Bladt Holding A/S

Nørredybet 1

9220 Aalborg Øst

Annual report 2015

(4th financial year)

CVR No. 34 07 34 30

Adopted at the Annual General Meeting 18 March 2016

Chairman of the Annual Geneal Meeting

Contents

Management Review

The Bladt Group

Bladt Holding A/S is the parent company of Bladt Industries Holding A/S and thereby of Bladt Industries A/S and its subsidiaries. Jointly, these companies comprise the Bladt Group with Bladt Industries A/S as the Group's operating company.

The Bladt Group creates solutions for our clients within three business areas: wind and renewable energy, the oil and gas industry and infrastructure.

Wind and renewable energy is the business area, which also in 2015 has seen the highest activity level. We have operated within this area since 2002 and the number of executed projects has grown continuously – 2015 has been no exception. We continue to be market leaders within project management and production of foundations and substations for offshore wind farms. In total, our reference list now counts 15 substations and more than 1,400 foundations.

The oil and gas industry is a business we have been working within for more than 40 years. We are able to provide complex steel structures as modules, topsides, jackets and suctions anchors and have deep industry knowledge from our long track record.

The infrastructure market is the business area where the story of the Bladt Group as a steel contractor started 50 years ago. Our infrastructure division works with various steel related projects each with their special challenges – from bridges, steel tanks and buildings to harbor and marine facilities. During 2015, the business has developed from pure steel contracts into taking on selected turnkey contracts, which also include concrete, excavation works etc.

Our employees are the key to ensure optimal project execution. The qualifications and dedication of our employees are the backbone of the continued development of the Bladt Group. In 2015, the Group continued and accelerated the strengthening of our organization.

Our facilities form a large part of our ability to play a leading role in the offshore business. Our two production facilities in Denmark and the newly established production facility in the UK all have direct access to seaways.

Quality is paramount for our clients as well as for us. It is part of the “Bladt DNA” to deliver high-quality steel constructions to our clients.

Safety in focus is no news at the Bladt Group. However, during 2015 this focus has been intensified, further decreasing LTIF numbers. We will strengthen our safety first resolve even further in 2016.

Our clients are the source of our success. We aim to be trusted partners for our clients and to continue to meet and exceed their demands.

Management Review

Financial Highlights for the Group

DKKm	2015	2014	2013	2011/12[1]
Key figures				
Revenue	2,949.5	3,201.3	2,967.6	1,463.3
Gross profit	104.6	-13.1	171.5	41.5
Earnings before interest, tax, depreciation and amortization (EBITDA)	142.0	28.0	276.3	120.4
EBITDA excl. one-off items[3]	157.0	34.1	279.5	143.3
Earnings before interest, tax and amortization, (EBITA)	106.0	-5.0	247.3	105.8
Profit/loss from financial income and expense	-49.7	-33.4	-30.6	-30.8
Profit/loss for the year	12.2	-59.6	90.0	-16.0
Non-current assets	494.0	518.3	540.9	628.3
Current assets	1,098.5	1,299.4	890.1	541.0
Total assets	1,592.5	1,817.7	1,431.0	1,169.3
Equity	416.8	409.8	470.1	380.6
Non-current liabilities	336.0	369.0	408.6	447.8
Current liabilities	839.7	1,038.9	552.3	340.9
Net cash (net of interest bearing debt)	-57.2	139.5	165.3	164.9
Investment in property, plant and equipment	24.0	44.3	42.7	30.9
Cash flows from operating activities	-92.4	52.1	70.7	93.3
Cash flows from investing activities	-64.2	-47.2	-42.5	-568.6
Cash flows from financing activities	-40.1	-30.5	-27.8	640.1
Total cash flows	-196.7	-25.6	0.4	164.8
Financial ratios[2]				
Operating margin	2.3	-1.3	4.9	0.9
Solvency ratio	26.0	22.4	32.7	32.7
Return on equity	3.0	-13.6	21.3	-
Average number of employees	606	678	641	530

1) Bladt Holding A/S was established on 30 November 2011. Bladt Holding A/S took over Bladt Industries Holding A/S at the end of May 2012, and the enterprise is included in the consolidated financial statements as of this date (7 months).

2) The financial ratios have been prepared in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For financial ratio definitions, please see page 62.

3) Reconciliation of one-off items to internal reporting.

Management Review

Maturing Offshore Wind

The financial performance of the Bladt Group stabilized in 2015 after a challenging 2014. This was driven by strong execution of the project portfolio which in 2015 included five offshore wind turbine foundations projects, three offshore wind substation projects as well as numerous infrastructure projects. While revenues declined to DKK 2,950 million in 2015 from the highest level ever recorded in 2014 (DKK 3,201 million), earnings before interest, tax and amortization increased significantly to DKK 106 million (2014: DKK -5 million), in line with expectations and satisfactory for the year.

The projects executed in 2015 included the finalization of the offshore wind turbine foundations for the Gode Wind 1 and 2 (monopiles and transition pieces) and the Sandbank (transition pieces) offshore wind farms. Additionally, significant projects extend beyond 2015 including the offshore wind turbine foundations for the Wikinger (jackets), the Veja Mate (transition pieces) and the Burbo Bank Extension (transition pieces) offshore wind farms, and the substations for the Nordsee One, Sandbank and Bligh Bank offshore wind farms. Supplementing these projects are numerous infrastructure projects including for instance specialized building steel and bridges in Scandinavia.

In 2015, the Bladt Group continued and accelerated the development of its organization and business systems within key areas such as project management, QHSE, planning, contract management and operations. This combined with the Group's experience with the target market segments ensured that the projects were delivered on time, on spec and without any significant HSE incidents. During 2015, the Bladt Group also worked to renew its strategy – a process which continues into 2016. The Group will take on a key role in ensuring that offshore wind foundations and substations will support the long term industry objective of maturing the offshore wind industry and significantly reducing the cost of energy.

2015 also included two other landmarks for the Bladt Group. In March, the 50^{th} anniversary of Bladt Industries was celebrated with clients, partners, stakeholders and employees. In September, Offshore Structures (Britain) Limited, the joint venture production facility in the UK partly owned by Bladt Industries, was officially opened, already producing its first major offshore wind foundations.

Jackets Required

Monopile-transition piece type foundations continue to be the dominating foundation type for offshore wind turbines. The Bladt Group is one of the recognized market leaders within monopile-transition piece type foundations for offshore wind. During 2015, the Bladt Group completed the construction and delivery of 97 so-called XL monopiles and transition pieces for the Gode Wind 1 and Gode Wind 2 offshore wind farms. Additionally, the Group has produced transition pieces for a number of further offshore wind farms during 2015.

Jacket foundations are the main alternative foundation type for offshore wind turbines, particularly well suited for offshore wind farms in deeper waters and with large turbines. As such, the market for jackets for offshore wind turbines is expected to grow gradually during the coming years – although monopile-transition piece type foundations are expected to be the most prevalent foundation. Beyond the next years, jackets are however expected to play a large role, especially with the next generation of even larger offshore wind turbines. The Bladt Group is strongly positioned to drive and capture the growth in the jacket foundation market.

In 2015, the Bladt Group solidified its role as the market leader also within jacket foundations for offshore wind turbines. As the first ever fabricator, the Group is executing back-to-back orders for serial produced jacket foundations for offshore wind with the order for 41 jacket foundations for the Wikinger offshore wind farm. The production of the jacket foundations for Wikinger commenced in the spring of 2015 and will continue in 2016. The production takes place at Bladt Industries' facility at Lindoe Industrial Park and builds on the production in 2013 and 2014 of 41 jacket foundations for another wind farm. This experience in serial production of jacket foundations is unparalleled and the Lindoe site is unique in Northern Europe and very well suited for jacket serial production.

Going forward, the Bladt Group will leverage the experience and track record in serial production of jacket foundations by working with offshore wind farm developers, installers and other stakeholders to significantly increase the cost competitiveness of jacket foundations through design optimizations, robotization of welding, production automation and standardization.

Management Review

Market Developments

The offshore wind market was roughly flat in 2015 compared to 2014 after a number of years with significant growth. Looking ahead, growth is expected in terms of gigawatts installed among other things driven by an increased availability of project finance capital which is increasingly replacing the traditional utility equity financing in the market.

As expected, the North Sea offshore oil and gas market shrunk during 2015 as expected due to low and decreasing oil prices. The low oil prices primarily impact activity related to new offshore oil and gas fields and to a lesser degree upgrade and maintenance of existing fields. As oil prices are expected to remain low, the activity level in 2016 within offshore oil and gas is also expected to be low.

The market for steel related infrastructure projects in the Nordic countries is by and large driven by the level of general economic activity in the area and as was the case in 2015, some market growth is thus expected in 2016.

The Next Level

During 2015, the Bladt Group continued and accelerated the strengthening of its organization, systems and processes. This has contributed to the stabilization of the financial results in 2015 compared to 2014. It has also further enhanced the performance within areas such as planning, health and safety, as well as legal and financial risk management. Coupled with the Group's strong skills in project execution, this forms the basis of making the Bladt Group a trustworthy partner for the entire industry – also as demands from customers and other stakeholders are increasing.

The Bladt Group is in the process of updating its strategy for the years to come. The new strategy will be finalized in 2016 and will build on the developments mentioned above to further develop Bladt Industries into taking an important role in maturing the offshore wind industry and support the industry objective of reducing the cost of energy. This entails working with design and supply chain improvements as well as robotization, automation and standardization to lower costs of wind turbine foundations and substations together with customers, suppliers and industry stakeholders. Not only the steel structures of the Bladt Group are built to last, the Group also wants to play a key role in ensuring that the entire offshore wind industry is built to last. The long term objective of the industry shall be to become subsidy-free.

To support the development of the offshore wind industry, the Bladt Group (through Bladt Industries) together with the German company EEW Special Pipe Construction GmbH (EEW SPC) have established a production facility in the UK for offshore steel structures – particularly offshore wind turbine foundations. The joint company is called Offshore Structures (Britain) Limited and the production facility is located at the River Tees in the Northeastern part of the UK. During 2015, Bladt Industries and EEW SPC jointly invested in taking over and developing the site and the production equipment. In September 2015, the official opening of the production facility took place and it is already producing offshore wind foundations for the Burbo Bank Extension project, employing more than 100 employees. The investment into the UK represents a landmark for the UK supply chain for offshore wind. The speed and timing of further investments into the site will depend on the market developments in the UK and elsewhere in Europe and on the number and timing of contracts awarded.

In addition to the investments into the UK, the Bladt Group has continued to invest in the development of the production sites in Denmark – Aalborg and Lindoe.

In March of 2015, Bladt Industries celebrated its 50th anniversary. 1965 to 2015 has been an extraordinary journey - always with a focus on large and complex steel structures and strong project execution. The ongoing strengthening of the organization, systems and processes and the updated strategy of the Bladt Group will be the outset for the next 50 years of the Group.

Financial Review

In 2015, the Bladt Group recorded revenues of DKK 2,950 million (2014: 3,201 million) which is a decrease of 8% nominally and organically. After 2014, with the highest ever revenues recorded, this is a return to the level from 2013. Revenues are impacted by a continued high activity level within offshore wind foundations and substations and by the decline in the oil and gas market driven by the oil price development.

Management Review

Gross profit amounted to DKK 105 million (2014: -13 million) and was positively impacted by sound execution of the Group's project portfolio. Gross profit in 2015 was not affected by significantly lower than expected earnings on a few specific projects as experienced in 2014 due to events outside the Group's control. Projects with lower than expected earnings in 2014 continue to involve disagreements regarding the settlement of variation orders and claims between the Group and customers on these specific few projects. These projects may become the subject of legal proceedings and preparation hereof is ongoing. There is uncertainty as to the final financial outcome of this, which can have a positive or negative financial effect.

Capacity costs for project management, planning, production facilities, QHSE systems and infrastructure as well as for legal and contract management have increased, in order to strengthen the Bladt Group organization and meeting the challenges of maturing the offshore wind industry. Operating profits (EBITA) increased to DKK 106 million (2014: -5 million). Operating profits are positively impacted by the sound project execution and negatively by increasing capacity costs. After regulations related to amortizations of intangible assets, earnings before interest and taxes (EBIT), came to DKK 69 million (2014: -42 million). Profit for 2015 amounted to 12 million after tax (2014: -60 million) and was also impacted by start-up costs related to the new joint venture (Offshore Structures Britain (Ltd.) in the UK). Profits are in line with expectations for the year.

At the end of 2015, total assets of the Group amounted to DKK 1,592 million (2014: 1,818 million) and total equity amounted to DKK 417 million (2014: 410 million). The Board of Directors recommends to the annual general meeting that no dividends be declared in respect of the 2015 financial year.

The Bladt Group realized a cash flow from operations of DKK -92 million (2014: 52 million). The cash flow is positively impacted by the sound execution of the Group's project portfolio and negatively by planned changes in the working capital position of specific projects at the end of 2015 compared to the end of 2014. Such working capital fluctuations at different points in time are common for large scale contracts such as the ones the Group execute. The cash flow was also negatively impacted by the investments into acquiring and setting up of the UK production joint venture Offshore Structures (Britain) Limited in 2015. In total, DKK 85 million was spent by the Group in investments and inter-company financing into the acquisition and set-up of the production facility.

The Bladt Group has ample liquidity reserves to handle cash fluctuations. During 2015, Bladt Industries enlarged and strengthened its credit facilities and at the end of 2015 the liquidity reserves of the Group are larger than they were at the end of 2014 factoring in both cash position and credit facilities.

No events of significant importance to the financial statements and annual report for 2015 have occurred after the end of the financial year.

Outlook and Expectations

Given the expectation of some growth within offshore wind and the Nordic infrastructure markets, the Bladt Group expects growth in the gross profit and earnings in 2016 compared to 2015. The outlook is among other things based on a strong order book with ongoing and firm contracts such as the wind turbine foundations for the Veja Mate, Wikinger and Burbo Bank Extension offshore wind farms, the offshore substations for the Sandbank, Nordsee One and Bligh Bank wind farms as well as a number of infrastructure and oil and gas upgrade projects. Additionally, the outlook is underpinned by a solid project pipeline where an additional number of significant projects are already conditionally contracted.

Corporate Governance

Governance, Board of Directors and Management

In 2012, Bladt Holding A/S acquired all shares in Bladt Industries Holding A/S and thereby in Bladt Industries A/S. Nordic Capital Fund VII is the ultimate majority shareholder in Bladt Holding A/S, and a number of executives and board members also hold shares and warrants in Bladt Holding A/S.

By virtue of its ownership, the Group is subject to the "Guidelines for responsible ownership and corporate governance" laid out by the Danish Venture Capital and Private Equity Association (DVCA). It is Bladt Holding's intention to comply with the guidelines and to accordingly explain any non-conformity. Further information regarding the guidelines is available at DVCA's website www.dvca.dk.

Moreover, Bladt Holding is also subject to other requirements including the Danish Public Companies Act, the Danish Financial Statements Act, the articles of association of the company and the rules of procedures for the Board of Directors of the company. The Board of Directors and the Executive Board apply these requirements and procedures according to good practices in comparable companies.

The Board of Directors consists of four members. One member is a representative of the ultimate majority shareholder (Partner Lars Terney of NC Advisory A/S) and three are elected at the annual general meeting and are independent of the ultimate majority shareholder (Jens Due Olsen, Jørgen Huno Rasmussen and Carsten Knudsen).

The Board of Directors has adopted rules of procedures for the Board of Directors and additionally employs the following sub-committees:

- Executive (Chairman's) Committee
- Audit Committee
- Remuneration Committee

Four to seven ordinary board meetings are held per year. Among other things, the Board of Directors determines the strategy of the company, decides the composition of the Executive Board, monitors Executive Board compliance with the strategy and the procedures of the Group, and is an active sparring partner to the management of the Group. The management of the Group prepares a monthly report to the Board of Directors, detailing the Group's financial and operational performance as well as capital resources.

The Audit Committee operates according to its charter approved by the Board of Directors and refers to the Board of Directors. The tasks of the Audit Committee as specified in its charter include, among other things, monitoring the Group's presentation of financial statements, the adequacy and application of accounting policies and of significant accounting estimates, the Group's systems of internal controls, the external audit of the Group's accounts, the independence of the external auditor, the Group's risk management practices, and recommending the appointment of external auditor to the Board of Directors. Four Audit Committee meetings are held per year. The Audit Committee has organized its tasks in an annual wheel.

Board of Directors and Diversity

It is the objective of the Bladt Group to promote diversity, including obtaining a reasonable representation of the under-represented gender in the Board of Directors, in order to strengthen the breadth of the Group's outlook and competences and to further improve decision processes. It is also the objective of the Board of Directors to ensure that its members supplement each other in the best possible way with regard to e.g. competences, age, background, gender, and nationality as relevant to the needs of the Group. The recommendation of candidates for the Board of Directors will thus always be based on an assessment of the competences and experience of the individual candidate, how they match the needs of the company and of the contribution to the overall efficiency and skill set of the Board of Directors.

Corporate Governance

At present, all board members and members of the Executive Board and Group Management are male. The objectives for the period until and including 2017 are:

- Ensure a representation of women in the Board of Directors and in the Executive Board and Group Management at least equal to the representation of women in the employee base of the company. Given the current level of representation of women in the employee base of the company (approximately 5%), the realization of this objective will likely have to be evaluated over a longer time period starting in 2017.
- Ensure that employees view the company as having a modus operandi and culture in which individual employees have equal career opportunities regardless of gender, nationality, race, religious beliefs etc.

During 2015, the Group increased the number of women in middle management positions reporting to group management, creating a potential pipeline for the filling of management positions.

Capital Structure

Bladt Holding has one share class. Group management, the Audit Committee and the full Board of Directors regularly evaluate the sufficiency of the company's capital structure and whether the capital structure is aligned with the interests of the company and its stakeholders. The overall objective is to ensure a capital structure that facilitates profitable long term growth and value creation.

Internal Controls and Presentation of Accounts and Annual Financial Statements

The Group's internal controls and risk management regarding presentation of the accounts and the annual financial statements are organized with a view to significantly reduce the risk of significant errors, omissions and/or imperfections in the presentation of the accounts. To ensure this, management establishes relevant policies, procedures and control mechanisms. The Board of Directors – both directly and via the Audit Committee – and management evaluate significant risks and internal controls in regard to the Group's presentation of accounts on an ongoing basis.

On behalf of the Board of Directors, the Audit Committee supervises the presentation of accounts and annual financial statements as well as the sufficiency and efficiency of the internal controls, including financial reporting standards, accounting principles, and significant accounting estimates and judgements on an ongoing basis. These and other issues are being reported to the Board of Directors by the Audit Committee prior to the approval of the annual financial statements and throughout the year when relevant.

In addition to the audited annual financial statements, group management prepares an unaudited monthly report to the Board of Directors detailing the company's performance, including the financial position and development, performance against budget, capital resources as well as the health, safety and quality performance. These reports are reviewed at Board meetings, Audit Committee meetings and Executive (Chairman's) Committee meetings.

Organization and Society

Corporate Social Responsibility and Human Resources

The Bladt Group believes that maintaining the highest standards of integrity in the conduct of its business is essential to ensuring the further development and sustainable growth. Thus, the Group strives to adhere to the principles of United Nations' Global Compact in the areas of human rights, labor, environment and anti-corruption.

An important part of the Bladt Group's business and operations are within offshore wind energy. The Group, therefore, continues to work towards providing this clean energy source at cost levels making the further expansion of offshore wind even more attractive and feasible.

The code of conduct of the Bladt Group lay out our determination to act with integrity, in an honest and law-abiding way, to respect fundamental human rights, not to give or receive any gifts or other benefits which may be perceived as influencing the impartiality of business behavior, not to use confidential information for personal benefit and only to use subcontractors that share these ethical values. Regarding human rights, the code of conduct specifies the Group's support and respect for the protection of internationally proclaimed human rights. Also, the Group aims to ensure not to be compliant in human rights abuses. The code of conduct was updated in 2015 and is appended to all main contracts with suppliers of the Group from 2016. The update of the code of conduct in 2015 and the appending of the code of conduct to main supplier contracts from 2016 strengthens the protection of human rights in the Group's activities. During 2014 and 2015, the Group has vastly strengthened its legal/internal counsel department to, among other things, further ensure compliance with the code of conduct.

The training and education of apprentices continue to be of high importance to the Bladt Group. At the end of 2015, 30 apprentices were trained primarily within welding. Of these, 14 were adult apprentices. This is an investment, ensuring both a qualified employee base for the future of the Group as well as a contribution to the important task of educating skilled professionals for the local communities.

The Bladt Group provides employees over the age of 60 the opportunity to enter into a "senior employee agreement" with e.g. reduced time or less demanding tasks in order to prolong their time as active on the labor market.

The employees are essential to the success and development of the Bladt Group. The management, thus, focuses on the recruitment and retention of the best talents and a continuous development of employee qualifications. To support this, the Group has strengthened its human resource setup in 2015 and has been preparing an updated annual performance and personal development review program supported by online tools. The program will be launched with all salaried employees in the first half of 2016.

During 2015, the Bladt Group recruited a significant number of new employees to continue the strengthening of the skill sets and capacity within areas such as project management, planning, QHSE, controlling, legal and contract management. This is also an important part of making the Group a key player in maturing the offshore wind industry.

In addition, the number of blue-collar workers at the Group in Denmark (Aalborg and Lindoe) grew in 2015 as production activity increased during the year at the Lindoe facility where fabrication of the jacket foundations for the Wikinger offshore wind farm took off during the year and is fully ongoing at year end. The Aalborg facility has also experienced increasing activity during 2015. As a result of these developments the number of employees at the Bladt Group in Denmark increased by 19% to 670 at the end of 2015 (2014: 564).

Internationally, at the subsidiaries in Germany and Poland and the associated company (production facility joint venture) in the UK, the number of employees increased from 49 at the end of 2014 to 131 at the end of 2015 as the production facility in the UK was established and started up during 2015.

	Denmark	International	Total
Employees, year end 2014	564	49	613
Employees, year end 2015	670	131	801

Organization and Society

Quality, Health, Safety and Environment (QHSE)

At the Bladt Group, the quality of the products delivered to clients, the health and safety of employees and subcontractors as well as the environmental soundness of surroundings are of paramount importance. Thus, the Group operates comprehensive quality management, occupational health and safety management as well as environmental management systems. The quality management system is certified according to DS/ EN ISO 9001:2008 and according to ISO 3834-2:2005 and EN 1090-2_2008 for welding. The occupational health and safety management system is certified according to DS/OHSAS 18001:2008. The environmental management system complies with ISO 14001.

The quality management system determines the basis and general principles of the quality system to ensure that the company's products obtain the planned quality by means of a rational and controlled effort. It is the Group's objective to meet or exceed our clients' expectations regarding the quality of products delivered. In addition to our own internal audits as well as audits of our quality management system by the relevant external certifying bodies, our quality management system and quality control programs are also frequently reviewed and audited by a number of customers – this was also the case in 2015.

During 2015, the Bladt Group has initiated and partly implemented an upgrade of its Project Execution Plan (PEP) for large offshore wind foundation projects with a special focus on upgrading Project Quality Plans (PQP), Inspection and Test Plans (ITP), Quality Activity Schedules (QAS), Change Management and Supplier Management. Also for offshore wind substation projects, the Project Quality Plan templates have been upgraded. Additionally, the overall (corporate wide) QHSE management system of Bladt Industries is being overhauled during 2016-17. The updated management system will be named "Bladt One" – the integrated Bladt Industries management system.

Quality control and material traceability are integrated parts of the production and project management at the Bladt Group. Depending on the nature and demands of each individual project, quality control programs can consist of a number of different control actions – including for instance measurement of size dimensions within narrow tolerances, inspection of batch certificates and raw material properties as well as non-destructive testing of welds in a variety of ways.

The purposes of the occupational health and safety (OH&S) management system of the Group are to minimize, and where possible eliminate, risk to employees and others who may be exposed to OH&S risks associated with the company's activities as well as to maintain and continuously improve the OH&S management system and practices. Systematic health and safety risk assessments are carried out and acted upon for significant work processes and work processes with elevated risk elements.

In 2015 the Bladt Group has further strengthened the health and safety practices. This includes e.g. developing and implementing updated HSE manuals, an updated consequence system for violation of health and safety rules and requirements as well as implementation of new master plans for outdoor walkways and driving routes. Improvements will continue in the years to come.

The Bladt Group's environmental management system is based on and operated according to the principles of ISO 14001, however, it is not certified by a certifying body. Within the guidelines of the environmental management system, the Group continually strives towards minimum environmental impact of the company's activities in consideration of the financial and technological conditions, including for example to reduce the consumption of materials, energy, water, and waste. Internal audits of the environmental management system are completed at least twice a year in order to ensure the efficiency of the system. Longer term, the environmental management system may become externally certified according to e.g. ISO 14001.

The Group reduces its environmental and climate footprint via recycling of production waste – for instance recycling of welding dross/slag, of sandblasting consumables and of plastic coils. Welding dross/slag are now fully recycled to be used in road safety crash fences instead of being put in repository and surplus wood is recycled in chip boards instead of being handled as combustible waste. Such enhanced recycling activities in 2015 reduce the environmental and climate impact of the Group.

Risk Management

At the Bladt Group, risk management is a key and integrated element of the execution of the project portfolio, of the realization of the objectives of the Group and of the further development of the system and processes of the Group. The following section includes a non-exhaustive description of risks related to the Group's activities and the management of these risks.

Commercial Risks

The main commercial risks of the Group are related to (a) the execution of current projects, (b) ensuring a pipeline of future projects and (c) adapting the capabilities and scale of operations to the changing demands in the marketplace.

To execute projects, the Bladt Group relies both on the competences of employees as well as selected suppliers. The Group employs a highly skilled work force across a large range of disciplines such as project management, welding, transportation, production and material management, quality control, HSE, contract management, tender management, finance and administration. This qualified work force is the cornerstone of successful project execution. The Group's project managers master with a variety of proven project management, tools that are continuously developed and adapted to the specific project at hand. Project Managers are supported continuously in project execution by specialists in legal, contract and financial management, quality, health and safety, planning etc. Physical production of very large structures may be impacted by adverse weather conditions. To mitigate such impact, the Group calculates with standard periods of adverse weather when planning projects as well as ensuring flexibility in production facilities to quickly adapt to the impact of weather changes.

A strong cooperation with selected suppliers that the Group works closely with on the individual projects further ensures a successful project execution. Such cooperation improves competitiveness, enhances capacity and mitigates risks by having projects completed at independent sites, thereby reducing reliance on any single site. Significant suppliers are evaluated and monitored closely before and during the project so that potential issues are dealt with prior to the project and any issues that may arise during the project are mitigated in a timely manner. Furthermore, major suppliers are incentivized to avoid inadequate performance on their part via targeted contractual milestones, bonuses and penalties. To this end, the Group's project and contract managers work with standard sub-supplier contracts.

Prior to contracting a potential project, the contract and calculations are reviewed in accordance with defined procedures for tendering. During the project execution phase, projects are reviewed frequently by project management, division management and top management, using standard project reporting templates. Such reviews focus on financial performance, project progress, execution issues as well as actual and potential risks. During 2015, the Bladt Group continued the strengthening of the organizational competence base within legal contract management and project financial controlling in order to identify, avoid and mitigate unwanted contractual and financial risks.

Securing a pipeline of potential new projects, winning new projects and adapting capacity and capabilities to the future needs of the marketplace are of paramount importance to the longer term profitable growth of the Group. Thus, management regularly tracks and reviews developments in the potential project pipeline within the various target segments and, based on this, adapts the in-house and sourced capacities and capabilities to the project pipeline. The level of demand is primarily dependent on the developments in the Northern European markets for offshore wind and offshore oil and gas and secondarily in the global offshore wind and offshore oil and gas markets as well as the Scandinavian markets for infrastructure projects with a certain steel content and complexity.

Also, in order to ensure the continued competitiveness and strong market position, the Bladt Group closely monitors ongoing and potential developments in relevant technologies regarding end products – for instance in innovative offshore wind foundation and substation designs – as well as regarding fabrication, assembly and transportation processes. As an example, in 2015 the Bladt Group participated in the development and testing of various new automated welding techniques for large offshore steel structures and in the construction of test material for testing possible design optimizations in offshore wind turbine foundations.

Execution of major projects and developments in the project pipeline are also regularly at all board meetings.

Risk Management

Financial Risks
The Bladt Group's financial risks are described in note 25 to the consolidated financial statements.

Insurance Risks
The Group takes out statutory insurances as well as the insurances which are deemed to be relevant in order to mitigate or eliminate unwanted risks. At regular intervals, the Group conducts a review of the insurances in cooperation with an external insurance specialist. Additionally, the Group may take out project specific insurance depending on the requirements of the individual projects.

Board of Directors

Jens Due Olsen, Chairman

- Chairman Audit Committee and Chairman Executive Committee of Bladt Industries A/S
- Professional board member in a number of companies. Previously CFO and Deputy CEO GN Store Nord A/S, CFO FLSmidth & Co. A/S, CFO Aston Group and various roles in AP Møller-Maersk A/S
- Chairman of the Board of NKT Holding A/S, Auris II Luxembourg S.A., Børnebasketfonden
- Deputy Chairman of the Board of PFA Holding A/S
- Member of the Board of Royal Unibrew A/S, PFA A/S, Cryptomathic A/S, Gyldendal A/S, Pierre.dk, Autolakering A/S, Heptagon Advanced Micro Optics Inc.
- Member of the Investment Committee of LD Equity 2 K/S

Lars Terney, Deputy Chairman

- Chairman Remuneration Committee and Member Executive Committee of Bladt Industries A/S
- Partner, NC Advisory A/S, adviser to Nordic Capital Funds
- Member of the Board of NC Advisory A/S, Sport Nordic (Sport-Master), Unifeeder A/S

Jørgen Huno Rasmussen, Member

- Member Remuneration Committee of Bladt Industries A/S
- Professional board member in a number of companies. Previously CEO FLSmidth & Co. A/S, Veidekke ASA and Hoffmann A/S
- Chairman of the Board of Lundbeckfonden, Lundbeckfond Invest A/S, TryghedsGruppen smba, Tryg A/S
- Deputy Chairman of the Board of Rambøll Gruppen A/S, Terma A/S, Thrige-Titan A/S, Haldor Topsøe A/S
- Member of the Board of Otto Mønsted Aktieselskab

Carsten Nygaard Knudsen, Member

- Member Audit Committee of Bladt Industries A/S
- Professional board member in a number of companies. Previously CEO Esko BVBA, COO/CFO Esko Graphics, CFO ISS A/S and various roles in AP Møller-Maersk A/S
- Chairman of the Board of Glunz & Jensen A/S, Dane Top 6 Aps, Black Bidco Aps
- Member of the Board of Lyngsoe Systems A/S, GSV Materiel Udlejning A/S

Statements

Statement by the Executive Board

Today, the Board of Directors and Management have discussed and approved the annual report of Bladt Holding A/S for the financial year 1 January – 31 December 2015.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

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 cash flows for the financial year 1 January – 30 December 2015.

In our opinion, the Management review includes a true and fair account of the development in the Parent Company's and the Group's operations and financial conditions, the results for the year, cash flows and financial position as well as a description of the more significant risks and uncertainty factors that the Parent Company and the Group face.

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

Aalborg, 18 March 2016

Board of Directors:

Jens Due Olsen Chairman	Lars Terney Deputy Chairman	Jørgen Huno Rasmussen
Carsten Knudsen		

Executive Board:

Lars Terney

Statements

Independent Auditors' Report

To the shareholders of Bladt Holding 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 Bladt Holding A/S for the financial year 1 January – 31 December 2015. The consolidated financial statements and the Parent Company financial statements comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies for the Group as well as for the Parent Company. The consolidated financial statements and the Parent Company 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.

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 International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act. Management is also responsible 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 auditor considers the internal control relevant to the Company's preparation of consolidated financial statements and Parent Company financial statements that provide a true and fair view. The purpose thereof is 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.

Statements

Opinion

In our opinion, the consolidated financial statements and 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 cash flows for the financial year 1 January – 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Statement on the Management commentary

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

Aalborg, 18 March 2016
PricewaterhouseCooper
CVR No. 33 77 12 31
Statsautoriseret Revisionspartnerselskab

Claus Lindholm Jacobsen
State Authorised Public Accountant

Thyge Belter
State Authorised Public Accountant

Statements

Consolidated Income Statement and Consolidated Statement of Comprehensive Income

Consolidated Income Statement

DKK'000	Note	2015 Business performance	2015 Adjustments	2015 IFRS	2014 Business performance	2014 Adjustments	2014 IFRS
Revenue		2,949,460	0	2,949,460	3,201,321	0	3,201,321
Production costs	3,4	-2,807,821	-37,000	-2,844,821	-3,177,552	-37,000	-3,214,552
Gross profit		141,639	-37,000	104,639	23,769	-37,000	-13,231
Distribution costs	3,4	-8,793	0	-8,793	-7,355	0	-7,355
Administrative expenses	3,4,5	-26,808	0	-26,808	-21,380	0	-21,380
Operating profit		106,038	-37,000	69,038	-4,966	-37,000	-41,966
Profit/loss in joint venture	12	-15,900	0	-15,900	0	0	0
Financial income	6	289	0	289	489	0	489
Financial expenses	7	-17,175	-17,400	-34,575	-17,366	-16,500	-33,866
Profit/loss before tax		73,252	-54,400	18,852	-21,843	-53,500	-75,343
Tax on profit for the year	8	-19,403	12,784	-6,619	6,708	9,065	15,773
Profit/loss for the year		53,849	-41,616	12,233	-15,135	-44,435	-59,570

Profit appropriation/ distribution of loss :	2015	2014
Shareholders of Bladt Holding A/S	11,439	-60,175
Non-controlling interests	794	605
	12,233	-59,570

Statements

Consolidated Statement of Comprehensive Income

	2015	2014
Profit/loss for the year	12,233	-59,570
Items that will be reclassified to the income statement when specific conditions are met		
Foreign exchange adjustments on translation of foreign entities	181	-363
Other comprehensive income after tax	181	-363
Total comprehensive income for the year	12,414	-59,933

Profit appropriation/ distribution of loss :		
Shareholders of Bladt Holding A/S	11,563	-60,427
Non-controlling interests	851	494
	12,414	-59,933

Statements

Consolidated Statement of Financial Position

DKK'000	Note	2015	2014
ASSETS			
Non-current assets			
Intangible assets	9,10		
Goodwill		195,200	195,200
Trademarks		16,100	16,100
Other intangible assets		101,152	138,152
Other intangible assets (software)		2,677	3,214
		315,129	352,666
Property, plant and equipment	11		
Land and buildings		1,315	1,445
Plant and machinery		149,381	161,066
Fixtures and fittings, other plant and equipment		3,828	2,943
Property, plant and equipment under construction		0	191
		154,524	165,645
Other non-current assets			
Investments in joint ventures	12	24,312	0
		24,312	0
Total non-current assets		493,965	518,311
Current assets			
Inventories	13	5,285	4,355
Construction contracts	15	35,816	127,882
Receivables	14	1,012,964	991,330
Prepaid expenses	16	35,400	28,477
Corporation tax	22	0	7,854
Cash at bank and in hand		9,048	139,465
Total current assets		1,098,513	1,299,363
TOTAL ASSETS		1,592,478	1,817,674

Statements

DKK'000	Note	2015	2014
EQUITY AND LIABILITIES			
Equity	17		
Share capital		38,992	38,992
Other reserves		344,981	350,200
Retained earnings		29,317	17,878
Equity attributable to shareholders of Bladt Holding A/S		413,290	407,070
Non-controlling interests		3,490	2,696
Total equity		416,780	409,766
Liabilities			
Non-current liabilities			
Deferred tax	18	58,305	76,845
Provisions	19	1,000	200
Earn out in connection with the acquisition of enterprises	20	141,500	125,800
Credit institutions	21	135,224	166,162
Total non-current liabilities		336,029	369,007
Current liabilities			
Credit institutions	21	30,935	30,353
Bank debt		66,220	0
Construction contracts	15	177,979	158,992
Trade payables		428,690	660,361
Tax	22	24,349	601
Other payables		111,496	188,594
Total current liabilities		839,669	1,038,901
Total liabilities		1,175,698	1,407,908
TOTAL EQUITY AND LIABILITIES		1,592,478	1,817,674

Statements

Consolidated Cash Flow Statement

DKK'000	Note	2015	2014
Profit/loss for the year before tax		18,852	-75,343
Adjustment for non-cash operating items etc.:			
Depreciation, amortization and impairment losses	4	73,001	69,955
Profit/loss in joint ventures	12	15,900	0
Financial income	6	-289	-489
Financial expenses	7	34,575	33,866
Cash generated from operations (operating activities) before changes in working capital		142,039	27,989
Changes in working capital	24	-227,675	105,663
Cash generated from operations (operating activities)		-85,636	133,652
Interest received	6	289	489
Interest paid	7	-13,450	-14,196
Corporation tax received/paid	22	6,443	-67,817
Cash flows from operating activities		-92,354	52,128
Acquisition of property, plant, equipment and software	9,11	-24,635	-47,679
Acquisition at joint venture (shares)	12	-40,212	0
Disposal of property, plant and equipment	11	636	516
Cash flows from investing activities		-64,211	-47,163
External financing:			
Repayment of bank loans and overdrafts		-33,000	-30,250
Repayment of earn out		-1,700	0
Shareholders:			
Buying of shares		-7,200	0
Selling of shares		1,800	0
Dividend paid to non-controlling interests		0	-310
Cash flows from financing activities		-40,100	-30,560
Cash flows for the year		-196,665	-25,595
Cash and cash equivalents at the beginning of the year		139,465	165,276
Foreign exchange adjustment of cash and cash equivalents		28	-216
Cash and cash equivalents at the end of the year		-57,172	139,465
Cash at bank and in hand		9,048	139,465
Bank debt		-66,220	0
Cash and cash equivalents at the end of the year		-57,172	139,465

Ample liquidity reserves, please refer to note 25 pages 47-48.

Statements

Consolidated Statement of Change in Equity

	Shareholders of Bladt Holding A/S							
DKK'000	Share capital	Share premium	Reserve own shares	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Total comprehensive income for 2015								
Equity 1 January 2015	38,992	350,405	0	-205	17,878	407,070	2,696	409,766
Profit/loss for the year	0	0	0	0	11,439	11,439	794	12,233
Other comprehensive income								
Foreign exchange adjustment on translation of foreign entities	0	0	0	181	0	181	0	181
Total other comprehensive income	0	0	0	181	0	181	0	181
Total comprehensive income for the period	0	0	0	181	11,439	11,620	794	12,414
Transactions with owners:								
Issued shares and warrants	0	0	1,800	0	0	1,800	0	1,800
Bought shares and warrants	0	0	-7,200	0	0	-7,200	0	-7,200
Equity at 31 December 2015	38,992	350,405	-5,400	-24	29,317	413,290	3,490	416,780
Total comprehensive income for 2014								
Equity 1 January 2014	38,934	350,405	0	158	78,111	467,608	2,401	470,009
Profit/loss for the year	0	0	0	0	-60,175	-60,175	605	-59,570
Other comprehensive income								
Foreign exchange adjustment on translation of foreign entities	0	0	0	-363	0	-363	0	-363
Total other comprehensive income	0	0	0	-363	0	-363	0	-363
Total comprehensive income for the period	0	0	0	-363	-60,175	-60,538	605	-59,933
Transactions with owners:								
Issued shares	58	0	0	0	-58	0	0	0
Dividend	0	0	0	0	0	0	-310	-310
Equity at 31 December 2014	38,992	350,405	0	-205	17,878	407,070	2,696	409,766

Consolidated financial statements for 2015
Notes
Summary of Notes to the Consolidated Financial Statements

Consolidated financial statements for 2015
Notes

1 Accounting policies

Bladt Holding A/S is a limited liability company domiciled in Denmark. The financial statements section of the annual report is for the period 1 January – 31 December 2015.

The consolidated financial statements and the Parent Company financial statements of Bladt Holding A/S for 2015 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act applicable to reporting class C, large enterprises.

The income statement in the consolidated financial statements has two additional columns. "Business performance" shows consolidated operating results cleared for accounting items directly attributable to the business combination treated in accordance with the purchase method.

The column "Adjustments" comprises amortization of intangible assets identified in connection with the business combination DKK 37.0 million, (2014 DKK 37.0 million),

On 18th March 2016, the Executive Board and the Board of Directors discussed and approved the annual report of Bladt Holding A/S for 2015. The annual report will be presented to the shareholders of Bladt Holding A/S for approval at the annual general meeting on 18 March 2016.

Basis of preparation

The consolidated financial statements and the Parent Company financial statements have been presented in Danish kroner, rounded to the nearest thousand.

The consolidated financial statements and the Parent Company financial statements are prepared in accordance with the historical cost basis.

The accounting policies set out below have been used consistently in respect of the financial year.

Description of accounting policies

Consolidated financial statements

The consolidated financial statements comprise the Parent Company Bladt Holding A/S and subsidiaries in which Bladt Holding A/S has a controlling interest.

The Group has a controlling influence in a company if it is exposed to or has the right to a variable return on its involvement in the company and has the possibility to influence this return using its disposal rights to this company.

When establishing whether the Group has a controlling influence, de facto control and potential voting rights are taken into account, if they are real and substantial at the balance date.
Companies in which the Group exercises a significant, but not controlling influence on the operational and financial decisions are classified as associates. A significant influence exists when the Group directly or indirectly owns or disposes of more than 20%, but less than 50%, of the voting rights.
Joint arrangements are activities or companies in which the Group through collaboration agreements with one or more parties has a joint controlling influence. Joint controlling influence means that decisions about the relevant activities require unanimity among the parties who have the joint controlling influence.

Joint arrangements are classified as joint ventures or joint operations. Joint operations are defined as activities where the participants enjoy direct rights to assets and are directly liable for liabilities, whereas joint ventures are defined as activities where the participants have rights to the net assets only.

A group chart is included on page 63.

Consolidated financial statements for 2015
Notes

1 **Accounting policies (continued)**

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements prepared in accordance with the Group accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realized and unrealized gains on intra-group transactions are eliminated. Unrealized gains on transactions with associates are eliminated in proportion to the Group's ownership share of the enterprise. Unrealized losses are eliminated in the same way as unrealized gains to the extent that impairment has not taken place.

In the consolidated financial statements, the items of subsidiaries are recognized in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly owned are included in the Group's profit/loss and equity, respectively, but are disclosed separately.

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets including goodwill at the date of disposal less cost of disposal.

Business combinations

Enterprises acquired or formed during the year are recognized in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognized in the consolidated financial statements up to the date of disposal. The comparative figures are not restated for acquisitions. Discontinued operations and assets held for sale are presented separately, see below.

For acquisitions of new businesses over which Bladt Holding A/S obtains control, the purchase method is used. The acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognized if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognized.

The date of acquisition is the date when Bladt Holding A/S effectively obtains control of the acquired business.

Any excess of the consideration transferred, the value of non-controlling equity interests in the acquired enterprise and the fair value of any previously held equity interests over the fair value of the identifiable assets, liabilities and contingent liabilities acquired (goodwill) is recognized as goodwill under intangible assets. Goodwill is not amortized but is tested annually for indications of impairment. The first impairment test is performed within the end of the acquisition year. Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for the impairment test.

The consideration transferred by a business consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed conditions, this part of the consideration is recognized at fair value at the date of acquisition. Costs attributable to business combinations are recognized directly in profit or loss when incurred.

If uncertainties regarding identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the consideration exist at the date of acquisition, initial recognition will take place on the basis of provisional values. If, subsequently, it becomes apparent that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement is adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures are restated. Subsequently, goodwill is not adjusted. Changes to estimates of contingent considerations are recognized in profit or loss for the year.

1 Accounting policies (continued)

Minority interests

At the first inclusion, minority interests are measured at either fair value or their proportional share of the fair value of identifiable assets, obligations and contingencies in the acquired company. In the first case, goodwill is thus included concerning minority interests' share of ownership of the acquired company, while in the latter case goodwill concerning minority interests are not included. Measurement of minority interests are measured transaction by transaction and entered in the notes in connection with description of acquired companies.

Foreign currency translation

For each of the reporting entities in the Group, a functional currency is determined. The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in other currencies than the functional currency are foreign currency transactions.

On initial recognition, foreign currency transactions are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the transaction date and at the date of payment are recognized in profit or loss as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates at end of the reporting period. The difference between the exchange rates at the end of the reporting period and at the date at which the receivable or payable arose or was recognized in the latest annual report is recognized in profit or loss as financial income or financial expenses.

In the consolidated financial statements, the income statements of entities with another functional currency than DKK are translated at the exchange rates at the transaction date and the statement of financial position items are translated at the exchange rates at the balance sheet date. An average exchange rate for each month is used as the transaction date exchange rate to the extent that this does not significantly distort the presentation of the underlying transactions. Foreign exchange differences arising on translation of the opening balance of equity of such foreign operations at the exchange rates at the end of the reporting period and on translation of the income statements from the exchange rates at the transaction date to the exchange rates at the end of the reporting period are recognized in other comprehensive income under a separate translation reserve under equity.

On recognition in the consolidated financial statements of joint ventures with another functional currency than DKK, the share of profit/loss for the year is translated at average exchange rates and the share of equity, including goodwill, is translated at the exchange rates at the end of the reporting period. Foreign exchange differences arising on the translation of the share of the opening balance of equity of foreign associates at the exchange rates at the end of the reporting period, and on translation of the share of profit/loss for the year from average exchange rates to the exchange rates at the end of the reporting period, are recognized directly in a separate translation reserve in exchange rate adjustments.

Derivative financial instruments

Derivative financial instruments are initially recognized in the statement of financial position at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognized asset or liability are recognized in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognized in other receivables or other payables and in equity.

1 Accounting policies (continued)

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognized in the income statement on a regular basis.

Income statement

Revenue

Construction contracts for delivery of constructions etc. involving a high degree of customization are recognized as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the fair value of work performed during the year (the percentage of completion method).

Revenue is recognized when the total income and expenses on the construction contract and the stage of completion at the balance sheet date can be measured reliably and it is probable that future economic benefits, including payments, will flow to the company.

When the income from a construction contract cannot be determined reliably, revenue is recognized only corresponding to the costs incurred to the extent that it is probable that they will be recovered.

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

Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases, and depreciation and impairment losses regarding production plant. Provision for bad debt from enterprise contracts is included.

Distribution costs

Also, distribution costs relating to sales staff, advertising, exhibitions and depreciation and impairment losses are recognized as distribution costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation and impairment losses.

Share of profit/loss of joint ventures after tax

The proportionate share of the results after tax of the individual joint ventures is recognized in the consolidated income statement after full 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 payables and transactions denominated in foreign currencies, amortization of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Borrowing costs relating to general borrowing or loans directly relating to acquisition, construction or development of qualifying assets are allocated to the cost of such assets.

1 Accounting policies (continued)

Tax on profit for the year

Bladt Holding A/S is jointly taxed with all Danish subsidiaries. The current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. The jointly taxed companies are taxed under the on-account tax scheme.

This year's taxes, which comprise the current tax for the year and alterations in deferred tax, are included in the annual profit, in other comprehensive income or directly under equity capital.

Statement of financial position

Intangible assets

Goodwill

Goodwill is initially recognized in the statement of financial position at cost as described under "Business combinations". Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortized.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition. Identification of cash-generating units is based on the management structure and internal financial control.

Other intangible assets

Other intangible assets, including intangible assets acquired in business combinations, are measured at cost less accumulated amortization and impairment losses. Other intangible assets are amortized on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Customer agreements/relations:

- If no fixed-term agreement with the customer exists, customer agreements/relations are amortized over 6 years.
- Order backlog, 0-2 years.

However, trademarks with indefinite useful lives are not amortized, but are tested for impairment annually.

Other Intangible assets (software)

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs, that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

1 Accounting policies (continued)

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed three years.

Property, plant and equipment

Plant and machinery and fixtures and fittings, other plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date 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 as well as borrowing costs relating to specific and general borrowing directly attributable to the construction of the individual asset. Further, the cost includes the present value of the initial estimate of the cost to dismantling and removing the asset and restoring the site on which the asset is located.

Subsequent costs, e.g. in connection with replacement of components of property, plant and equipment, are recognized in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for the Group. The replaced components are derecognized in the statement of financial position and recognized as an expense in profit or loss. All costs incurred for ordinary repairs and maintenance are recognized in profit or loss as incurred.

Where individual components of an item of property, plant and equipment have different useful lives, they are depreciated separately. Depreciation is provided on a straight-line basis over the expected useful lives of the assets/components. The expected useful lives are as follows:

Plant and machinery	3-20 years
Fixtures and fittings, other plant and equipment	3-5 years

Depreciation is calculated on the basis of the residual value and impairment losses, if any. The residual value is determined at the date of acquisition and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

When changing the depreciation period or the residual value, the effect on the depreciation is recognized prospectively as a change in accounting estimates.

Depreciation is recognized in the income statement as production costs, distribution costs and administrative expenses, respectively.

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

1 Accounting policies (continued)

Investments in joint ventures

Investments in joint ventures are recognized according to the equity method. Investments in joint ventures are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus the proportionate share of unrealized intra-group profits and losses and plus additional value on acquisition, including goodwill. Investments in joint ventures are tested for impairment when impairment indicators are identified.

Joint ventures with a negative net asset value are measured at DKK 0. If the Group has a legal or actual liability to cover the shortfall in the associate or joint venture, this is included under liabilities.

Impairment of non-current assets

Goodwill and trademarks with indefinite useful lives

Goodwill and trademarks with indefinite useful lives are tested for impairment annually.

The carrying amount of goodwill is tested for impairment together with the other non-current assets of the cash-generating unit (CGU) to which goodwill is allocated. The assets of the CGU are written down to the recoverable amount over the income statement if the carrying amount is higher. The recoverable amount of a CGU is generally determined as the present value of the expected future net cash flows from the entity or activity (cash-generating unit) to which goodwill is allocated.

Other non-current assets

The carrying amount of other non-current assets is subject to an annual impairment test. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.

Recognition of impairment losses in the income statement

An impairment loss is recognized if the carrying amount of an asset or a cash-generating unit respectively, exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognized in the income statement as production costs, distribution costs and administrative expenses, respectively. However, impairment losses on goodwill are recognized in a separate line item in the income statement.

Impairment of goodwill is not reversed. Impairment of other assets is reversed only to the extent of changes in the assumptions and estimates underlying the impairment calculation. Impairment is only reversed to the extent that the asset's increased carrying amount does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Inventories

Inventories are measured at the lower of cost in accordance with the FIFO method and the net realizable value.

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

1 Accounting policies (continued)

The net realizable 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.

Construction contracts

Construction contracts are measured at the selling price of the work performed less progress billings and anticipated losses. Construction contracts entail a significant degree of design customization of produced goods. Moreover, before the work is commenced, a binding agreement must have been entered into to the effect that penalties covering at least costs incurred will be enforced if the contract is subsequently terminated.

The selling price is measured by reference to the percentage of completion at the end of the reporting period and total expected income from the contract. The percentage of completion is determined on the basis of an assessment of the work performed, which is usually measured as the proportion of specific cost drivers incurred for work performed to date relative to the total estimated contract costs.

When it is probable that the total contract costs will exceed the total contract revenue, the anticipated loss on the contract is recognized as an expense and a provision immediately.

When income and expenses on a construction contract cannot be determined reliably, contract revenue is recognized only to the extent of contract costs incurred that it is probable will be recoverable.

Where the selling price of work performed exceeds progress billings on construction contracts and anticipated losses, the excess is recognized under receivables. If progress billings and anticipated losses exceed the selling price of a construction contract, the deficit is recognized under liabilities.

Prepayments from customers are recognized under liabilities.

Selling costs and costs incurred in securing contracts are recognized in the income statement as incurred.

Receivables

Receivables are measured at amortized cost. Write-down is made for bad debt losses when there is an objective indication of an impairment loss. In such cases, write-down is made individually for each specific receivable. Write-down is made at an individual level.

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

Prepaid expenses

Prepaid expenses are measured at cost.

Equity

Dividends

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

Translation reserve

The translation reserve comprises foreign exchange differences arising on translation of financial statements of foreign operations that have a functional currency different from DKK.

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognized in the statement of financial position as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognized on temporary differences regarding items where temporary differences arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognized under other non-current assets at the expected value of their utilization, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax assets are subject to annual impairment tests and are recognized only to the extent that it is probable that the assets will be utilized.

Deferred tax assets and liabilities are offset if the enterprise has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realize the assets and settle the liabilities simultaneously.

Deferred tax is recognized related to elimination of unrealized intra-group profits and losses on consolidation.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the end of the reporting period when the deferred tax is expected to crystallize as current tax. The change in deferred tax as a result of changes in tax rates is recognized in the comprehensive income for the year.

Provisions

Provisions are recognized when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation.

The amount recognized as a provision is Management's best estimate of the expenses required to settle the obligation.

Earn out

Earn out is discounted taking into account the probability of the balance of the purchase price to be paid. The pre-tax discount rate used reflects the general level of interest rates and the specific risks related to the earn out. The differences for the financial year in the discount element are recognized in financial expenses.

Financial liabilities

Amounts owed to mortgage credit institutions, etc., are recognized at the date of borrowing at fair value less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortized cost using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement under financial expenses over the term of the loan.

Other financial liabilities are measured at amortized cost.

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as 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 acquired businesses are recognized in the cash flow statement from the date of acquisition. Cash flows from disposals of businesses are recognized up until the date of disposal.

Cash flows from operating activities are calculated according to the indirect method as the profit/loss after tax adjusted for non-cash operating items, changes in working capital, interest, payments, dividends and income taxes paid.

Cash flows for investing activities comprise payments in connection with acquisitions and disposals of intangible assets, property, plant and equipment and other non-current assets.

Cash flows from financing activities comprise changes in the 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 comprise cash and short-term marketable securities with a term of three months or less at the date of acquisition which are subject to an insignificant risk of changes in value.

Cash flows in other currencies than the functional currency are translated using average exchange rates unless these deviate significantly from the rate at the transaction date.

Financial ratio

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

Financial ratio definitions are described in note 19 to the Parent Company financial statements.

2 Accounting estimates and judgements

Estimation uncertainty

Determination of the carrying amount of certain assets and liabilities requires judgements, estimates and assumptions concerning future events.

The estimates and assumptions are based on historical experience and other factors which management assesses to be reliable in the circumstances, but which by their nature are associated with uncertainty and unpredictability, as unexpected events or circumstances may occur.

Moreover, the Group is subject to risks and uncertainties that may cause actual outcomes to deviate from these estimates. Specific risks for the Bladt Holding Group are discussed in the Management commentary, page 11-12.

Estimates of particular importance to the financial reporting relate primarily to constructions contracts including recognition and measurement of contract variations. See description below.

Impairment test, goodwill

In connection with the annual impairment test of goodwill or when there is an indication of impairment, it is assessed whether the parts of the enterprise (cash-generating units) to which goodwill can be allocated will be able to generate adequate positive net cash flows in future to support the value of goodwill and other net assets.

In connection with the preparation of the impairment testing, estimates are to be made of expected future cash flows many years ahead which, of course, involves some uncertainty. The discount rate applied reflects this uncertainty.

The impairment testing is described in note 10 to the consolidated financial statements.

Construction contracts

An important precondition for applying the percentage of completion method when recognizing revenue is, that income and expenses from the individual construction contracts can be measured reliably. Expected income and expenses on the construction contracts may, however, change during the project period. Similarly, changes may be made during the construction phase in the contractual basis, and assumptions etc. may not be fulfilled.

The selling price of construction contracts is measured by reference to the stage of completion at the balance sheet date and total expected income from the individual contract. The stage of completion is determined on the basis of an assessment of the work performed and will normally be subject to accounting estimates made by management.

Variation orders related to instructions from customers on changes in scope, specifications, designs or duration of the contract are included in revenue, when it is probable, that the customer will pay and revenue can be reliably measured. Assumptions made by management in this area involve estimation uncertainty.

Significant amounts of variation orders are recognized in the annual accounts as of 31 December 2015 in accordance with applied accounting policies. It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year which are different from the assumptions made, could require a positive or negative material adjustment to the carrying amount of the asset affected.

The business procedures, etc. of Bladt Holding A/S combined with the knowledge and experience of the project managers contribute to reliable accounting treatment of construction contracts in accordance with the accounting policies.

	DKK'000	2015	2014
3	**Staff costs**		
	Wages and salaries	294,859	302,761
	Defined contribution plans	22,498	23,619
	Other social security costs	6,473	9,685
	Total staff costs	323,830	336,065
	Total average number of employees	606	678
	Staff costs are recognized as follows in the income statement:		
	Production costs	292,340	315,294
	Distribution costs	5,448	5,309
	Administrative expenses	26,042	15,462
		323,830	336,065
	Of this figure, consideration for:		
	Remuneration, Board of Directors and Executive Board	752	1,025
		752	1,025

Management remuneration has been stated with regard to the Danish Financial Statements Act § 98b, 3.

The Executive Board and other executive employees are included in bonus plans based on the performance for the year.

Warrants

1. In 2012, Bladt Holding A/S introduced a warrant program for executive employees and some of the board members of the Group. The warrant program comprised 4,182,122 warrants as of 31 December 2015 (2014: 5,610,712 warrants). Each warrant entitles the warrant holder to subscribe for a share of a nominal value of DKK 1 in Bladt Holding A/S upon the payment of DKK 10 with the addition of 16% p.a. accumulating per year after 23 May 2012.

   Non-subscribed warrants correspond to 10.7% (2014: 12.6%) of the share capital provided that all warrants are exercised. Estimated fair value per warrant amounted to DKK 1 at the date of granting, corresponding to the payment from the warrant holders. Therefore, there was no bonus element at the date of granting.

   The warrants will vest and can be exercised in case of a change of control, and they will expire on 31 December 2024 at the latest.

2. In 2015, Bladt Holding A/S introduced a warrant program for executive employees and some of the board members of the Group. The warrant program comprised 2,049,690 warrants as of 31 December 2015. Each warrant entitles the warrant holder to subscribe for a share of a nominal value of DKK 1 in Bladt Holding A/S upon the payment of DKK 5,46 with the addition of 16% p.a. accumulating per year after 18 September 2015 / 3 December 2015.

   Non-subscribed warrants correspond to 6.4% of the share capital provided that all warrants are exercised. Estimated fair value per warrant amounted to DKK 1 at the date of granting, corresponding to the payment from the warrant holders. Therefore, there was no bonus element at the date of granting.

   The warrants will vest and can be exercised in case of a change of control, and they will expire on 10 March 2021 at the latest.

   In 2014 or 2015 no expense was recognized regarding share based payments.

DKK'000	2015	2014
4 Amortization of intangible assets and depreciation of property, plant and equipment		
Amortization of intangible assets, see note 9	37,000	37,000
Depreciation of intangible assets, see note 9	1,234	139
Depreciation of property, plant and equipment, see note 11	34,767	32,816
	73,001	69,955
Depreciation is recognized as follows in the income statement:		
Production costs	72,635	69,667
Administrative expenses	366	288
	73,001	69,955
5 Fees to auditors appointed at the annual general meeting		
Total fee for PWC is specified as follows:		
Statutory audit	377	390
Tax and VAT assistance	94	149
Other assistance	485	198
	956	737
6 Financial income		
Interest group companies	225	0
Interest, cash and cash equivalents, etc.	64	489
	289	489
Interest on financial assets measured at amortized costs	289	489

DKK'000		2015	2014
7	**Financial expenses**		
	Interest, banks, etc.	12,939	14,196
	Interest element, discounted liabilities	4,850	4,225
	Fair value adjustment of contingent consideration	12,550	12,275
	Amortized borrowing costs	3,725	3,170
	Other financial costs	511	0
		34,575	33,866
	Interest on financial liabilities measured at amortized costs	13,450	21,591
8	**Tax on profit for the year**		
	Tax on profit for the year is specified as follows:		
	Current tax	25,159	9,978
	Deferred tax	-18,540	-25,751
		6,619	-15,773
	Tax on profit for the year relates to:		
	23.5% / 24.5% tax on profit for the year before tax	4,430	-18,458
	Adjustment of calculated tax in foreign group enterprises relative to 23.5% / 24,5%	-125	-128
	The tax effect of:		
	Non-deductible costs	4,129	4,814
	Non-taxable income	-15	-658
	Impact of change in the Danish tax rate	-1,960	-1,343
	Change to tax last year	160	0
		6,619	-15,773
	Effective tax rate	35,1%	20,9%

9 Intangible assets
2015

DKK'000	Goodwill	Trademarks	Other intangible assets	Other intangible assets (software)	Total
Cost at 1 January 2015	195,200	16,100	368,152	3,353	582,805
Additions	0	0	0	697	697
Cost at 31 December 2015	195,200	16,100	368,152	4,050	583,502
Amortization, depreciation and impairment losses at 1 January 2015	0	0	230,000	139	230,139
Amortization and depreciation	0	0	37,000	1,234	38,234
Amortization, depreciation and impairment losses at 31 December 2015	0	0	267,000	1,373	268,373
Carrying amount at 31 December 2015	195,200	16,100	101,152	2,677	315,129

Other intangible assets comprise customer relations and backlog taken over upon acquisitions.

The useful lives of trademarks are deemed to be indefinite as Management assesses that the value of these trademarks can be maintained indefinitely as these trademarks are well-established trademarks in the markets in question, and as they are expected to be profit-generating for a long period.

9 Intangible assets
2014

DKK'000	Goodwill	Trademarks	Other intangible assets	Other intangible assets (software)	Total
Cost at 1 January 2014	195,200	16,100	368,152	0	579,452
Additions	0	0	0	3,353	3,353
Cost at 31 December 2014	195,200	16,100	368,152	3,353	582,805
Amortization, depreciation and impairment losses at 1 January 2014	0	0	193,000	0	193,000
Amortization and depreciation	0	0	37,000	139	37,139
Amortization, depreciation and impairment losses at 31 December 2014	0	0	230,000	139	230,139
Carrying amount at 31 December 2014	195,200	16,100	138,152	3,214	352,666

10 Impairment test

Goodwill and trademarks

31 December 2015, Management made an impairment test of the carrying amount of goodwill and trademarks with indefinite lives. The management consider the Bladt Group as one CGU. The recoverable amount is expected to exceed the carrying amount. The recoverable amount is based on the value in use determined using expected net cash flows based on budgets and forecast for the years 2016-2022, a discount rate before tax of 17% and an accrual rate in the terminal period of 1%, which is unchanged from last year. The cash flows are estimated based on the assumed market activity. The most significant assumption to form the basis of the prepared budgets are limited market growth initially and some market growth subsequently mainly based on the forecasted European investment activity in offshore wind and offshore oil and gas, on the assumed project win rates per segment which are expected largely unchanged based on the expected developments in competitive intensity and the Bladt Group's cost and market position, and on the expected development in project profitability where prices and costs are expected to decline according to market forecasts, capacity costs which are expected to grow somewhat initially and then more slowly reflecting the strengthening of the organization and systems of the Group and investment levels which are expected somewhat higher due to investments in expansion and automation the coming years. Management assumes that in the event of reasonably probable changes in the primary assumptions forming the basis of the calculation of the recoverable values, these will still exceed the book value of goodwill.

Other intangible assets

Management did not identify any need for impairment testing of other intangible assets.

11 Property, plant and equipment

2015 DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equip-ment	Assets under construc-tion	Total
Cost at 1 January 2015	1,938	232,747	4,787	191	239,663
Additions	0	21,415	2,523	0	23,938
Foreign exchange adjustment	37	0	0	0	37
Transferred	0	191	0	-191	0
Disposals	0	-2,276	-2,037	0	-4,313
Cost at 31 December 2015	1,975	252,077	5,273	0	259,325
Depreciation and impairment losses at 1 January 2015	493	71,681	1,844	0	74,018
Foreign exchange adjustment	10	0	0	0	10
Depreciation	157	33,245	1,365	0	34,767
Disposals	0	-2,230	-1,764	0	-3,994
Depreciation and impairment losses at 31 December 2015	660	102,696	1,445	0	104,801
Carrying amount at 31 December 2015	1,315	149,381	3,828	0	154,524

2014

DKK´000

Cost at 1 January 2014	1,991	188,486	3,938	2,331	196,746
Additions	0	42,508	1,627	191	44,326
Foreign exchange adjustment	-53	0	0	0	-53
Transferred	0	2,331	0	-2,331	0
Disposals	0	-578	-778	0	-1,356
Cost at 31 December 2014	1,938	232,747	4,787	191	239,663
Depreciation and impairment losses at 1 January 2014	324	40,480	1,492	0	42,296
Foreign exchange adjustment	14	0	0	0	14
Depreciation	155	31,573	1,088	0	32,816
Disposals	0	-372	-736	0	-1,108
Depreciation and impairment losses at 31 December 2014	493	71,681	1,844	0	74,018
Carrying amount at 31 December 2014	1,445	161,066	2,943	191	165,645

12 Investments in joint ventures

The Group participates in Bladt//EEW Offshore Wind Foundation Group I/S and Bladt//EEW Offshore Wind Foundation Group, Gwynt y Môr I/S, Bladt EEW Offshore Wind Foundation Group, Baltic 2 GbR, Bladt/EEW Offshore foundation Group Baltic 2 I/S and Offshore Structures (Britain), ltd..

All of the above enterprises are considered joint ventures as none of the parties exercise control over them. All material decisions of the enterprises require consensus. The contractual circumstances of the enterprises imply that the parties to the arrangements only have rights to the net assets and, consequently, they are to be treated as joint ventures.

Reference is made to the group chart on page 63 for a view of ownership shares and registered offices. All joint ventures are individually considered immaterial. The financial information for these joint ventures that are accounted for using the equity method has been summarized below.

DKK'000	2015	2014
Cost at 1 January	0	0
Additions	40,212	0
Costs at 31 December	40,212	0
Adjustments 1 January	0	0
Profit and loss for the year	-15,900	0
Adjustments 31 December	-15,900	0
Carrying amount at 31 December	24,312	0

	DKK'000	2015	2014
13	**Inventories**		
	Raw materials and consumables	5,082	4,145
	Finished goods and goods for resale	203	210
		5,285	4,355
	The carrying amount of inventories is recognized at fair value	0	0
14	**Receivables**		
	Trade receivables	930,445	987,020
	Receivables from joint ventures	45,485	0
	Other receivables	37,034	4,310
		1,012,964	991,330
15	**Construction contracts**		
	Selling price of construction contracts	1,783,152	1,377,927
	Total progress billing	-1,925,315	-1,409,037
	Net value of construction contracts	-142,163	-31,110
	Specified as follows:		
	Construction contracts (asset)	35,816	127,882
	Prepayments received from customers (liability)	-177,979	-158,992
		-142,163	-31,110
16	**Prepaid costs**		
	Rent	23,819	26,468
	Other	11,581	2,009
		35,400	28,477

17 Equity

Capital management

The Group regularly assesses the need for adjusting its capital structure to hold the required higher return on equity up against the higher degree of uncertainty surrounding external financing.

The Group focuses on having a high equity ratio and ample cash resources to ensure as much scope for financial action as possible.

Share capital

The share capital amounts to DKK 38,992 thousand (2014: DKK 38,992 thousand) broken down on shares with a face value of DKK 1 each or multiples thereof. There are no restrictions on voting rights.

DKK'000	2015	2014
Holding as of January 1st	0	0
Acquired in the year	414	0
Sold in the year	-165	0
Holding as of December 31st	**249**	**0**

The shares are acquired in 2015 from former members of Group Management. The total cost in 2015 for own shares amounts to DKK 7,200 thousand (2014: 0 thousand). The total selling price relating to treasury shares amounted to DKK 1,800 thousand in 2015 (2014: 0 thousand). The Group´s holding of own shares represent 0.64% (2014: 0.00%) of the Group´s share capital. The value of own shares held amounts to DKK 5,400 thousand (2014: 0 thousand).

Reserve for foreign exchange adjustments

Reserve for foreign exchange adjustments comprises the parent company shareholders' share of exchange differences occurring from translation of financial statements stated in a functional currency other than DKK, foreign exchange adjustments regarding assets and liabilities which form part of the Group's net investments in such entities and foreign exchange adjustments regarding hedging transactions which hedge the Group's net investments in such entities.

The reserve is dissolved through divestment of foreign entities or if the conditions for effective hedging have ceased to exist.

DKK'000		2015	2014
18	**Deferred tax**		
	Deferred tax at 1 January	76,845	102,596
	Deferred tax for the year recognized in profit/loss for the year	-18,540	-25,751
	Deferred tax at 31 December	58,305	76,845
	Deferred tax is recognized in the balance sheet as follows:		
	Deferred tax (liability)	58,305	76,845
	Deferred tax at 31 December, net	58,305	76,845
	Deferred tax relates to:		
	Intangible assets	26,340	35,035
	Property, plant and equipment	11,645	11,755
	Construction contracts	21,175	30,670
	Liabilities	-855	-615
		58,305	76,845

There are unrecognized tax loss carry forwards of DKK 965 thousand at 31 December 2015 (DKK 1,286 thousand at 31 December 2014) relating to accelerated tax depreciation of certain operating equipment. Of the deferred tax DKK 21,175 thousand (2014: DKK 30,620 thousand) are expected to be current tax within 1 year.

		2015	2014
19	**Provisions**		
	Warranties	1,000	200

Warranties are determined based on past experience with warranty work. The costs are expected to be incurred in 2016-2017.

		2015	2014
20	**Earn out in connection with the acquisition of enterprises**		
	Contingent consideration	141,500	125,800

The contingent consideration relates to the acquisition of Bladt Industries Holding A/S.
The consideration is expected to be paid out in 2017. The fair value was computed at DKK 87,000 thousand at the date of acquisition in May 2012.

In 2015 Bladt Holding has bought 2.5% of the earn-out for DKK 1,700 thousand.

DKK'000	2015	2014

21 Payables to credit institutions

	2015	2014
Loans from banks	166,162	196,515
Carrying amount	166,162	196,515

Payables to credit institutions are recognized in the balance sheet as follows:

	2015	2014
Non-current liabilities	135,224	166,162
Current liabilities	30,935	30,353
Carrying amount	166,159	196,515
Nominal value	170,500	203,500

2015	Number of loans	Nominal interest	Average effective rate of interest	Cur-rency	Carrying amount
Loans from banks					
At variable interest rates	2	4.25 %	4.24 %	DKK	166,159
Total loans from banks					166,159

2014	Number of loans	Nominal interest	Average effective rate of interest	Cur-rency	Carrying amount
Loans from banks					
At variable interest rates	2	3,75 %	3,56 %	DKK	196,515
Total loans from banks					196,515

22 Corporation tax

	2015	2014
Corporation tax payable at 1 January	-7,253	50,586
Current tax for the year	25,159	9,978
Corporation tax paid during the year	6,443	-67,817
Corporation tax liability / receivable at 31 December	24,349	-7,253

	2015	2014
Asset	0	-7,854
Liability	24,349	601
	24,349	-7,253

DKK'000	2015	2014
23 Contingent liabilities and collateral		
Contingent liabilities		
Guarantees relating to performance, payment, advance payment and suppliers	1,288,365	965,100
Deposit guarantee	24,967	54,163

The Group participates in Bladt/EEW Offshore Wind Foundation Group I/S by 50 % and is liable in this connection for performance guarantees amounting to DKK 36,746 thousand (2014: DKK 36,589 thousand) (50% of DKK 73,492 thousand (2014: 50% of DKK 73,178 thousand)).

The Group also participates in Bladt/EEW Offshore Wind Foundation Group Gwynt y Môr I/S by 50%, Bladt/EEW Offshore Wind Foundation Group Baltic 2 GbR by 50% and Bladt/EEW Offshore Wind Foundation Group Baltic 2 I/S by 50% and Bladt/EEW Offshore Wind Foundations Group Veja Mate GbR.

Collateral

The Group had provided no collateral at 31 December 2015 or 31 December 2014.

	Note	2015	2014
24 Changes in working capital			
Net change in construction contracts	15	111,053	191,341
Change in inventories		-930	-1,014
Change in receivables	14	-21,634	-552,017
Prepaid expenses/deferred income, net	16	-6,923	1,580
Change in trade payables and other payables		-309,241	465,773
		-227,675	105,663

25 Financial risks and financial instruments

Risk management policy of the Group

Due to its operating, investment and financing activities, Bladt Holding A/S is only subject to limited exposure to financial risks, including market risks (currency risks, interest risks and raw material risks), credit risks and liquidity risks.

The Group's financial risk management is centralized. Management monitors the Group's risk concentration on a monthly basis within areas such as customers, geographical areas, currencies, etc.

It is the Group's policy not to engage in active speculation in financial risks. Thus, the Group's financial management is aimed at managing and reducing the financial risks directly attributable to the Group's operations, investments and financing.

In 2015, the Group did not make use of derivative financial instruments as part of its risk management.

Market risks

Currency risks

The Group's sale abroad is primarily made in the currency of the customer, which is mainly EUR. The Group's suppliers are paid in EUR and DKK, primarily, which means that fluctuations in other currencies will generally not affect the profit of the Group. The Group use natural hedges for its currency exposure considering projected future cash flows and projected future exchange rate movements. Currency transactions are not made for speculation purposes.

The hypothetical effect on profit for the year and the Group's equity based on reasonably probable changes in foreign exchange rates:

	2015						
	Nominal position				Sensitivity		
DKK'000	Cash and receivables	Financial liabilities (non-derivative)	Derivative financial instruments hedging future cash flows	Total	Probable changes in foreign exchange rates	The hypo-thetical effect on profit for the year	The hypo-thetical effect on equity
EUR/DKK	745,398	278,954	0	466,444	0%	0	0
GBP/DKK	54,455	0	0	54,455	10%	4,166	4,166
PLN/DKK	10,583	7,781	0	2,802	10%	214	214
USD/DKK	410	0	0	410	15%	47	47
NOK/DKK	107	2	0	105	15%	12	12
	810,953	286,737	0	524,216			

	2014						
	Nominal position				Sensitivity		
DKK'000	Cash and receivables	Financial liabilities (non-derivative)	Derivative financial instruments hedging future cash flows	Total	Probable changes in foreign exchange rates	The hypo-thetical effect on profit for the year	The hypo-thetical effect on equity
EUR/DKK	844,439	530,895	0	313,544	0%	0	8
PLN/DKK	8,926	18,184	0	-9,258	5%	463	463
NOK/DKK	0	779	0	-779	10%	78	78
GBP/DKK	492	69	0	423	10%	42	42
SEK/DKK	0	12	0	-12	10%	1	1
	853,857	549,939	0	303,918			

Sensitivity analysis assumptions

- The sensitivity stated is calculated based on the assumption of unchanged sales, price level and interest rate level.
- The sensitivity related to financial instruments is calculated based on the financial instruments recognized at 31 December.
- The calculated, expected fluctuations are based on the average annual volatility of the underlying risks.

A corresponding negative movement in exchange rates will have a corresponding opposing effect on the profit/loss for the year and equity.

25 Financial risks and financial instruments (continued)

Interest rate risks

In consequence of the Group's investing and financing activities, the Group is exposed to changes in the level of interest in both Denmark and abroad. The primary interest exposure relates to changes in CIBOR.

Reasonable possible changes in the level of interest are not expected to significantly affect profit/loss for the year and equity.

Financing activities

It is group policy to hedge interest rate risks on consolidated loans when interest payments can be hedged at a satisfactory level.

Investing activities

The Group's cash funds are placed as demand deposits.

Sensitivity analysis

A reasonably possible lower level of interest of 1%-point compared with the level of interest at the end of the reporting period will, all things being equal, have a hypothetical positive effect on profit/loss for the year and equity at year end of DKK 1,653 thousand (2014 DKK 1,393 thousand).

A reasonable, probable higher interest rate level compared to the interest rate level at the balance sheet date will have a corresponding, opposing effect on the profit/loss and equity.

Sensitivity analysis assumptions

- The sensitivity stated is calculated based on the financial assets and liabilities recognized at 31 December. Repayments, borrowings, etc. for the year have not been taken into consideration.
- The sensitivity is based on changes of 1% in CIBOR.
- The changes applied are considered fairly probable based on the present market situation and expectations of market development in the interest rate level.

The changes applied are considered fairly probable based on the present market situation and expectations.

Risks relating to raw materials

The Group uses raw materials in the form of steel when producing the Group's products.

In relation to significant purchases, the price risk is hedged by making binding agreements on purchases when entering into sales contracts.

Liquidity risks

The Group strives to obtain the highest degree of flexibility for the purpose of lending. The Group's cash reserves consists of cash and cash equivalents of DKK 9 million and committed credit facilities of DKK 310 million of which DKK 91 million is drawn (DKK 66 million drawdown as bank debt and DKK 25 million drawdown as guarantees for real estate rental deposits). Cash reserves thus total DKK 228 million at 31 December 2015 (DKK 213 million at 31 December 2014).

25 Financial risks and financial instruments (continued)

With the credit facilities and available liquidity, in the Management's opinion, the liquidity is adequate according to the budget.

The loan agreements with credit institutions include certain covenants which were all observed or waived in 2015 and are expected to be observed in 2016 as well.

The Group's liabilities fall due as follows:

DKK'000 **2015**	Carrying amount	Con-tractual cash flows	Within 1 year	1-3 years	3-5 years	After 5 years
Non-derivative financial instruments						
Due earn out	141,500	170,625	0	170,625	0	0
Credit institutions and banks	166,159	170,500	33,000	0	137,500	0
Bank debt	66,220	66,220	66,220	0	0	0
Trade payables	428,690	428,690	428,690	0	0	0
Tax	24,349	24,349	24,349	0	0	0
31 December 2015	826,918	860,384	552,259	170,625	137,500	0
2014						
Non-derivative financial instruments						
Due earn out	125,800	175,000	0	0	175,000	0
Credit institutions and banks	196,515	203,500	33,000	33,000	137,500	0
Trade payables	660,361	660,361	660,361	0	0	0
Tax	601	601	601	0	0	0
31 December 2014	983,277	1,039,462	693,962	33,000	312,500	0

The maturity analysis is based on all undiscounted cash flows, including estimated interest payments. Interest payments are estimated based on current market conditions.

Liabilities under operating leases are not disclosed, but are stated in note 26.

Based on the Group's expectations for its future operations and the Group's current cash resources, no significant liquidity risks have been identified.

Credit risks

Efforts are made to minimize risks related to giving credit by effective credit management and by establishing alternative collateral in the event of large receivables.

Bank deposits

Credit risks on bank deposits arise when it is uncertain whether the counterparty will be able to meet its obligations when due. The group policy for credit risk management means that the Group's financial cooperation partners' credit ratings are monitored continuously. The Group only places bank deposits with large reputable banks.

25 Financial risks and financial instruments (continued)

Trade receivables

The Group's policy for undertaking credit risks means that all major customers are credit rated before contracts are entered and then on a regular basis. If satisfactory certainty is not achieved at the credit rating of the customer, separate collateral is required for the sale.

The Group regularly receives milestone payments as the construction contracts are carried out, which reduces the credit risk. The Group does not have any significant risks relating to individual customers or cooperation partners and historically the Group has not experienced any significant losses on trade receivables.

DKK'000	2015	2014
The maturity of trade receivables is specified as follows:		
Receivables not due	283,758	670,925
Maturity period:		
Up to 30 days	228,540	24,382
Between 30 and 90 days	3,911	149,139
More than 90 days	414,236	142,574
	930,445	987,020

None of the trade receivables were impaired at 31 December 2015 and at 31 December 2014. Losses have not been realized in 2015 or 2014 on trade receivables, nor have they been written down.

Financial instrument categories

	2015		2014	
DKK'000	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables	930,445	930,445	987,020	987,020
Other receivables	37,034	37,034	4,310	4,310
Amounts owed by group companies	45,485	45,485	0	0
Cash at bank and in hand	0	0	139,465	139,465
Loans and receivables	**1,012,964**	**1,012,964**	**1,130,795**	**1,130,795**
Earn out in connection with the acquisition of enterprises	141,500	141,500	125,800	125,800
Financial liabilities at fair value through profit or loss	**141,500**	**141,500**	**125,800**	**125,800**
Credit institutions	166,159	170,500	196,515	203,500
Bank debt	66,220	66,220	0	0
Trade payables	428,690	428,690	660,361	660,361
Other payables	111,496	111,496	188,594	188,594
Tax	24,349	24,349	601	601
Financial liabilities measured at amortized cost	**796,914**	**801,255**	**1,046,071**	**1,053,056**

25 Financial risks and financial instruments (continued)

Fair value of the financial instruments has generally been determined on the basis of discounted cash flow models taking into account the time value of money and credit risk.

Receivables and payables with short credit periods are assessed to have a fair value equivalent to the carrying amount.

The fair value of the contingent consideration arrangement (earn out) was estimated by applying the income approach.

The fair value estimates are based on a discount rate of 4.7% and assumed probability adjusted outcome of the earn out arrangement. This is a level 3 fair value measurement.

The change in fair value on the earn out is included in Financial Expenses (note 7). DKK 12,550 thousands (2014: DKK 12,275 thousands) is related to fair value adjustments.

The inputs used for other fair value measurements are primarily level 2 inputs.

Input used is classified in accordance with the following hierarchy:

Level 1: quoted prices in active markets for identical liabilities.

Level 2: inputs other than quoted prices that are observable, either directly or indirectly

Level 3: Inputs that are not based on observable market data.

26 Operating leases

The Group leases properties and operating equipment through operating leases. None of the leases include conditional rent.

Interminable operating leases relate primarily to rent obligations and fall due as follows:

DKK'000	2015	2014
0-1 years	13,343	17,468
1-5 years	53,375	53,375
> 5 years	53,375	66,719
	120,093	137,562

For 2015, DKK 13,344 thousand (2014 DKK 27,730 thousand) was recognized in the consolidated income statement regarding operating leases.

27 Related party disclosures

Bladt Holding A/S has registered the following shareholders holding 5% or more of the share capital:

- Nordic Capital VII Ltd, 26 Esplanade, St. Helier, Jersey

Nordic Capital VII Ltd. exercises control.

There have been no related party transactions.

Senior executives

Bladt Holding A/S' related parties with significant influence include the Group's Board of Directors, Executive Board and senior executives and their close family members. Related parties also include companies in which such persons have significant interests.

Management's remuneration is mentioned in note 3.

27 Related party disclosures (continued)

Joint ventures

Moreover, related parties include joint ventures, see note 12, in which Bladt Holding A/S has significant influence.

Transactions with joint ventures have been as follows:

DKK'000	2015	2014
Sale of services	169,612	126,534

28 Events after the balance sheet date

No significant events have occurred after 31 December 2015.

29 New financial reporting regulation

New standards, amendments and interpretations adopted by the Bladt Group

The following standards have been applied by the Bladt Group for the financial year 2015:

- Annual improvements to IFRSs (2010-2012). These annual improvements include a number of minor changes to IFRS 2, IFRS 3, IFRS 8, IFRS 13 and IAS 24.
- Annual improvements to IFRSs (2011-2013). These annual improvements include a number of minor changes to IFRS 1, IFRS 3, IFRS 13, IAS 40.
- Amendments to IAS 19: ”Defined Benefit Plans – Employee Contributions”.

The Bladt Group has assessed that the new standards and amendments to standards and interpretations effective for annual periods beginning after 1 January 2015, are neither relevant or have no significant effect on the consolidated financial statements of the Bladt Group.

New standards, amendments and interpretations not yet effective

A number of new standards and amendments to standards and interpretations that would be relevant for the Bladt Group has been adopted by IASB and endorsed by EU. These standards are not yet effective and will be applied when they become effective for the Bladt Group. Amendments to IAS 1: Disclosure initiative. The key changes are materiality, disaggregation and subtotals, notes and disclosure of accounting policies etc..

Annual Improvements to IFRSs (2012-2014): These annual improvements include a number of minor changes to IFRS 5, IFRS 7, IAS 19 and IAS 34.

Amendments to IAS 27: Equity Method in Separate Financial Statements

Amendments to IAS 16/IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization

Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations

None of these is expected to have a significant effect on the consolidated financial statements of the Bladt Group.

29 New financial reporting regulation (continued)

IASB has issued the following amendments or interpretations that are relevant to the Bladt Group, but not yet endorsed by EU:

• IFRS 9: Financial Instruments. The standard replaces IAS 39, Financial instrument, recognition and measurement. It has three classification categories for debt instruments: amortized cost, fair value through other comprehensive income ('FVOCI') and fair value through profit or loss ('FVPL'). Classification under IFRS 9 for debt instruments is driven by the entity's business model for man-aging the financial assets and whether the contractual cash flows represent solely payments of principal and interest ('SPPI'). Equity investments which do not form part of the trading portfolio can be irrevocable designated at fair value through other comprehensive income. Further, a new impairment model for debt instruments not measured at fair value through profit or loss, based on expected losses. A new hedge accounting model is introduced under which the qualifying criteria are adjusted so as to better align with risk management practices.

• IFRS 15: Revenue from Contracts with Customers – Including amendments to IFRS 15: Effective date of IFRS 15. The IASB has issued a new standard for the recognition of revenue. This will re-place IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The principle is applied to each individual performance obligations identified in the contract.

• IFRS 16: Leases. The amended standard changes the rules of the accounting treatment of operating leases by the lessee. In future, operating leases are therefore to be recognized in the balance sheet with an asset and a corresponding lease commitment. The standard has not yet been adopted by the EU and will become effective for financial years beginning on or after 1 January 2019.

• Amendments to IFRS 10, IFRS 12 and IAS 28: Investment entities – Applying the Consolidation Exception

• Amendments to IFRS 10/IAS 28: Sale or contribution of Assets between an Investor and its Associate or Joint Venture

These standards and interpretations will be applied, when they become effective. None of these are expected to have a significant effect on the consolidated financial statements of the Bladt Group.

Financial Statements for 2015

Income Statement

DKK'000	Note	2015	2014
Dividend from subsidiaries		50,000	50,000
Administrative expenses		-720	-457
Operating profit		49,280	49,543
Financial income	4	484	554
Financial expenses	5	-32,998	30,978
Profit/loss before tax		16,766	19,119
Tax on profit for the year	6	7,665	3,523
Profit/loss for the year		24,431	22,642

Statement of Comprehensive Income

Profit/loss for the year	24,431	22,642
Total comprehensive income	24,431	22,642

Financial statements for 2015

Statement of Financial Position

DKK'000	Note	2015	2014
ASSETS			
Non-current assets			
Investments in subsidiaries	7	707,000	707,000
Total non-current assets		707,000	707,000
Current assets			
Amounts owed by group enterprises		8,715	16,140
Prepaid costs		8,555	0
Corporation tax	8	7,585	3,403
Tax asset	9	855	615
Cash at bank and in hand		1	66
Total current assets		25,711	20,224
TOTAL ASSETS		732,711	727,224
EQUITY AND LIABILITIES			
Equity	10		
Share capital		38,992	38,992
Other reserves		345,005	350,405
Retained earnings		39,924	15,493
Total equity		423,921	404,890
Liabilities			
Non-current liabilities			
Earn out in connection with the acquisition of enterprises	11	141,500	125,800
Credit institutions	12	135,224	166,162
Total non-current liabilities		276,724	291,962
Current liabilities			
Credit institutions	12	30,935	30,353
Other payables		1,131	19
Total current liabilities		32,066	30,372
Total liabilities		308,790	322,334
TOTAL EQUITY AND LIABILITIES		732,711	727,224

Financial statements for 2015

Cash Flow Statement

DKK'000	Note	2015	2014
Profit/loss for the year before tax		16,766	19,119
Adjustment for non-cash operating items etc.:			
Financial income		-484	-554
Financial expenses		32,998	30,978
Cash generated from operations (operating activities) before changes in working capital		49,280	49,543
Changes in working capital		-18	-14,981
Cash generated from operations (operating activities)		49.262	34,562
Interest received		484	554
Interest paid		-12.953	-11,308
Corporation tax received/paid		3,242	3,567
Cash flows from operating activities		40,035	27,375
External financing:			
Repayment of bank loans and overdrafts		-33,000	-30,250
Repayment of earn out		-1,700	0
Shareholders :			
Buying of shares and warrants		-7,200	0
Selling of shares and warrants		1,800	0
Cash flows from financing activities		-40,100	-30,250
Cash flows for the year		-65	-2,875
Cash and cash equivalents at the beginning of the year		66	2,941
Cash and cash equivalents at the end of the year		1	66

Financial statements for 2015

Statement of Changes in Equity

DKK'000	Share capital	Share premium	Reserve own shares	Retained earnings	Proposed dividends	Total
Equity at 1 January 2015	38,992	350,405	0	15,493	0	404,890
Total comprehensive income for 2015						
Profit/loss for the year	0	0	0	24,431	0	24,431
Total comprehensive income for the period	0	0	0	24,431	0	24,431
Transactions with owners						
Share and warrants issued	0	0	1,800	0	0	1,800
Transactions with owners						
Share and warrants bought	0	0	-7,200	0	0	-7,200
	38,992	0	-5,400	0	0	-5,400
Equity at 31 December 2015	38,992	350,405	-5,400	39,924	0	423,921

DKK'000	Share capital	Share premium		Retained earnings	Proposed dividends	Total
Equity at 1 January 2014	38,934	350,405		-7,091	0	382,248
Total comprehensive income for 2014						
Profit/loss for the year	0	0		22,642	0	22,642
Total comprehensive income for the period	0	0		22,642	0	22,642
Transactions with owners						
Share issued	58	0		-58	0	0
Equity at 31 December 2014	38,992	350,405		15,493	0	404,890

* Further information is disclosed in note 10.

Financial statements for 2015

Summary of Notes to the Parent Company Financial Statements

Financial statements for 2015

Notes

1 Accounting policies

The separate Parent Company financial statements are included in the annual report as, under the Danish Financial Statements Act, separate Parent Company financial statements must be prepared.

The Parent Company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act applicable to reporting class C, large enterprises.

Description of accounting policies

According to the described accounting policies applied for the consolidated financial statements (see note 1 to the consolidated financial statements), the Parent Company's accounting policies deviate in the following areas:

Revenue

Dividends received from investments in subsidiaries are recognized in the Parent Company income statement in the financial year when the dividends are declared. If dividends exceed the comprehensive income of the subsidiary, an impairment test is conducted.

Investments in subsidiaries

Investments in subsidiaries are measured at cost in the Parent Company financial statements. If there is an indication of impairment, an impairment test is made as described in the accounting policies of the consolidated financial statements. If the carrying amount exceeds the recoverable amount, a write-down is made to this lower value.

At the distribution of other reserves than retained earnings in subsidiaries, the distribution will reduce the cost of investments when the distribution is characterized as repayment of the Parent Company's investment.

2 Accounting estimates and judgements

There are no special accounting estimates and judgements in the separate Parent Company financial statements. We refer to note 2 to the consolidated financial statements.

3 Staff costs

The Parent Company had no employees in 2015 or 2014.

Financial statements for 2015

Notes

DKK'000		2015	2014
4	**Financial Income**		
	Interest group enterprises	420	554
	Interest tax etc.	64	0
		484	554
	Interest on financial liabilities measured and amortized costs	484	554
5	**Financial expenses**		
	Interest, banks, etc.	11,362	11,308
	Interest element, discounted liabilities	4,850	4.225
	Fair value adjustment of contingent consideration	12,550	12.275
	Amortized borrowing costs	3,725	3,170
	Other financial costs	511	0
		32,998	30,978
	Interest on financial liabilities measured and amortized costs	11,873	11,308
6	**Taxation**		
	Tax for the year is specified as follows:		
	Tax on profit for the year	7,665	3,523
	Tax on profit for the year is specified as follows:		
	Current tax	7,425	3,077
	Deferred tax	240	446
		7,665	3,523
	Tax on profit for the year relates to:		
	23,5%/24,5% tax on profit for the year before tax	-3,940	-4,684
	The tax effect of:		
	Other non-deductible costs		-4,043
	Change to tax last year	-160	0
	Non-taxable income	11,765	12,250
		7,665	3,523
	Effective tax rate	-45,7%	-18.4%

Financial statements for 2015

Notes

DKK'000		2015	2014
7	**Investments in subsidiaries**		
	Cost at 1 January	707,000	707,000
	Acquisition of subsidiary	0	0
	Carrying amount at 31 December	707,000	707,000

Name	Registered office	Ownership Share 2015	Ownership share 2014
Bladt Industries Holding A/S	Aalborg, Denmark	100%	100%

Cost of subsidiary acquired comprises cash payment of DKK 620,000 thousand and contingent consideration of DKK 87,000 thousand.

		2015	2014
8	**Corporation tax**		
	Current tax for the year	7,425	3,077
	Tax related to last year	160	326
	Corporation tax receivable at 31 December	7,585	3,403

		2015	2014
9	**Tax asset**		
	Tax asset at 1 January	-615	-169
	Tax asset for the year recognized in profit/loss for the year	-240	-446
	Tax asset at 31 December	-855	-615

10 Equity

The composition of the share capital is disclosed in note 17 to the consolidated financial statements.

Capital management

Capital management in the Bladt Holding Group is made for the entire Group. We refer to note 17 to the consolidated financial statements.

Financial statements for 2015

Notes

11 Earn out in connection with the acquisition of enterprises

The liability of DKK 141,500 thousand (2014 DKK 125,800 thousand) comprises contingent consideration and relates to the acquisition of Bladt Industries Holding A/S,

12 Payables to credit institutions

We refer to note 21 to the consolidated financial statements.

13 Contingent liabilities and collateral

Contingent liabilities

The Parent Company has no contingent liabilities at 31 December 2015 or 31 December 2014.

Collateral

Shares in Bladt Industries Holding A/S with a carrying amount of DKK 707.0 million have been provided as collateral for amounts owed to credit institutions totaling DKK 170,5 million at 31 December 2014 (DKK 203,5 million at 31 December 2014).

14 Financial risks and financial instruments

The Parent Company is not exposed to any market risks other than those disclosed in note 25 to the consolidated financial statements, to which we refer. Liquidity risks and credit risks for the Parent Company are also described in note 25 to the consolidated financial statements.

The Parent Company had no derivative financial instruments at 31 December 2015 or 31 December 2014.

15 Operating leases

The Parent Company had no operating leases at 31 December 2015 or 31 December 2014.

16 Related party disclosures

In addition to the disclosures in note 27 to the consolidated financial statements, the Parent Company's related parties comprise subsidiaries. See note 7 to the Parent Company's annual report.

The Danish companies in the Group are jointly taxed, and in 2015 an amount of DKK 4,451 thousand was transferred as joint taxation contributions between the companies.

Apart from this, no other transactions have been carried out with the Board of Directors, the Executive Board, important shareholders or other related parties during the year.

17 Events after the balance sheet date

We refer to note 28 to the consolidated financial statements. Apart from this, no events have occurred after the balance sheet date.

Financial statements for 2015

Notes

18 New financial reporting regulation

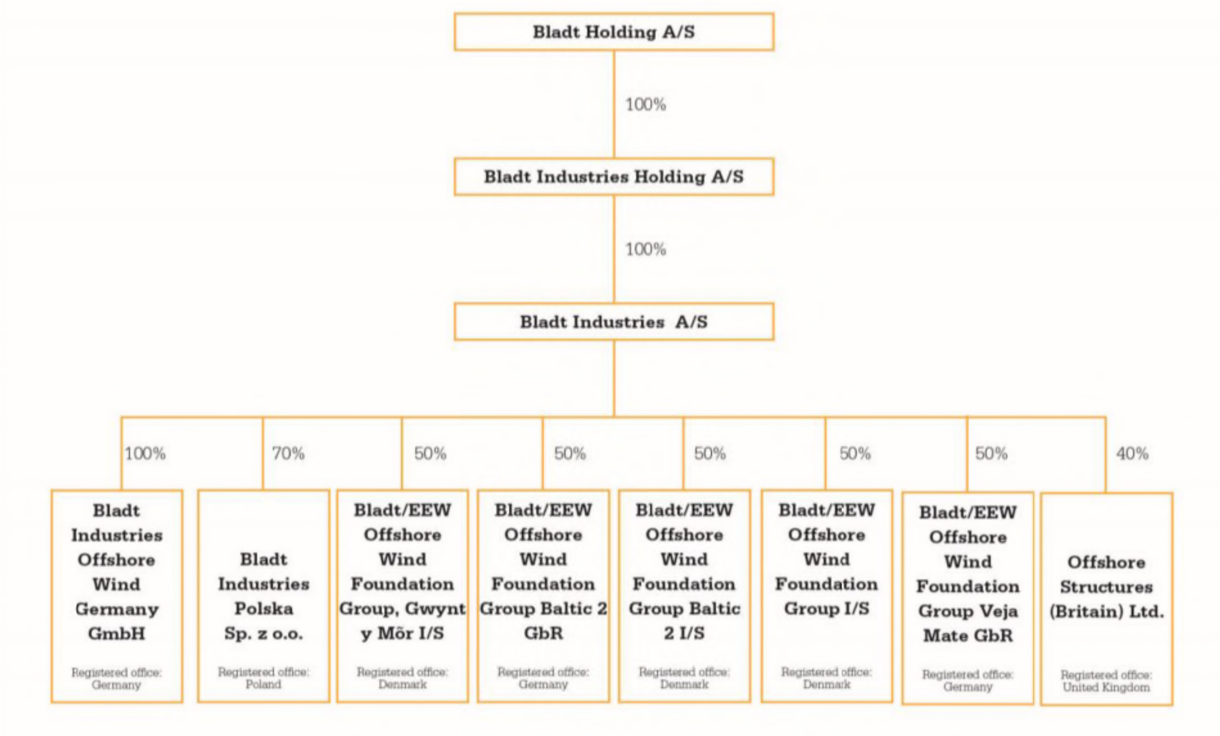
We refer to note 29 to the consolidated financial statements. None of the standards or interpretations mentioned are expected to affect the Parent Company financial statements.

19 Financial ratios

The financial ratios stated in the annual report have been calculated as follows:

Operating margin	$\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests, at year end x 100}}{\text{Total assets, at year end}}$
Return on equity	$\frac{\text{Profit/loss* x 100}}{\text{Average equity ex. non-controlling interests}}$

Group Chart and Addresses



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Registered office: Aalborg

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