Fairwind A/S

Hjulmagervej 6, DK-7100 Vejle

CVR no. 31 42 92 93

Annual report 2015

Approved at the annual general meeting of shareholders on 15 March 2016

Chairman:

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Ingvar Jensen

Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

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

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

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

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

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

Vejle, 15 March 2016
Executive Board:

Ingvar Jensen
CEO

Board of Directors:

Kaj Møller Lindvig Chairman	Nils Erik Lindskrog Smith	Thomas Hougaard Bonde
Ole Fruekilde Madsen	Henning Forsberg Jensen	Christian Møller Christensen
Ingvar Jensen		

Independent auditors' report

To the shareholders of Fairwind A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Fairwind A/S for the financial year 1 January - 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 consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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

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

Auditors' responsibility

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

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

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

Our audit has not resulted in any qualification.

Opinion

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

Independent auditors' report

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.

Odense, 15 March 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid	Morten Østergaard Koch
State Authorised	State Authorised
Public Accountant	Public Accountant

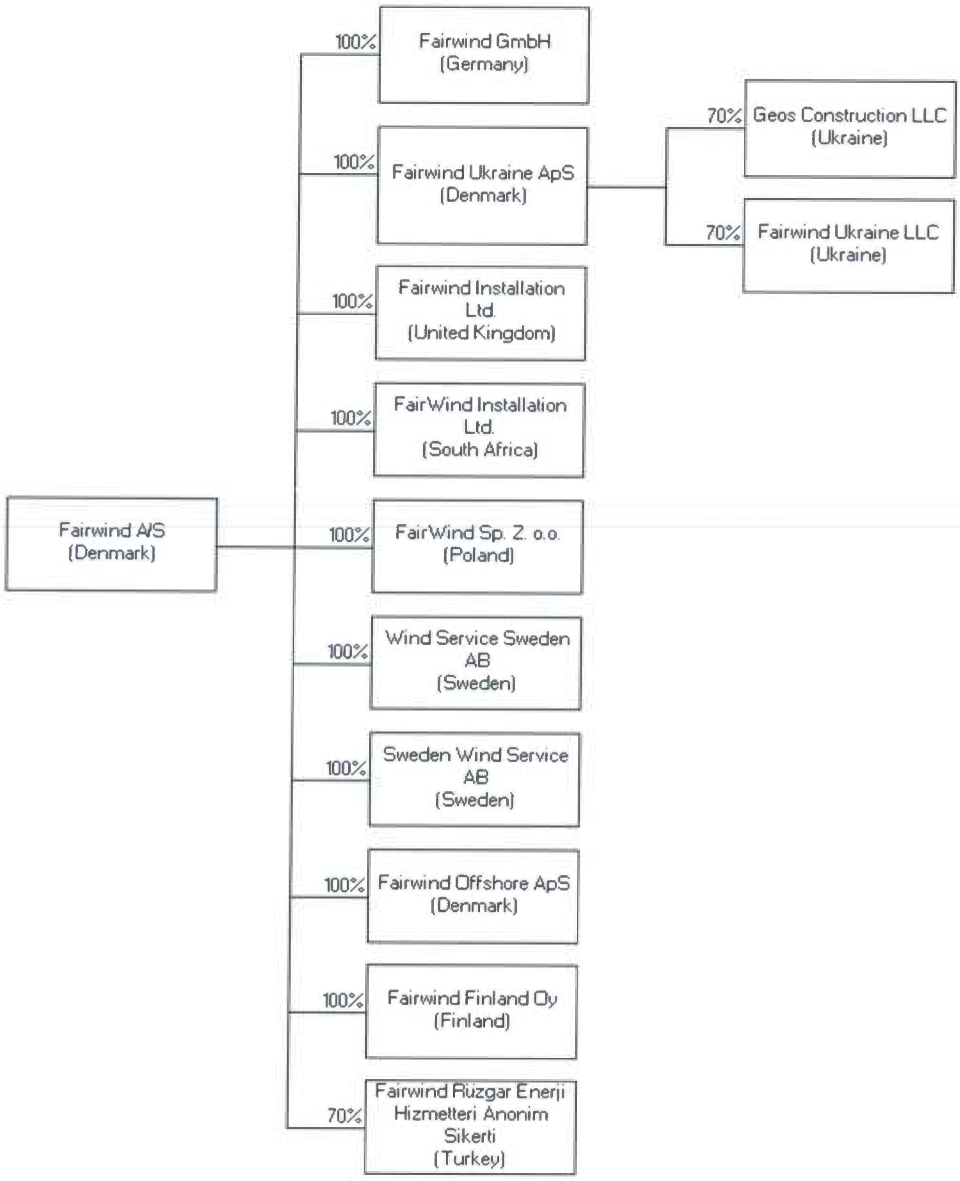
Management's review

Company details

Name	Fairwind A/S
Address, zip code, city	Hjulmagervej 6, DK-7100 Vejle
CVR no.	31 42 92 93
Established	16 May 2008
Registered office	Vejle
Financial year	1 January - 31 December
Website	www.fairwindinstallation.com
E-mail	mail@fairwindinstallation.dk
Telephone	+45 75 11 76 20
Board of Directors	Kaj Møller Lindvig, Chairman Nils Erik Lindkrog Smith Thomas Hougaard Bonde Ole Fruekilde Madsen Henning Forsberg Jensen Christian Møller Christensen Ingvar Jensen
Executive Board	Ingvar Jensen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, DK-5100 Odense C

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK '000	2015	2014	2013	2012
Key figures				
Gross profit	73.033	40.775	44.162	20.626
Ordinary operating profit	16.985	13.121	14.384	8.040
Loss from financial income and expense	-2.202	-415	-1.388	-1.405
Profit for the year	**11.181**	**10.703**	**8.756**	**5.110**
Total assets	188.534	118.485	64.353	39.469
Portion relating to investment in tangible fixed assets	13.669	7.888	7.405	3.211
Equity	**50.328**	**29.281**	**15.837**	**7.936**
Cash flows from operating activities	-19.724	-16.645	8.604	-
Net cash flows from investing activities	-12.858	-23.427	-6.244	-
Cash flows from financing activities	23.556	15.463	618	-
Total cash flows	**-9.026**	**-24.609**	**2.978**	**-**
Financial ratios				
Return on invested capital	19,7 %	29,9 %	22,2 %	23,9 %
Solvency ratio	26,7 %	24,7 %	23,5 %	20,1 %
Return on equity	29,0 %	47,4 %	73,7 %	95 %
Average number of full-time employees	**147**	**127**	**90**	**41**

For terms and definitions, please see the accounting policies.

Management's review

Operating review

Principal activities of the Group

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

Development in activities and financial matters

The Group's share of profit for the year amounts to DK 11.181 thousands (2014: DKK 10.703 thousands) and an equity of DKK 49.979 thousands (2014: DKK 29.281 thousands), which is in line with the expectations set forth in the annual report 2014.

Management considers the profit for the year as satisfactory.

Outlook

Management expects the Group to continue the positive development and expects a profit for 2016 which is equal to or better than 2015.

Risks

General risks

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

Currency risks

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

During the year the Group has experienced a negative effect of especially the development of the Ukrainian currency.

Environmental issues

The Group's activities do not have a significant impact on the environment since the principal activities of the group are installation of wind turbines through sales of manpower.

Research and development activities

The Group has no significant research and development activities.

Subsequent events

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

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

Income statement

Note	DKK'000	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
	Gross profit	73.033	40.775	28.225	17.256
2	Staff costs	-48.008	-23.512	-18.798	-8.362
	Depreciation of intangible and tangible fixed assets	-8.040	-4.142	-5.992	-3.595
	Ordinary operating profit	16.985	13.121	3.435	5.299
	Other operating income	327	2	327	2
	Other operating costs	0	0	0	0
	Operating profit	17.312	13.123	3.762	5.301
	Share of profit in subsidiaries after tax	0	0	9.902	6.922
3	Financial income	1.446	559	13	448
4	Financial expenses	-3.648	-974	-1.791	-883
	Profit from ordinary activities before tax	15.110	12.708	11.886	11.788
5	Tax on profit from ordinary activities	-3.272	-2.986	-356	-1.085
	Profit for the year	11.838	9.722	11.530	10.703
	Non-controlling interests' share of the results of subsidiaries	-308	981	0	0
	The Group's share of profit for the year	11.530	10.703	11.530	10.703
	Proposed profit appropriation				
	Proposed dividends			0	0
	Reserve for net revaluation under the equity method			9.902	6.922
	Retained earnings			1.628	3.781
				11.530	10.703

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

Balance sheet

Note	DKK'000	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
	ASSETS				
	Non-current assets				
6	**Intangible assets**				
	Goodwill	12.082	14.946	0	0
		12.082	14.946	0	0
7	**Property, plant and equipment**				
	Fixtures and fittings, tools and equipment	17.362	11.365	14.403	9.638
		17.362	11.365	14.403	9.638
	Investments				
8	Investments in subsidiaries	0	0	39.324	31.737
	Deposits	331	331	267	297
		331	331	39.591	32.034
	Total non-current assets	29.775	26.642	53.994	41.672
	Current assets				
	Inventories				
	Finished goods and goods for resale	2.843	0	0	0
		2.843	0	0	0
	Receivables				
	Trade receivables	106.991	59.837	63.053	43.173
	Construction contracts	27.961	14.797	22.134	13.163
	Amounts owed by subsidiaries	1.057	884	15.703	2.023
	Deferred tax	660	0	16	0
	Other receivables	8.070	3.836	2.144	1.743
9	Prepayments	6.510	6.508	5.954	6.441
		151.249	85.862	109.004	66.543
	Cash at bank and in hand	4.667	5.981	945	39
	Total current assets	158.759	91.843	109.949	66.582
	TOTAL ASSETS	188.534	118.485	163.943	108.254

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

Balance sheet

Note	DKK'000	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
	EQUITY AND LIABILITIES				
	Equity				
10	Share capital	785	783	785	783
	Reserve for net revaluation under the equity method	0	0	25.215	15.796
	Retained earnings	49.543	28.498	24.328	12.702
	Proposed dividends	0	0	0	0
	Total equity	50.328	29.281	50.328	29.281
11	**Non-controlling interests**	636	404	0	0
	Provisions				
12	Deferred tax	2.631	2.602	2.631	2.275
	Total provisions	2.631	2.602	2.631	2.275
	Liabilities other than provisions				
13	**Non-current liabilities other than provisions**				
	Financial lease obligations	2.663	1.298	2.663	1.298
	Bank loans	6.110	151	6.000	0
		8.773	1.449	8.663	1.298
	Current liabilities other than provisions				
13	Current portion of non-current liabilities other than provisions	1.656	424	1.600	371
	Bank loans and overdrafts	36.719	29.007	13.115	27.492
	Prepayments received from customers	0	0	0	0
	Trade payables	56.337	29.666	35.396	19.696
	Amounts owed to subsidiaries	0	0	30.854	11.477
	Corporation tax	2.209	450	0	0
	Amounts owed to shareholders and management	12.756	7.528	12.756	7.528
	Other payables	16.489	17.674	8.600	8.836
		126.166	84.749	102.321	75.400
	Total liabilities other than provisions	134.939	86.198	110.984	76.698
	TOTAL EQUITY AND LIABILITIES	188.534	118.485	163.943	108.254

1 **Accounting policies**
14 **Contractual obligations and contingencies, etc.**
15 **Mortgages and collateral**
16 **Related party disclosures**

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

Statement of changes in equity

	Consolidated			
DKK'000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 January 2014	750	15.087	0	15.837
Increase in share capital	33	3.967		4.000
Transferred; see profit appropriation		10.703		10.703
Foreign currency translation adjustments, foreign subsidiaries		-1.259		-1.259
Equity at 1 January 2015	783	28.498	0	29.281
Increase in share capital	2	9.998		10.000
Transferred; see profit appropriation		11.530		11.530
Foreign currency translation adjustments, foreign subsidiaries		-483		-483
Equity at 31 December 2015	785	49.543	0	50.328

Statement of changes in equity

	Parent company				
DKK'000	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividends	Total
Equity at 1 January 2014	750	10.133	4.954	0	15.837
Increase in share capital	33		3.967		4.000
Transferred; see profit appropriation		6.922	3.781		10.703
Foreign currency translation adjustments, foreign subsidiaries		-1.259			-1.259
Equity at 1 January 2015	783	15.796	12.702	0	29.281
Increase in share capital	2		9.998		10.000
Transferred; see profit appropriation		9.902	1.628		11.530
Foreign currency translation adjustments, foreign subsidiaries		-483			-483
Equity at 31 December 2015	785	25.215	24.328	0	50.328

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

Cash flow statement

Note	DKK'000	Consolidated 2015	Consolidated 2014
	Operating profit	17.312	13.123
	Depreciation and amortisation	8.040	4.142
	Other adjustments of non-cash operating items	-327	-2
	Cash generated from operations (operating activities) before changes in working capital	25.025	17.263
17	Changes in working capital	-40.631	-29.951
	Cash generated from operations (operating activities)	-15.606	-12.688
	Interest received	1.446	559
	Interest paid	-3.420	-946
	Cash generated from operations (ordinary activities)	-17.580	-13.075
	Corporation tax paid	-2.144	-3.570
	Cash flows from operating activities	-19.724	-16.645
7	Acquisition of property, plant and equipment	-13.669	-7.313
	Disposal of property, plant and equipment	811	2
	Acquisition of subsidiaries and activities	0	-16.116
	Cash flows from investing activities	-12.858	-23.427
	External financing:		
	Repayment of long-term debt	-1.149	-433
	Proceeds from new loans and financial lease obligations	9.705	996
	Shareholders:		
	Dividends	0	0
	Proceeds from new loans from shareholders and management	7.000	7.500
	Repayment of loans to shareholders and management	-2.000	-4.000
	Proceeds from increase in share capital	10.000	4.000
	Earn-out financing from acquisition of subsidiaries and activities	0	7.400
	Cash flows from financing activities	23.556	15.463
	Net cash flows from operating, investing and financing activities	-9.026	-24.609
18	Cash and cash equivalents at 1 January	-23.026	1.583
18	**Cash and cash equivalents at 31 December**	-32.052	-23.026

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements and the parent company financial statements.

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

Notes to the financial statements

1 **Accounting policies**

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

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Fairwind A/S, and subsidiaries in which Fairwind A/S directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls.

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

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

Business combinations

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Gains or losses on disposal of subsidiaries are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the acquisition method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (negative goodwill), representing an anticipated adverse development in the acquired enterprises, is recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised. Negative goodwill not related to any anticipated adverse development is recognised in the balance sheet at an amount corresponding to the fair value of non-monetary assets. The amount is subsequently recognised in the income statement over the average useful lives of the non-monetary assets.

Goodwill and negative goodwill from acquired enterprises can be adjusted until the end of the year following the year of acquisition.

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

Notes to the financial statements

1 Accounting policies (continued)

Intra-group business combinations

In connection with business combinations such as acquisition and disposal of equity investments, mergers, demergers, addition of assets and exchange of shares, etc., involving enterprises controlled by the parent company, the uniting-of-interests method is used. Differences between the agreed consideration and the carrying amount of the acquired enterprise are recognised in equity. Moreover, comparative figures for previous financial years are restated.

Non-controlling interests

In the consolidated financial statements, the items of subsidiaries are recognised in full. The non-controlling interests' proportionate shares of the subsidiaries' results and equity are adjusted annually and recognised separately in the income statement and balance sheet.

Foreign currency translation

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

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

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Income statement

Revenue from sale of services

Revenue from the rendering of services comprising service contracts are recognised on a straight-line basis as the services are rendered.

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

Notes to the financial statements

1 Accounting policies (continued)

Revenue from construction contracts

Construction contracts concerning assembly of wind turbines are recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (the percentage of completion method). When income from a construction contract cannot be estimated reliably, revenue is recognised only corresponding to the costs incurred to the extent that it is probable that they will be recovered.

The stage of completion is determined by reference to the proportion of costs incurred to the latest cost estimate.

Other external charges

Other external charges comprise costs incurred during the year that are primary in relation to the Company's principal activities.

Staff costs

Staff costs comprise wages and salaries, remuneration, pensions and other staff costs in relation to the employees of the Company, including the Supervisory and Executive Boards.

Other operating income

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

Other operating costs

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

Profits/losses from investments in subsidiaries and associates

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

The proportionate share of the results after tax of the associates is recognised in both the consolidated income statement and the parent company income statement after elimination of the proportionate share of intra-group profits/losses.

Financial income and expenses

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

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

Notes to the financial statements

1 Accounting policies (continued)

Tax on profit/loss for the year

The parent company is covered by the Danish rules on compulsory joint taxation of the Fairwind Holding ApS Group's Danish subsidiaries. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements and up to the date on which they exit the consolidation.

The parent company is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

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

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised over its estimated useful life determined on the basis of Management's experience of the specific business areas. Goodwill is amortised on a straight-line basis over a maximum amortisation period of 20 years, longest for strategically acquired enterprises with strong market positions and long-term earnings profiles.

Depreciation is recognised in the income statement under depreciations of intangible and tangible fixed assets.

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers, and wages and salaries.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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

Fixtures and fittings, tools and equipment	2-10 years

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

Notes to the financial statements

1 **Accounting policies (continued)**

Depreciation is recognised in the income statement under depreciations of intangible and tangible fixed assets.

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

Leases

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

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

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

Investments in subsidiaries and associates

Investments in subsidiaries are measured under the equity method.

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

Investments in subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Fairwind A/S are not recognised in the reserve for net revaluation.

On acquisition of subsidiaries, the acquisition method is applied; see Consolidated financial statements above.

Impairment of non-current assets

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

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

Notes to the financial statements

1 **Accounting policies (continued)**

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

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

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

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

Receivables

Receivables are measured at amortised cost.

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

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's and the Group's credit risk management policy. The objective indicators used in relation to portfolios are determined based on historical loss experience.

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

Construction contracts

Construction contracts are measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the contract.

When the selling price of a construction contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Individual construction contracts are recognised in the balance sheet under either receivables or payables. Net assets are determined as the sum of construction contracts where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of construction contracts where progress billings exceed the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

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

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Dividends

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

Corporation tax and deferred tax

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

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

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

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

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

Notes to the financial statements

1 Accounting policies (continued)

Liabilities other than provisions

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

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities are measured at net realisable value.

Cash flow statement

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

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

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

Notes to the financial statements

1 **Accounting policies (continued)**

Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on invested capital	$\frac{\text{Operating profit x 100}}{\text{Average invested capital}}$
Invested capital	Operating intangible assets and property, plant and equipment plus net working capital
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$
Results for analytical purposes	Profit from ordinary activities after tax less non-controlling interests' share
Return on equity	$\frac{\text{Profit from ordinary activities after tax x 100}}{\text{Average equity}}$

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

Notes to the financial statements

DKK'000	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
2 **Staff costs**				
Wages and salaries	44.028	20.528	16.899	7.193
Pensions	3.040	2.062	1.366	896
Other social security costs	940	922	532	273
	48.008	23.512	18.797	8.362
Average number of full-time employees	147	127	40	27

Remuneration of the Executive Board and board of directors amounts to DKK 1.455 thousand (2014: DKK 1.158 thousand).

DKK'000	Parent company 2015	Parent company 2014
3 **Financial income**		
Interest income from subsidiaries	0	112
Other financial income	13	336
	13	448
4 **Financial expenses**		
Interest expense to subsidiaries	0	85
Other financial expense	1.791	798
	1.791	883

DKK'000	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
5 **Tax on the profit for the year**				
Current tax for the year	3.903	1.577	0	0
Adjustment of deferred tax	-631	1.409	356	1.085
	3.272	2.986	356	1.085

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

Notes to the financial statements

6 Intangible assets

DKK'000	Consolidated Goodwill
Cost at 1 January 2015	15.437
Adjustment of purchase price	-1.850
Cost at 31 December 2015	13.587
Impairment losses and amortisation at 1 January 2015	491
Amortisation	1.014
Impairment losses and amortisation at 31 December 2015	1.505
Carrying amount at 31 December 2015	12.082
Amortised over	5-15 years

7 Property, plant and equipment

DKK'000	Consolidated Fixtures and fittings, tools and equipment
Cost at 1 January 2015	17.112
Foreign currency translation adjustments, foreign entities	-222
Additions	13.669
Disposals	-1.021
Cost at 31 December 2015	29.538
Impairment losses and depreciation at 1 January 2015	5.747
Foreign currency translation adjustments, foreign entities	-60
Depreciation	7.026
Disposals	-537
Impairment losses and depreciation at 31 December 2015	12.176
Carrying amount at 31 December 2015	17.362
Property, plant and equipment include finance leases with a carrying amount totalling	2.538
Depreciated over	2-10 years

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

Notes to the financial statements

7 **Property, plant and equipment (continued)**

DKK'000	Parent company Fixtures and fittings, tools and equipment
Cost at 1 January 2015	14.966
Additions	11.178
Disposals	-821
Cost at 31 December 2015	25.323
Impairment losses and depreciation at 1 January 2015	5.328
Depreciation	5.992
Disposals	-400
Impairment losses and depreciation at 31 December 2015	10.920
Carrying amount at 31 December 2015	14.403
Property, plant and equipment include finance leases with a carrying amount totalling	2.538
Depreciated over	2-10 years

DKK'000	Parent company 2015	2014
8 **Investments in subsidiaries**		
Cost at 1 January	15.941	217
Adjustment of purchase price	-1.850	0
Additions	19	15.724
Cost at 31 December	14.110	15.941
Value adjustments at 1 January	15.796	10.133
Foreign currency translation adjustments	-483	-1.259
Profit for the year	10.737	7.003
Depreciation of goodwill	-836	-81
Value adjustments at 31 December	25.214	15.796
Carrying amount at 31 December	39.324	31.737
Goodwill at 1 January	14.462	0
Adjustments	-1.850	0
Additions	0	14.543
Depreciation	-836	-81
Non-amortised goodwill at 31 December	11.776	14.462

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

Notes to the financial statements

8 **Investments in subsidiaries (continued)**

Name and registered office	Voting rights and ownership
Fairwind GmbH, Germany	100 %
Fairwind Ukraine ApS, Denmark	100 %
Fairwind Installation Ltd., United Kingdom	100 %
Fairwind Offshore ApS, Denmark	100 %
FairWind Installation Ltd., South Africa	100 %
FairWind Sp. Z. o.o., Poland	100 %
Wind Service Sweden AB, Sweden	100 %
Sweden Wind Service AB, Sweden	100 %
Fairwind Finland Oy, Finland	100 %
Fairwind Rüzgar Enerji Hizmetteri Anonim Sikerti, Turkey	70 %

All subsidiaries are considered separate entities.

DKK'000	Consolidated		Parent company	
	2015	2014	2015	2014
9 **Prepayments**				
Prepaid courses	5.541	6.041	5.541	6.041
Prepaid insurance premium etc.	969	467	413	400
	6.510	6.508	5.954	6.441

10 **Share capital**

The share capital comprises:

7.850 shares of DKK 100 each

The share capital has changed as follows over past five years:

DKK'000	2015	2014	2013	2012	2011
Share capital as of 1 January	783	750	750	750	750
Capital increase	2	33	0	0	0
Share capital as of 31 December	785	783	750	750	750

DKK'000	Consolidated	
	2015	2014
11 **Non-controlling interests**		
Non-controlling interests at 1 January	404	1.917
Share of profit/loss for the year	308	-981
Foreign currency translation adjustments	-76	-532
Non-controlling interests at 31 December	636	404

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

Notes to the financial statements

DKK'000	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
12 Deferred tax				
Deferred tax at 1 January	-2.602	-1.193	-2.275	-1.190
Adjustment of deferred tax	631	-1.409	-356	-1.085
Deferred tax at 31 December	-1.971	-2.602	-2.631	-2.275
Deferred taxes are recognised in the balance sheet as follows:				
Deferred tax, assets	660	0	0	0
Deferred tax, provisions	-2.631	-2.602	-2.631	-2.275
	-1.971	-2.602	-2.631	-2.275

13 Non-current liabilities other than provisions

The loans are specified as follows:

	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
Financial lease obligations				
Long-term	1.916	1.298	1.916	1.298
Short-term	747	371	747	371
	2.663	1.669	2.663	1.669
Banks loans				
Long-term	6.110	151	6.000	0
Short-term	1.656	53	1.600	0
	7.766	204	7.600	0
Total loans	10.429	1.873	10.263	1.669
The loans are recognised in the balance sheet as follows:				
Non-current liabilities other than provisions	8.773	1.449	6.000	1.298
Current liabilities other than provisions	1.656	424	1.600	371
	10.429	1.873	7.600	1.669
Non-current liabilities other than provisions falling due more than five years after the balance sheet date (carrying amount)	0	0	0	0

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Notes to the financial statements

14 Contractual obligations and contingencies, etc.

Contingent liabilities

The parent company is jointly taxed with Danish subsidiaries. Together with the subsidiaries, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation unit. At 31 December 2015, the net taxes payable to SKAT by the companies included in the joint taxation amounted to DKK 0 thousand. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies' liability will increase. The Group as a whole is not liable to others.

Operating lease obligations

The Group's companies have entered into operating leases with a combined lease payment of DKK 1.372thousand. The remaining term of the leases is 1 to 38 months.

Fairwind A/S has entered into operating leases with a combined lease payment of DKK 1.063 thousand. The remaining term of the leases is 38 months.

Guarantees

The group has issued work guarantees of DKK 781 thousands for services delivered.

DKK'000	Consolidated		Parent company	
	2015	2014	2015	2014
15 Mortgages and collateral				
The following assets have been provided as collateral for bank loans and overdrafts:				
Trade receivables, nominal value 25.000.000 DKK	63.053	43.173	63.053	43.173
Cash at bank and in hand	0	0	0	0
Equipment	268	268	0	0

Moreover, Fairwind A/S has provided the following guarantees for subsidiaries:

- Unlimited guarantee for Fairwind Installation Ltd., (United Kingdom) for bank loans from Sydbank
- Limited guarantee of DKK 1.500 thousands for Fairwind Rüzgar Enerji Hizmetteri Anonim Sikerti for bank loans from Sydbank

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

Notes to the financial statements

16 Related party disclosures

Fairwind A/S' related parties comprise the following:

Parties exercising control

Fairwind Holding ApS, holds 100 % of the share capital in the Company.

SE Blue Equity I K/S, holds the majority of shares in Fairwind Holding ApS.

Subsidiaries included in the consolidated financial statements

Name and registered office	Voting rights and ownership
Fairwind GmbH, Germany	100 %
Fairwind Ukraine ApS, Denmark	100 %
Fairwind Installation Ltd., United Kingdom	100 %
Fairwind Offshore ApS, Denmark	100 %
FairWind Installation Ltd., South Africa	100 %
FairWind Sp. Z. o.o., Poland	100 %
Wind Service Sweden AB, Sweden	100 %
Sweden Wind Service AB, Sweden	100 %
Fairwind Finland Oy, Finland	100 %
Fairwind Rüzgar Enerji Hizmetteri Anonim Sikerti, Turkey	70 %
Geos Construction LLC, Ukraine	70 %
Fairwind Ukraine LLC, Ukraine	70 %

DKK'000	Consolidated	
	2015	2014
17 Changes in working capital		
Change in inventories	-2.843	1.381
Change in receivables	-64.951	-38.473
Change in trade and other payables	27.163	7.141
	-40.631	-29.951
18 Cash and cash equivalents		
Cash at bank and cash in hand	4.667	5.981
Bank loans and overdraft	-36.719	-29.007
Adjusted cash and cash equivalents	-32.052	-23.026