 years	15.220	16.017
	21.040	**21.702**

25. Pledges and guarantees

As security for bank loans at tEUR 111.889 (2014: tEUR 125.475), the group has given a mortgage on wind turbines with a total carrying amount of tEUR 174.471 per. 31st December 2015 (2014: tEUR 183.125).

Of the cash and cash equivalents at tEUR 8.112 per 31st December 2015 (2014: tEUR 8.893) is tEUR 4.613 (2014: tEUR 4.157) restricted and deposited on bank accounts. The restriction is governed by government regulation and regulations in the group's loan agreements.

The Parent Company has issued a guarantee for one of it's subsidaries bank loans. The bank loan as per 31st December amounted to tEUR 6.268 (2014: tEUR 8.082).

CONSOLIDATED FINANCIAL STATEMENTS
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26. Events occurring after the balance sheet date

No events have occurred from the end of the financial year and to the publication of the annual report which could have a material impact on the results or the balance sheet.

27. Approval of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2015 (including comparatives) were approved by the Board of Directors on 19. April 2016.

PARENT COMPANY FINANCIAL STATEMENTS
INCOME STATEMENT 1 JANUARY - 31 DECEMBER

EUR'000	Note	2015	2014
Gross profit		**-474**	**-516**
Staff cost	2	-979	-943
Depreciations		0	0
Operating result		**-1.453**	**-1.459**
Financial income from group enterprises	3	376	278
Financial income	4	0	0
Financial expenses	5	-354	-278
Financing income/expenses, net		**22**	**0**
Result before tax		**-1.431**	**-1.459**
Tax on profit/loss for the year	6	3	3
Result for the year		**-1.428**	**-1.456**
Proposed distribution of profit/loss			
Retained earnings		-1.428	-1.456
Disposed of - total		**-1.428**	**-1.456**

PARENT COMPANY FINANCIAL STATEMENTS
BALANCE SHEET AT 31 DECEMBER

EUR'000	Note	2015	2014
ASSETS			
Tangible assets			
Other fixtures	7	0	0
		0	**0**
Financial assets			
Investments in subsidiaries	8	60.049	60.049
		60.049	**60.049**
Non-current assets		**60.049**	**60.049**
Receivables subsidiaries		8.477	7.251
Deferred income tax assets		0	0
Other receivables		181	182
Receivables		**8.658**	**7.433**
Cash at bank and cash equivalents		**51**	**131**
Current assets		**8.709**	**7.564**
Assets		**68.758**	**67.613**

PARENT COMPANY FINANCIAL STATEMENTS
BALANCE SHEET AT 31 DECEMBER

EUR'000	Note	2015	2014
LIABILITIES AND EQUITY			
Share capital	9	3.100	3.100
Share premium reserve		63.681	63.681
Retained earnings		-6.799	-5.371
Total Equity		**59.982**	**61.410**
Payables to subsidiaries		8.550	5.938
Other payables		226	265
Current liabilities		**8.776**	**6.203**
Total liabilities		**8.776**	**6.203**
Liabilities and Equity		**68.758**	**67.613**

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PARENT COMPANY FINANCIAL STATEMENTS
STATEMENT OF CHANGE IN EQUITY

EUR' 000

	Share capital	Share premium account	Retained earning	Total
Equity at 1 January 2014	**3.100**	**63.681**	**-3.915**	**62.866**
Retained earnings	0	0	-1.456	-1.456
Equity at 31 December 2014	**3.100**	**63.681**	**-5.371**	**61.410**
Equity at 1 January 2015	**3.100**	**63.681**	**-5.371**	**61.410**
Retained earnings	0	0	-1.428	-1.428
Equity at 31 December 2015	**3.100**	**63.681**	**-6.799**	**59.982**

PARENT COMPANY FINANCIAL STATEMENTS
NOTES

1. Accounting policies

The parent company financial statements have been prepared in accordance with the provisions of the Danish Financial Statements Act regarding reporting class C companies.

The accounting policies are unchanged from last year.

Supplementary accounting policies used in the parent company

Fixed assets

Investments in subsidiaries

Investments in subsidiaries are recognized and measured at cost. Dividends from subsidiaries are recognized as income when final and conclusive right is obtained.

Investments in subsidiaries are written down when the recoverable amount is lower than the carrying amount.

Corporation tax and deferred tax

The parent and the subsidaries are jointly taxed. The Danish corporation tax is allocated between the jointly taxed companies with the portion of taxes related to their taxable incomes. The parent is administration company for the jointly taxed companies so that the parent is responsible for payment of taxes etc. to the Danish tax authorities.

Tax on results for the year which comprises current tax and changes in deferred tax is recognized in the income statement with the portion of taxes related to the taxable income for the year whereas the portion attributable to entries on equity is recognized directly in equity.

Equity

Dividends expected distributed for the year are shown as a separate item under equity.

Proposed dividend is recognized as a liability on approval by the annual general meeting.

PARENT COMPANY FINANCIAL STATEMENTS
NOTES

EUR'000	2015	2014
2. Staffcosts		
Wages and salaries	974	942
Other social security costs	5	1
	979	**943**
Here of:		
Management (wages and salaries)	628	626
Board of Directors (remuneration)	43	43
	671	**669**
Average number of employees	**4**	**4**
3. Financial income from group enterprises		
Financial income from subsidiaries	376	278
	376	**278**
4. Financial income		
Rate regulation	0	0
	0	**0**
5. Financial expenses		
Financial expenses from subsidiaries	354	275
Rate regulation	-1	3
Other fees	1	0
	354	**278**
6. Tax		
Calculated tax on taxable income of the year	0	0
Taxes regarding previous years	-3	-3
Deferred tax adjustment	0	0
	-3	**-3**

PARENT COMPANY FINANCIAL STATEMENTS
NOTES

EUR'000	2015	2014
7. Other fixtures		
Cost at 1 January	27	27
Cost at 31 December	**27**	**27**
Depreciation at 1 January	27	27
Depreciation at 31 December	27	27
Carrying amount at 31 December	**0**	**0**

PARENT COMPANY FINANCIAL STATEMENTS
NOTES

EUR'000	2015	2014
8. Investments in subsidiaries		
Cost at 1 January	60.049	60.049
Cost at 31 December	**60.049**	**60.049**
Impairment loss at 31 December	**0**	**0**
Carrying amount at 31 December	**60.049**	**60.049**

EUR'000		2015		
	Reg. office	Owner-ship	Total Equity	Profit/ loss for the year
KG Wind park Balkum-Thiene	Germany	100%	11.470	1.168
Balkum-Thiene Verwaltung GmbH	Germany	100%	34	1
KG Wind park Wulfelade	Germany	100%	4.400	525
Wulfelade Verwaltung GmbH	Germany	100%	30	2
KG Wind park Hohne-Schmarloh	Germany	100%	3.772	347
Hohne-Schmarloh Verwaltung GmbH	Germany	100%	33	1
KG Wind park Kall	Germany	100%	5.821	144
Kall Verwaltung GmbH	Germany	100%	20	1
KG Wind park Gaurettersheim	Germany	100%	2.249	192
Gaurettersheim Verwaltung GmbH	Germany	100%	33	1
KG Leislau II	Germany	100%	2.018	178
Leislau II Verwaltung GmbH	Germany	100%	18	1
KG German Wind Holding	Germany	100%	24	-6
Wind park Briesensee GmbH	Germany	100%	9.820	860
Briesensee Verwaltung GmbH	Germany	100%	26	2
NER Capital Management Heide GmbH	Germany	100%	-29	-17
Windpark Märkische Heide GmbH	Germany	100%	9.749	1.006
Wind park Nowa Niwa GmbH	Germany	100%	3.394	206
Niedernstöcken Windenergieanlagen UG & Co. KG	Germany	100%	7.615	797
Bondön Wind ApS	Denmark	100%	7.907	-559
			68.404	**4.850**

All subsidiaries use the same accounting period as the Parent Company.

PARENT COMPANY FINANCIAL STATEMENTS
NOTES

EUR'000	2015	2014
9. Equity	**Nominal value**	
Share capital at 1 January	3.100	3.100
Share capital at 31 December	**3.100**	**3.100**

The share capital consists of 23.096.300 shares of DKK 1 nominal value each. No shares carry any special rights. The share capital is fully paid up. No change in the share capital has occured for the previous 4 years.

Treasury shares

The Company owns nom. DKK 368.000 treasury shares corresponding to 1.59 pct. of shares outstanding. The shares are not cancelled and the acquisition of the shares is part of corporate strategy.

EUR'000	2015	2014
10. Deferred tax		
Deferred tax at 1 January	0	0
Corrections previous year	0	0
Adjustment for the year	0	0
	0	**0**

PARENT COMPANY FINANCIAL STATEMENTS
NOTES

11. Related parties

The following shareholders are recorded in the group's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Pensjonskassen for Helseforetakene, Oslo, Norway
Storebrand Liv, Oslo, Norway
Pareto Growth, Oslo, Norway
Brancor Capital Partners, Copenhagen, Denmark
Smedvig Family Office, Stavanger, Norway

12. Pledges and guarantees

As security for bank loans at tEUR 6.268 in Bondön ApS the group has given a liable guarantee per. 31st December 2015.