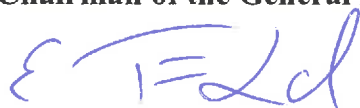


**BC Group Holding A/S**  
**Central Business Registration No**  
**36475072**  
**Avderødvej 27 C**  
**2980 Kokkedal**

**Annual report 2014/15**

The Annual General Meeting adopted the annual report on

**Chairman of the General Meeting**



Name: *ESBEN REFSGAARD TRIER LUND*

## Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	11
Consolidated income statement for 2014/15	19
Consolidated balance sheet at 31.12.2015	20
Consolidated statement of changes in equity for 2014/15	22
Consolidated cash flow statement for 2014/15	23
Notes to consolidated financial statements	24
Parent income statement for 2014/15	29
Parent balance sheet at 31.12.2015	30
Parent statement of changes in equity for 2014/15	32
Notes to parent financial statements	33

## Entity details

### Entity

BC Group Holding A/S

Avderødvej 27 C

2980 Kokkedal

Central Business Registration No: 36475072

Registered in: Fredensborg

Financial year: 18.12.2014 - 31.12.2015

### Board of Directors

Jesper Wadum Nielsen, Chairman

Geert Winther Skovsgaard

Jacob Østergaard Bergenholtz

Peter Lynghøj Johansen

### Executive Board

Peter Lynghøj Johansen

### Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of BC Group Holding A/S for the financial year 18.12.2014 - 31.12.2015.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 18.12.2014 - 31.12.2015.

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

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

Kokkedal, 31.03.2016

### Executive Board



Peter Lynghøj Johansen

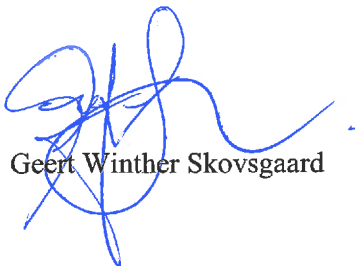
### Board of Directors



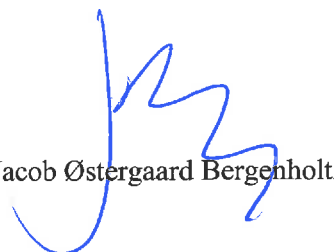
Jesper Wadum Nielsen  
Chairman



Peter Lynghøj Johansen



Geert Winther Skovsgaard



Jacob Østergaard Bergenholtz

## **Independent auditor's reports**

### **To the owners of BC Group Holding A/S**

#### **Report on the financial statements**

We have audited the consolidated financial statements and parent financial statements of BC Group Holding A/S for the financial year 18.12.2014 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

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

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

#### **Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 the overall presentation of the consolidated financial statements and parent financial statements.

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

Our audit has not resulted in any qualification.

#### **Opinion**

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations and the Group's cash flows for the financial year 18.12.2014 - 31.12.2015 in accordance with the Danish Financial Statements Act.

## Independent auditor's reports

### Statement on the management commentary

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

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

Aarhus, 31.03.2016

**Deloitte**  
Statsautoriseret Revisionspartnerselskab



Jacob Nørmark  
State Authorised Public Accountant

CVR-nr. 33963556

## Management commentary

	<b>2014/15</b>
	<b>DKK'000</b>
<b>Financial highlights</b>	
<b>Key figures</b>	
Revenue	386,687
Gross profit/loss	40,613
Operating profit/loss	1,524
Net financials	(3,906)
Profit/loss for the year	(3,731)
Total assets	220,626
Investments in property, plant and equipment	74,091
Equity	70,569
Employees in average	598
<b>Ratios</b>	
Gross margin (%)	10.5
Net margin (%)	0.0
Return on equity (%)	0.0
Equity ratio (%)	32.0

## Management commentary

### Primary activities

BC Group Holding A/S is the parent company of BC Group A/S. The Parent's primary activities are to act as a holding company and to provide financing to the Group's activities.

The Group's primary activities are to develop and manufacture components from composites. Products are sold globally primarily as OEM deliverables to strategical customer segments in the wind energy sector.

### Development in activities and finances

In 2015, the Group has seen positive growth in activities run by new customer projects as well as a stable, positive development in the global market for renewable energy, which was confirmed at the end of the year with the agreement at the COP21 summit in Paris and by the extension of the PTC incentives in the US.

Requirements on subsuppliers in the wind energy segment are increasing, and continued globalisation of customers' business operations call for higher flexibility, quality and global presence. Also, the offshore segment has seen significant growth in the past year, which is a market with high requirements in terms of quality, security and durability.

Competition among the Company's primary customers was further intensified, and a constant improvement in cost reduction is expected in all links of the supply chain. This also goes for the goods and services that are the Company's primary business.

Organisationally and in terms of management, the Company was strengthened considerably to ensure a solid platform to support its ambitious growth strategy.

Execution of the many new customer projects resulted in an increased activity and investment level in the Company. Implementation of new projects resulted in lower than expected production efficiency and productivity, which resulted in a lower gross profit. Moreover, changes in structure and optimisation projects resulted in a number of non-recurring expenses, which had a negative impact on the financial statements.

In 2015, the Company launched a number of initiatives within cost and logistics optimisation to be able to optimise the Group's global footprint. On the strategically important US market, the Company has therefore changed from a production setup into a newly developed logistics set-up in order to better serve the customers competitively. As part of this change, the US production entity was sold.

On 5 March 2015, BC Group Holding A/S, which is 70% owned by BWB Partners, acquired 100% of the shares in BC Group A/S.

BWB Partners are a member of DVCA for which reason the Company is subject to DVCA's guidelines for corporate governance.

## Management commentary

The DVCA guidelines are available at: <http://www.dvca.dk/index.php/publikationer/download/>

In 2015, the Company's financial position improved considerably; mainly by way of a capital injection.

The Company recorded revenues of DKK 386.7m and a gross profit of DKK 40.6m for the year. The gross profit was affected negatively by the start-up of a large number of new customer projects in the first half of the year.

### Investments

Investments amounted to DKK 75.4m, primarily related to the investment in BC Group A/S in production.

### Financial resources

The equity ratio of the Company was 32.0%, which corresponds to an equity value of DKK 70.6m. During 2015, the owners made a cash capital injection of DKK 74.3m to support the future development of the Company.

### Outlook

The Company's aim is to be the customers' preferred business partner in a global and competitive market.

The extension of the Production Tax Credit (PTC) incentive in the USA and the global agreement on climate change signed in Paris in December 2015 will support the positive trend in demand for the Company's products and services. Many countries now have a stated target as to how they want to proceed up until 2020-2025, and in future many new markets will become active.

Trends are still pointing to wind as one of the fastest and most cost-effective way of renewable energy supply. Volumes are going up and together with the spreading of demand into new and growing markets, this places heavy demands on the Company's ability to adjust and respond rapidly and accurately.

Close partnerships with customers are needed to be able to act appropriately in this market. Competition is steadily increasing, and there are enormous requirements on tomorrow's suppliers both financially and measured by all other parameters. The demands by the large international players in the industrial sector require constant development and alertness, and initiatives to reduce the total Cost of Energy (LCOE) for our customers are in continuous focus.

Composites are part of and constitute an increasing share of future easy solutions, and the Company intends to work on expanding the use of this material by continuing to develop competitive solutions for the industrial sector.

## Management commentary

The order forecast is satisfactory and is expected to remain steadily high in the period ahead.

A profit is expected for 2016.

### Particular risks

#### Exchange rate risks

The Company's overall currency exposure is primarily to USD. No systematic hedging transactions are made in this respect.

#### Interest-rate risks

It is estimated that fluctuations in interest rates do not pose a significant risk to the Company's earnings. Therefore, no hedging transactions have been made in this respect.

#### Capital structure

BC Group Holding A/S' share capital of DKK 1m is divided into A shares (DKK 0.3m) and B shares (DKK 0.7m), all with a nominal value of DKK 1. A and B shares hold equal voting rights.

The Management assesses whether the Group has an adequate capital structure and whether the capital structure supports and is consistent with the long-term objectives of the Company.

At the balance sheet date, the Company's net interest-bearing debt amounted to DKK 52.1m, which is considered reasonable, and in the opinion of the Management, the current capital structure is adequate to support the development of the activities in the Company.

#### Intellectual capital resources

The Company has solid and up-to-date knowledge about composites and ways of using them, which constitutes the platform for future earnings of the Company.

#### Research and development activities

In 2015, the Group formally established a development department, and DKK 3.6m was capitalised relating to a number of development projects.

#### Corporate governance

The Executive Board and the Board of Directors continuously aim to ensure well-functioning and appropriate management structure and control systems and which foundation is based on the Danish Companies Act, the Danish Financial Statements Act and the Articles of Association.

## Management commentary

As the Company's ultimate owner, BWB Partners, is a member of DVCA, the Company generally follows the DVCA guidelines for responsible ownership and corporate governance. However, the Company's internal control and risk management systems have only been described on an overall level.

The Board of Directors, the Board Committees and the Executive Management perform their duties in accordance with a written set of procedures and terms of reference, which is reviewed on an annual basis.

The Board of Directors convene according to plan four times a year and the Company has established formal monthly reporting processes, which includes follow up on budget and operational and strategic initiatives.

Furthermore, monthly meetings are scheduled between the Chairmanship of the Board of Directors and the Executive Management of the Company.

The Board of Directors have appointed an Audit Committee, which performs their duties in accordance with the terms of reference for the Audit Committee. The Audit Committee was established in 2015 and has scheduled four meetings per year.

The Board of Directors has decided not to establish an internal audit function.

### Ownership information

BC Group Holding A/S is the parent company of BC Group A/S which in turn is the parent company of a number of subsidiaries. BC Group Holding A/S is 70% owned by BWP Partners.

### Employees

The average number of employees in the Group in 2015 was 598.

### Board of Directors

The Board of Directors consists of four members all appointed in 2015.

#### Board of Directors

Name	Jesper Wadum Nielsen	Jacob Østergaard Bergenholtz	Peter Lynghøj Johansen	Geert Winther Skovsgaard
Position on the board	Chairman	Vice Chairman	Member of board	Member of board
Appointed by:	BWB Partners	BWB Partners	BWB Partners	Geert Skovsgaard ApS
Appointment date:	2015-03-05	2015-03-05	2015-03-05	2015-03-05
Current positions	Partner in BWB Partners	Managing partner in BWB Partners	Investment Manager in BWB Partners	CEO Bach Composite Industry a/s, CEO BC Group a/s
Chairman in:	BWB Partners p/s	Weiss Partners a/s		Geert Skovsgaard ApS
Vice Chairman in:	Bach Composite Industry a/s, BC Group a/s			

## Management commentary

Board member in:	iMPREG Partners a/s, Heatex ab, Pedax GmbH, Stema Holding a/s, SSG a/s, Transmedica a/s	BC Group a/s, Bach Composite Industry a/s iMPREG Partners a/s, SH Group a/s and BWB Partners p/s	Pedax GmbH, Stema Holding a/s	Thy Erhvervsinvest a/s, Plastindustrien (DI), Dansk Industri, Thy/Mors
------------------	-----------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------	-------------------------------	------------------------------------------------------------------------

## Corporate social responsibility

### Statutory reporting on CSR

The Company continues to work actively with quality and environmental management. Quality management certification under ISO 9001, environmental management certification under ISO 14001 and occupational, health and safety management certification under OHSAS 18001 are maintained in one management system.

These certifications are part of the Group's overall strategy, which also ensures observance of international conventions and special customer requirements within CSR, including human rights and climate impact/energy consumption. Implementation of the overall strategy in the quality, environmental and working environment areas is ensured by the local facility management. Depending on local conditions, the policy and focus areas vary from one facility to another. The facility management is responsible for reporting the strategy-supporting focus areas, action plans, results and key figures to Group Management.

### Gender diversity in management bodies

The Company has a gender diversity policy in accordance with § 99b of the Danish Accounting Act with the aim to ensure female representatives on the Board of Directors. Men currently hold all of the four seats on the Board of Directors and the objective is to have at least one seat (25%) occupied by a woman in 2020.

The Group has currently no formal policy in respect to gender diversity at the management level and fills positions according to formal qualifications. The Company aims to implement a policy and goals in 2016.

### Events after the balance sheet date

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

## Accounting policies

### Reporting class

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

### Recognition and measurement

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

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

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

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

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

### Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

### Basis of consolidation

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

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

## Accounting policies

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

### Business combinations

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

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

### Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses

### Foreign currency translation

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

## Income statement

### Revenue

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

### Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

## Accounting policies

### Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment attached to the distribution process.

### Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationary and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

### Other operating income

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

### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies etc.

### Income taxes

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

## Balance sheet

### Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually 5 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

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

## Accounting policies

### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress and acquired intellectual property rights.

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

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

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is three years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement. The amortisation period is three years.

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

### Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	20 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	10 years

## Accounting policies

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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

### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity minus or plus unrealised intra-group profits or losses.

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

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

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

### Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

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

### Receivables

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

## Accounting policies

### Deferred tax

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

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

### Income tax payable or receivable

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

### Prepayments

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

### Other investments

Securities recognised under current assets comprise listed bonds and investments measured at fair value (market price) at the balance sheet date.

### Cash

Cash comprises cash in hand and bank deposits.

### Other provisions

Other provisions in the comparative figures comprise provisions for rent in the residual period for terminated leaseholds that are no longer used in the enterprise.

Furthermore, other provisions in 2015 comprise restructuring costs relating to the adopted and initiated restructurings.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

### Finance lease commitments

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

## Accounting policies

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

### Other financial liabilities

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

### Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

### Cash flow statement

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

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

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

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

Cash and cash equivalents comprise cash less short-term bank debt.

## Accounting policies

### Financial highlights

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

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

## Consolidated income statement for 2014/15

	<u>Notes</u>	<u>2014/15 DKK</u>
Revenue	1	386,687,004
Production costs	2	<u>(346,073,979)</u>
<b>Gross profit/loss</b>		<b>40,613,025</b>
Distribution costs	2	(7,172,015)
Administrative costs	2	(32,861,931)
Other operating income		<u>945,012</u>
<b>Operating profit/loss</b>		<b>1,524,091</b>
Other financial income		2,032,872
Other financial expenses		<u>(5,939,341)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>(2,382,378)</b>
Tax on profit/loss from ordinary activities	3	<u>(1,348,582)</u>
<b>Profit/loss for the year</b>		<b><u>(3,730,960)</u></b>
<b>Proposed distribution of profit/loss</b>		
Retained earnings		<u>(3,730,960)</u>
		<b><u>(3,730,960)</u></b>

## Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2014/15 DKK</u>
Completed development projects		404,777
Acquired intangible assets		79,364
Goodwill		25,287,707
Development projects in progress		<u>3,213,093</u>
<b>Intangible assets</b>	4	<b><u>28,984,941</u></b>
Land and buildings		4,385,003
Plant and machinery		12,674,382
Other fixtures and fittings, tools and equipment		4,371,680
Leasehold improvements		7,779,258
Property, plant and equipment in progress		<u>5,054,508</u>
<b>Property, plant and equipment</b>	5	<b><u>34,264,831</u></b>
<b>Fixed assets</b>		<b><u>63,249,772</u></b>
Raw materials and consumables		31,496,896
Work in progress		7,128,590
Manufactured goods and goods for resale		<u>29,375,933</u>
<b>Inventories</b>		<b><u>68,001,419</u></b>
Trade receivables		55,881,063
Deferred tax assets		7,658,356
Other short-term receivables		7,896,824
Income tax receivable		1,601,721
Prepayments	7	<u>1,695,247</u>
<b>Receivables</b>		<b><u>74,733,211</u></b>
Other investments		<u>137,431</u>
<b>Other investments</b>		<b><u>137,431</u></b>
<b>Cash</b>		<b><u>14,504,653</u></b>
<b>Current assets</b>		<b><u>157,376,714</u></b>
<b>Assets</b>		<b><u><u>220,626,486</u></u></b>

## Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2014/15 DKK</u>
Contributed capital		1,000,000
Retained earnings		69,569,040
<b>Equity</b>		<b>70,569,040</b>
Provisions for deferred tax		414,200
Other provisions	8	7,037,990
<b>Provisions</b>		<b>7,452,190</b>
Bank loans		6,698,023
Finance lease liabilities		3,564,430
Other payables		12,329,910
<b>Non-current liabilities other than provisions</b>	9	<b>22,592,363</b>
Current portion of long-term liabilities other than provisions	9	7,759,999
Bank loans		36,288,933
Trade payables		58,991,574
Payables to associates		50,000
Income tax payable		505,622
Other payables		14,304,362
Deferred income		2,112,403
<b>Current liabilities other than provisions</b>		<b>120,012,893</b>
<b>Liabilities other than provisions</b>		<b>142,605,256</b>
<b>Equity and liabilities</b>		<b>220,626,486</b>
Subsidiaries	6	
Unrecognised rental and lease commitments	11	
Contingent liabilities	12	
Mortgages and securities	13	
Consolidation	14	

**Consolidated statement of changes in equity for 2014/15**

	<b>Contributed capital DKK</b>	<b>Share pre- mium DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Cash payments concerning formation of entity	500,000	0	0	500,000
Increase of capital	500,000	73,300,000	0	73,800,000
Transfer to reserves	0	(73,300,000)	73,300,000	0
Profit/loss for the year	0	0	(3,730,960)	(3,730,960)
<b>Equity end of year</b>	<b>1,000,000</b>	<b>0</b>	<b>69,569,040</b>	<b>70,569,040</b>

## Consolidated cash flow statement for 2014/15

	<u>Notes</u>	<u>2014/15</u> <u>DKK</u>
Operating profit/loss		1,524,091
Amortisation, depreciation and impairment losses		10,528,776
Other provisions		(290,408)
Working capital changes	10	<u>12,190,489</u>
<b>Cash flow from ordinary operating activities</b>		<b>23,952,948</b>
Financial income received		2,032,872
Financial income paid		(5,939,341)
Other cash flows		<u>(10,165,245)</u>
<b>Cash flows from operating activities</b>		<b>9,881,234</b>
Acquisition etc of intangible assets		(3,776,345)
Acquisition etc of property, plant and equipment		(14,436,197)
Sale of property, plant and equipment		38,224,445
Acquisition of fixed asset investments		<u>(57,178,626)</u>
<b>Cash flows from investing activities</b>		<b>(37,166,723)</b>
Loans raised		21,645,716
Instalments on loans etc		(42,452,507)
Cash increase of capital		<u>74,300,000</u>
<b>Cash flows from financing activities</b>		<b>53,493,209</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>26,207,720</b>
Cash and cash equivalents beginning of year		<u>(47,822,000)</u>
<b>Cash and cash equivalents end of year</b>		<b><u>(21,614,280)</u></b>
Cash and cash equivalents at year-end are composed of:		
Cash		14,504,653
Short-term debt to banks		<u>(36,288,933)</u>
<b>Cash and cash equivalents end of year</b>		<b><u>(21,784,280)</u></b>

## Notes to consolidated financial statements

	<b>2014/15</b>
	<b>DKK</b>
<b>1. Revenue</b>	
Denmark	137,422,000
Other EU-countries	160,225,000
Other countries outside EU	89,040,000
	<b>386,687,000</b>

The Group's segments comprise business areas and geographical markets.

The Group's primary activities are to develop and manufacture components from composites. Referring to § 96 of the Danish Financial Statements Act, Management does not want to further disclose the geographical distribution of revenue as a detailed distribution of the Group's revenue by geographical area will be of considerable damage to the competitive situation.

The Group has no discontinued operations.

	<b>2014/15</b>
	<b>DKK</b>
<b>2. Staff costs</b>	
Wages and salaries	102,348,555
Pension costs	4,969,024
Other social security costs	12,425,607
	<b>119,743,186</b>
Average number of employees	<b>598</b>

	<b>Remunera- tion of ma- nagement 2014/15 DKK</b>	<b>Remunera- tion of ma- nagement 2014 DKK</b>
Executive Board	1,985,000	0
Board of Directors	488,000	0
Total amount for management categories	0	1,962,000
	<b>2,473,000</b>	<b>1,962,000</b>

## Notes to consolidated financial statements

	<b>2014/15 DKK</b>			
<b>3. Tax on profit/loss from ordinary activities</b>				
Tax on current year taxable income				1,352,289
Change in deferred tax for the year				(3,707)
				<b>1,348,582</b>
	<b>Completed development projects DKK</b>	<b>Acquired intangible assets DKK</b>	<b>Goodwill DKK</b>	<b>Development projects in progress DKK</b>
<b>4. Intangible assets</b>				
Additions	485,732	99,565	27,586,589	3,213,093
Cost end of year	485,732	99,565	27,586,589	3,213,093
Amortisation for the year	(80,955)	(20,201)	(2,298,882)	0
Amortisation and impairment losses end of year	(80,955)	(20,201)	(2,298,882)	0
Carrying amount end of year	404,777	79,364	25,287,707	3,213,093
	<b>Land and buildings DKK</b>	<b>Plant and machinery DKK</b>	<b>Other fix- tures and fittings, tools and equipment DKK</b>	<b>Leasehold improve- ments DKK</b>
<b>5. Property, plant and equipment</b>				
Additions	35,733,769	18,427,782	5,654,330	9,220,707
Disposals	(29,830,281)	(320,163)	(82)	0
Cost end of year	5,903,488	18,107,619	5,654,248	9,220,707
Depreciation for the year	(1,518,485)	(5,433,237)	(1,282,568)	(1,441,449)
Depreciation and impairment losses end of the year	(1,518,485)	(5,433,237)	(1,282,568)	(1,441,449)
Carrying amount end of year	4,385,003	12,674,382	4,371,680	7,779,258
Recognised assets not owned by entity	0	6,876,586	0	0

## Notes to consolidated financial statements

	<b>Property, plant and equipment in progress DKK</b>
<b>5. Property, plant and equipment</b>	
Additions	5,054,508
Disposals	0
<b>Cost end of year</b>	<b>5,054,508</b>
Depreciation for the year	0
<b>Depreciation and impairment losses end of the year</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>5,054,508</b>
Recognised assets not owned by entity	<b>0</b>

	<b>Registered in</b>	<b>Equi- ty inte- rest %</b>
<b>6. Subsidiaries</b>		
BC Group A/S	Denmark	100.0

### 7. Prepayments

Prepayment comprise prepaid expenses.

### 8. Other provisions

Other provisions in 2015 comprise restructuring costs relating to the adopted and initiated restructurings.

	<b>Instalments within 12 months 2014/15 DKK</b>	<b>Instalments beyond 12 months 2014/15 DKK</b>
<b>9. Long-term liabilities other than provisions</b>		
Bank loans	2,591,559	6,698,023
Finance lease liabilities	1,487,440	3,564,430
Other payables	3,681,000	12,329,910
	<b>7,759,999</b>	<b>22,592,363</b>

## Notes to consolidated financial statements

	<u>2014/15</u> DKK
<b>10. Change in working capital</b>	
Increase/decrease in inventories	(10,745,656)
Increase/decrease in receivables	6,631,866
Increase/decrease in trade payables etc	<u>16,304,279</u>
	<u>12,190,489</u>
	<u>2014/15</u> DKK
<b>11. Unrecognised rental and lease commitments</b>	
Commitments under rental agreements or leases until expiry	<u>26,860,000</u>

### 12. Contingent liabilities

The Group participates in a Danish joint taxation arrangement in which Anpartsselskabet af 17. December 2014 serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Group is therefore liable for income taxes etc for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

### 13. Mortgages and securities

The Company's bank debt has been secured on a floating charge of a nominal value of DKK 20,000k. The floating charge comprises unsecured claims, operating equipment, inventories and intellectual property rights. Furthermore, a secondary assignment has been made on debtor insurance as security for bank debt. The claims sold amount to DKK 26,401k at 31.12.2015.

Bank debt secured on the floating charge amounts to DKK 6,143k at 31.12.2015.

The bank debt in Lithuania is secured on the Group's properties, production plant, machinery, inventories and land lease rights in Lithuania. Bank debt in Lithuania amounts to DKK 5,240k at 31.12.2015.

Of the total debtor balances of DKK 55,881k, DKK 28,297k has been provided as security for invoice discounting accounts.

The Group has provided an unlimited guarantee as security for bank debt in the subsidiary in Denmark. The bank debt amounts to DKK 3,366k at 31.12.2015.

The Group has provided an unlimited guarantee as security for factoring loans in the subsidiary in the US. Factoring loans amount to DKK 21,224k at 31.12.2015.

## Notes to consolidated financial statements

The Group has provided an unlimited guarantee as security for bank debt in the subsidiaries in Lithuania. The bank debt amounts to DKK 5,240k at 31.12.2015.

### 14. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Anpartsselskabet af 17. december 2014, Fredensborg

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

BC Group A/S, Thisted

**Parent income statement for 2014/15**

	<u>Notes</u>	<u>2014/15 DKK</u>
Administrative costs		(30,000)
<b>Operating profit/loss</b>		<b>(30,000)</b>
Income from investments in group enterprises		(3,381,164)
Other financial expenses		(427,246)
<b>Profit/loss from ordinary activities before tax</b>		<b>(3,838,410)</b>
Tax on profit/loss from ordinary activities	1	107,450
<b>Profit/loss for the year</b>		<b><u>(3,730,960)</u></b>
<b>Proposed distribution of profit/loss</b>		
Reserve for net revaluation according to the equity method		(3,381,164)
Retained earnings		(349,796)
		<b><u>(3,730,960)</u></b>

**Parent balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2014/15 DKK</u>
Investments in group enterprises		84,885,835
<b>Fixed asset investments</b>	2	<u>84,885,835</u>
<b>Fixed assets</b>		<u>84,885,835</u>
Deferred tax assets		107,450
<b>Receivables</b>		<u>107,450</u>
<b>Cash</b>		<u>56,665</u>
<b>Current assets</b>		<u>164,115</u>
<b>Assets</b>		<u><u>85,049,950</u></u>

**Parent balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2014/15 DKK</u>
Contributed capital	3	1,000,000
Retained earnings		<u>69,569,040</u>
<b>Equity</b>		<b><u>70,569,040</u></b>
Other payables		<u>12,069,910</u>
<b>Non-current liabilities other than provisions</b>	4	<b><u>12,069,910</u></b>
Current portion of long-term liabilities other than provisions	4	2,381,000
Other payables		<u>30,000</u>
<b>Current liabilities other than provisions</b>		<b><u>2,411,000</u></b>
<b>Liabilities other than provisions</b>		<b><u>14,480,910</u></b>
<b>Equity and liabilities</b>		<b><u>85,049,950</u></b>
Contingent liabilities	5	
Ownership	6	

## Parent statement of changes in equity for 2014/15

	Contributed capital DKK	Share pre- mium DKK	Reserve for net revalua- tion accord- ing to the equity meth- od DKK	Retained earnings DKK
Cash payments concerning formation of entity	500,000	0	0	0
Increase of capital	500,000	73,300,000	0	0
Other adjustments	0	0	3,381,164	(3,381,164)
Transfer to reserves	0	(73,300,000)	0	73,300,000
Profit/loss for the year	0	0	(3,381,164)	(349,796)
<b>Equity end of year</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>	<b>69,569,040</b>
				<b>Total DKK</b>
Cash payments concerning formation of entity				500,000
Increase of capital				73,800,000
Other adjustments				0
Transfer to reserves				0
Profit/loss for the year				(3,730,960)
<b>Equity end of year</b>				<b>70,569,040</b>

## Notes to parent financial statements

	<b>2014/15</b>		
	<b>DKK</b>		
<b>1. Tax on profit/loss from ordinary activities</b>			
Change in deferred tax for the year		(107,450)	
		<b>(107,450)</b>	
		<b>Investments in group enterprises</b>	
		<b>DKK</b>	
<b>2. Fixed asset investments</b>			
Additions		88,266,999	
<b>Cost end of year</b>		<b>88,266,999</b>	
Amortisation of goodwill		(2,298,882)	
Share of profit/loss for the year		(1,082,282)	
<b>Revaluations end of year</b>		<b>(3,381,164)</b>	
<b>Carrying amount end of year</b>		<b>84,885,835</b>	
	<b>Number</b>	<b>Par value DKK</b>	<b>Nominal value DKK</b>
<b>3. Contributed capital</b>			
A-shares	300	1,000	300,000
B-shares	700	1,000	700,000
	<b>1,000</b>		<b>1,000,000</b>
			<b>2014/15</b>
			<b>DKK</b>
<b>Changes in contributed capital</b>			
Increase of capital			1,000,000
<b>Contributed capital end of year</b>			<b>1,000,000</b>
		<b>Instalments within 12 months</b>	<b>Instalments beyond 12 months</b>
		<b>2014/15</b>	<b>2014/15</b>
		<b>DKK</b>	<b>DKK</b>
<b>4. Long-term liabilities other than provisions</b>			
Other payables		2,381,000	12,069,910
		<b>2,381,000</b>	<b>12,069,910</b>

## Notes to parent financial statements

### 5. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Anpartsselskabet af 17. December 2014 serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

### 6. Ownership

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Anpartsselskabet af 17. december 2014, Fredensborg  
Geert Skovsgaard ApS, Thisted