SP Group

Annual Report '15

SP Group A/S, Snavevej 6-10, DK-5471 Søndersø. CVR no. 15 70 13 15

Contents

The picture on the front page shows a medico product manufactured by SP Medical A/S

Company details

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The Company
SP Group A/S
Snavevej 6-10
DK-5471 Søndersø
Tel.: +45 70 23 23 79
Fax: +45 70 23 23 52

CVR no.: 15 70 13 15
Financial year: 1 January to 31 December
Registered office: Northern Funen
Website: www.sp-group.dk
E-mail: info@sp-group.dk

Board of Directors

Niels Kristian Agner (Chairman)
Erik Preben Holm (Deputy Chairman)
Hans Wilhelm Schur
Erik Christensen
Hans-Henrik Eriksen

Executive Board

Frank Gad, CEO
Jørgen Hønnerup Nielsen, CFO

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4
DK-2000 Frederiksberg

Annual general meeting

The Annual General Meeting will be held on Thursday, 28 April 2016 at 12.00 pm at SP Group A/S, Snavevej 6-10, 5471 Søndersø, Denmark.

Group chart

Activities

SP Group manufactures moulded plastic components and performs coatings on plastic and metal components. SP Group is a leading supplier of plastic-manufactured products to Danish industries and has increasing exports and growing production from own factories in Denmark, Poland, Latvia, Slovakia, China, the USA and Brazil. SP Group has subsidiaries in Denmark, Sweden, the Netherlands, Poland, Latvia, Slovakia, Canada, USA, Brazil and China. SP Group is listed on NASDAQ Copenhagen and employed an average of 1,452 people in 2015 and approx. 900 registered shareholders.

SP Group A/S

Surface solutions

Coating

Accoat A/S
- Accoat do Brasil Ltda.
- Accoat Technology ApS

Plastic solutions

Polyurethane (PUR)

Tinby A/S
- Tinby Sp. z o.o.
- Tinby Co., Ltd.
- Tinby Denmark A/S
- Tinby Inc.

Ergomat A/S
- Ergomat-Nederland B.V.
- Ergomat Sweden AB
- Ergomat Inc.
- Ergomat Canada Inc.
- Ergomat Sp. z o.o.

TPI Polytechniek B.V.
- TPI Polytechniek ApS

Brdr. Bourghardt AB
- Baltic Rim Ltd.

Vacuum

Gibo Plast A/S
- Gibo Sp. z o.o.

SP Extrusion

Injection moulding

SP Moulding A/S
- SP Moulding Poland Sp. z o.o.
- SP Moulding (Suzhou) Co., Ltd.
- Sander Tech ApS

SP Medical A/S
- SP Medical Poland Sp. z o.o.

Ulstrup Plast A/S
- Ulstrup Plast s.r.o.

We act as an innovative, reliable and competitive partner for our customers

SP Group has two business segments: Surface solutions and Plastic solutions.

Surface solutions: The segment develops and manufactures fluoroplastic coatings (Teflon®), PTFE and other refined materials for a number of customers' products and production plants. The customers are primarily in the healthcare, cleantech, food and oil and gas industries.

Plastic solutions: This segment offers solutions using one or more of the following technologies: Reaction injection moulding (Polyurethane and Telene), vacuum forming and injection moulding – these are described further below.

- Polyurethane (PUR): Manufacturing of moulded products in solid, foamed, flexible and light-foam PUR for a number of industries, including the cleantech industry. Add to this ventilation equipment, ergonomic mats and striping products.
- Vacuum: Via traditional vacuum forming, High-pressure and Twinsheet, manufacturing of thermo-formed plastic components for refrigerators and freezers, cars, buses and other rolling stock (automotive) and the cleantech and medical device industries.
- Injection moulding: Manufacturing of injection-moulded plastic precision components for a wide range of industries. The business area also produces FDA-registered products for medical device customers.

SP Group in brief

Headquarters in Denmark

established in 1972

Products are marketed and sold

in more than 75 countries

Subsidiaries in

9 countries on 4 continents

Employees

1,452 committed employees

In 2015, revenue grew 13.3% to

DKK 1,320 million

In 2015, revenue from own brands grew 22.0% to

DKK 221 million

In 2015, EBITDA increased by 43.4% to

DKK 163 million

In 2015, the EBITDA margin increased by 2.6 percentage points to

12.3 %

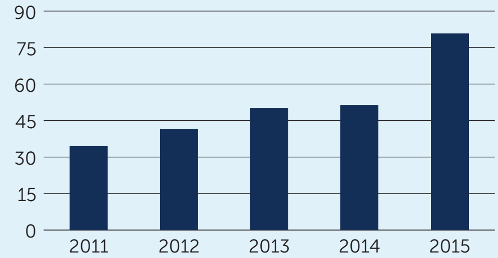
Group financial highlights

DKK '000	2015	2014	2013	2012	2011
INCOME STATEMENT					
Revenue	1,319,768	1,164,942	1,102,053	1,108,527	976,805
Profit before depreciation and amortisation (EBITDA)	162,788	113,496	114,180	105,179	96,531
Depreciation, amortisation and impairment losses	-72,011	-53,329	-48,838	-47,066	-43,770
Profit/loss before net financials (EBIT)	90,777	60,167	65,342	58,113	52,761
Net financials	-10,122	-8,691	-15,180	-16,502	-18,486
Profit/loss before tax and non-controlling interests	80,655	51,476	50,162	41,611	34,275
Profit/loss for the year	61,112	39,809	39,077	31,837	25,906
SP Group A/S' share hereof	60,584	39,020	39,039	31,563	22,832
Earnings per share, DKK per share	28.98	19.87	19.91	15.66	11.28
Diluted earnings per share, DKK per share	28.00	19.25	18.74	15.34	11.11
BALANCE SHEET					
Non-current assets	635,072	574,845	538,012	511,864	440,111
Total assets	1,077,888	943,421	884,740	836,333	769,107
Equity	391,098	266,731	243,996	227,046	191,090
Equity, including non-controlling interests	393,561	276,361	252,326	240,131	205,599
Investments in property, plant and equipment, excl. acquisitions	73,238	77,791	67,242	120,754	53,415
CASH FLOW STATEMENT					
Cash flows from operating activities	171,743	64,101	66,903	100,094	66,885
Cash flows from investing activities, incl. acquistions	-116,350	-67,342	-60,135	-87,624	-51,852
Cash flows from financing activities	-18,403	9,985	-54,859	882	-13,705
Change in cash and cash equivalents	36,990	6,744	-48,091	13,352	1,328
FINANCIAL RATIOS					
Net interest-bearing debt (NIBD)	403,423	467,197	430,030	395,399	355,047
NIBD/EBITDA	2.5	4.1	3.8	3.8	3.7
Operating profit (EBITDA margin), %	12.3	9.7	10.4	9.4	9.9
Profit margin (EBIT margin), %	6.9	5.2	5.9	5.2	5.4
Profit before tax and non-controlling interests in % of revenue	6,1	4.4	4.6	3.8	3.5
Return on invested capital, including goodwill, %	11.5	8.4	9.8	9.6	9.3
Return on invested capital, excluding goodwill, %	13.6	9.8	11.7	11.7	11.5
Return on equity (ROE), excluding non-controlling interests, %	18.4	15.3	16.6	15.1	12.4
Equity ratio, excluding non-controlling interests, %	36.3	28.3	27.6	27.1	24.8
Equity ratio, including non-controlling interests, %	36.5	29.3	28.5	28.7	26.7
Financial gearing	1.0	1.7	1.7	1.6	1.7
Cash flow per share, DKK	79.4	31.6	32.1	48.7	32.5
Total dividends for the year per share, DKK	4.0	3.5	3.0	2.5	2.0
Listed price, DKK per share, year end	373.5	219.5	230.0	120.0	91.0
Net asset value per share, DKK per share, year end	178	135	125	115	94
Listed price/net asset value, year end	2.10	1.63	1.84	1.04	0.96
Average number of employees	1,452	1,255	1,136	1,062	999
Number of shares, year end	2,224,000	2,024,000	2,024,000	2,024,000	2,024,000
Portion relating to treasury shares, year end	22,819	43,993	77,815	48,746	0

The key figures and ratios for 2011-2015 have been prepared in accordance with IFRS. Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". See page 53 for definitions.

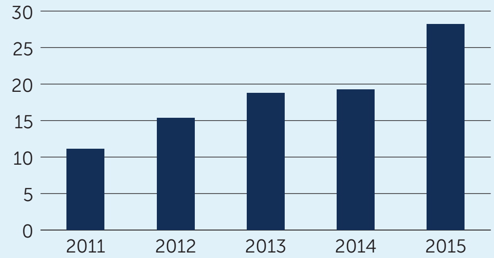
Profit before tax and non-controlling interests increased by 56.7% to DKK 81 million

DKKm



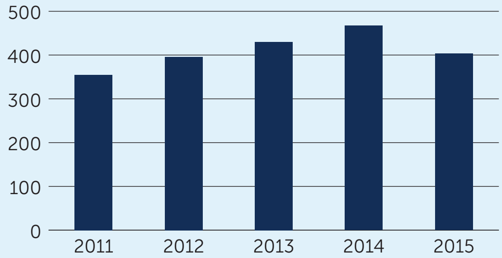
EPS, diluted, increased by 45.5% to DKK 28

DKK



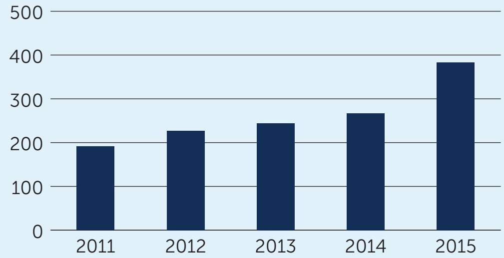
Net interest-bearing debt (NIBD) decreased to DKK 403 million

DKKm

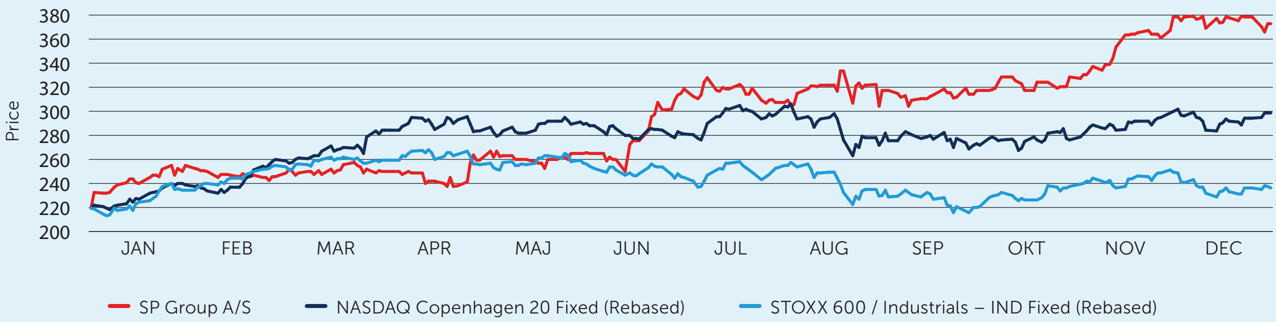


Equity attributable to the equity holders increased to DKK 391 million

DKKm



Development in the share price in 2015



An interesting and eventful year

Dear shareholders and other stakeholders

2015 was another interesting year in a turbulent world. Growth in the global economy was lower than expected at the beginning of the year, e.g. due to regional turmoil various places in the world and volatile raw material prices.

The central banks' cure is still low interest rates and extensive cash injections to the markets.

Naturally, the low growth rates in the economy have affected SP Group's and our customers' development; however, we were able to realise reasonable results.

Sales of our own brands increased by 22.0% and now account for 16.8% of revenue.

Sales to our customers abroad increased by 20.7% and now account for 53.5% of total sales.

Revenue in Denmark increased by 5.8%.

Total revenue amounted to DKK 1,320 million, which is an increase of 13.3% compared to 2014.

EBITDA increased by 43.4% to DKK 162.8 million, and EBIT increased by 50.9% to DKK 90.8 million.

Profit before tax and non-controlling interests rose by 56.7% to DKK 80.7 million, which are our best results so far.

Diluted earnings per share increased by 45.5% to DKK 28.00 per share.

Cash flows from operating activities were positive by DKK 171.7 million.

Net interest-bearing debt decreased by DKK 63.8 million to DKK 403.4 million at the end of 2015, which corresponds to 2.5 times EBITDA for the year.

2015 was an eventful year, see below:

- Our sales to the healthcare industry increased by 20.7% and now account for 41.5% of revenue.
- Our sales to the cleantech industry increased by 4.2% and now account for 25.5% of revenue.
- Our sales to the food-related industry increased by 7.5% and now account to 15.2% of revenue.
- Our sales to the oil and gas industry fell by 69.2% and now account for less than 0.5% of revenue.
- Our sales to the automotive industry decreased by 1.0% and now account for 3.1% of revenue.
- We entered into a number of contracts and partnership agreements holding a good potential for the future.
- We aspire to be an innovative, reliable and competitive partner to our customers, also when they want to outsource their own production.
- At the beginning of the year, we acquired the activities from Scanvakuum in Sorø. Production activities have subsequently been transferred to Gibo's existing plants in Denmark and Poland. The factory in Sorø has been shut down and the leases vacated.
- In March 2015, we took over all of the shares in Sander Tech ApS, one of Denmark's oldest injection moulding companies. Production activities have subsequently been moved from Nibe to Stoholm and made an integral part of SP Moulding's existing factory. The factory in Nibe has been shut down and the leases vacated.
- We acquired all of the shares in Ulstrup Plast A/S in mid-2015. Ulstrup Plast is a well-managed and skillfully run injection moulding company with production activities in Denmark and Slovakia.
- Revenue from the acquired activities and businesses totalled, in the financial year preceding the acquisitions, approx. DKK 120 million, and EBITDA totalled DKK 20 million.
- In April, we took over the remaining 25% of the shares in SP Moulding, China, from IFU. IFU has been a good partner in China for 15 years.
- In June, we issued 200,000 new shares at market price without pre-emption rights for the existing shareholders. The issue was over-subscribed. The shares were sold at a price of 280, resulting in DKK 55.3 million net of new equity for partial financing of the takeover of Ulstrup Plast A/S.
- In Poland, we expanded SP Moulding by adding more square metres and buying new machinery.
- In Poland, SP Medical is presently expanding its cleanroom facilities, meaning that we will be able to injection-mould in cleanrooms in Poland going forward.
- We won a number of new major customers and did not lose any major customers in 2015.
- We launched a number of new and improved products in 2015 (guide wires, ergonomic mats and farm ventilation equipment). Moreover, we have developed new products to be launched in 2016. We have developed our medical device expertise in Denmark, Poland, Slovakia, Brazil and China.
- We invested a total of DKK 73.2 million in new equipment, of which DKK 22.0 million is held under financial leasing.
- Sales of new moulds to our customers were higher than ever before.
- We wrote down development projects for DKK 5.0 million as a consequence of the low oil prices and the decline in global trade. As the commercial distribution of the projects is slower than anticipated, the projects have been written down to DKK 0.
- The price of the SPG share rose from 219.5 to 373.5 at the end of 2015, providing our shareholders with a return on their investments of 70.2%.
- We distributed DKK 3.50 per share in dividend. The total return on the shareholders' investment came at 71.8%, which is somewhat over the general return on investments in the market.

These are the results on which we will base our future activities.

Based on the financial performance in 2015 (NIBD/EBITDA = 2.5, EBITDA % = 12.3, EBIT % = 6.9 and equity ratio including non-controlling interests 36.5%) and the outlook for 2016, the Board of Directors proposes dividends of DKK 4.00 per share and that the Board of Directors is mandated to distribute extraordinary dividends (interim dividend) where the Company's and the Group's financial position so allows.

The central banks' low-interest policy and the fiscal relief packages continue to have a positive and stabilising effect on the global economy, and we only hope that the authorities will not overreact once they begin to tighten again, as the improved prospects are fragile.

In 2015, our tax expenses amounted to DKK 19.5 million, corresponding to an effective tax rate of 24.2%. We pay tax in the country where the income is earned in accordance with national and international transfer pricing rules, and it is our goal to act as a responsible member of society in all areas where we operate. Our tax policy is available at the website

The agreement on SP Group's acquisition of Ulstrup Plast A/S was signed on 22 June 2015

www.sp-group.dk. In 2015, we paid tax in all countries in which we operate permanently, except for Latvia where there is a tax loss carry-forward.

The reduction of the corporate income tax rate in Denmark, as adopted by the Danish Parliament, is a significant step towards restoring the competitiveness of Danish business enterprises. A reduction of duties on production should follow.

We will continue to adjust our capacity, make more efficient – and pursue new opportunities in the medical device industry, the cleantech industry and food-related industries – and move labour-intensive production from Western Europe to Poland, Slovakia, Latvia and China as well as make massive investments in people and technology.

Plastics is the material of the future, and only our own lack of creativity sets the limits to the application of plastics in society in future.

I want to thank our many good and loyal customers and other business partners.

Thanks to shareholders and lenders for backing us up. Also, thanks to our employees for their committed contribution and readiness to change. We will continue to put all our creativity into further improving our solutions for the benefit of our customers, shareholders and employees

Frank Gad
CEO

The year in outline

2015 in outline

Sales of plastic solutions increased by 19.1%, and sales of surface coatings decreased by 17.3%.

The Group's revenue increased by 13.3% to DKK 1,319.8 million from DKK 1,164.9 million in 2014. The change is primarily due to a higher volume. Exchange rate fluctuations, particularly the increase in the USD and RMB exchange rates, have contributed to the revenue growth as well. The currency effect accounts for approx. 2.0% of the 13.3% revenue growth. Acquired activities and businesses account for 6.4%.

Foreign sales increased by 20.7% and now account for 53.5% (up from 50.2% in 2014). Growth rates were high in North America and Asia in particular, but Europe also demonstrated growth. This is the third year in a row our direct foreign sales make up more than 50% of revenue.

Sales to our customers in Denmark increased by 5.8%.

Sales to the healthcare industry increased by 20.7% and were widely based on customers, products, geography and technology. Sales to the healthcare industry now account for 41,5% of our sales (against 38,9% in 2014).

Owing to political and market instability globally, SP Group noted a relatively large decline in the sale of Accoat's coating services to the cleantech and oil and gas industries.

The sale of own brands went up by 22.0%. SP Group realised a significant increase in the sale of ergonomic products (+26.4%), guide wires (+21.1%) and farm ventilation components (+15.6%).

The Group's operating profit – EBITDA – rose by 43.4% to DKK 162.8 million. The EBITDA margin totalled 12.3%, which lives up to the long-term targets for 2015 we set years ago. During the year, considerable resources were dedicated to the commissioning of new production facilities in Denmark and the relocation of the production activities from Scanvakuum and Sander Tech, which had a negative impact on the operating profit. Investments in property, plant and equipment amounted to DKK 73.2 million, which is a decrease of DKK 4.5 million compared to 2014.

Depreciation, amortisation and impairment losses amounted to DKK 72.0 million, which is an increase of DKK 18.7 million on 2014. The amount includes impairment write-downs of development projects by a total of DKK 5.0 million. The write-downs are due to the low oil prices and the decline in global trade.

EBIT amounted to DKK 90.8 million, corresponding to 6.9% of revenue. EBIT increased by DKK 30.6 million relative to 2014.

The Group's financial expenses, net, increased from DKK 8.7 million in 2014 to DKK 10.1 million in 2015 as a result of foreign exchange adjustments. Lending margins were slightly lower than in 2014.

Diluted earnings per share amounted to DKK 28.00, which is an increase of 45.5% compared to 2014.

At the end of 2015, interest-bearing debt can be specified by currency as follows:

DKK	DKK 296 million
EUR	DKK 118 million
PLN	DKK -2 million
USD	DKK -7 million
RMB	DKK -2 million
Total	DKK 403 million

Cash flows

Cash flows from operating activities surged to DKK 171.7 million (against DKK 64.1 million in 2014) primarily due to increased operating income and changes in the net working capital.

Cash flows from investing activities amounted to DKK 116.3 million, partly relating to capacity and competency development in the medical device industry (approx. DKK 23 million), the cleantech industry (approx. DKK 6.0 million) and food-related industries (approx. DKK 3.0 million) and partly relating to general productivity-promoting and energy-saving investments (approx. DKK 20 million). Furthermore, SP Group acquired all of the shares in Ulstrup Plast A/S and Sander Tech ApS for a total of DKK 59.7 million.

Instalments on non-current debt amounted to DKK 52.6 million, and 25% of the shares in SP Moulding in China were acquired for a total of DKK 6.5 million. Further, new shares were issued for a total amount of DKK 55.3 million.

Dividends totalling DKK 8.1 million were distributed to the shareholders, and treasury shares were acquired for DKK 6.7 million, net.

The change in cash and cash equivalents was positive by DKK 37.0 million.

Balance sheet

The balance sheet total went up from DKK 943.4 million to DKK 1,077.9 million, which is primarily attributable to the acquisition of new machines and businesses and an increase in the gross working capital.

Net interest-bearing debt (NIBD) decreased to DKK 403.4 million from DKK 467.2 million and amounted to 2.5 times the year's EBITDA.

It is Management's opinion that the Company still has adequate capital resources and sufficient liquidity for purposes of its plans and operations. The Company has enjoyed a long-term and fruitful working relationship with its financial business partners, which is expected to continue.

The capital structure has changed in the year, meaning that the current interest-bearing debt has decreased from 23.5% to 19.1% of the balance sheet total, and the long-term interest-bearing debt has decreased from 29.2% to 22.6% of the balance sheet total. The equity interest has increased from 29.3% to 36.5%, and non-interest-bearing debt has increased from 18.1% to 22.0%.

The net interest-bearing debt thus decreased from 49.5% to 37.4% of the balance sheet total.

In 2015, equity was positively affected by exchange rate adjustments (DKK 5.6 million) of the foreign entities. Equity was adversely affected by the acquisition of non-controlling interests, DKK 6.5 million, acquisition of treasury shares, DKK 5.1 million, net, and dividend distributions, DKK 8.1 million. Value adjustments of financial instruments held to hedge future cash flows, primarily forward contracts (PLN against EUR), have had a positive effect on comprehensive income and, hence, equity in the amount of DKK 14.4 million. The issue of 200,000 new shares at market price has affected equity positively in the amount of DKK 55.3 million.

Q4 2015

In Q4 2015, SP Group's sales totalled approx. DKK 356.9 million, which is 22.0% more than in the same period the year before.

EBITDA came at DKK 50.0 million, which is up 74.6% on the same period the year before.

Monika Knap in Gibo Plast's factory in Poland

Tinby manufactures the seat of this stool in flexible PUR for Normann Copenhagen

EBIT totalled DKK 27.7 million, which is up DKK 12.6 million on the same period the year before.

Profit before tax and non-controlling interests amounted to DKK 25.4 million, which is an increase of DKK 12.3 million compared to the same period the year before.

The EBITDA margin in Q4 was 14.0%, and profit/loss before tax and non-controlling interests amounted to 7.1% of revenue.

Amortisation, depreciation and impairment losses totalled DKK 22.3 million, which is up DKK 8.8 million on the same period the year before. The amount includes impairment write-downs of development projects by a total of DKK 5.0 million.

In Q4, cash flows from operating activities amounted to DKK 55.4 million (2014: DKK 13.2 million). Cash flows from investing and financing activities were negative by DKK 46.1 million (2014: DKK 26.0 million). Accordingly, the change in liquidity was positive by DKK 9.3 million (2014: DKK 39.2 million).

Follow-up on expectations previously expressed

The profit of DKK 80.7 million before tax and non-controlling interests corresponds to the expectations expressed on 24 January 2016 as to "a profit before tax and non-controlling interests at the level of DKK 80 million". Revenue came at DKK 1,319.8 million, which corresponds to the expectations expressed on 24 January 2016 as to "full-year revenue for 2015 of well over DKK 1.3 billion".

Expectations previously expressed:

26 March 2015: A slightly larger profit before tax and non-controlling interests and a level of activity slightly higher than in 2014 are expected for 2015, but the market prospects for the year are still uncertain. An NIBD/EBITDA ratio of 3-4 at year-end is expected.

28 April 2015: See above.

16 June 2015: Revenue at the level of DKK 1,200-1,250 million and a profit before tax and non-controlling interests at the level of DKK 60 million are now expected.

22 June 2015: SP Group acquires Ulstrup Plast effective 1 July 2015 and now expects revenue at the level of DKK 1,250-1,300 million and a profit before tax and non-controlling interests at the level of DKK 65 million.

20 August 2015: SP Group now expects revenue at the level of DKK 1.3 billion and a profit before tax and non-controlling interests at the level of DKK 70 million.

3 November 2015: SP Group now expects revenue at the level of DKK 1.3 billion and a profit before tax and non-controlling interests at the level of DKK 75 million.

24 January 2016: A profit before tax and non-controlling interests at the level of DKK 80 million is expected. Revenue for entire 2015 is now expected to be well over DKK 1.3 billion.

Events after the balance sheet date

No such significant events have occurred after the balance sheet date and until the publication of this annual report which have not already been incorporated in this annual report or which could change the assessment of the Group and the Company's financial position.

Outlook for 2016

The global economy is also expected to grow in 2016, but it is still fragile and associated with uncertainty. In the neighbouring markets in Europe, a low growth rate is expected in the economy in general, as a number of countries still have grave government deficits and high indebtedness.

We will launch a number of new products and solutions for our customers, particularly in the healthcare, cleantech and food-related industries. These new solutions are expected to contribute to growth and earnings.

A high investment level will be maintained in 2016. The largest single investment is expected to be made in relation to the medical device activities.

Depreciation and amortisation charges are expected to be at a slightly higher level than in 2015.

Financial expenses are expected to be realised at the same level as in 2015.

Combined with strict cost control and early capacity adjustment as well as continued strong focus on risk management, cash management and capital management, this contributes to creating a good basis for the Group going forward.

A slightly higher profit before tax and non-controlling interests and a slightly higher level of activity than in 2015 are expected for 2016.

Going towards 2020

It is our ambition to generate revenue at the level of DKK 2.0 billion in 2020 through continued organic growth combined with minor acquisitions ("buy and build" strategy). To attain this end, we need to achieve annual growth (CAGR) of approx. 9% per annum in the period 2016-2020, corresponding to the annual growth rate realised in the period 2011-2015.

By increasing the ratio of own products in total sales, continuing our internationalisation efforts, further enhancing efficiency and investing massively in new technology and people, it is our ambition to increase the EBITDA margin to 14-15% from the current 12%.

To be able to do so, the markets we operate in need to be well-working in general.

In the long term, profit before tax and non-controlling interests is expected to increase gradually to approx. 8-10% of revenue, as ratio share of own products and state-of-the-art solutions is expected to increase more than the rest of revenue in relative terms. In respect of sub-supplier tasks, the goal is still to generate profit before tax and non-controlling interests corresponding to 5% of revenue.

It is Management's goal to realise a ratio of net interest-bearing debt to EBITDA of 2-4 and to maintain this level as long as the interest rate level is historical low. This goal leaves room for more activities than planned.

SP Group will continue to reduce its net interest-bearing debt by strengthening cash flows from operations and by selling non-value-creating assets in order to free capital.

The equity ratio (including non-controlling interests' share of equity) will be maintained at 25-45%. Should the equity ratio decrease due to a higher level of activity, the Company will consider asking the shareholders for additional capital. If, on the other hand, the equity ratio increases, any excess capital is expected to be transferred back to the shareholders.

SP Group aims at providing its shareholders with a fair return through increases in the share price. Ambitions are that earnings per share should increase by 20% per annum on average over a 5-year period, corresponding to the growth rate achieved in the past five years.

Customers

A service level adapted to the individual customer's requirements and expectations is essential if we are to be regarded as a competitive, innovative, reliable and decent supplier.

Customers' requirements and expectations are constantly growing, as the general development offers more and more options, and a number of areas seem increasingly complex. Therefore, the customers benefit from SP Group's expertise when they are to make decisions on plastic and surface coatings. SP Group's offers to the customers are based on the ambition of being the best local partner within plastics and coatings in relation to product supply, competitiveness, availability and value creation. Often, SP Group succeeds in accommodating the customers' global needs through local presence or by coming up with a global competitive solution from one factory. In 2010, local presence was established in Brazil. Our sales and service activities in North America were expanded with production activities in 2013.

With the acquisition of Bröderna Bourghardt AB in 2014, we have increased our local presence in Sweden and Latvia where we now have both sale and production of Telene products and composite solutions.

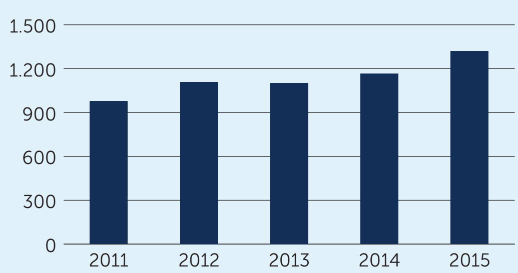
In 2015, we increased our local presence in Slovakia through the acquisition of Ulstrup Plast A/S, involving production, assembly and sale of injection-moulded components and solutions.

Advisory services within plastics and surface treatment are becoming increasingly important, and SP Group is using the Group's expertise and technologies to add value to the customers' products. In 2015, co-operation with leading universities in the EU was extended and so was co-operation with a number of suppliers' research centres and laboratories. Among our suppliers are the world's leading chemical groups.

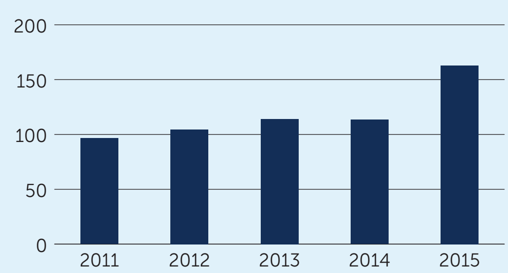
Sales under own brands should be further increased. In a number of global niches, SP Group controls a large part of the value chain with own products, which have higher margins than many of the products that SP Group manufactures as a sub-supplier. Total sales of ventilation equipment from TPI, ergonomic workplace equipment from Ergomat and guide wires under the SP Medical brand increased by 22.0% to approx. DKK 221 million from 2014 to 2015. A number of new products have been developed and were marketed in 2015. In addition to increasing the sale of the existing products, the Group will continue to develop several new products under own brands.

Growth must also be generated from customers and growth industries. An obvious example is the healthcare industry. Sales to this industry totalled DKK 547.1 million in 2015. The increase in sales to this industry is to be maintained with the committed business unit SP Medical as the primary driver. The figure on the next page shows the development in total healthcare sales, which accounted for 41.5% of revenue in 2015. Sales to this industry increased by 20.7% in 2015.

Group revenue 2011-2015 (DKKm)



Operating profit (EBITDA) 2011-2015 (DKKm)



SP Group has also established an international position as a supplier of cleantech solutions, a position which we plan to strengthen.

The figure on the nex page shows the development in sales to the cleantech industry, which accounted for 25.5% of revenue in 2015. Sales to the cleantech industry increased by 4.2% in 2015.

A number of our customers are food manufacturers or suppliers to food manufacturers. This area is called "food-related industries". Sales to food-related industries accounted for 15.2% of revenue in 2015 and amounted to DKK 200.9 million. Development in sales to food-related industries are shown on the next page. In 2015, sales to food-related industries increased by 7.5%.

The healthcare, cleantech and food-related industries accounted for approx. 83% of total revenue in 2015.

During recent years, we have developed a number of unique services to the oil and gas industry. Due to the volatile oil prices in 2015, sales to these industries decreased by 69.2% and now account for a mere 0.5% of the Group's revenue.

Sales to the automotive industry decreased by 1.0% to DKK 40.9 million and now account for 3.1% of revenue.

The geographic expansion will continue through increased sales from the factories in Denmark, Latvia, Slovakia, Poland, Brazil, China and USA with particular focus on markets in Europe, the Americas and Asia. International sales have increased over the past 10 years from approx. 30% to approx. 53.5% of revenue, and this share is to be further increased.

Efficiency and rationalisation

In 2015, the Group's production structure was further rationalised and made more efficient.

Our competency development effort will continue at the factories in China, Poland, Latvia, Slovakia, Brazil, USA and Denmark so that we can meet our customers' needs in a more efficient, better and less costly way.

In Denmark, Gibo Plast has taken over the activities from Scanvakuum and moved them to Gibo's plants in Denmark and Poland. Scanvakuum's factory in Sorø has been shut down and the leases vacated.

In Denmark, SP Moulding has acquired Sander Tech ApS. The activities have been moved to SP Moulding's facilities in Stoholm. Sander Tech's factory in Nibe has been shut down and the leases vacated.

In Poland, SP Medical has expanded its cleanroom facilities and increased the production of guide wires, plastic components and assembly activities.

In Poland, SP Moulding has expanded its injection-moulding and assembly facilities, now also offering 2K injection moulding (dual component).

In USA and Poland, Ergomat has increased its production of ergonomic mats through improved productivity and increased capacity.

In Latvia and Sweden, Brdr. Bourghardt has increased capacity and enhanced efficiency.

The newly acquired business, Ulstrup Plast, has increased capacity and enhanced efficiency in Denmark and Slovakia.

In Denmark, SP Moulding, SP Medical, SP Extrusion, Tinby and Gibo Plast have all enhanced efficiency and increased capacity.

In China, Tinby and SP Moulding have increased capacity and enhanced efficiency.

In Brazil, Accoat has maintained capacity and efficiency, but has decided to reduce capacity in Denmark due to the changed market conditions.

In the Netherlands, TPI has expanded its business with more storage space and a larger organisation. In doing to, TPI has increased capacity and enhanced efficiency.

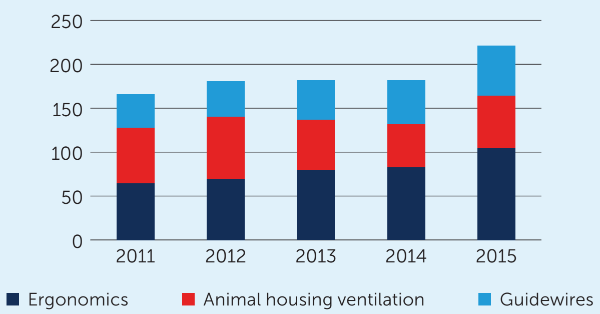
The reliability of delivery (on-time delivery) from all factories was increased and has now reached 98-99% and is to be further improved.

The level of quality is measured on an ongoing basis, and constant efforts are being made to improve quality.

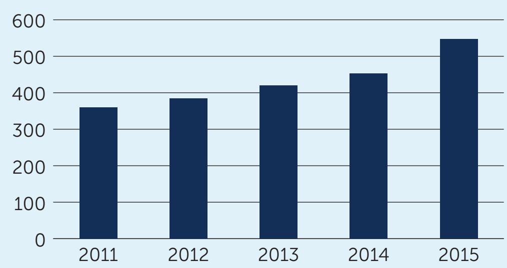
Apart from capacity adjustments, we focus on adjusting general costs on an ongoing basis. SP Group's goal is for all production facilities to manufacture and deliver better, cheaper and faster. Measures are taken on a current basis to reduce the consumption of materials and resources (CO_2 reduction, etc.) and to reduce break-in periods and switch-over times in production. The current LEAN process will continue with focus on improving processes and flows and strengthening our employees' competencies.

Finally, SP Group will continually and critically analyse the Group's activities. If activities and businesses are unable to attain reasonable earnings, they will be closed down or sold.

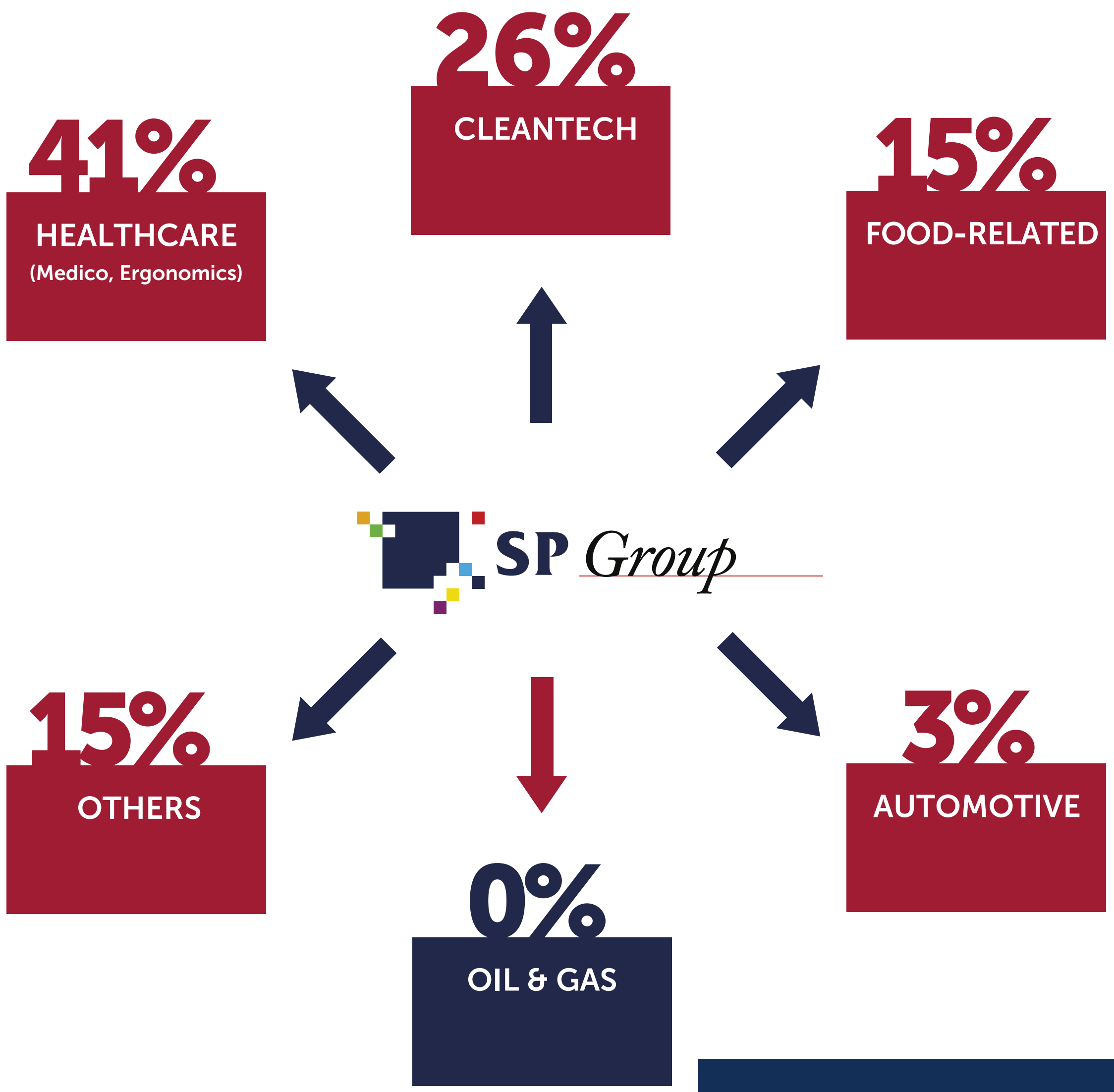
Revenue under own brands 2011-2015 (DKKm)



Revenue from healthcare products 2011-2015 (DKKm)

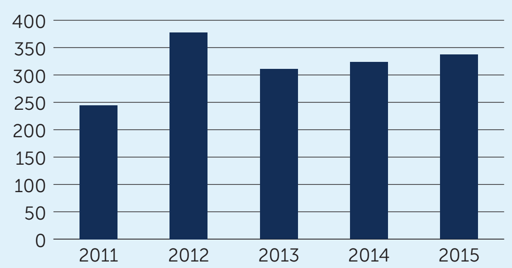


SP Group's sales in 2015 broken down by customer groups:

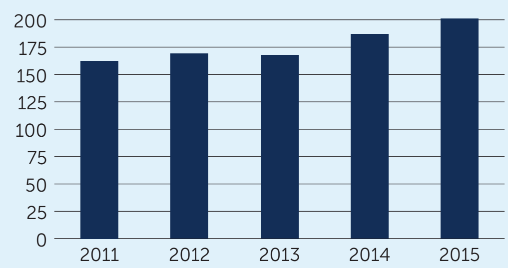


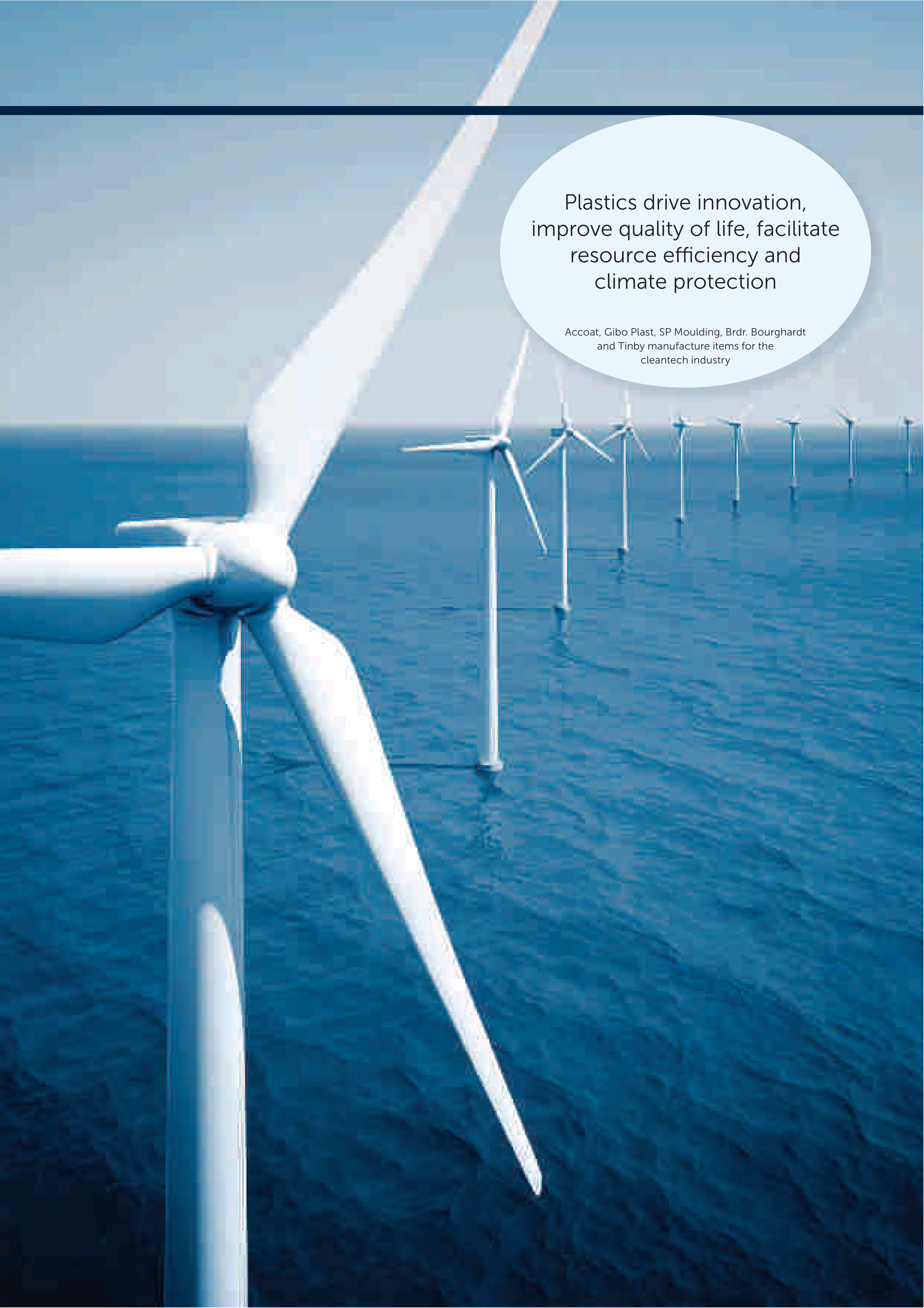
- A total of more than 1,000 customers
- The largest customer accounts for 12% (2014: 13%)
- The 10 largest customers account for 47% (2014: 52%)
- The 20 largest customers account for 60% (2014: 65%)

Revenue from cleantech products 2011-2015 (DKKm)



Revenue from food-related industries 2011-2015 (DKKm)





Plastics drive innovation, improve quality of life, facilitate resource efficiency and climate protection

Accoat, Gibo Plast, SP Moulding, Brdr. Bourghardt and Tinby manufacture items for the cleantech industry

Coatings

- Total solutions
- New tasks in the food industry
- More tasks in the medical device industry

2015 in outline

Revenue fell by 17.3% to DKK 138.8 million. Revenue related to the food and medical device industries were at the level attained last year. Revenue related to the cleantech industry fell due to low activity in developing countries, whereas revenue related to the oil and gas industry has almost disappeared in line with the decline in oil prices.

Accoat has adapted its marketing activities so as to focus on the food, medical device and chemical industries, and the number of customers has now increased.

Operating profit (EBITDA) fell in 2015 compared to 2014 as a result of the lower level of activity. EBITDA decreased from DKK 18.8 million to DKK 13.6 million.

Growth is expected in the coming years, but since much of the activity is project-based, growth rates will depend on whether investments in cleantech in developing countries and in the oil and gas industry in general will once again increase. The productive capacity has been adjusted to the level of activity in the areas in question. Thus, Accoat has been trimmed so as to be able to meet demand for coating based on state-of-the-art fluoroplastic coatings on competitive terms.

Accoat's coating factory in Brazil is still offering coating solutions for the medical device industry.

The factory in Kvistgård is flexible and therefore able to handle most components, and it holds one of the largest furnaces in Europe for sintering of fluoroplastic coatings. Accoat's factory in Stoholm is dedicated to coating of pipes.

Name:	Accoat A/S
Website:	www.accoat.dk
Location:	Kvistgaard in North Zealand, Stoholm in Jutland, Denmark, and São Paulo in Brazil
Executive Board:	Mads Juhl, Managing Director Jens Hinke, Director
Activities:	Accoat performs coatings for industrial products and production plants. The components coated range from very small needles to large tank facilities
Description:	Accoat develops and manufactures environmentally friendly technical solutions for industrial and medical purposes, including fluoroplastics (Teflon®), PTFE and other precious metals
Environment/quality:	Reference is made to the list of certificates on page 32

With these facilities, Accoat is among the most modern and environmentally friendly coating businesses in Europe.

In the coming year, Accoat is going to set up business in Poland.

During the year, Accoat performed tasks for customers in 23 countries.

Markets and products

In 2015, Accoat coated a range of different products such as medical device equipment, chemical reactors, tanks, thermocouples, ovens, baking machines, filling machines, engine components, ventilation equipment as well as equipment for the oil and gas industry. In principle, Accoat is able to coat all kinds of components but has decided to focus especially on high-build (multiple layers) corrosion-protective coatings as well as non-stick and low-friction coatings. In these areas, Accoat is a market leader in Scandinavia and ranks among the four largest players in Europe.

The penetration barriers on the high-build coating market are high as it requires great expertise and costly facilities to manufacture coatings in environmentally friendly synthetic materials. Accoat develops and tests coatings in its own laboratory to be able to document properties and product life. The market is driven by the fact that fluoroplastic coatings can improve the application, strength and product life of a number of products. Accoat adds value to its customers.

For instance, coatings may facilitate the cleaning of surfaces, which reduces the use of detergents, water and time, also resulting in shorter production stoppage during cleaning. Coatings may also make products and production equipment oil- and water-repellent, heat insulating, electrically insulating or resistant to chemicals. In some industries, coatings are necessary to comply with safety requirements.

Customers also experience that they can replace expensive materials such as titanium with other and low-cost surface-treated materials. Consequently, the overall demand for coatings, including nanocoatings, is expected to increase.

Accoat has been approved by the Danish Veterinary and Food Administration to manufacture food contact materials and, thus, meets the requirements in relation to coatings approved for food.

Strategy

Accoat continues to strengthen its product development, improve the properties of its coatings and develop and test new products and processes together with its customers and leading universities.

Clamps coated with Zylan

Applying Accoshield corrosion protection coating

Waffel maker coated with Accoflon

Production equipment with Accolan coating

Moreover, Accoat is involved in research-related projects. Accoat participates in a project supported by, among other parties, Innovationsfonden (Innovation Fund Denmark).

Marketing is focused on selected customers and customer groups. We are very good at what we do, and we will be even better. We have extensive experience in supplying production-optimising coatings for the food industry, improving the properties of medical devices and not least delivering unique corrosion-protective coatings to the chemical industry and cleantech.

Accoat delivers globally, but focuses on direct sales efforts in European markets.

Sales are strengthened through more systems selling where Accoat advises customers on the construction of components and on the choice of materials before the components are coated. End-to-end solutions are easy for the customers, and we offer and supply solutions.

Accoat's efforts to develop customised processes and products are made in close co-operation with customers and suppliers. Examples include the development of antistatic coatings for the paint and varnish industry. The coating, which is based on graphene, will be presented at the European Coatings Show in Spring 2016.

Outlook for 2016

Accoat expects revenue growth in 2016, and the operating profit (EBITDA) is also expected to increase. However, the markets are very unstable, and the current low price of oil has a great impact on the investment propensity in the oil and gas industry.

Development in Coatings 2013-2015

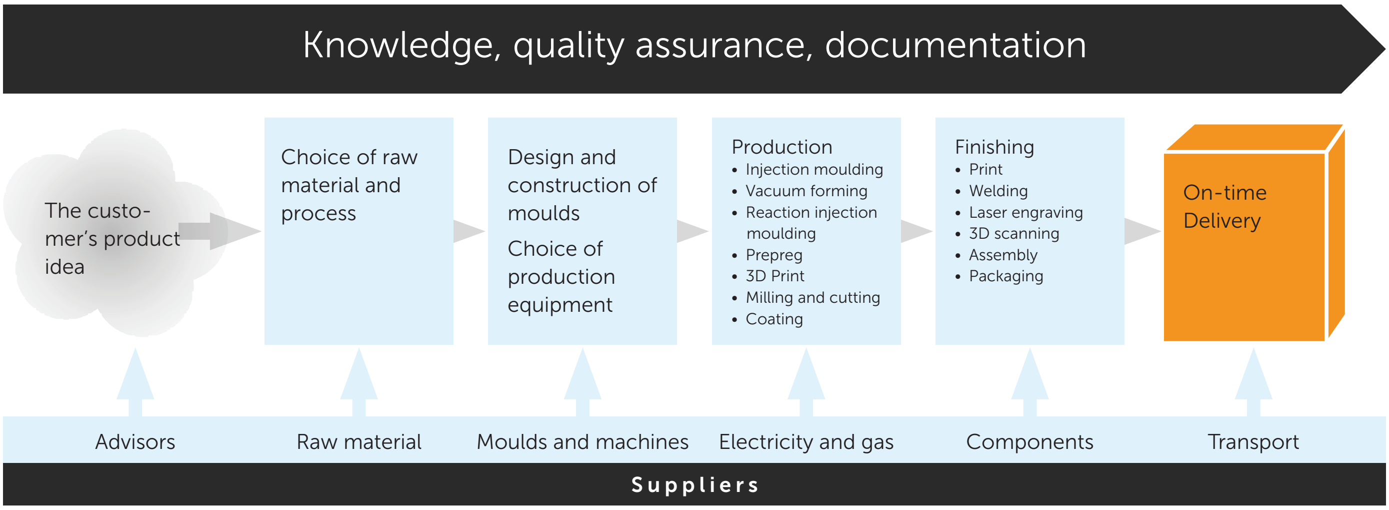
DKKm	2015	2014	2013
Revenue	138.8	167.9	183.5
Profit before net financials. depreciation and amortisation (EBITDA)	13.6	18.8	28.0
Profit before net financials (EBIT)	4.0	9.7	19.3
Total assets	93.9	111.5	120.3
Average number of employees	67	75	81

Plastics

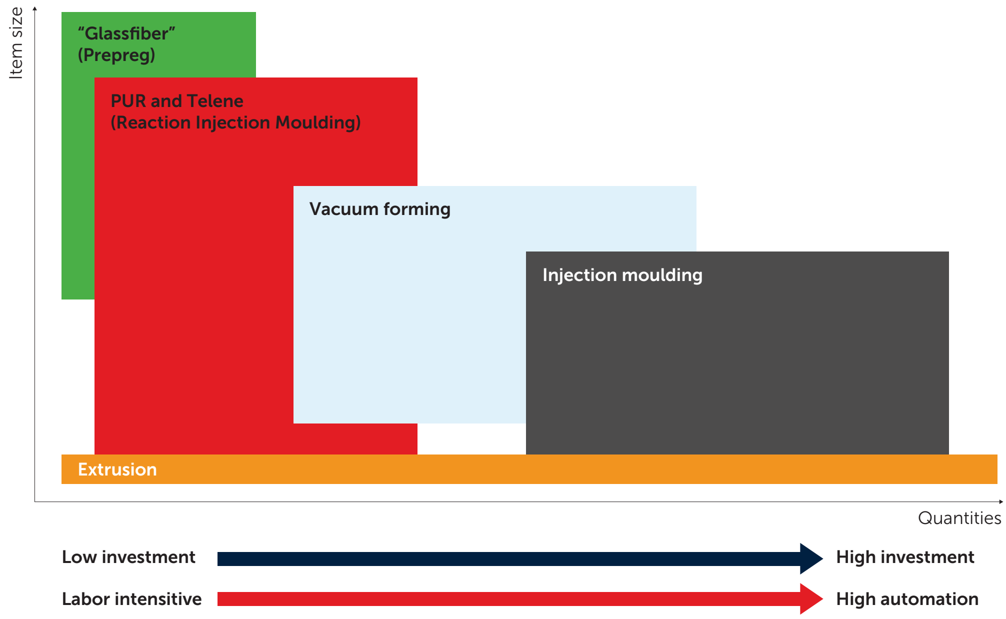
- New tasks in the healthcare industry
- New tasks in the cleantech industry
- More tasks in food-related industries

All plastic enterprises in SP Group provide customised solutions in close co-operation with the customers.

SP Group's value creation



The choice of production technology depends, among other things, on the size of the component and the number to be produced:



Often, a product starts its life cycle in PUR. Once the product has penetrated the market to a certain extent, "Mark II" is made in vacuum, and much later when the production reaches a high amount, "Mark III" is injection-moulded.

We therefore report the plastic enterprises in:

- Injection moulding (SP Moulding, SP Medical, Sander Tech and Ulstrup Plast)
- Vacuum forming (Gibo Plast)
- PUR (Ergomat, Tinby, TPI Polytechniek and Bröderna Bourghardt)
- Extrusion (SP Extrusion)

collectively called PLASTICS.

LifeStraw® Family 2.0 is the next generation of Vestergaard's high-volume, point-of-use water filter. It converts microbiologically contaminated water into clean, safe drinking water, filtering up to 30,000 litres of EPA-quality water, enough to supply a family of five with clean drinking water for three to five years.

LifeStraw® Family 2.0 is a durable, table top version. It includes a large dirty water storage tank and built-in safe storage container with tap.

SP Moulding has been instrumental in developing this unique offering from Vestergaard. SP Moulding is now focusing on scaling up production of this product.

2015 in outline

Revenue increased by 19.1% to DKK 1,189.8 million, which exceeds expectations at the beginning of the year.

Operating profit measured by EBITDA amounted to DKK 157.0 million, which is 50.4% higher compared to 2014 and the best operating profit to date.

Earnings are positively affected by corporate acquisitions.

Very large investments were made in 2015, adversely affecting revenue. The investments are expected to contribute positively to the Company's results of operations from 2016 onwards.

The substantial profit increase is particularly due to Ergomat, TPI Polytechniek, SP Medical, Bröderna Bourghardt and Ulstrup Plast. Also Tinby, TPI, SP Moulding, Gibo Plast and SP Extrusion reported improved financial performance.

Outlook for 2016

The Plastics segment expects revenue and earnings growth.

Activities are expected to be extended in China, USA, the Netherlands, Poland, Sweden, Latvia, Slovakia and Denmark.

Development in Plastics 2013-2015

DKKm	2015	2014	2013
Revenue	1,189.8	999.3	920.8
Profit before net financials, depreciation and amortisation (EBITDA)	157.0	104.4	96.3
Profit before net financials (EBIT)	97.8	63.4	59.4
Total assets	980.3	835.4	803.6
Average number of employees	1,375	1,166	1,042

Injection moulding

- Global progress
- Reasonable results
- Many new tasks
- Acquisition of Ulstrup Plast and Sander Tech

2015 in outline

The improved economic trends combined with a number of new solutions and the sale of a number of new moulds resulted in an increase in activities and operating profit.

SP Moulding saw a reasonable entry of a number of new industrial customers in Europe, America and Asia, and business with existing customers increased in both Europe and Asia.

SP Medical entered into a number of new agreements with both new and existing customers in the medical device industry.

In 2011, SP Medical fitted a new injection moulding factory in Poland, which is to manufacture medical device products. In 2014 and 2015, the factory was fitted with more machines. SP Medical also fitted the factory in Karise with more machines in 2014 and 2015. The construction of a new factory with a cleanroom is expected to be complete in Poland at the beginning of 2016.

Name:	SP Moulding A/S, Ulstrup Plast A/S and SP Medical A/S
Website:	www.sp-moulding.dk, www.up.dk and www.sp-medical.dk
Location:	Juelsminde, Stoholm, Karise, Lynge, Sieradz (Poland), Zdunska Wola (Poland), Pobedim (Slovakia) and Suzhou (China)
Executive Board:	Frank Gad, CEO of SP Moulding A/S, Søren Ulstrup, CEO of Ulstrup Plast A/S, and Kenny Rosendahl, Director of SP Medical A/S
Activities:	SP Moulding and Ulstrup Plast are leading Danish manufacturers of injection-moulded palstic precision components for a wide range of industrial business enterprises. SP Moulding (Suzhou) Co., Ltd. Ltd. In China, SP Moulding Poland Sp. z o.o. and Ulstrup Plast s.r.o. Manufacture technical plastics and perform assembly work. The business unit SP Medical manufactures products in Karise and Zdunska Wola (Poland) for medical device customers.
Description:	In addition to the actual moulding, which is carried out in modern production facilities, the business area handles all finishing such as 3D scanning, laser engraving, ultrasound welding, surface treatment and compression. SP Moulding and SP Medical also handle partial or full assembly, packaging and consignment for a large number of customers.
Environment/quality:	Reference is made to the list of certificates on page 32

In 2015, considerable amounts were invested in new state-of-the-art production equipment (robots, special-purpose machines, injection-moulding machines, 3D scanning, energy savings and IT) as well as break-in of new projects.

Both SP Moulding, SP Medical and Ulstrup Plast have entered into agreements on the purchase of injection-moulding machines to be delivered in 2016. The machines are to be used to expand activities with existing customers.

For the fourth year in succession, SP Moulding has been elected preferred supplier by one of its major, foreign customers, which is leading in its field in Europe and also a global leader.

Following several years' preparations, SP Moulding's factory in Stoholm has been TS 16949-certified.

Markets and products

With approx. 375 injection-moulding machines (including more than 40 two- and three-component machines), SP Moulding, SP Medical and Ulstrup Plast are, combined, the largest independent injection moulding business in Denmark and rank among the largest two in the Nordic countries. The market is still characterised by many small suppliers and excess capacity in certain areas, and a number of customers are turning to low-wage areas. However, several groups with own production of injection-moulded plastics choose to outsource activities to specialists such as SP Moulding, SP Medical and Ulstrup Plast. Moreover, the market share is increased by substituting plastics for other materials.

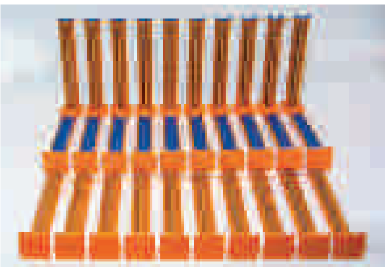
SP Moulding and Ulstrup Plast enjoy obvious advantages in the Northern European market due to their size and expertise in injection moulding and design, product development, international sourcing of moulds and raw materials as well as additional services such as welding, laser engraving, print, 3D print, 3D scanning, full assembly, packaging and dispatch of finished products, often in close co-operation between the factories in Poland, Slovakia, China and Denmark. As price remains an important parameter, the production efficiency needs to be further enhanced. In Europe and China, SP Moulding is a minor supplier of technical plastics, but there is a potential in both regions for considerable growth by virtue of the SP Moulding's overall know-how.

SP Medical addresses a potential market of approx. DKK 15 billion with annual growth of 5-7%. SP Medical ranks among the two or three largest Nordic suppliers of injection-moulded plastics to the medical device industry, and in the niche of PTFE-coated guide wires for urology and radiology, etc., SP Medical is among the three largest suppliers in Europe. SP Medical also manufactures medical components and equipment and surface treats products with function-enhancing coatings.

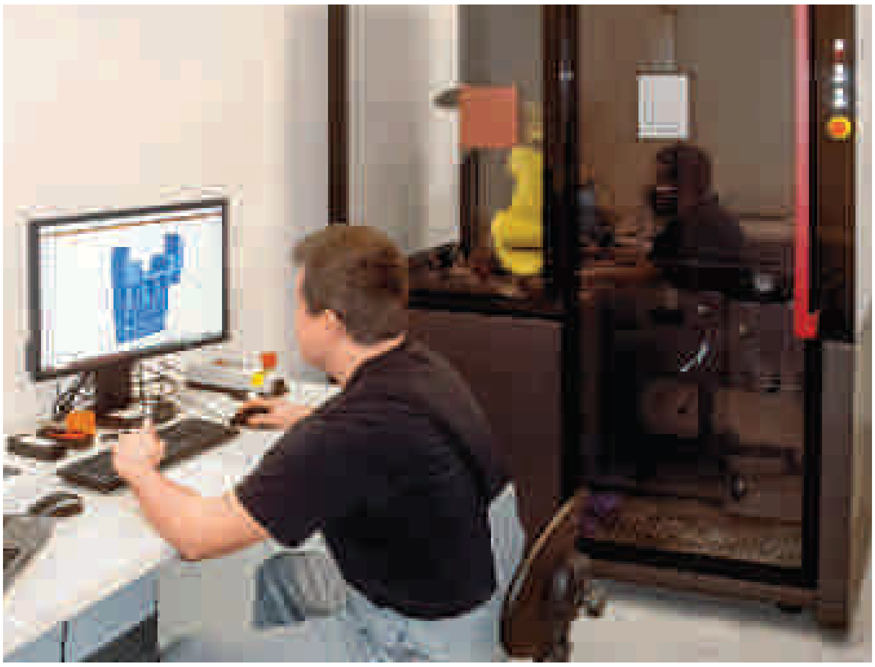
With its expertise and quality standards, the opportunity for SP Medical to increase its market shares us good.

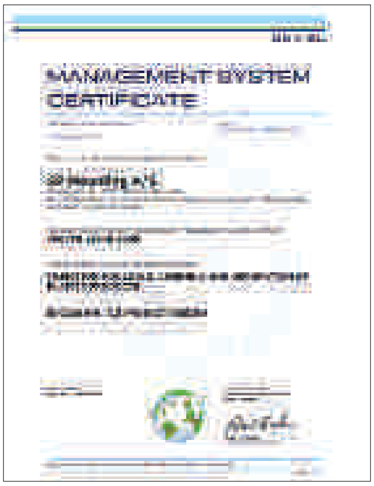
Stifneck® Select™ Collars – Adult and Paediatric. The Laerdal Stifneck select extrication collar is four different collars in one. Stabilize spinal patients correctly and easily with 4 different sizing options that all lock quickly and safely into place. SP Moulding is a key supplier to Laerdal, who is providing lifesaving equipment and solutions globally.

2K component: Measuring stick to measure concrete layer thickness



Przemyslaw Krawczyk is using the new 3D scanner in SP Moulding's factory in Poland





MANAGEMENT SYSTEM CERTIFICATE

SP Moulding A/S in Stoholm has been ISO / TS 16949-certified

SP Moulding's factory in Juelsminde was voted "Supplier of the Year 2014" by Alfa Laval

SP Moulding manufactures chairs in plastic containing 25% wood fibres for Muuto

Strategy

SP Moulding and Ulstrup Plast will increase exports from the three Danish factories to the neighbouring markets, and the Polish and Slovakian factories will strengthen the marketing of technical plastics and assembly activities in the growth markets in Eastern and Western Europe. In China, production capacity has been expanded, and sales are growing. SP Moulding and Ulstrup Plast will continue to move labour-intensive tasks from Western Europe to Poland, Slovakia and China and to invest massively in technology and people.

In all markets, SP Moulding and Ulstrup Plast are planning to win market shares by improved customer services, intensified participation in the customers' product development activities and targeted efforts directed at growth sectors. Competences should be strengthened continually so that SP Moulding and Ulstrup Plast can differentiate itself in future as well. In all plants, the production efficiency enhancement programme will continue, e.g. by means of Lean projects, more automation and focus on energy and raw material consumption, disposals as well as switchover times. SP Moulding will continue its participation in the strengthening of the position in Northern Europe where relevant.

SP Medical will continue to intensify its marketing efforts vis-à-vis new customers, especially benefiting from the fact that the unit with the Polish factory has become increasingly competitive in relation to labour-intensive tasks. The medical device expertise must be strengthened on an ongoing basis, and the cleanroom production in Denmark and Poland must be expanded. In China, "white room production" has been established.

Polyurethane

- Higher activity
- New products
- Expansion in the Netherlands, Poland, USA, China and Latvia

Name:	The business area consists of four activities with polyurethane (PUR) as the common denominator: Ergomat A/S, Tinby A/S, TPI Polytechniek B.V. And Bröderna Bourghardt AB.
Websites:	www.ergomat.com, www.tinby.dk, www.tpi-polytechniek.com, www.bourghardt.se
Location:	Søndersø, Zdunska Wola (Poland), 's-Hertogenbosch (the Netherlands), Helsingborg (Sweden), Cleveland (USA), Montreal (Canada), Suzhou (China) and Liepaja (Latvia).
Executive Board:	Claus Lendal, Managing Director of Ergomat A/S, Torben Nielsen, Managing Director of Tinby A/S, Loïc van der Heijden, Managing Director of TPI Polytechniek B.V. and David Bourghardt, Managing Director of Bröderna Bourghardt AB.
Ergomat A/S	develops and sells ergonomic solutions under own brands – Ergomat® mats and DuraStripe® striping tape – to global corporate customers. Ergomat has sales companies in Europe and North America. Its products are manufactured in Poland and USA.
Tinby A/S	manufactures moulded products in solid, foamed and flexible PUR as well as laminated plastics and vacuum film for, e.g. the graphics, medical device, furniture, refrigerator and cleantech industries. In Poland, Tinby Sp. z o.o. further manufactures light-foam products for TPI. The companies in USA and China manufacture light-foam products and other plastic solutions primarily for the cleantech industry.
TPI Polytechniek B.V.	develops and sells components for ventilation of industrial buildings as well as pig and poultry houses, primarily products under the TPI brand, which are manufactured by Tinby in Poland. Global sales are handled from the Netherlands. Sales in Scandinavia are handled from Denmark.
Brödarna Bourghardt AB	is a specialist in composite processes – prepeg and manual lamination – and uses modern forms of lackering. Brödarna Bourghardt is Skandinavia's leading manufacturer of Telene® products.
Description:	PUR is manufactured by mixing two special liquids, which react, and by pressing the mixture into a mould forming the required component. Expertise comprises knowing the scope for variation and making the best of the material. The process is also called Reaction Injection Moulding – or just RIM.
Environment/quality:	Reference is made to the list of certificates on page 32

2015 in outline

To Ergomat, 2015 was great with 26% revenue growth, primarily driven by USA (36% growth), but also sales in the European market increased. Sales to the Asian market were disappointing.

Tinby experienced handsome growth in global activities. Tinby has factories in Poland of approx. 16,000 sqm. and a factory in China of 2,400 sqm. In USA, Tinby has established a factory of 1,000 sqm., which is primarily used for cleantech production. In Denmark, Tinby has production facilities of approx. 4,500 sqm. in Søndersø.

TPI experienced a 21% increase in global activities. The launch of new products in 2014 and 2015 has helped sales increase. Also the project market improved, and projects in Eastern Europe and other parts of the world developed positively.

Bröderna Bourghardt, which has a sales organisation in Sweden and production activities in Latvia, was acquired in February 2014 and experienced handsome sales growth.

Markets and products

Ergomat consolidated its position as one of the three largest suppliers of ergonomic mats and striping products (DuraStripe) in Europe and North America. Ergomat is characterised by being a pioneer when it comes to better working environment and lean production. In 2015, Ergomat introduced a unique mat concept in USA, Ergomat Deluxe, with in-built LED lighting. This product is a hit, particularly in the automotive industry.

Ergomat experienced great progress in Europe in 2015, not least in Germany, France, the UK, Italy, Sweden and Eastern Europe. Sales failed in Asia, Japan in particular, primarily due to the devaluation of the YEN.

Ergomat is operating actively in more than 60 countries through own offices and local distributors.

Tinby is Scandinavia's leading supplier of moulded components in solid, foamed, flexible polyurethane and combinations thereof. Tinby's components are used for cleantech tasks, in medical device products, instruments, furniture, graphic machines, ventilation, coatings, window and construction profiles, insulation caps and cabinets. Tinby develops special raw materials aimed at narrow and broad product solutions and masters a number of technologies for product refinement, including combination technologies, in-mould coating, varnishing and coatings. Besides the PUR activities, Tinby has a vast number of special productions aimed at the cleantech industry.

With the development of raw materials and technologies, Tinby has succeeded in attracting a large number of tasks, particularly within cleantech, and the geographical focus has also resulted in considerable growth.

Ergomat Basic Bubble mat

TPI's air inlet valves in a chicken barn

Sleep collar in viscoelastic polyurethane

Insulating caps for district heating systems are Tinby's own product

Tinby – Chairik XL chair made in flexible PUR – for Engelbrecht

TPI is the leading supplier in Europe of light-foamed chimneys, air intake and ventilation components for the agricultural and industrial sectors. PUR is especially suitable for these purposes, as the material is light, well-insulating and does not develop condensation when the temperature changes. Eastern European markets are still interesting, and the Middle East, Asia and North America are expected to increase sales in the coming years. Once again, TPI has launched several new products to expand and broaden its existing product range. Due to these new products, TPI will be able to maintain its position in the global market for ventilation equipment in pig and poultry houses.

Bröderna Bourghardt is the leading manufacturer in Scandinavia of components in Telene (impact-resistant plastic suitable for large components) and manufactures state-of-the-art products in composite material ("pre-peg"). The products are primarily sold to off-highway companies and marine applications.

Strategy

More direct sales, intensified marketing and more external distributors in selected markets are to increase Ergomat's sales. Ergomat will increasingly cultivate commercial and service enterprises, the administrative and health sectors and strengthen the efforts in the Americas, Eastern Europe and Asia.

Plagiarism and increased competition require development of new products and concepts, and Ergomat will differentiate itself by offering integrated solutions across existing products and by offering supplementary services.

In Poland, Tinby now has production at four locations totalling approx. 16,000 sqm. In 2014, facilities of 2,600 sqm. were established for new, demanding activities. This factory has been fully commissioned.

Tinby's 2,400 sqm. factory in China in 2010 continues to develop positively. In 2015, additional activities were initiated.

Tinby's establishment in North America in connection with Ergomat's facilities was initiated and audited in 2014. The production facilities and service centre comprise approx. 1,000 sqm.

TPI will continue to improve and expand its product range. Focus on sales in existing as well as new markets will be increased. The storage capacity in the Netherlands will be expanded by 1,200 sqm. to maintain flexibility and service.

Bröderna Bourghardt will increase its focus on sales and technical support to existing as well as potential customers. With the current capacity, our opportunities to increase production output and make our production technologies even more well-known are still fine. We continually work on developing our processes and materials. We also aim to develop one or several products under own brand.

These mats are among the most durable in the world and have a unique capability to facilitate cleaning and withstand strong chemicals.

Vacuum forming

- Improved operating results in 2015
- New tasks in several industries
- Expansion in Poland

2015 in outline

Activities have increased, and Gibo Plast succeeded in ensuring a solid improvement in operating profit and the level of activity. 2015 was an eventful year, as Gibo Plast worked intensely on implementing efficiency-enhancing measures in Denmark as well as Poland. Large amounts and many efforts were invested in strengthening the expertise in the production of tools for prototype devices and production of vacuum-formed plastics, which facilitate better and more effective servicing of existing and new customers by reducing time-to-market in connection with new plastic components.

In Poland, investments were made in new, more effective production machinery. As expected, investments in new plant and the relocation of parts of the production to Poland have entailed lower costs and improved results of operations.

Gibo Plast is one of the largest vacuum forming facilities in Scandinavia and is able to perform complex tasks. In close co-operation with Tinby, Gibo has developed a number of interesting solutions for our customers, uniting the two entities' expertise. In addition, Gibo has further developed expertise in prototype devices and tools and in 2015 was able to develop and manufacture production tools for vacuum forming. This was in order to increase the competitiveness through a very short time-to-market for new plastic components.

Name:	Gibo Plast A/S
Website:	www.giboplast.com
Location:	Skjern and Sieradz (Poland)
Executive Board:	CEO Lars R. Bering
Activities:	Gibo Plast develops, designs and manufactures thermo-formed plastic components. The components are mainly used in refrigerators and freezers, buses and cars (automotive), medical device and lighting equipment as well as in the cleantech industry. Gibo Plast has specialised in traditional vacuum forming and the sophisticated High-pressure and Twinsheet technologies
Description:	Vacuum forming is a process in which plastic sheets are heated and subsequently moulded under vacuum and/or high pressure. The products are subsequently finished by cutting, milling (CNC milling) and finally assembled into the finished product
Environment/quality:	Reference is made to the list of certificates on page 32

Markets and products

The value of the Scandinavian market for vacuum-formed plastics is assessed to be approx. DKK 5-600 million. The market is undergoing drastic changes as a number of traditional users of vacuum-formed plastics are put under pressure by competitors in low-wage areas and therefore move their production to Southern and Eastern Europe or Asia. On the other hand, many components made of materials such as glass fibre, wood and metal may very well be replaced by plastics, as plastics are lighter and easier to mould, allowing of growing demand.

An example is Gibo Plast's transport boxes, which are used by automotive, food and electronics businesses to transport particularly sensitive goods or semi-manufactured products both internally and over long distances. The boxes are lighter than wooden boxes, easier to clean and designed so that the components do not touch each other and can easily be moved by industrial robots. Another example is wind turbines where the design qualities of thermo-formed plastics are pronounced. Plastic sheets come in all colours and with a countless number of different surfaces. Moreover, the components may be provided with technical properties, e.g. the ability to resist heat, cold temperatures, wind, weather and blows.

Within traditional vacuum forming, Gibo Plast is a market leader in Scandinavia and ranks among the 10 largest suppliers in Europe. Within the High-pressure and Twinsheet technologies, the position has been strengthened. Gibo Plast is able to handle components of many different sizes and masters both large-scale production and minor series with customised, logo-embossed components. The offer to the customers is supplemented with 3D CAD/CAM design, CNC milling, decoration, surface treatment, assembly, gluing and packaging.

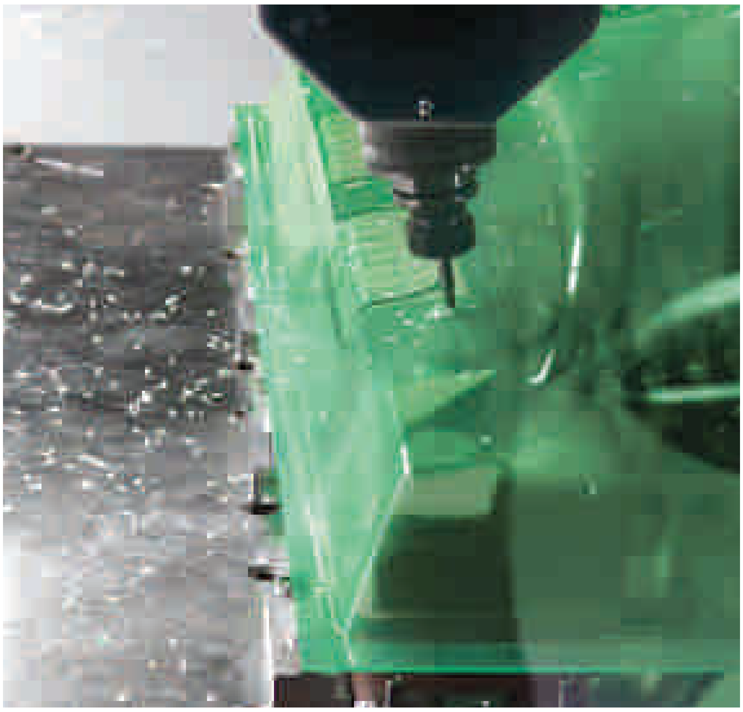
Strategy

Gibo Plast regularly invests in new vacuum-forming machines with robots and CNC-controlled millers. The production lines can manufacture plastic components of up to 4.2 x 2.5 x 0.7 metres, making Gibo Plast a market leader in Northern Europe in the area of forming of large components. The components will replace metal and glass fibre components in wind turbines, buses and trains. Plastic components in high volumes with high quality standards are manufactured on automated production lines where the production machinery is operated by robots. This ensures a high, uniform quality.

In 2011, the first assembly activities were established in Poland, and in Q1 2012, the first vacuum-forming machines were moved to the newly built factory in Poland. In 2013, the relocation from Denmark to Poland was completed, and today, the factory is a separate production unit with a very high level of service and quality.

Milling a transparent component in Gibo Plast's Danish factory

Closer working cooperation between SP Group and VELUX Group



Like SP Group's other companies, Gibo Plast invests in robot technology of the future

High-quality visual control: Krzysztof Tyszkowski carries out quality control in Gibo Plast's Polish factory

Together with a continued improvement of the productivity in Skjern, these initiatives have contributed significantly to improving Gibo Plast's profitability in 2015 and are expected to do so in 2016 as well. Gibo Plast has production plant of 12,000 sqm. in Skjern and 6,000 sqm. in Poland.

Gibo Plast has a balanced customer portfolio and a good exposure to a number of industries. The enterprise is making targeted efforts to attract new customers. At the same time, the company is strengthening itsrelationship with existing customers. Gibo Plast will increasingly contribute to the customers' development phase so that new projects and solutions can be designed and implemented in co-operation with the customers.

Gibo Plast will use the location in the neighbouring areas to cultivate new markets in Eastern and Central Europe. Marketing on new and existing markets will be focussed on disseminate knowledge of plastics in sectors which have traditionally used glass fibre, metals and wood and especially on the High-pressure and Twinsheet technologies allowing greater freedom in design and flexible production of complicated large-sized components. In the slightly longer term, Gibo Plast will test new plastics technologies. Gibo Plast has developed new projects for customers in the automotive and cleantech industries, which are expected to contribute positively to sales and earnings in 2016.

Risk management

Identification and management of business risks is part of the annual strategy plan of the Group and the two business areas approved by the Board of Directors. Further, the Board of Directors determines the framework for managing interest rate, credit and currency risks and addressing risks related to raw materials and energy prices. The framework is assessed at least once a year.

The following risks have been identified as being the key risks for SP Group, but the list is neither prioritised nor exhaustive:

Commercial risks

Market and competitor risks

SP Group's sales and earnings are very dependent on the future GDP development.

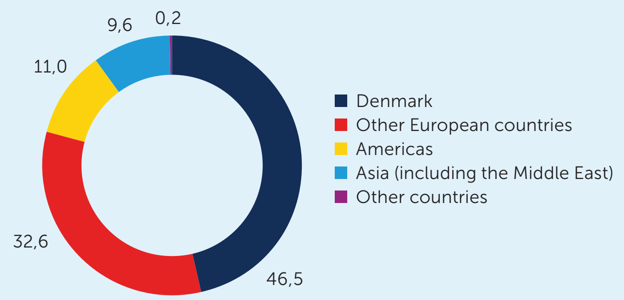
Several segments of SP Group's Danish primary market have been characterised by excess capacity, numerous small marketers, price pressure and customers requiring still smaller batches and more flexible production. Furthermore, SP Group is experiencing increased competition from low-cost producers in Eastern Europe and Asia. In order to reduce the dependence on the Danish market, SP Group is operating in several areas:

First, exports are increased on an ongoing basis. The Group focuses in particular on other Northern European markets, while selected niche products are sold globally. The international share of revenue amounted to 53.5% in 2015 (2014: 50.2%). In 2015, SP Group billed its services directly to customers in 76 countries.

Second, SP Group relocates production to its factories in Poland and China on an ongoing basis, and this relocation will continue. In addition, production activities have been established in Brazil and USA, and production has been acquired in Latvia and Slovakia. With these measures, the Group will still be able to provide services to customers that outsource their production to these areas and will also be able to cultivate new customers in Eastern Europe, China and the Americas.

Third, SP Group's factories are undergoing regular modernisation and automation in order to become more efficient and flexible. This work will continue. Finally, SP Group is consolidating parts of Danish industry either by acquisitions (most recently the takeover of Scanvakuum's activities and Sander Tech ApS and Ulstrup Plast A/S) or by merging own factories or in-sourcing the customers' own production (customers outsource the production to SP Group). This process will also continue, and SP Group has intense focus on reducing costs and utilising the size and expertise of the Group to improve competitiveness. As part of the strategy to differentiate itself, the Group is also strengthening its expertise and competencies in relation to processes, design and materials.

Revenue by geographical area in % – 2015



Customers

SP Group has more than 1,000 active customers, the 10 largest of whom account for 47% of the Group's revenue, down five percentage points compared to 2014. The 20 largest customers account for 60% of revenue (against 65% in 2014). The 20 largest customers are large, consolidated, internationally operating industrial groups.

The largest single customer accounts for 11.6% of the Group's revenue (a decrease from 12.5% in 2014). At plant level, the dependence on single customers is higher as a result of the individual factories' specialisation and focus on specific industries.

The concentration on the 20 largest customers decreased in the year through increased sales of own products to other global customers and the takeover of Ulstrup Plast, which meant hardly any customer overlap with the existing business, but an inflow of new, interesting customers.

41% of the Group's sales relate to the healthcare sector, which is thus the largest single industry. SP Group has deliberately cultivated this industry, because it is a growth sector offering a variety of opportunities for utilising the expertise of SP Group across its business areas. The exposure to the healthcare industry is therefore desired, and risks are reduced by the Group supplying components to a number of different healthcare enterprises in different segments and on all continents. Increasing climate effects have increased the global demand for cleantech products (insulation, energy saving products, renewable energy and environment). Sales to the cleantech industry now account for 26% of the Group's revenue. At group level, SP Group is not over-exposed to certain sectors.

Failing sales to single or several customers may impact on the Group's earnings capacity. To minimise this risk, the Group also seeks to enter into multi-annual customer and co-operation agreements which stipulate the terms of future orders. Furthermore, SP Group is engaged in tasks of production development in co-operation with the customers in order to clearly stand out as a strategic partner. As the typical order horizon is short (4-5 weeks), political or economic instability is quickly reflected in the level of activity.

Finally, the Group works on the development of more niche products and products under own brands, allowing the Group to control sales to a wider extent. Products under own brands accounted for almost 17% of the Group's revenue in 2015, including medical device products (guide wires).

Raw material prices and suppliers

SP Group's earnings depend on the prices of energy (including taxes), raw materials (plastics) and other production materials.

SP Group enters into hedges on electricity, gas and raw materials on an ongoing basis and has agreed on sales price adjustments with a number of customers in case of changes in energy and raw material prices. The Group has centralised its purchase of critical raw materials to increase the level of delivery reliability and to achieve a better bargaining position by purchasing larger bulks. At the same time, SP Group examines the possibility of sourcing critical raw materials globally on an ongoing basis. The exposure to oil price-driven changes in raw material prices may be reduced but will fundamentally persist.

Restructuring the production system

Production systems are changed on an ongoing basis, partly by investing in new production equipment and partly by modifying the systems and distribution of tasks. This means that the Group gradually obtains improved specialisation of the production at each plant and that efficiency is increased. There is a risk that the implementation of these changes may cause delays and disruptions and thus inflict extra costs on the Group or affect business volumes. There is also the risk that relocating production equipment and production tasks may cause delays and price increases.

Through careful planning, SP Group aims at minimising costs and time spent by restructuring the production systems. A smooth and swift implementation of these processes is necessary to increase the profitability of the Group.

Key personnel

SP Group is dependent on a number of key personnel in the management team and among the Group's specialists. SP Group seeks to retain key persons by offering them challenging tasks, a basic salary in conformity with applicable market conditions and incentive schemes rewarding outstanding performance.

Insurance

SP Group has an extensive insurance programme reflecting the scope of the Group's activities and their geographical location. Once a year, the insurance programme is examined together with the Group's global advisor to make adjustments supporting the Group's development on an ongoing basis, thereby minimising any adverse impact on the Group's financial performance. Once a year, the insurance policy is reviewed by the Board of Directors and adjusted as required.

Environmental performance

The production plants are subject to a number of environmental requirements in all countries, and further, a number of environmental and quality assurance systems have been implemented by the plants on a voluntary basis. SP Group complies with applicable environmental requirements, but provides no guarantees that, in spite of extensive safety procedures, the general as well as the working environment may not be affected by accident. (Moreover, reference is made to pages 33-35 on CSR and page 32 on environmental certification).

Financial risks

The Group's cash flows and borrowing are controlled centrally in accordance with the policies approved by the Board of Directors. No speculation in financial risks takes place.

Interest rate risks

Interest rate risks primarily relate to interest-bearing net debt, i.e. mortgage debt, lease liabilities and bank debt less cash and cash equivalents. At year-end, the Group's net interest-bearing debt totalled DKK 403.4 million. Approx. 24% of the debt is fixed-rate for minimum 2-5 years, including mortgage debt with an average interest rate of approx. 1.9%. An increase in the general interest level of one percentage point will result in an increase in the Group's annual interest expenses before tax of approx. DKK 3.0 million.

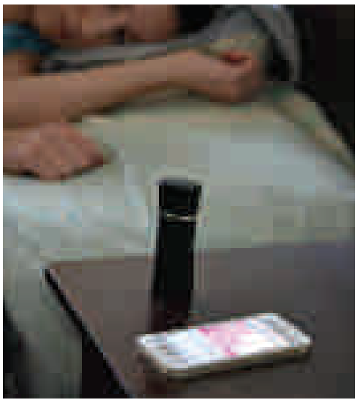
SP Group focuses on increasi ng cash flows from operating activities so that the net interest-bearing debt can be reduced and the Group can finance investments via operating activities. The Group also aims at reducing debt by selling non-value-creating assets and activities.

Credit risks

SP Group systematically monitors the credit rating of customers and business partners and makes use of credit insurance and sale of invoices to partially hedge credit risks. However, trade with blue-chip groups is not subject to credit insurance. No individual customers or business partners pose an unusual credit risk to the Group. The customers and business partners are normally well-reputed companies operating in many different business sectors and countries, which reduces the overall credit risk. SP Group has not realised any noticeable credit losses over the past five years.

Currency risks

In accordance with the policies approved by the Board of Directors, SP Group concludes currency transactions to hedge commercial agreements.



Wink is the first connected thermometer built to sync with a proven fertility app. Over a million women have come to Kindara to manage their reproductive health - whether they want to get pregnant faster, avoid pregnancy naturally, or better understand their cycles. Wink allows women to collect better data with ease, giving them the power to make better decisions about their reproductive health.

SP Moulding has been essential to the creation and perfection of Wink. Their engineering team figured out how to do some amazing things with curved plastic, helping us refine Wink's final form. We're thrilled with SP's craftsmanship, speed of execution and most of all, their accessible team. They helped us create an elegant, premium product that our customers will love.

Hedging takes place by means of borrowing, forward exchange contracts or options, and Management assesses the need for hedging each individual transaction on an ongoing basis.

In general, there is a good balance between income and expenses. Approx. 80% of sales are thus recognised in DKK or EUR, and approx. 60% of the Group's fixed costs are incurred in DKK or EUR. The most important commercial currency risk is indirect and relates to the customers' sales outside Europe. Similarly, purchasing is primarily conducted in DKK and EUR.

Exports from Europe to USA are settled in USD on a 12-month forward selling basis (project orders up to 36 months).

Moreover, there is a currency risk between PLN and EUR and between RMB and USD as the Group has increasing exports from Poland and China, which are settled in EUR and USD, respectively. In order to hedge the currency risk between PLN and EUR, EUR is sold against PLN on forward contracts for up to 36 months (hedging). At year-end 2015, we had hedged approx. 99% of the expected net cash flows for the coming 36 months.

29% of the Group's financing has been obtained in EUR, and the remaining debt has been obtained in DKK. A fluctuation of 1% in the EUR rate against DKK may therefore affect the financial performance by up to DKK 1.2 million.

Liquidity risks

It is the Group's objective to have sufficient cash resources to be able to continuously make appropriate arrangements in case of unforeseen changes in cash outflows.

It is Management's opinion that the Company still has adequate capital resources and sufficient liquidity for purposes of its plans and operations. The Company has enjoyed a long-term and fruitful working relationship with its financial business partners, which is expected to continue.

The Group has neither neglected nor been in breach of loan agreements in the financial year or the comparative year.

Corporate governance

Proper and decent management

Proper and decent management is a precondition for SP Group being able to create long-term value for its shareholders, customers, employees and other stakeholders. Management sets up clear strategic and financial goals and provides information on goal achievement on an ongoing basis in order for all stakeholders to be able to evaluate the development and future of the Group. It is essential to Management that SP Group meets its stakeholders at eye level and that the shareholders can exercise their rights freely.

The Board of Directors and the Executive Board strive to act openly in relation to their work and their approach to management. Management follows the recommendations for corporate governance issued by the Committee on Corporate Governance in 2013 (last update November 2014) based on the "comply or explain" principle. At http://www.sp-group.dk/investor+relations/corporate+governance, the Board of Directors systematically describes "the Company's position on the recommendations on corporate governance of May 2013" in the section Corporate governance. SP Group complies with the majority of the recommendations, but has chosen a different practice in some areas which is more suitable for SP Group. The main deviation involves the following:

- SP Group has not determined any mandatory retirement age for the members of the Board of Directors. SP Group finds that a mandatory retirement age is discriminating and also that the capacity and contribution of each member are more important than their birth certificates.

In a few areas, SP Group has not formalised procedures and policies to the same extent as suggested by the Committee on Corporate Governance. SP Group has, for instance, neither an actual stakeholder policy (but a clear attitude to and policies for communication) nor any separate engagement description for the Chairman (instead this is part of the rules of procedure for the Board of Directors).

The Board of Directors has considered appointing committees under the auspices of the Board of Directors, but found that, due to the size of the Group, SP Group does not need such committees, with the exception of an Audit Committee whose members are the collective Board of Directors, chaired by Hans-Henrik Eriksen.

The work of the Board of Directors

In 2015, the Board of Directors held 10 meetings, of which two focused on strategy and budgets, respectively. At the strategy meeting in December, the Board of Directors also discussed business risks and the management of such risks at group level and in the business areas. Once a year, the Board of Directors determines the framework for managing interest rate, credit and currency risks and risks related to raw materials and energy prices, and the Board of Directors follows up on the implementation of this framework on an ongoing basis. Discussion and revision of the rules of procedure is a routine procedure at the board meeting in June. All board members attend to the functions of the Audit Committee. Separate meetings in the Audit Committee are held in connection with meetings in the Board of Directors.

The Board of Directors assesses the Group's financial position, goals, dividend policy and share structure on an ongoing basis. The dividend policy is specified in the section "Shareholder information", and the financial goals are specified in the section "Strategic development". The Board of Directors assesses that the financial structure is appropriate considering the current size and challenges of SP Group, and the Board of Directors aims at an equity ratio of 25-45% to ensure an efficient capital structure in 2015. It is expected that the equity ratio will have increased to 25-45% by the end of 2016. If the equity ratio increases, any excess capital will be paid out to the shareholders.

The Board of Directors receives a weekly report from the Executive Board, which details a number of recurring areas, including cash flows and developments in the business areas. In addition, the Board of Directors receives quarterly and monthly reports, including detailed financial follow-up.

Composition of the Board of Directors

The board members elected by the shareholders are up for election each year. 4-5 members is an appropriate number, as the Board of Directors can thus work efficiently and gather quickly while at the same time being diverse enough to represent different experiences.

The Board of Directors is composed of persons with relevant insight into the plastics industry and management experience from internationally operating production enterprises. Hans W. Schur is connection to a major shareholder in the Company, but cannot be considered to be a majority shareholder. Thus, no member of the Board of Directors has any other interest in SP Group than safeguarding the shareholders' interests, and SP Group finds that the current board members possess the qualifications and experience necessary to manage the Group and act as an efficient sounding board vis-à-vis the Executive Board. Of the board members elected by the company in general meeting, only Hans-Henrik Eriksen is found to be independent in accordance with the criteria defined by the Committee on Corporate Governance. The other four board members have been members of the Board of Directors for more than twelve years.

At the annual general meeting in 2009, the two employee representatives on the Board of Directors resigned as their term of office expired. No new representatives have been elected in accordance with the rules of election of group representatives for SP Group's Board of Directors. In the coming year, the Board of Directors will therefore only consist of the members elected by the shareholders.

Remuneration of Management

The Company's remuneration policy has been approved by the general meeting, most recently in 2014.

The Board of Directors has no incentive programmes but receives an ordinary remuneration determined by the annual general meeting. As announced at the latest annual general meeting, it is recommended that remuneration for 2015 be fixed at DKK 400,000 to the Chairman, DKK 250,000 to the Deputy Chairman and DKK 200,000 to other members. Moreover, it is proposed that the Chairman of the Audit Committee should receive a separate fee of DKK 50,000 in addition to the directors' fee. The members of the Board of Directors will not receive any remuneration for any ad hoc tasks but will be reimbursed for travelling expenses in connection with meetings, etc.

The Board of Directors will propose that the directors' fee for 2016 remains unchanged at DKK 400,000 to the Chairman, DKK 250,000 to the Deputy Chairman and DKK 200,000 to other board members. Moreover, it is proposed that the Chairman of the Audit Committee should receive a separate fee of DKK 50,000 in addition to the directors' fee.

Remuneration of the Executive Board is negotiated by the Chairman and adopted by the Board of Directors. The remuneration consists of a basic amount and usual benefits such as company-paid telephone, car, etc. In 2015, the aggregate remuneration of the Executive Board was DKK 5.4 million against DKK 5.6 million the year before. Members of the Executive Board make pension contributions themselves. The Company must give at least 24 months' notice of dismissal to CEO Frank Gad and at least 12 months' notice to CFO Jørgen Hønnerup Nielsen. If the members of the Executive Board are dismissed in connection with a takeover of SP Group (by merger or other combination), the Company will not be obliged to pay any further severance pay.

Members of the Executive Board are not eligible for any short-term incentive schemes such as bonus schemes. However, SP Group has set up long-term incentive schemes.

In 2011, the Board of Directors issued 100,000 warrants to the Executive Board and executive officers in the Group. Frank Gad received 20,000 warrants, and Jørgen Nielsen received 10,000 warrants. The remaining 70,000 warrants were distributed between 21 executive officers. The issued warrants can be exercised to purchase shares in the period 1 April 2014 to 31 March 2017; however, exercise can only take place during the first two weeks in those periods where Management is allowed to trade the Company's shares in accordance with the Company's internal rules. The exercise price is fixed at DKK 100 based on the listed price immediately before and after the publication of the annual report on 30 March 2011. Moreover, 7.5% per annum is added, counted from 1 April 2011 and until the warrants can be exercised at the earliest. The programme will not represent a value to the executive officers until the shareholders have noted increasing share prices. The grant in 2011 was made based on the mandate granted to the Board of Directors by the company in general meeting in 2010. All warrants under the 2011 programme are hedged by means of treasury shares. Both Frank Gad and Jørgen Nielsen exercised their warrants in 2014. So did most of the other executive officers. The remaining executive officers exercised their warrants in 2015. At year-end 2015, there were no outstanding warrants under the 2011 programme.

In 2012, the Board of Directors issued 100,000 warrants to the Executive Board and executives in the Group. Frank Gad received 20,000 warrants, and Jørgen Nielsen received 10,000 warrants. The remaining 70,000 warrants were distributed between 22 executive officers. The issued warrants can be exercised to subscribe for shares in the period 1 April 2015 to 31 March 2018; however, exercise can only take place during the first two weeks in those periods where Management is allowed to trade the Company's shares in accordance with the Company's internal rules. The exercise price is fixed at DKK 120 based on the listed price immediately before and after the publication of the annual report on 28 March 2012. Moreover, an addition of 7.5% per annum is added calculated from 1 April 2012 and until the warrants can be exercised at the earliest. The programme will not represent a value to the executives until the shareholders have ascertained increasing share prices. The grant in 2012 was made based on the mandate granted to the Board of Directors by the company in general meeting in 2011. Only 98,612 of the 100,000 warrants issued have vested or been purchased. Both Frank Gad and Jørgen Nielsen exercised their warrants in 2015. So did most of the other executives. At year-end 2015, 19,150 warrants under the 2012 programme were outstanding. All warrants are hedged by means of treasury shares.

In 2013, the Board of Directors issued 100,000 warrants to the Executive Board and executive officers in the Group. Frank Gad received 17,000 warrants, and Jørgen Nielsen received 8,000 warrants. The remaining 75,000 warrants were distributed between 23 executive officers. The issued warrants can be exercised to subscribe for shares in the period 1 April 2016 to 31 March 2019; however, exercise can only take place during the first two weeks in those periods where Management is allowed to trade the Company's shares in accordance with the Company's internal rules. The exercise price is fixed at DKK 145 based on the listed price immediately before and after the publication of the annual report on 22 March 2013. Moreover, an addition of 7.5% per annum is added calculated from 1 April 2013 and until the warrants are exercised. The programme will not represent a value to the executives until the shareholders have ascertained increasing share prices. The grant in 2013 was made based on the mandate granted to the Board of Directors by the company in general meeting in 2013. Only 96,334 of the 100,000 warrants issued

For Randers+Radius, Tinby casts seats and backs for this DRY chair

have vested or been purchased. Approx. 15% of the warrants are currently hedged by treasury shares.

In 2014, the Board of Directors issued 50,000 warrants to the Executive Board and executives in the Group. Frank Gad received 6,000 warrants, and Jørgen Nielsen received 4,000 warrants. The remaining 40,000 warrants were distributed between 25 executives. The issued warrants can be exercised to subscribe for shares in the period 1 April 2017 to 31 March 2020; however, exercise can only take place during the first two weeks in those periods where Management is allowed to trade the Company's shares in accordance with the Company's internal rules. The exercise price is fixed at DKK 280 based on the listed price immediately before the publication of the annual report on 27 March 2014 and up to 29 April 2014. Moreover, an addition of 7.5% per annum is added calculated from 1 April 2014 and until the warrants are exercised. The programme will not represent a value to the executives until the shareholders have ascertained increasing share prices. The grant in 2014 was made based on the mandate granted to the Board of Directors by the company in general meeting in 2013.

In 2015, the Board of Directors issued 50,000 warrants to the Executive Board and executive officers in the Group. Frank Gad received 6,000 warrants, and Jørgen Nielsen received 4,000 warrants. The remaining 40,000 warrants were distributed between 26 executives. The issued warrants can be exercised to subscribe for shares in the period 1 April 2018 to 31 March 2021; however, exercise can only take place during the first two weeks in those periods where Management is allowed to trade the Company's shares in accordance with the Company's internal rules. The exercise price is fixed at DKK 255 based on the listed price immediately before the publication of the annual report on 26 March 2015 and up to 27 April 2015. Moreover, an addition of 7.5% per annum is added calculated from 1 April 2015 and until the warrants are exercised. The programme will not represent a value to the executives until the shareholders have ascertained increasing share prices. The grant in 2015 was made based on the mandate granted to the Board of Directors by the company in general meeting in 2013.

The Board of Directors believes that share-based arrangements are necessary to ensure that SP Group will be able to attract and retain qualified executive officers and other key personnel. The Board of Directors wishes to tie the executive officers closer to the Group, reward them for their contribution to the long-term value creation and establish that executive officers and shareholders have a common interest in increasing share prices.

SP Group's programmes so far have all been multi-annual programmes to promote long-term conduct among the executive officers, and as a result of the annual interest surcharge, the exercise price has been higher than the share price at the grant date. These principles will also apply going forward.

Directorships in Danish and foreign companies, etc., at 1 March 2016

Niels Kristian Agner,
Director, Værløse, born in 1943.
Member and Chairman of the Board of Directors since 1995.
Directors' fee: DKK 400,000.
No. of shares: 47,450 personally owned (+17,725) and 0 through his own company (-15,100).
Other directorships: Pigro Management ApS (D), D. F. Holding, Skive A/S (BF), Aktieselskabet Schouw & Co. (BM), G.E.C. Gads Forlag Aktieselskab af 1994 (BM), C. E. Gads Fond (commissioned), Direktør Hans Hornsyld og Hustru Eva Hornsylds Legat (BM), Direktør Svend Hornsylds Legat (BM) Fonden LDE 2 GP (BM), Fonden LDE 3 GP (BM), Fonden MIFIF II GP (BM), SP Moulding A/S (BF) and Fonden Maj Invest Equity General Partner (BM).

Erik Preben Holm,
CEO, Hellerup, born in 1960.
Member of the Board of Directors since 1997, Deputy Chairman.
Directors' fee: DKK 250,000.
No. of shares: 33,500 personally owned (+1,750).
Other directorships: KK-Group A/S (BF), Vernal A/S (BF), Sticks 'N' Sushi A/S (BF), Sticks 'N' Sushi Holding A/S (BF), Vega Sea A/S (BF), Arvid Nilssons Fond (NF), SP Moulding A/S (NF), AO Invest A/S (BM), Brødrene A & O Johansen A/S (BM), Fonden Maj Invest Equity General Partner (BM), Maj Invest Equity A/S (BM), Muuto A/S (BM), Muuto Holding A/S (BM), Erik Holm Holding ApS (D), Fondsmæglerselskabet Maj Invest A/S (D), Maj Invest Equity A/S (D), Interbuild ApS (D), LDE Holding 24 ApS (KK-Group) (D), LD Equity 1 K/S (MI), LD Equity 2 K/S (MI), LD Equity 3 K/S (MI), Maj Invest Equity 4 K/S (MI), LD Invest Vietnam K/S (MI) og Maj Invest Equity Southeast Asia II K/S (MI).

Hans Wilhelm Schur,
CEO, Horsens, born in 1951.
Member of the Board of Directors since 1999.
Directors' fee: DKK 200,000.
No. of shares: 0 personally owned and related parties 508,271 (+80,900).
Other directorships: Dansk Industri, Horsens (BM), Danmarks Industrimuseum (BF), Konsul Axel Schur og Hustrus Fond (BF), Schur International a/s (D and BM), Schur International Holding a/s (D and BM), Schur Finance a/s (BF), Schur Consumer Products Inc. (BF), International Packaging Group (BF), Conflex Packaging GmbH (BM), SP Moulding A/S (BM) and Dit Pulterkammer A/S (BM).

Erik Christensen,
Director, Vejle, born in 1937.
Member of the Board of Directors since 2002.
No. of shares: 18,787 personally owned (+787) and 33,313 (+1,313) though his own company. Related party: 69,938 (+3,938).
Directors' fee: DKK 200,000.
Other directorships: Nagel Danmark A/S (BM), Andresen Invest A/S (BF), B. Christiansen Holding A/S (BM), Ejendomsselskabet af 1. oktober 1999 A/S (BM), K. Christiansen Holding A/S (BM), Luise Andresens Fond (BF), Nic. Christiansen Holding A/S (BF), Nic. Christiansen Import A/S (BF), Nic. Christiansen Invest A/S (BM), Schur International Holding A/S (BM), SP Moulding A/S (BM), NCG Retail A/S (BM), Ferrum Holding A/S (BF), Ferrum A/S (BF), Innovest ApS (BM), Pizzaflex ApS (BM), Novopack ApS (BM) and Chriscom ApS (D).

Hans-Henrik Eriksen,
CEO, Risskov, born in 1960.
Member of the Board of Directors since 2013.
Directors' fee: DKK 250,000.
No. of shares: 2,375 personally owned (+875).
Other directorships: Digi Kiosk ApS (BF), Lysholt Erhverv A/S (NF), Buen 1 ApS (NF), L E 2 ApS (NF), Exact Brazil A/S (BM), Green Tech Center A/S (BM), Cardlab ApS (BM), Cardlab Innovation ApS (BM), Liplasome Pharma ApS (BM), Bagger-Sørensen Fonden (BM), SP Moulding A/S (BM), Limb Holding A/S (BF), Limb Finance ApS (BF), Limb Holding Ltd. (BM), Michael Limb Holdings Ltd. (BM), High Firs Investment Company Ltd. (BM), Random Wood Investment Company Ltd. (BM), Random Wood Investment Company Ltd. (BM), Green Tech Houses ApS (BM), Food Innovation House ApS (BF), Jabami ApS (BF), Navest A/S (BF), Ejendomsanpartsselskabet MT 04 (BF) Colombus E. ApS (BM), Coffee Brewer Nordic A/S (BM), Bricks A/S (BM), Bricks Ejendomme A/S (BM), Strandvejen 201 Holding A/S (BM), Strandvejen 201 A/S (BM), Ejendomsselskabet SF44 A/S (BM), Bagger-Sørensen & Co. A/S (D), Bagger-Sørensen Invest A/S (D), Vecata Ejendomme A/S (D), Vecata Invest A/S (D), Liplasome Pharma ApS (D), 4 Best Invest ApS (D), Arcedi Biotech ApS (BM), Tina Holding ApS (D), J-Flight ApS (D), Idecra IVS (D) and SoLoCa IVS (D).

BF = Chairman of the Board of Directors
NF = Deputy Chairman
MI = member of the investment committee
D = Director
BM = board member

Key elements in the Group's internal control and risk management systems in connection with the financial reporting

Financial reporting process

The Board of Directors and the Executive Board have the overall responsibility for the Group's control and risk management in connection with the financial reporting process, including compliance with relevant legislation and other adjustments in connection with the financial reporting. The Group's control and risk management systems can provide reasonable but not absolute assurance that fraudulent use of assets, losses and/or material errors and omissions in connection with the financial reporting are avoided.

Control environment

At least once a year, the Board of Directors assesses the Group's organisational structure, the risk of fraud and the existence of internal rules and guidelines.

The Board of Directors and the Executive Board lie down and approve overall policies, procedures and controls in significant areas in connection with the financial reporting process, including business procedures and internal controls, budget and budget follow-up procedures, procedures for the preparation of monthly financial statements and controlling in this connection and procedures for reporting to the Board of Directors.

The Board of Directors may set up committees in relation to special tasks. For further information, see the section Proper and decent management.

The Executive Board monitors on an ongoing basis compliance with relevant legislation and other regulations and provisions in connection with the financial reporting and reports to the Board of Directors on an ongoing basis.

Risk assessment

At least once a year, the Board of Directors makes an overall assessment of risks relating to the financial reporting process. As part of the risk management, the Board of Directors considers the risk of fraud and the measures to be taken in order to reduce and/or eliminate such risks. In this connection, Management's incentive/motive, if any, for fraudulent financial reporting or other fraud is discussed.

Executive Board

Frank Gad, CEO
Born in 1960, MSc in Economics and Business Administration, Frederiksberg.
Salary in 2015: DKK 3.6 million and a car.
Share-based salary in 2015: DKK 0*.
Frank Gad took up his position in November 2004 and is also the CEO of SP Moulding A/S and Chairman of the Board of Directors of the most significant subsidiaries of SP Group.
Previous employment: CEO of FLSmidth A/S (1999-2004), CEO of Mærsk Container Industri A/S (1996-1999) and employment at Odense Staalskibsværft (1985-1999), Executive Vice President at the time of resignation.
External directorships: Director of Frank Gad ApS, Gadplast ApS and Gadmol ApS.
Shares in SP Group: 89,966 personally owned (-14,000) and 288,273 (+54,000) through his own company. Related parties: 3,990 (0).
* Assessed according to the Black Scholes formula at the grant date.

Jørgen Hønnerup Nielsen, CFO
Born in 1956, Graduate Diploma in Business Administration, Odense.
Salary in 2015: DKK 1.6 million and a car.
Share-based salary in 2015: DKK 25,267*.
Jørgen Nielsen joined Tinby in 1987 and has been employed in SP Group since 2002. Jørgen Nielsen was admitted as member of the Group Executive Board at 1 March 2007.
Previous employment: Rasm. Holbeck og Søn A/S 1985-87, Revisionsfirmaet Knud E. Rasmussen 1978-85.
External directorships: None.
Shares in SP Group: 27,200 personally owned (+5,000).
* Assessed according to Black Scholes at the grant date.

Management team

Other executive officers of SP Group are:
Jens Hinke, Director of R&D in SP Group A/S, and Managing Director of Accoat A/S until August 2015
Mads Juhl, Managing Director of Accoat A/S from 1 August 2015
Lars Ravn Bering, Managing Director of Gibo Plast A/S
Torben Nielsen, Managing Director of Tinby A/S
Adam Czyzynski, Managing Director of Tinby Sp. z o.o., Poland
Jeroen van der Heijden, Chairman, TPI Polytechniek B.V., the Netherlands
Loïc van der Heijden, Managing Director of TPI Polytechniek B.V., the Netherlands
Claus Lendal, Managing Director of Ergomat A/S
David Bourghardt, Managing Director of Bröderna Bourghardt AB, Sweden
Søren Ulstrup, CEO, Ulstrup Plast A/S. From 1 July, under the auspices of SP Group A/S
Kenny Rosendahl, Director of SP Medical A/S
Mogens Laigaard, Director of SP Medical A/S, guide wire department
Jan R. Sørensen, Managing Director of SP Moulding (Suzhou) Co., Ltd., China
Jens Birklund Andersen, Director of SP Moulding A/S, Stoholm, and of Sander Tech ApS
Jesper R. Holm, Director of SP Moulding A/S, Juelsminde
Iwona Czyzynski, Plant Manager, SP Medical Sp. z o.o., Poland
Renato Miom, Plant Manager, Accoat do Brasil Ltda., Brazil
Anie Simard, Vice President, Ergomat Inc., USA
Monika Karczewska, Plant Manager, SP Moulding Sp. z o.o., Poland
April Zhu, Plant Manager, Tinby Co. Ltd., China
Erik Kjellner, Managing Director of SP Extrusion A/S
Mia Mørk, Executive Assistant, SP Group A/S
Martin Baca, Managing Director of Ulstrup Plast s.r.o., Slovakia
Pawel Michalski, Plant Manager, SP Medical Sp. z o.o., Poland
Dominika Rytczak, Plant Manager, Gibo Sp. z o.o., Poland
Przemyslaw Tuzikiewicz, Plant Manager, Tinby Sp. z o.o., Poland
Jacek Staszczyk, Plant Manager, Ergomat Sp. z o.o., Poland

Audit Committee

The duties of the Audit Committee are attended to by all members of the Board of Directors. Hans-Henrik Eriksen is independent member with accounting and audit qualifications. Hans-Henrik Eriksen is Chairman of the Audit Committee and state authorised public accountant.

Auditors

To perform the audit, an audit firm of state authorised public accountants is appointed at the annual general meeting upon the Board of Directors' recommendation.The auditors are representatives of the general public. The auditors prepare long-form audit reports to the collective Board of Directors at least twice a year and also immediately after identifying any matters which the Board of Directors should address. The auditors participate in the meetings of the Board of Directors in connection with the presentation of long-form audit reports to the Board of Directors. Prior to the recommendation for appointment at the annual general meeting, the Board of Directors makes an assessment, in consultation with the Executive Board, of the auditors' independence, competences, etc.

All significant subsidiaries are audited by the Company's auditors or by their foreign co-operative partners.

Ownership interests at 1 March 2016:

Board of Directors and Executive Board:	Private	Own company	Related parties	Total	% of share capital
Niels Kristian Agner	47,450			47,450	2.1
Erik Preben Holm	33,500			33,500	1.5
Hans Wilhelm Schur			508,271	508,271	22.9
Erik Christensen	18,787	33,313	69,938	122,038	5.5
Hans-Henrik Eriksen	2,375			2,375	0.1
Frank Gad	89,966	288,273	3,990	382,229	17.2
Jørgen Nielsen	27,200			27,200	1.2
	219,278	**321,586**	**582,199**	**1,123,063**	**50.5**

Shareholder information

Overall objective

SP Group seeks to openly communicate the Group's operations, development, strategy and goals. The purpose is to ensure the liquidity of the Company's share and that the pricing reflects the realised results as well as future earnings potential. SP Group's goal is to ensure a positive rate of return to the shareholders through increases in the share price and payment of dividends.

Share issue in 2015

To partially finance the acquisition of Ulstrup Plast A/S, the Board of Directors used the mandate granted at the annual general meeting in 2015 to issue new shares at market price without pre-emption rights for the existing shareholders.

At the end of June, 200,000 new shares were issued at market price in a private placement. The issue was over-subscribed. The price was set at 280. The Company's proceeds, net of expenses totalling DKK 0.7 million, was DKK 55.3 million.

Søren Ulstrup Holding ApS, former owner of Ulstrup Plast A/S, made a subscription order for newly issued SPG shares for DKK 12.5 million as part of the capital increase. The rest of the capital increase was guaranteed in advance by the Company's two largest shareholders, Schur Finance a/s and Gadplast ApS, and other related parties of SP Group's Board of Directors and Executive Board. SP Group paid no commission for the full subscription guarantee.

Share capital

SP Group's shares are listed on NASDAQ Copenhagen under the short name SPG, the ISIN code is DK0010244771 and ID CSE3358. SP Group is included in the Materials sector. Effective 1 December 2015, SP Group is included in the OMX Copenhagen Benchmark Index.

The share capital of DKK 22.24 million is distributed on 2,224,000 shares of DKK 10 each. SP Group only has one class of shares, and all shares are freely negotiable, and the voting and ownership rights are not subject to any restrictions.

The Board of Directors is mandated to carry out a capital increase in accordance with the existing warrant programmes. At the same time, the Board of Directors is mandated to further increase the share capital by up to DKK 8 million nominal value in the period until 1 April 2018 by subscribing for new shares at market price or a lower price determined by the Board of Directors, however, not below DKK 10 per share. The Board of Directors is going to ask the company in general meeting for a mandate to set up new warrant programmes involving up to 220,000 new warrants in the coming four years.

Change of Control

The Company's lenders are entitled to renegotiate the loan terms in case of Change of Control. A number of customers are entitled to cancel trading agreements in case of Change of Control.

Shareholders' return

At present, the Board of Directors of SP Group primarily intends to apply profits to strengthen the Company's financial position and finance initiatives that can contribute to profitable growth. The Board of Directors proposes dividend of DKK 4.00 per share to the shareholders, as the Group has reached its goal that EBIT must exceed 5% of revenue, that the equity ratio must exceed 25%. The NIBO/EBITDA ratio is below 4.0.

The Board of Directors is going to ask the company in general meeting for a mandate to distribute interim dividends in the period between the annual general meetings going forward.

During the year, the SPG share was traded at prices between 220.0 and 414.0. The share ended the year at a price of DKK 373.5, which corresponds to a market value of DKK 830.7 million. In 2015, the return on the share was 71.8%, including the dividend of DKK 3.5 per share. The return on the SPG share was thus considerably higher than the general development on NASDAQ Copenhagen. Seen over a 6-year period, the SPG share has yielded a return considerably above market, see the figure on page 31.

In 2010, the share price increased by 97%. In 2011, the share price increased by 7.7%. In 2012, the share price increased by 32% and yielded dividends of 2.0%. In 2013, the share price increased by 92% and yielded dividends of approx. 2.0%. In 2014, the share price decreased by 4.6% and yielded dividends of approx. 1.3%. In 2015, the share price increased by 70.2% and yielded dividends of 1.6%. In the period from 1 January 2010 to 31 December 2015, the SPG share yielded a total return of 815%, including dividend.

The Company will still try to fully or partially hedge warrant programmes by buying back treasury shares.

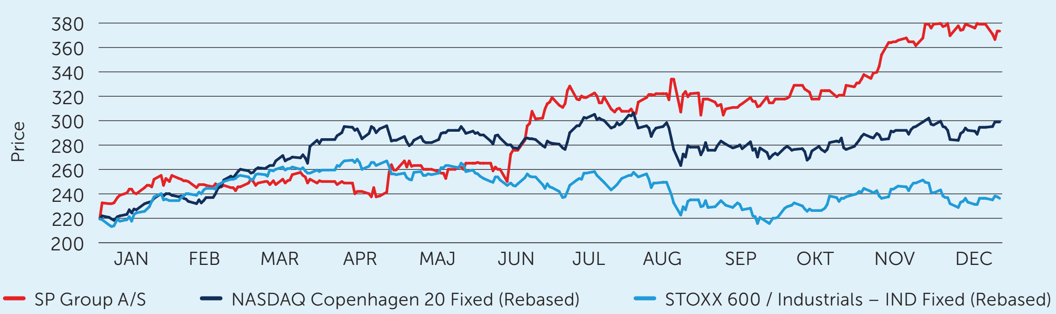
The Board of Directors recommends distribution of a dividend of DKK 4.0 per share for 2015 at the annual general meeting.

The Board of Directors further recommends that the company in general meeting mandates the Board of Directors to distribute interim dividends between two annual general meetings if the Board of Directors considers it expedient.

Share buy-back programme

To partially hedge existing warrant programmes, SP Group A/S launched a new share buy-back programme on 27 March 2014 under the Safe Harbour regulation for DKK 8.0 million, expiring on 31 December 2014 (company announcement no. 15, 2014). The share buy-back programme

Development in the price of SP Group's shares from 1 January to 31 December 2015. Index 1.1.2015 = 219.5



was later extended up to and including 10 April 2015 and expanded to DKK 14.0 million (company announcement no. 61, 2014).

A total of 51,638 shares were acquired at an average price of 245.25 under the programme, and DKK 12.7 million was applied (company announcement no. 22, 2015).

On 26 March 2015, the Board of Directors decided to initiate a new share buy-back programme under the Safe Harbour regulation for DKK 10 million starting on 11 April 2015 and expiring on 31 December 2015 (company announcement no. 15, 2015). The share buy-back programme was later extended up to and including 10 April 2016 and expanded to DKK 20 million (company announcement no. 50, 2015). At year-end 2015, DKK 14.8 of this amount had been applied.

In 2015, 83,462 shares were sold via the exercise of warrants. SP Group's holding of treasury shares at year-end 2015 amounted to 22,819 shares, representing 1.03%.

A new share buy-back programme will be initiated under the Safe Harbour regulation. The programme will be effective from 11 April 2016 to 31 December 2016 for an amount of up to DKK 20 million. The purpose is partial hedging of warrant schemes.

Ownership and liquidity

At the beginning of March 2016, two shareholders reported a holding of more than 5% of the shares: Schur Finance A/S and Frank Gad (including his related parties) with a total of 40.0%. During the year, the number of registered shareholders increased from 793 to 874, and the registered shareholders' total ownership interest now amounts to 89.4% of the share capital (against 88.1 % at the beginning of March 2015).

The known shareholder base outside Denmark is still modest. 40 international shareholders with a total of 7.2% of the shares have been registered (against 35 at the beginning of March 2015).

During the year, 435,303 shares were traded on NASDAQ, and 283,462 shares were traded outside NASDAQ, corresponding to 32.3% of the share capital. The market value of the shares totalled DKK 199.5 milllion. Revenue measured in DKK increased by 67.9% compared to the previous year, and measured in number of components, the increase in revenue was 37.7 % compared to the previous year.

Effective 1 July 2015, the Danish Companies Act was amended, meaning that it is no longer possible to issue bearer shares. Consequently, the Company cannot increase its share capital, unless the shares are changed from bearer shares to registered shares. At the next general meeting, the Board of Directors will propose changing the Company's articles of association so that they reflect the abolition of bearer shares.

Information

Generally, SP Group seeks to maintain an ongoing, timely and balanced dialogue with existing and potential shareholders, share analysts and other stakeholders. The Company's executives participate in meetings with both professional and private investors as well as analysts on an ongoing basis. Presentations from the meetings are available on the website where other relevant information can also be found and access to news subscriptions is provided. Finally, it is important to SP Group that all requests and inquiries from shareholders and other stakeholders are handled as quickly as possible.

SP Group has an idle period of three weeks up to the publication of scheduled interim and full-year reports where period the Group does not comment on financial performance or expectations. Outside these idle periods, the central point of communications to the share market is the well-defined financial goals set out by the Group on which SP Group follows up on an ongoing basis.

The person responsible for investor and analyst relations is CEO Frank Gad, tel. (+45) 70 23 23 79, e-mail: info@sp-group.dk. Additional shareholder information is available at the website www.sp-group.dk.

Financial calendar for 2016

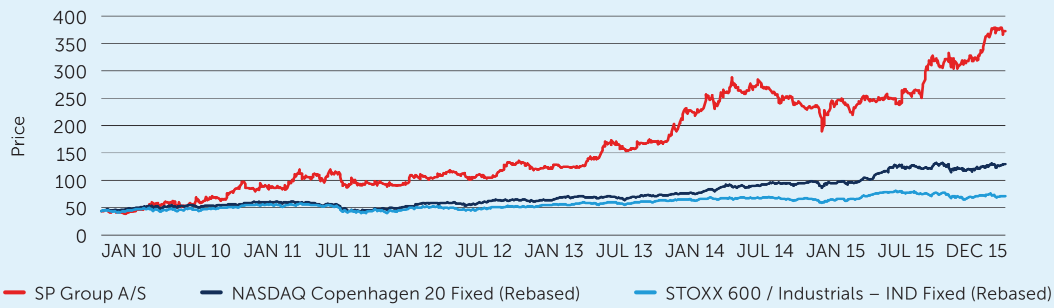
30 March	Announcement of financial statements for 2015
28 April	Annual general meeting and interim report for Q1 2016
23 August	Interim report for H1 2016
17 November	Interim report for Q3 2016

Share information – SP Group A/S – beginning of March 2016

Name	Reg. office	Number	Share (%)
Schur Finance A/S	Horsens	508,271	22.9 %
Frank Gad, incl. related parties	Frederiksberg	382,229	17.2 %
		890,500	**40.0 %**
Distribution of other shares			
SP Group (treasury shares)		32,628	1.5%
Registered shares below 5%		1,066,116	48.0%
Non-registered shares		234,756	10.5%
TOTAL		**2,224,000**	**100.0 %**

At 3 March 2016, SP Group had 874 registered shareholders (incl. 40 foreign).

Development in the price of SP Group's shares from 1 January 2010 to 31 December 2015. Index 1.1.2010 = 42.9



Quality control

At the end of 2015, all the Group's production sites in Denmark, Latvia, Poland, Slovakia and China were ISO 9001-certified.

Site	ISO 9001	ISO 14001	ISO 18000	Others
Gibo				
– Denmark	x	x	x	
– Poland	x	x	x	DIN 6701
SP Moulding				
– Juelsminde	x	x		
– Stoholm	x	x		TS 16949
– Poland	x	x		
– China	x	x		
SP Medical				
– Karise	x	x		ISO 13485
– Poland	x	x		ISO 13485
Tinby				
– Denmark	x	x	x	
– Poland	x	x	x	
– China	x	x		
Accoat				
– Stoholm	x	x		
– Kvistgaard	x	x		
– Brazil				
Brdr. Bourghardt				
– Latvia	x	x		
Ulstrup Plast				
– Lynge	x			
– Slovakia	x			

R & D

Things are moving fast, really fast, also when it comes to development of plastics and plastics technologies. Demand for environmentally friendly plastics solutions is growing in line with the continual improvement of the qualities of plastics. It is a long time ago plastics were chosen just because the material was cheap. Today, plastics are more often chosen due to the unique qualities of this material. A good example is the wind turbine industry which uses composites, a combination of plastics and other materials.

At SP Group, we optimise our production technologies, aiming at staying competitive on a global scale based on high-volume production. Our R & D department takes part in this trend, but our focus is on composites. Together with our customers, universities and producers of raw materials, we constantly strive at pushing the boundaries and creating value for everybody. In our work with composites, three important factors need to be optimised:

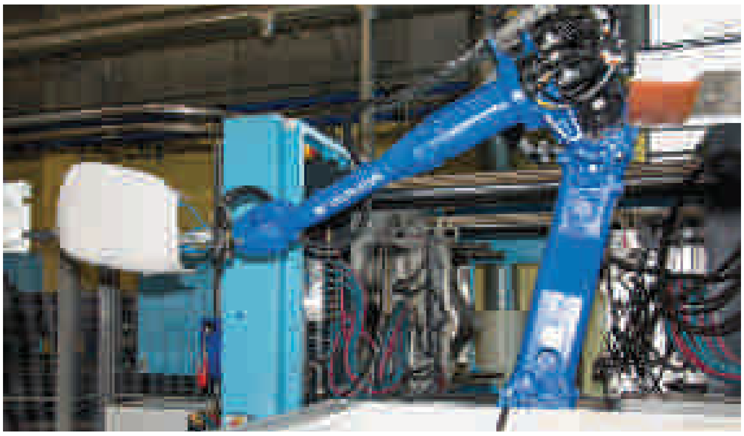
1. The adhesion between the individual components: By joining forces with a university and another business enterprise, we have developed a "nanoglue", which is presently being tested by our customers. We have filed patent applications in respect of this technology in several countries.

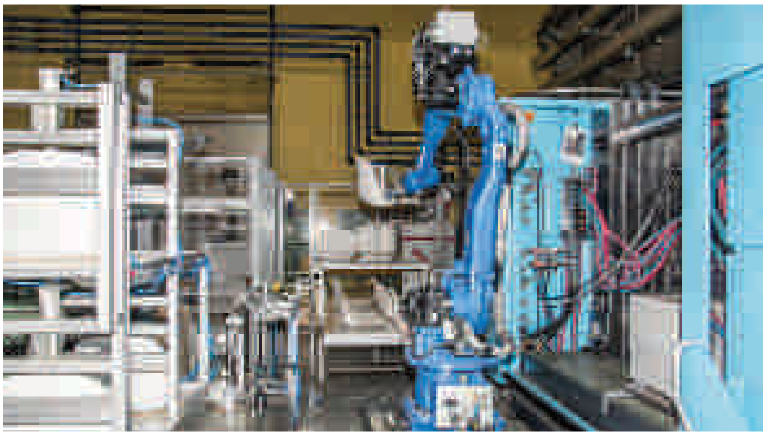
2. Choice of components: We participate in two projects where graphene is used as filling material. A new non-stick, antistatic coating based on graphene has been developed and sold. Activated graphene may be used as a reactive component in PUR and considerably improve the mechanical qualities of PUR. At present, we are testing this solution in co-operation with a university.

3. Manufacturing technologies: Additive Manufacturing (AM), or so-called "layer-upon-layer" manufacturing, also known as 3D print, has so far mostly been used for manufacturing of prototypes. Demand for large components is on the increase, and so is demand for tailored solutions. 3D print makes it possible, at low start-up costs, to manufacture components for moulds, and allowance may be made for individual solutions using robot programming. A PUR graphene composite will be an obvious choice of material.

It is very positive for SP Group that EUDP has approved a grant for a 3-year AM project in which we are participating. In the second phase of the project, a 3D printer will be installed at Gibo in Skjern for purposes of manufacturing components with dimensions spanning several metres. The project will afford SP Group a unique possibility of being at the cutting edge, globally, in the area of 3D print of large industrial components.

The pictures show SP Moulding's new 1,300 tons machine in operation at the factory in Juelsminde





Corporate social responsibility

Corporate social responsibility

SP Group acknowledges the Group's responsibility to contribute to a sustainable development, and SP Group recognises the correlation between acting responsibly on the one hand and increasing the Group's earnings and growth on the other.

The basis of SP Group's work with social responsibility is the UN Global Compact – the ten principles of human rights, employee rights, environment and anti-corruption according to which the UN has listed guidelines for companies' work to ensure a more sustainable development. SP Group follows the 10 principles set out in the UN Global Compact and gives an account of the four areas in the following.

At the beginning of 2012, SP Group's largest subsidiary, SP Moulding A/S, joined the Global Compact.

Environment and climate

In accordance with the UN Global Compact, SP Group takes initiatives to promote greater environmental responsibility and reduce the Group's impact on the internal and external environment, and SP Group also seeks to promote the use of more environmentally friendly technologies and materials.

It is SP Group's strategy that all production companies must implement a certifiable environmental management system which ensures:

- use of environment-friendly products in the production and development processes
- minimisation of waste and refuse as well as resource consumption
- recycling of materials and products to the widest extent possible
- a satisfactory working environment for the employees, prioritising safety and environmental impacts

With the current energy and raw material prices and the increasing waste disposal expenses, it is financially sound to reduce energy and raw material consumption and reduce the waste percentage. Therefore, all plants focus on these efforts. SP Moulding's, and Ulstrup Plast's factories have introduced decentralised grinders on all machines to replace the central grinders. This ensures that the remaining material from the production of each component is grinded immediately and led down a closed system together with the plastic material for the next component. Gibo Plast and SP Medical use central grinders to ensure reuse of surplus material i other products. In this way, more of the plastic material can be put into use. Tinby and Ergomat have also improved their processes so that materials are now fed more efficiently, which increases the rate of use and reduces waste.

Every month, SP Group measures a number of key figures relating to consumption of energy, heating, water and raw materials in all its factories. The measurement results are used for internal benchmarking and for wide implementation of initiatives which, at some plants, have proved to lower resource consumption. If the Danish indirect tax system is changed, a greater part of the excess waste heat can be used for heating. During the year, substantial amounts were invested in energy-saving equipment.

In the period 2013-2015, SP Group carried out tests using recycled plastics for selected products (Plastic Wood Compound). The tests are expected to result in commercial production during 2016. Thus, SP Group will contribute to dramatically reduce not only its own, but also others' environmental impact. The goal is to replace wood from rain forests with plastics from sorted household waste.

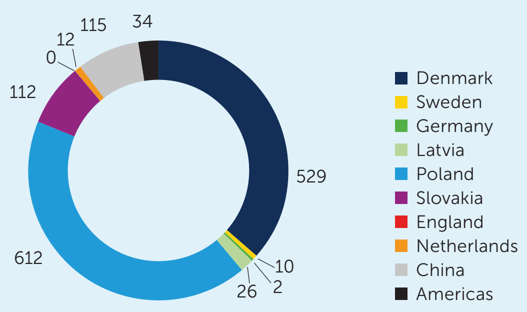
The most considerable impact on the environment occurs when the entities in the SP Group consume energy (particularly power) and raw materials during production and divert waste from production. The direct CO2 emission from the group entities is limited, but CO2 indirectly impacts the environment when power plants produce power and when products are transported from SP Group. SP Group has no direct impact on the power plants' energy production, but a substantial part of the power is purchased in Denmark from plants producing power from renewable energy, primarily wind turbines. In respect of transportation, SP Group selects partners with modern and environmentally friendly equipment.

Plastics produced and used with care have a positive impact on the environment. In environmental life cycle analyses, plastics generally rank higher than most alternative materials. Therefore, increased use of plastics will reduce the total impact on the environment.

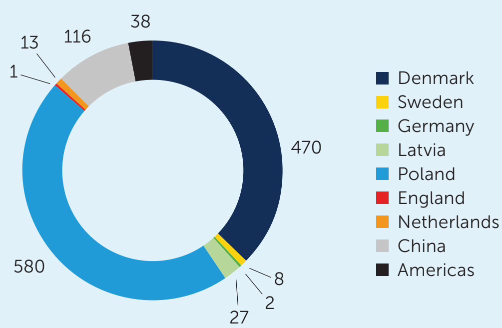
Acid gasses, however, are produced during production of fluoroplastic coatings, but they are removed in a flue gas scrubber before being led out through the chimney and are therefore not a nuisance to the surroundings. The use of fluoroplastic coatings is very beneficiary to the environment in many respects. They are, for example, used as corrosion protection in flue gas purifying plants at coal-fired power plants to avoid acid rainwater. At the same time, coatings of surfaces with fluoroplastics generate considerable savings on cleaning materials and solvents as well as water.

Generally, plastics are lighter than metal, and the lower weight can be used to increase the capacity of transport equipment and, thus, reduce fuel consumption, thus benefiting the environment. Obvious examples include rolling stock such as agricultural machinery, tractors, combine harvesters, buses and cars where the exterior parts can be manufactured

Distribution of employees by geographical area in 2015 (average)



Distribution of employees by geographical area in 2014 (average)



in plastic instead of metal, and the plastic lasts for many years – even when used outdoors – without corroding.

The unique insulation properties of polyurethane are used to reduce waste of heat, for example, and to ensure environmentally friendly and efficient district ventilating systems.

Health and safety have been taken into account in the production processes at the individual plants. SP Group believes it complies with all current environmental regulations and that no enforcement orders remain unsolved anywhere in production. SP Group continually focuses on reducing the effects of the Group's activities on the climate by reducing the water, electricity and heating consumption and reducing CO2 emissions and optimising energy consumption. The goal is to create value for our customers, employees and the local communities in which we operate.

A significant number of SP Group's products (accounting for 25.5% of revenue) are sold to the cleantech industry, which uses the products for:
- reduction of energy consumption
- production of alternative energy
- purification of smoke from coal-fired power plants and petrochemical plants.

Employees

On average, SP Group's staff outside Denmark increased by approx. 17.6% to 923 employees in 2015. The number of employees in Denmark decreased from 470 to 529. Globally, SP Group's staff increased from 1,255 at the beginning of the year to 1,498 at year-end. On average, there were 1,452 employees in SP Group in 2015. At year-end, 36.0% of the staff was employed in Denmark, and 64.0% was employed outside Denmark. The year saw a shift of approx. 1.7 percentage points as part of the increased internationalisation of the business. Going forward, growth is expected to take place primarily in Eastern Europe, Asia and USA.

SP Group adheres to the principles of the International Labor Organisation's convention and the UN Declaration on Human Rights (UNDHR). This means that the Group will not tolerate child labour or forced labour, will not employ minors and that any kind of discrimination in working and employment conditions is prohibited. SP Group solely recruits, appoints and promotes employees on the basis of their qualifications and experience. The employees have the right to freely unionise, express their opinions and participate in or elect people to participate in collective bodies. Employees of the group entities appoint representatives for joint consultation committees and working environment committees where they meet with local management. At the production units in Poland and China, systems have been established allowing the employees to appoint spokesmen for negotiations with management.

The Group has not witnessed any violation of human rights.

In Denmark, wages and salaries and working conditions are determined in collective agreements resulting from local negotiations. In Poland and China, the employees' conditions and rights are primarily laid down in legislation, codes and regulations. As an employer, SP Group observes, as a minimum, national legislation and collective agreements as well as rules governing working hours, etc. Moreover, SP Group seeks to offer employees additional benefits.

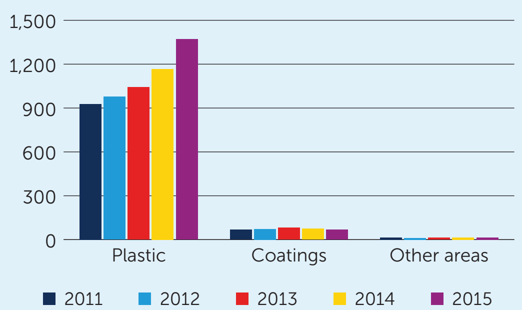
In recent years, SP Group has closed down a number of Danish plants and discharged employees. Such measures are regrettable but necessary to strengthen competitiveness. In connection with comprehensive dismissals, SP Group complies with the rules of notice and negotiations with employees, but SP Group also seeks to ease the consequences for the affected employees by taking extra measures.

Furthermore, SP Group seeks to improve the employees' qualifications through supplementary training and continuing education. The goal is to improve the qualifications of the employees to enable them to handle different tasks, which increases production flexibility and provides varied workdays for the individual employee. SP Group also applies the systematic roll-out of Lean processes to the plants to enable the employees to influence their own working situation as well as processes and workflow.

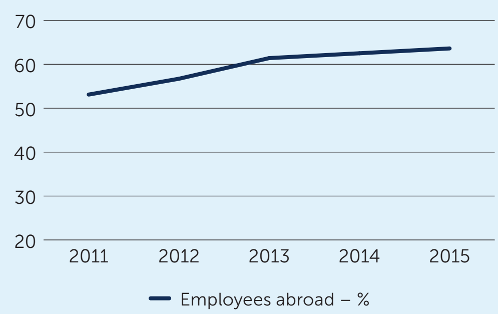
The Board of Directors has set up a goal for the ratio of the underrepresented gender among board members elected by the company in general meeting of 20% by 2017. The goal has been set up with a time frame of three years, and at year-end, the share of women on the Board of Directors was 0%. No new members were elected for the Board of Directors in 2015.

The Board of Directors of SP Group A/S has prepared a policy in order to increase the ratio of the underrepresented gender at all levels of management and to promote diversity in general. The goal is still to fill managerial posts based on the qualifications required, but to promote diversity when possible. The long-term goal is for the Company to reflect society and, in particular, the Company's customers, both in terms of gender and in terms of nationality and ethnicity. This reflection of society should contribute positively to the Company as an attractive company for both customers and current and future employees so that the Company will be able to fulfil its business goals in the long term. At year-end, the ratio of women in the general management (Executive Board and management team) was 21%. Reference is made the overview on page 29. SP Group aims to ensure that at least one male and one female candidate are among the top three candidates for new leadership positions.

Distribution of employees (average) 2011-2015



Distribution of employees abroad (average) 2011-2015



Globally, SP Group will support and comply with international human rights and seek to remedy any violations of these rights. In 2015, SP Group was not involved in or experienced violations of human rights in the Group or at sub-suppliers.

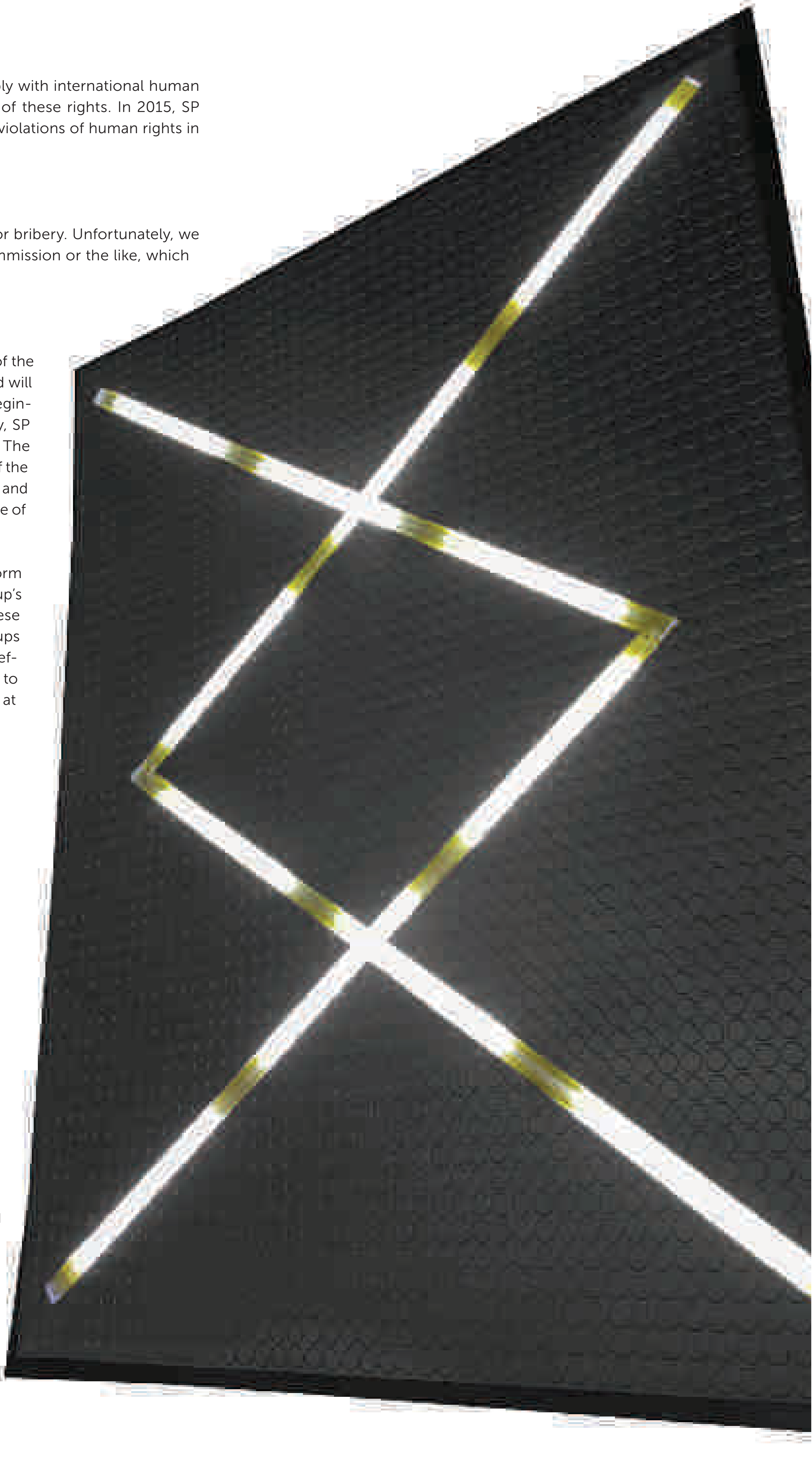
Anti-corruption

SP Group does not engage in corruption or bribery. Unfortunately, we are often met with requests for secret commission or the like, which we naturally turn down.

Continued CSR efforts

SP Group complies with the ten principles of the UN Global Compact in word and action and will sign the Global Compact charter. At the beginning of 2012, SP Group's largest subsidiary, SP Moulding A/S, joined the Global Compact. The Group will still focus on further promotion of the use of environmentally friendly technologies and materials and seek to disseminate knowledge of the unique properties of plastics.

At present, SP Group has no plans to perform extensive systematic CSR control at the Group's suppliers of material, as the majority of these are large, well-reputed international groups that give a detailed account of their CSR efforts in information material made available to the public. SP Group performs CSR control at the Group's mould suppliers.



Ergomat's innovative new product incorporated LED technology into the Deluxe family of ergonomic mats has been very well received in by customers, particularly in the automotive and aviation sector where the up-lighting provided by this solution improves assembly efficiency, Quality Assurance and maintenance and repair services.

Statement by Management on the annual report

The Board of Directors and the Executive Board have today discussed and approved the annual report for SP Group A/S for 2015.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

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

In our opinion, the Management commentary includes a fair review of the development in the Group's and the Company's activities and financial circumstances, results of operations, cash flows and financial position as well as a description of material risks and uncertainties that the Group and the Company face.

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

Søndersø, 30 March 2016

Executive Board

Frank Gad
CEO

Jørgen Hønnerup Nielsen
CFO

Board of Directors

Niels K. Agner
chairman

Erik Preben Holm
deputy chairman

Erik Christensen

Hans Wilhelm Schur

Hans-Henrik Eriksen

Independent auditors' reports

To the shareholders of SP Group 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 SP Group A/S for the financial year 1 January – 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group as well as the Company. The consolidated financial statements and the parent company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

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 Danish disclosure requirements for listed companies and for such internal control as Management considers necessary to enable the preparation of 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 legislation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

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

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2015 and of the results of the Group's and the 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 Danish disclosure requirements for listed companies.

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, we believe that the disclosures in the Management commentary are consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 30 March 2016

Ernst & Young
Godkendt Revisionspartnerselskab
CVR-no. 30 70 02 28

Peter Gath
State Authorised Public Accountant

Morten Schougaard Sørensen
State Authorised Public Accountant

Income statement for 2015

PARENT				GROUP	
2014	**2015**	**Note**	DKK'000	**2015**	**2014**
10,341	13,762		Revenue	1,319,768	1,164,942
0	0	3,6	Production costs	-916,859	-837,859
10,341	**13,762**		**Contribution margin**	**402,909**	**327,083**
4,534	4,634	4	Other operating income	363	762
-8,946	-10,374	5	External expenses	-88,101	-75,431
-12,342	-11,335	5,6,7	Staff costs	-152,383	-138,918
-6,413	**-3,313**		**Profit/loss before depreciation, amortisation and impairment losses (EBITDA)**	**162,788**	**113,496**
-3,259	-3,209	8	Depreciation, amortisation and impairment losses	-72,011	-53,329
-9,672	**-6,522**		**Profit/loss before financial items (EBIT)**	**90,777**	**60,167**
20,000	26,231	9	Dividends from subsidiaries	-	-
2,045	16,985	10	Other financial income	3,681	5,393
-5,356	-20,889	11	Financial expenses	-13,803	-14,084
7,017	**15,805**		**Profit before tax**	**80,655**	**51,476**
3,347	356	12	Tax for the year	-19,543	-11,667
10,364	**16,161**		**Profit for the year**	**61,112**	**39,809**
			Attributable to:		
			The Parent's shareholders	60,584	39,020
			Non-controlling interests	528	789
				61,112	**39,809**
			Earnings per share (EPS)		
		13	Earnings per share (DKK)	28.98	19.87
		13	Earnings per share, diluted (DKK)	28.00	19.25
			Recommended profit appropriation		
7,084	8,896		Dividends		
3,280	7,265		Retained earnings		
10,364	**16,161**				

Statement of comprehensive income 2015

PARENT				GROUP	
2014	**2015**	**Note**	DKK'000	**2015**	**2014**
10,364	**16,161**		**Profit for the year**	**61,112**	**39,809**
			Other comprehensive income:		
			Items which may be reclassified to the income statement:		
0	0		Exchange rate adjustments relating to foreign subsidiaries	5,593	1,856
			Value adjustments of hedging instruments:		
-1,505	-435		Value adjustments for the year	10,848	-13,519
0	0		Value adjustments transferred to revenue	5,822	3,858
1,037	1,125		Value adjustments transferred to financial expenses	1,125	1,037
114	-185	12	Taxation	-3,442	1,526
-354	**505**		**Other comprehensive income**	**19,946**	**-5,242**
10,010	**16,666**		**Total comprehensive income**	**81,058**	**34,567**
			Attributable to:		
			The Parent's shareholders	80,548	33,225
			Non-controlling interests	510	1,342
				81,058	**34,567**

Balance sheet at 31/12/2015

PARENT				GROUP	
2014	**2015**	**Note**	DKK'000	**2015**	**2014**
175	106		Software	9,173	7,619
0	0		Customer files	15,344	1,730
0	0		Goodwill	139,028	108,982
0	0		Completed development projects	9,331	19,992
0	0		Development projects in progress	2,848	1,874
175	**106**	14	**Intangible assets**	**175,724**	**140,197**
67,589	67,695		Land and buildings	128,830	128,042
0	0		Plant and machinery	273,593	244,416
1,126	595		Fixtures and fittings, other plant and equipment	22,080	19,723
0	0		Leasehold improvements	11,574	11,886
0	0		Property, plant and equipment in progress	15,993	23,298
68,715	**68,290**	15	**Property, plant and equipment**	**452,070**	**427,365**
356,174	426,335	16	Investments in subsidiaries	-	-
3,000	3,000		Deposits	3,486	3,037
9,872	7,484	25	Deferred tax assets	3,792	4,246
369,046	**436,819**		**Other non-current assets**	**7,278**	**7,283**
437,936	**505,215**		**Non-current assets**	**635,072**	**574,845**
0	**0**	17	**Inventories**	**243,534**	**207,870**
345	25	18	Trade receivables	123,226	99,251
33,636	34,501		Receivables from subsidiaries	-	-
0	0	19	Construction contracts	3,639	6,533
0	0		Corporate tax receivable	401	891
510	7,809	20	Other receivables	19,911	14,873
2,134	2,278		Prepayments	8,342	9,867
36,625	**44,613**		**Receivables**	**155,519**	**131,415**
2,236	**2,735**	**21**	**Cash**	**43,763**	**29,291**
38,861	**47,348**		**Current assets**	**442,816**	**368,576**
476,797	**552,563**		**Assets**	**1,077,888**	**943,421**

PARENT				GROUP	
2014	2015	Note	DKK'000	2015	2014
20,240	22,240	22	Share capital	22,240	20,240
18	277	23	Other reserves	21,440	1,722
-10,992	-7,799		Reserve for treasury shares	-7,799	-10,992
164,382	217,497		Retained earnings	346,321	248,677
7,084	8,896		Proposed dividends for the year	8,896	7,084
180,732	**241,111**		**Equity attributable to the Company's shareholders**	**391,098**	**266,731**
-	**-**		**Equity attributable to non-controlling interests**	**2,463**	**9,630**
180,732	**241,111**		**Equity**	**393,561**	**276,361**
77,774	53,910	24	Bank debt	54,924	77,774
101,133	97,906	24	Financial institutions	142,511	154,149
231	0	24	Finance lease liabilities	45,970	43,190
0	16,567	24	Other non-current liabilities	16,567	0
0	0	25	Deferred tax liabilities	19,397	13,019
179,138	**168,383**		**Non-current liabilities**	**279,369**	**288,132**
27,580	29,717	24	Current portion of non-current liabilities	54,995	47,790
20,388	23,267		Bank debt	151,067	173,585
0	0	19	Construction contracts	2,389	0
0	0		Prepayments received from customers	1,357	218
485	107	26	Trade payables	122,121	103,749
57,749	77,648		Payables to subsidiaries	-	-
0	0		Corporate tax	6,585	939
10,725	12,330	27	Other payables	60,237	50,402
0	0		Deferred income	6,207	2,245
116,927	**143,069**		**Current liabilities**	**404,958**	**378,928**
296,065	**311,452**		**Liabilities**	**684,327**	**667,060**
476,797	**552,563**		**Equity and liabilities**	**1,077,888**	**943,421**

28-30	Charges and contingent liabilities, etc.
33-42	Other notes

Statement of changes in equity for 2015

GROUP

DKK'000	Share capital	Other reserves	Reserve for treasury shares	Retained earnings	Proposed dividends	Equity capital attributable to the Parent's share-holders	Equity capital attributable to non-controlling interests	Total equity
Equity at 01/01/2014	**20,240**	**8,297**	**-13,348**	**222,735**	**6,072**	**243,996**	**8,330**	**252,326**
Profit for the year	0	0	0	31,936	7,084	39,020	789	39,809
Exchange rate adjustments relating to foreign subsidiaries	0	1,303	0	0	0	1,303	553	1,856
Value adjustment of financial instruments acquired to hedge future cash flows	0	-13,519	0	0	0	-13,519	0	-13,519
Portion relating to value adjustments transferred to revenue	0	3,858	0	0	0	3,858	0	3,858
Portion relating to value adjustments transferred to financial expenses	0	1,037	0	0	0	1,037	0	1,037
Tax on other comprehensive income	0	1,526	0	0	0	1,526	0	1,526
Comprehensive income for the financial year	**0**	**-5,795**	**0**	**31,936**	**7,084**	**33,225**	**1,342**	**34,567**
Share-based payment	0	399	0	0	0	399	0	399
Share-based payment, exercised arrangements	0	-1,252	0	1,252	0	0	0	0
Sale of warrants	0	73	0	0	0	73	0	73
Purchase of treasury shares	0	0	-16,495	0	0	-16,495	0	-16,495
Sale of treasury shares, warrant programme	0	0	18,851	-7,295	0	11,556	0	11,556
Distribution of dividends	0	0	0	0	-6,023	-6,023	0	-6,023
Distribution of dividends, treasury shares	0	0	0	49	-49	0	0	0
Additions relating to acquisition of entity	0	0	0	0	0	0	744	744
Non-controlling interests' share of dividends in subsidiaries	0	0	0	0	0	0	-786	-786
Other changes in equity	**0**	**-780**	**2,356**	**-5,994**	**-6,072**	**-10,490**	**-42**	**-10,532**
Equity at 31/12/2014	**20,240**	**1,722**	**-10,992**	**248,677**	**7,084**	**266,731**	**9,630**	**276,361**
Profit for the year	0	0	0	51,688	8,896	60,584	528	61,112
Exchange rate adjustments relating to foreign subsidiaries	0	5,611	0	0	0	5,611	-18	5,593
Value adjustment of financial instruments acquired to hedge future cash flows	0	10,848	0	0	0	10,848	0	10,848
Portion relating to value adjustments transferred to revenue	0	5,822	0	0	0	5,822	0	5,822
Portion relating to value adjustments transferred to financial expenses	0	1,125	0	0	0	1,125	0	1,125
Tax on other comprehensive income	0	-3,442	0	0	0	-3,442	0	-3,442
Comprehensive income for the financial year	**0**	**19,964**	**0**	**51,688**	**8,896**	**80,548**	**510**	**81,058**
Share-based payment	0	240	0	0	0	240	0	240
Share-based payment, exercised arrangements	0	-758	0	758	0	0	0	0
Sale of warrants	0	272	0	0	0	272	0	272
Purchase of treasury shares	0	0	-18,235	0	0	-18,235	0	-18,235
Sale of treasury shares, warrant programme	0	0	21,428	-9,898	0	11,530	0	11,530
Tax on purchase/sale of treasury shares	0	0	0	1,629	0	1,629	0	1,629
Purchase of shares from non-controlling shareholders	0	0	0	106	0	106	-6,606	-6,500
Cash capital increase	2,000	0	0	53,335	0	55,335	0	55,335
Distribution of dividends	0	0	0	0	-7,058	-7,058	0	-7,058
Distribution of dividends, treasury shares	0	0	0	26	-26	0	0	0
Non-controlling interests' share of dividends in subsidiaries	0	0	0	0	0	0	-1,071	-1,071
Other changes in equity	**2,000**	**-246**	**3,193**	**45,956**	**-7,084**	**43,819**	**-7,677**	**36,142**
Equity at 31/12/2015	**22,240**	**21,440**	**-7,799**	**346,321**	**8,896**	**391,098**	**2,463**	**393,561**

						PARENT
DKK'000	**Share capital**	**Other reserves**	**Reserve for treasury shares**	**Retained earnings**	**Proposed dividends**	**Total equity**
Equity at 01/01/2014	**20,240**	**1,152**	**-13,348**	**167,096**	**6,072**	**181,212**
Profit for the year	0	0	0	3,280	7,084	10,364
Value adjustment of financial instruments acquired to hedge future cash flows	0	-1,505	0	0	0	-1,505
Portion relating to value adjustment transferred to financial expenses	0	1,037	0	0	0	1,037
Tax on other comprehensive income	0	114	0	0	0	114
Comprehensive income for the financial year	**0**	**-354**	**0**	**3,280**	**7,084**	**10,010**
Share-based payment	0	399	0	0	0	399
Share-based payment, exercised arrangements	0	-1,252	0	1,252	0	0
Sale of warrants	0	73		0	0	73
Purchase of treasury shares	0	0	-16,495	0	0	-16,495
Sale of treasury shares, warrant programme	0	0	18,851	-7,295	0	11,556
Distribution of dividends	0	0	0	0	-6,023	-6,023
Distribution of dividends, treasury shares	0	0	0	49	-49	0
Other changes in equity	**0**	**-780**	**2,356**	**-5,994**	**-6,072**	**-10,490**
Equity at 31/12/2014	**20,240**	**18**	**-10,992**	**164,382**	**7,084**	**180,732**
Profit for the year	0	0	0	7,265	8,896	16,161
Value adjustment of financial instruments acquired to hedge future cash flows	0	-435	0	0	0	-435
Portion relating to value adjustment transferred to financial expenses	0	1,125	0	0	0	1,125
Tax on other comprehensive income	0	-185	0	0	0	-185
Comprehensive income for the financial year	**0**	**505**	**0**	**7,265**	**8,896**	**16,666**
Share-based payment	0	240	0	0	0	240
Share-based payment, exercised arrangements	0	-758	0	758	0	0
Sale of warrants	0	272	0	0	0	272
Purchase of treasury shares	0	0	-18,235	0	0	-18,235
Sale of treasury shares, warrant programme	0	0	21,428	-9,898	0	11,530
Tax on purchase/sale of treasury shares	0	0	0	1,629	0	1,629
Cash capital increase	2,000	0	0	53,335	0	55,335
Distribution of dividends	0	0	0	0	-7,058	-7,058
Distribution of dividends, treasury shares	0	0	0	26	-26	0
Other changes in equity	**2,000**	**-246**	**3,193**	**45,850**	**-7,084**	**43,713**
Equity at 31/12/2015	**22,240**	**277**	**-7,799**	**217,497**	**8,896**	**241,111**

Cash flow statement for 2015

PARENT				GROUP	
2014	**2015**	**Note**	DKK'000	**2015**	**2014**
-9,672	-6,522		Profit/loss before financial items (EBIT)	90,777	60,167
3,259	3,209		Depreciation, amortisation and impairment losses	72,011	53,329
399	240		Share-based payment	240	399
-2,562	-4,742		Value adjustments, etc.	6,208	-2,499
-1,694	14,376	31	Changes in net working capital	12,283	-25,009
-10,270	**6,561**		**Cash generated from operations**	**181,519**	**86,387**
0	16,398		Realised exchange gain	16,398	0
212	587		Interest income, etc. received	639	583
-5,356	-6,008		Interest expenses, etc. paid	-13,803	-14,084
4,442	4,188		Income taxes received/paid	-13,010	-8,785
-10,972	**21,726**		**Cash flows from operating activities**	**171,743**	**64,101**
20,000	26,231		Dividends from subsidiaries	-	-
0	-12,000		Capital injection, subsidiary	-	-
-5,901	-50,000		Acquisition of entity	-59,712	-8,913
-12	-63		Acquisition of intangible assets	-6,088	-7,370
-976	-2,652		Acquisition of property, plant and equipment	-73,238	-77,791
0	0		Portion relating to finance leases	22,019	22,251
0	0		Sale of property, plant and equipment	669	4,481
13,111	**-38,484**		**Cash flows from investing activities**	**-116,350**	**-67,342**
0	0		Dividends to non-controlling shareholders	-1,071	-786
-6,023	-7,058		Dividends distributed	-7,058	-6,023
0	55,335		Payment, capital increase	55,335	0
0	0		Acquisition of minority interests	-6,500	-7,370
0	0		Deposits, adjustment	-105	0
-16,495	-18,235		Purchase of treasury shares	-18,235	-16,495
11,556	11,530		Sale of treasury shares	11,530	11,556
73	272		Sale of warrants	272	73
60,000	0		Raising of long-term loans	22,019	82,251
0	0		Portion relating to finance leases	-22,019	-22,251
-15,807	-27,466		Instalments on non-current liabilities	-52,571	-38,340
33,304	**14,378**		**Cash flows from financing activities**	**-18,403**	**9,985**
35,443	**-2,380**		**Cash flows for the year**	**36,990**	**6,744**
-53,595	-18,152		Cash and cash equivalents at 01/01/2015	-144,294	-151,038
-18,152	**-20,532**	**32**	**Cash and cash equivalents at 31/12/2015**	**-107,304**	**-144,294**

Notes

List of notes

Notes

1. Accounting policies

SP Group A/S is a public limited company with its registered office in Denmark. The annual report for the period 1 January – 31 December 2015 comprises both the consolidated financial statements of SP Group A/S and its subsidiaries (the Group) and separate parent company financial statements.

The annual report of SP Group A/S for 2015 is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

The annual report also fulfils the requirements laid down in International Financial Reporting Standards issued by the IASB.

The consolidated financial statements and the parent company financial statements are presented in Danish kroner (DKK), which is the presentation currency for the Group's activities and the functional currency of the Company.

The accounting policies described below have been applied consistently to the financial year and the comparative figures. For standards implemented prospectively, comparative figures are not restated. As the implemented standards and interpretations have not affected the balance sheet at 1 January 2014 and the related notes, the balance sheet at 1 January 2014 and related notes have been omitted.

Changes in accounting policies

Effective 1 January 2015, SP Group A/S has implemented the following new or amended standards and interpretations:

- IAS 19 Defined Benefit Plans: Employee Contributions — Amendments to IAS 19
- Annual Improvements to IFRSs 2010-12 Cycle
- Annual Improvements to IFRSs 2011-13 Cycle

Amendments to IAS 19 concern employees' and third parties' contributions to pension plans.

None of the new amendments and improvements has affected the recognition and measurement in the annual report.

New accounting regulation

At the time of publication of this annual report, IASB has issued the following new financial reporting standards (IASs and IFRSs) and interpretations (IFRICs) that are not compulsory for SP Group A/S in the preparation of the annual report for 2015:

- IFRS 9 Financial Instruments and subsequent amendments to IFRS 9, IFRS 7 and IAS 39
- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases
- IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38
- IAS 16 and IAS 41 Agriculture: Bearer Plants – Amendments to IAS 16 and IAS 41
- IAS 27 Equity Method in Separate Financial Statements – Amendments to IAS 27
- IFRS 11 Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11
- IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28
- IFRS 10 and IAS 28 Sale of Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28
- IAS 1 Disclosure Initiative – Amendments to IAS 1
- Annual Improvements to IFRSs 2012-2014 Cycle.

Of these, Amendments to IAS 16 and IAS 38, Amendments to IAS 16 and IAS 41, Amendments to IAS 27, Amendments to IFRS 11, Amendments to IAS 1 and Annual Improvements to IFRSs 2012-2014 Cycle have been approved by the EU.

The adopted standards and interpretations which have not yet come into effect will be implemented as they become mandatory to SP Group A/S.

IFRS 16 Leases was issued in mid-January 2016. The standard, which applies to financial years beginning on or after 1 January 2019, implies a substantial change in the way that those leases which are today accounted for as operating leases will be accounted for going forward. Thus, the standard requires that all leases regardless of type – with few exceptions – must be recognised in the lessee's balance sheet as an asset with an accompanying lease liability. At the same time, the lessee's income statement will be affected going forward, as the annual lease payment will consist of two elements – a depreciation charge and an interest expense – as opposed to now where the annual operating lease expense is recognised as one amount under operating costs.

SP Group A/S has not yet performed any in-depth analysis of the implications of the new standard for the Group. However, expectations are that it is going to have some impact, as in 2015 the Group had operating leases involving minimum lease liabilities in the order of DKK 75 million, corresponding to approx. 7 % of the balance sheet total, which must potentially be recognised in the balance sheet in future.

Consolidated financial statements

The consolidated financial statements comprise the parent company SP Group A/S (the Parent) and subsidiaries controlled by the Parent.

The Group controls another entity if the Group is exposed to or is entitled to variable returns due to its interest in the entity and can impact these returns through its controlling interest in the entity.

When assessing whether the Group exercises control, allowance is made for de facto control and potential voting rights that are real and of substance at the reporting date.

Consolidation principles

The consolidated financial statements are prepared on the basis of the financial statements of SP Group A/S and its subsidiaries. The consolidated financial statements are prepared by combining financial statement items of a uniform nature. The financial statements used for the consolidation are prepared in accordance with the Group's accounting policies.

Upon consolidation, intra-group income and expenses, intra-group balances and dividends as well as gains and losses on intra-group transactions are eliminated.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full.

Non-controlling interests

On initial recognition, non-controlling interest are either measured at fair value or at their proportionate share of the fair value of the acquiree's identifiable assets, liabilities or contingent liabilities. Choice of method is made for each individual transaction. Non-controlling interests are subsequently adjusted for their proportionate share of changes in the subsidiary's equity. Comprehensive income is allocated to the non-controlling interest, irrespective of whether the non-controlling interest will become negative.

Acquisitions and disposals of non-controlling interests in a subsidiary that do not result in a loss of control are accounted for in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the Company's share of equity.

Business combinations

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. The acquisition date is the date at which control of the entity is in fact acquired. Divested or wound-up entities are recognised in the consolidated income statement up to the date of the divestment or winding-up. The divestment date is the date at which control of the entity does in fact pass to a third party.

The purchase method is applied to acquisition of new entities over which the Group obtains control, implying that identifiable assets, liabilities and contingent liabilities of the acquirees are measured at fair value at the acquisition date. However, non-currents assets acquired for the purpose of resale are measured at fair value less anticipated selling costs. Restructuring costs are only recognised in the pre-acquisition balance sheet if they constitute a liability for the acquiree. Allowance is made for the tax effect of revaluations made.

The cost of an entity consists in the fair value of the consideration paid for the acquiree. If the final determination of the consideration is conditional upon one or several future events, these are recognised at fair value at the acquisition date. Costs which are attributable to the acquisition of the entity are recognised directly in profit/loss when incurred.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interest in the acquiree and the fair value of previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as an asset under intangible assets and are tested for impairment at least once a year. The asset is written down to the lower of the carrying amount and the recoverable amount.

For negative differences (negative goodwill), the calculated fair values, the calculated consideration for the entity, the value of non-controlling interest in the acquiree and the fair value of previously acquired equity investments are reassessed. If the difference is still negative, the difference is recognised as income in the income statement.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. The provisional values may be adjusted or further assets or liabilities be recognised up to 12 months after the acquisition if new information is provided on matters existing at the acquisition date which would have affected the calculation of the values at the acquisition date had the information been known.

Changes in estimates of contingent considerations are generally recognised directly in profit/loss.

Gains or losses from divestment or winding-up of subsidiaries and associates

Gains or losses from divestment or winding-up of subsidiaries which result in a loss of control or significant influence, respectively, are calculated as the difference between, on the one hand, the fair value of the sales proceeds or the settlement price and the fair value of any remaining investments and, on the other hand, the carrying amount of net assets at the time of divestment or winding-up, including goodwill, less any non-controlling interests. The calculated gain or loss from such divestment or winding-up is recognised in profit/loss together with accumulated exchange rate adjustments, which were previously recognised in other comprehensive income.

Foreign currency translation

On initial recognition, transactions denominated in other currencies that the individual entity's functional currency are translated at the exchange rates at the transaction date. Receivables, liabilities and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment and the balance sheet date, respectively, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets purchased in foreign currencies and measured on the basis of historical cost are translated at the exchange rates at the transaction date. Non-monetary items that are restated at fair value are translated at the exchange rates at the date of restatement.

When entities that present their financial statements in a functional currency different from DKK are recognised in the consolidated financial statements, such entities' income statement items are translated at average exchange rates on a monthly basis unless such rates vary significantly from the actual exchange rates at the transaction dates. In the latter case, the actual exchange rates are used. Balance sheet items are translated at the exchange rates at the balance sheet date. Goodwill is considered to belong to the acquiree in question and is translated at the exchange rates at the balance sheet date.

Foreign exchange differences arising on translation of foreign entities' balance sheet items at the beginning of the year at the exchange rates at the balance sheet date and on translation of income statement items from average rates to the exchange rates at the balance sheet date are recognised in other comprehensive income. Similarly, foreign exchange differences arising from changes made directly in the foreign entity's equity are also recognised in other comprehensive income.

Where foreign subsidiaries are recognised in the consolidated financial statements and where Danish kroner (DKK) is used as the functional currency, but where the financial statements are presented in a functional currency other than DKK, monetary assets and liabilities are translated at the exchange rates at the balance sheet date. Non-monetary assets and liabilities measured based on historical cost are translated at the exchange rates at the transaction date. Non-monetary items measured at fair value are translated at the exchange rates at the date of the latest fair value adjustment. Income statement items are translated at the average exchange rates of the months unless these differ significantly from the actual exchange rates at the transaction date, except for items deriving from non-monetary assets and liabilities translated at historical rates applicable to the relevant non-monetary assets and liabilities.

Derivative financial instruments

On initial recognition, derivative financial instruments are measured at the fair value at the date of settlement.

Subsequently, derivative financial instruments are measured at the fair value at the balance sheet date. Positive and negative fair values of derivative financial instruments are recognised in other receivables or other payables, respectively.

Changes in the fair value of derivative financial instruments classified as and qualifying for designation as hedges of the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and qualifying for designation as effective hedges of future transactions are recognised in other comprehensive income. The ineffective part is recognised immediately in the income statement. When the hedged transactions are realised, the accumulated changes are recognised as part of the cost of the relevant transactions.

Derivative financial instruments not qualifying for designation as hedging instruments are considered trading portfolios and are measured at fair value with recognition of fair value adjustments on an ongoing basis in the income statement under financial income or financial expenses.

Share-based payment

Share-based incentive programmes under which executive officers may only opt to purchase shares in the Company (equity-settled share-based payment arrangements) are measured at the fair value of the equity instruments at the grant date and are recognised in the income statement under staff costs over the vesting period. The counter entry is recognised directly in equity.

The fair value of the equity instruments is measured by using the Black-Scholes model with the parameters indicated in note 7.

Taxation

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/loss for the year and directly in equity or other comprehensive income by the portion attributable to entries directly in equity or in other comprehensive income, respectively. Exchange rate adjustments on deferred tax are recognised as part of the deferred tax adjustments in the year.

Current tax payables or receivables are recognised in the balance sheet stated as tax calculated taxable income for the year, adjusted for tax paid on account.

When calculating the current tax for the year, the tax rates and tax rules effective at the balance sheet date are used.

Deferred tax is recognised in accordance with the balance-sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities, except for deferred tax on all temporary differences arising on initial recognition of goodwill or on initial recognition of a transaction which is not a business combination and where the temporary difference identified at the time of initial recognition neither affects net profit or loss nor the taxable income.

Deferred tax is recognised on all temporary differences related to investments in subsidiaries unless the Company is able to control when the deferred tax is realised and it is probable that the deferred tax will not crystallise as current tax in the foreseeable future.

Deferred tax is calculated based on the planned use of each asset and the settlement of each liability, respectively.

Deferred tax is measured on the basis of the tax rates and tax laws applicable in the relevant countries, which - based on the tax rates and tax laws enacted or substantially enacted by the end of the reporting period - are expected to apply when the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changed tax rates or tax rules are recognised in the income statement unless the deferred tax is attributable to transactions previously recognised directly in equity or other comprehensive income. In the latter case, such changes are also recognised directly in equity or other comprehensive income, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised in the balance sheet at the expected value of their realisation, either as a set-off against deferred tax liabilities or as net tax assets for set-off against future positive taxable income. At the balance sheet date, it is assessed whether taxable income sufficient for the deferred tax asset to be utilised is likely to be generated in the future.

The Parent is jointly taxed with all of its Danish subsidiaries. The current Danish income tax charge is allocated between the jointly taxed entities in proportion to their taxable income.

Discontinued operations and assets classified as held for sale

Discontinued operations comprise material business or geographical segments already sold or planned to be held for sale.

Results from discontinued operations are presented in the income statement as a separate item consisting of the profit/loss after tax of the relevant operation and any gains or losses from fair value adjustments or sale of the assets and liabilities related to the operation.

Assets and groups of assets held for sale are presented separately in the balance sheet as current assets. Liabilities directly related to the relevant assets are presented as current liabilities in the balance sheet.

Assets held for sale are not depreciated, but are written down to the lower of fair value less estimated selling costs and the carrying amount.

Income statement

Revenue

Revenue from the sale of goods for resale and manufactured goods is recognised in the income statement when delivery and transfer of risk to the buyer has taken place. Revenue is calculated exclusive of VAT, duties, etc. charged on behalf of third parties as well as discounts.

Construction contracts for moulds and validations with a high degree of individual adaptation are recognised in revenue as production is carried out, which entails that revenue corresponds to the selling price of work performed during the year (percentage-of-completion method).

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised solely at an amount corresponding to the costs incurred if it is probable that they will be recovered.

Production costs

Production costs comprise expenses incurred in generating revenue for the year. Commercial enterprises include cost of sales in production costs, and manufacturing enterprises include costs of raw materials, consumables and production staff as well as maintenance of the property, plant and equipment and intangible assets applied in the manufacturing process.

Other operating income

Other operating income comprises income of a secondary nature to the Group's principal activities, including in particular external leases and compensations.

External expenses

External expenses comprise expenses for sale, advertising, administration, premises, bad debts, etc.

External expenses also include expenses relating to development projects which do not satisfy the criteria for recognition in the balance sheet.

Staff costs

Staff costs comprise salaries and wages, social security costs, pension contributions, etc. relating to the Company's staff.

Government grants

Government grants are recognised when it is considered probable that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised proportionally in the income statement over the periods in which the related costs are recognised. The grants are set off against expenses incurred.

Financial income and financial expenses

Financial income and expenses comprise interest income and interest expenses, the interest element of finance lease payments, realised and unrealised capital gains and losses on securities, liabilities and transactions denominated in foreign currencies, mortgage amortisation premium or allowance on mortgage debt, etc. as well as surcharges and refunds under the on-account tax scheme.

Interest income and expenses are accrued based on the principal amount and the effective interest rate. The effective interest rate is the discount rate used to discount expected future payments related to the financial asset or the financial liability in order for the present value of such asset or liability to match its carrying amount.

Dividends from equity investments are recognised once final title to the dividends has been obtained. This is typically the date at which the general meeting adopts distribution of dividend from the relevant entity.

Balance sheet

Goodwill

On initial recognition, goodwill is recognised and measured as the difference between, on the one hand, the cost of the acquiree, the value of non-controlling interests in the acquiree and the fair value of previously acquired investments and, on the other hand, the fair value of the acquired assets, liabilities and contingent liabilities; see the description under the section on consolidated financial statements.

When goodwill is recognised, it is allocated to those of the Group's activities that generate separate payments (cash-generating units). The determination of cash-generating units follows the Group's managerial structure, internal financial management and reporting.

Goodwill is not amortised, but is tested for impairment at least once a year, see below.

Other intangible assets

Development projects regarding clearly defined and identifiable products and processes are recognised as intangible assets if it is probable that the product or the process will generate future economic benefits for the Group and if the development costs of each asset can be reliably measured. Other development costs are expensed in the income statement as incurred.

On initial recognition, development projects are measured at cost.
The cost of development projects comprises expenses, including salaries and amortisation, which are directly attributable to the development projects and which are required to complete the project, calculated from the date at which the development project qualifies for recognition as an asset for the first time.

Interest expenses on loans raised to finance the manufacturing of intangible assets are recognised in cost if they relate to the manufacturing period. Other borrowing costs are recognised in the income statement.

Completed development projects are amortised on a straight-line basis over the estimated useful lives of the assets. The maximum amortisation period is five years.

Development projects are written down to any lower recoverable amount, see below. Development projects in progress are tested for impairment at least once a year.

Acquired intellectual property rights in the form of software and customer files are measured at cost less accumulated amortisation and impairment losses.

Amortisation is provided on a straight-line basis over the following expected useful lives:

Software	3-5 years
Customer files	10 years

Acquired intellectual property rights are written down to any lower recoverable amount, see below.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, expenses directly attributable to the acquisition, and expenses to prepare the asset until such time as it is ready to be put into operation. For own-manufactured assets, cost comprises expenses directly attributable to the manufacturing of the asset, including materials, components, sub-suppliers and wages. For assets held under finance leases, cost is the lower of the fair value of the asset and the present value of future lease payments. Interest expenses on loans raised to finance the manufacturing of property, plant and equipment are recognised in cost if they relate to the manufacturing period. Other borrowing costs are recognised in the income statement.

The basis of depreciation is cost less the residual value. The residual value is the expected amount that could be obtained if the asset was sold today, net of selling costs, if the asset already had the age and condition which it is expected to have at the end of the useful life. Where individual components of an item of property, plant and equipment have different useful lives, they are depreciated separately.

Amortisation is provided on a straight-line basis over the following expected useful lives:

Buildings	40 years
Building installations	10 years
Plant and machinery	5-10 years
Fixtures and fittings, other plant and equipment	5-10 years
IT equipment	3-5 years

Leasehold improvements are depreciated over the rental period, however not exceeding 10 years.

Depreciation methods, useful lives and residual amounts are reassessed annually.

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

Impairment of property, plant and equipment, intangible assets as well as investments in subsidiaries
The carrying amounts of property, plant and equipment and intangible assets with definite useful lives as well as investments in subsidiaries are tested at the balance sheet date for evidence of impairment. If there is evidence of impairment, the recoverable amount of the asset is made up to determine if an impairment loss needs to be recognised – and at what amount.

The recoverable amount of development projects and goodwill is estimated annually irrespective of whether there is evidence of impairment.

If the asset does not generate cash independently of other assets, the recoverable amount of the smallest cash-generating unit in which the assets is included is estimated.

The recoverable amount is calculated as the highest of the fair value of the asset or the cash-generating unit less selling costs and the value in use. When the value in use is determined, estimated future cash flows are discounted at present value using a discount rate that reflects current market estimates of the time value of money, as well as the particular risks related to the asset and the cash-generating unit, respectively, and for which no adjustment has been made in the estimated future cash flows.

If the recoverable amount of the asset or the cash-generating unit, respectively, is lower than the carrying amount, the carrying amount is written down to the recoverable amount. Impairment losses for a cash-generating unit are allocated so that the carrying amount of any goodwill allocated to the cash-generating unit is reduced first and then any remaining impairment losses are allocated to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit, though the carrying amount of an individual asset is not reduced to an amount lower than its fair value less estimated costs of disposal.

Impairment losses are recognised in the income statement. In case of any subsequent reversals of impairment losses resulting from changes in the assumptions of the estimated recoverable amount, the carrying amount of the asset and the cash-generating unit, respectively, is increased to the adjusted estimate of the recoverable amount, however, not exceeding the carrying amount which the asset or the cash generating unit would have had if the write-down had not been performed. Impairment losses relating to goodwill are not reversed.

Investments in subsidiaries in the parent company financial statements
Investments in subsidiaries are measured at cost in the parent company financial statements.

If cost exceeds the recoverable amount of the investments, the investments are written down to this lower value, see the section on impairment above. Distribution of dividend in excess of the entity's aggregate earnings since the Company acquired the investments is regarded as evidence of impairment, see above paragraph on impairment losses.

In connection with sale of investments in subsidiaries, profits or losses are calculated as the difference between the carrying amount of the investments sold and the fair value of the sales proceeds.

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

Goods for resale, raw materials and consumables are measured at cost, comprising purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs as well as allocated fixed and variable indirect production costs.

Variable indirect production costs include indirect materials and payroll and are allocated based on pre-calculations of the goods actually produced. Fixed indirect production costs comprise costs of maintenance and depreciation of machinery, factory buildings and equipment applied for the manufacturing process as well as general costs relating to factory administration and management. Fixed production costs are allocated on the basis of the normal capacity of the production plant.

The net realisable value of inventories is calculated as the expected selling price less costs of completion and expenses which must be incurred to effect the sale.

Receivables

Receivables comprise trade receivables as well as other receivables. Receivables are categorised as loans and receivables which are financial assets with fixed or determinable payments which are not listed at an active market and which are not derivatives.

On initial recognition, receivables are measured at fair value and subsequently at amortised cost. Write-downs are made on an individual as well as on a portfolio basis using a write-down account.

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 customisation of produced goods. Moreover, before any work is commenced, a binding agreement must have been entered into, which will imply a penalty or damages on subsequent termination of the agreement.

The selling price is measured by reference to the percentage of completion at the end of the reporting period and the 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 contract costs 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 immediately recognised as an expense and a provision.

When income and expenses on a construction contract cannot be determined reliably, contract revenue is recognised 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 amount recognised under receivables. If progress billings and anticipated losses exceed the selling price of a construction contract, the deficit is recognised under liabilities.

Prepayments from customers are recognised under liabilities.

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

Prepayments

Prepayments recognised under "Assets" comprise expenses incurred concerning subsequent financial years. Prepayments are measured at cost.

Dividends

Dividends are recognised as a liability at the date when they are adopted at the general meeting.

Reserve for treasury shares

Reserve for treasury shares comprises the cost of acquisition of the Company's treasury shares. Dividend from treasury shares and gains and losses on the disposal of treasury shares are taken directly to retained earnings under equity.

Pension commitments, etc.

Under defined contribution plans, the Group pays fixed contributions to independent pension providers, etc. on an ongoing basis. The contributions are recognised in the income statement in the period in which the employees have performed the work making them eligible for pension contributions. Due amounts are recognised in the balance sheet as a liability.

Mortgage debt

At the time of borrowing, mortgage debt is measured at cost less transaction costs incurred. Subsequently, mortgage debt is measured at amortised cost. Consequently, the difference between the proceeds at the time of borrowing and the repayable amount is recognised in the income statement as a financial expense over the term of the loan using the effective interest method.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities and measured at the lower of the fair value of the leased asset and the present value of future lease payments at the time of inception of the lease.

On subsequent recognition, lease liabilities are measured at amortised cost. The difference between the present value and the nominal amount of lease payments is recognised in the income statement as a financial expense over the term of the lease.

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

Financial liabilities

Financial liabilities comprise bank debt and trade and other payables.

On initial recognition, financial liabilities are measured at fair value less any transaction costs. Subsequently, the liabilities are measured at amortised cost using the effective interest method to the effect that the difference between the proceeds and the nominal amount is recognised in the income statement as a financial expense over the term of the loan.

Non-financial liabilities are measured at net realisable value.

Deferred income

Deferred income is income received for 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 acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

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

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and financial assets as well as acquisition, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the Parent's share capital and any related expenses as well as the raising and settlement of loans, instalments on interest-bearing debt, purchase of treasury shares and distribution of dividends.

Cash flows in currencies other than the functional currency are recognised in the cash flow statement using the average exchange rates for the months unless they differ significantly from the actual exchange rates at the transaction dates. In the latter case, the actual exchange rates of each day are applied.

Cash and cash equivalents include liquid funds less short-term bank loans, which make up an integrated part of cash management.

Segment information

Segment information is prepared in compliance with the Group's accounting policies and is based on the Group's internal management reporting.

Segment income and segment expenses as well as segment assets and segment liabilities consist of the financial statement items directly attributable to each segment and the financial statement items that can be allocated to each segment on a reliable basis. The unallocated financial statement items primarily relate to assets and liabilities as well as income and expenses related to in the Group's administrative functions, investing activities, income taxes, etc.

Non-current assets in the segments comprise assets used directly in the operation of the segment, including intangible assets and property, plant and equipment.

Current assets in the segments comprise assets used directly in the operation of the segment, including inventories, trade receivables, other receivables, prepayments and accrued income as well as cash.

Liabilities related to the segments comprise liabilities derived from the operation of the segment, including trade payables, provisions and other payables.

Transactions between the segments are priced at estimated fair values.

Financial highlights

Financial highlights have been defined and calculated in accordance with the Danish Finance Society´s guidelines on the calculation of financial ratios "Recommendations & Financial Ratios 2015" and IAS 33 "Earnings per share".

Key figures
The calculation of earnings per share and diluted earnings per share is specified in note 13.

Net working capital (NWC) is defined as the value of inventories, receivables and other operating current assets less trade payables and other short-term operating liabilities. Cash is not included in net working capital.

Net interest-bearing debt is defined as interest-bearing liabilities less interest-bearing assets, including cash.

Ratios		Calculation formula	Ratios reflect
Operating profit/loss, EBITDA margin (%)	=	EBITDA x 100 / Revenue	The Company's operating profitability expressed as the Company's ability to generate profits on operating activities
Profit margin EBIT margin (%)	=	Profit/loss before net financials (EBIT) x 100 / Revenue	The Company's operating profitability expressed as the Company's ability to generate profits on operating activities before net financials
Return on invested capital including goodwill (%)	=	Profit/loss before net financials (EBIT) x 100 / Average invested capital, incl. goodwill	The return generated by the Company on investors' funds through operating activities
Return on invested capital excluding goodwill (%)	=	Profit/loss before net financials (EBIT) x 100 / Average invested capital, excl. goodwill	The return generated by the Company on investors' funds through operating activities
Return on equity	=	Profit/loss for the year x 100 / Average equity	The Company's ability to generate return to the Parent's shareholders when considering the Company's capital base
Financial gearing	=	Net interest-bearing debt / Equity	The Company's financial gearing expressed as the Company's sensitivity to fluctuations in the interest rate level, etc.
Equity ratio, excl. non-controlling interests	=	Equity ratio, excl. non-controlling interests x 100 / Total assets	The Company's financial standing
Equity ratio, incl. non-controlling interests	=	Equity ratio, incl. non-controlling interests x 100 / Total assets	The Company's financial standing
Equity value per share	=	Equity ratio, excl. non-controlling interests / Number of shares at year end	The value of equity per share according to the Company's annual report
Cash flow per share	=	Cash flows from operating activities / Average number of diluted shares	Cash flows from operating activities generated per share by the Company

2. Significant accounting estimates, assumptions and judgements

Several financial statement items cannot be reliably measured but only be estimated. Such estimates comprise assessments based on the latest information available at the time of the financial reporting. It may be necessary to change previous estimates due to changes in the conditions on which the estimate was based or due to additional information, further experience or subsequent events.

Significant accounting estimates

When applying the accounting policies described in note 1, Management has made accounting estimates of, for example, valuation of goodwill, development costs, inventories, receivables and investments in subsidiaries in the parent company financial statements.

Assumptions and uncertainties relating to significant estimates are described below. Management is not otherwise considered having made accounting estimates that materially affect the annual report, nor are the accounting estimates made considered being associated with significant uncertainty.

Changes in accounting estimates
No significant changes have been made in accounting estimates in the financial year.

Significant assumptions and uncertainties
Recognition and measurement of assets and liabilities often depend on future events subject to some uncertainty. In this connection, it is necessary to assume a course of events, etc., reflecting Management's assessment of the most likely course of events. In the annual report for 2015 as well as in annual reports for previous years, the following assumptions and uncertainties should be noted as they have significantly affected the assets and liabilities recognised in the annual report and may require corrections in subsequent financial years if the courses of events assumed are not realised as expected.

Recoverable amount of goodwill
An assessment of indication of impairment of recognised goodwill amounts requires a calculation of the values in use of the cash-generating units to which the goodwill amounts are allocated. The determination of the value in use requires an estimate of the expected future cash flows in each cash-generating unit as well as a determination of a reasonable discount rate. The carrying amount of goodwill amounted to DKK 139 million at 31 December 2015. For a further description of the discount rates applied, etc., see note 14. The impairment tests carried out show that the value in use of the cash-generating units is significantly higher than the carrying amount of the assets related to the units.

Capitalised development projects
An impairment test has been carried out of selected development projects that are in the early commercial phase. The impairment test is based on a discount rate of 9.0 % before tax and 7.5 % after tax and expected revenue and earnings on the projects. One development project concerns a commercially early-phase production process. Accordingly, as it is considered considerably uncertain whether the project earnings can support the capitalised value of the project, the project has been written down by DKK 5 million to DKK 0.

Inventories
Individual write-downs of inventories have been made based on turnover ratio, defective goods, etc.

Receivables
The Group has made individual write-downs of receivables based on estimates of the credit quality of the debtors. The risk of bad debts is limited as the Group's debtors have taken out credit insurance.

Investments in subsidiaries in the parent company financial statements
The assessment of the need for impairment write-down of investments in subsidiaries requires the determination of values in use of the individual subsidiaries. The determination of the value in use requires an estimate of the expected future cash flows in each subsidiary as well as a determination of a reasonable discount rate. In connection with the valuation, the same discount rate was used as in connection with the impairment test for goodwill. Please see note 14. The tests performed show values exceeding the carrying amount of the individual investments.

Corporate acquisitions
In connection with corporate acquisitions, the acquiree's identifiable assets, liabilities and contingent liabilities must be recognised at fair value in accordance with the acquisition method. The acquiree's core assets are usually goodwill, property, plant and equipment, intangible assets, receivables and inventories. There are no active markets that can be used to determine the fair value of a large part of the acquired assets and liabilities. This is particularly true for acquired intangible assets. The methods typically used are based on the net present value of expected future net cash flows related to the asset, or the cost method, which is based on, e.g., the replacement cost. Therefore, Management makes estimates when determining the fair value of the acquired assets, liabilities and contingent liabilities. Depending on the nature of the item, determining the fair value can be associated with uncertainty and, potentially, be subject to subsequent adjustment.

The fair value of the identifiable assets, liabilities and contingent liabilities appears from note 39, Acquisition of activity and subsidiary in 2015, which also reflects the methods applied to determine the fair values of the acquisitions made in 2015.

PARENT			GROUP	
2014	**2015**	DKK'000	**2015**	**2014**
		3. Production costs		
0	0	Cost of sales	727,265	670,437
0	0	Inventory write-downs	2,768	2,644
0	0	Reversed inventory write-downs	-603	-807
0	0	Staff costs	187,429	165,585
0	**0**		**916,859**	**837,859**
		Reversal of inventory write-downs relates to disposal of written-down inventories.		
		4. Other operating income		
4,525	4,634	Rent	93	188
9	0	Gain from sale of non-current assets	270	574
4,534	**4,634**		**363**	**762**
		5. Development costs		
5,072	4,224	Research and development costs incurred	6,249	12,144
0	0	Portion capitalised for accounting purposes	-2,024	-7,072
5,072	**4,224**	**Expensed in the financial year**	**4,225**	**5,072**
		Development costs substantially relate to payroll costs.		
		6. Staff costs		
10,852	9,910	Wages and salaries	292,347	261,421
348	339	Pension contributions, defined contribution plan	19,405	17,809
118	108	Other social security costs	16,414	14,985
625	738	Other staff costs	15,373	12,493
399	240	Share-based payment	240	399
0	0	Refunds from public authorities	-3,968	-2,604
12,342	**11,335**		**339,811**	**304,503**
		Analysis of staff costs:		
0	0	Production costs	187,429	165,585
12,342	11,335	Staff costs	152,383	138,918
12,342	**11,335**		**339,812**	**304,503**
10	**10**	**Average number of employees**	**1,452**	**1,255**

6. Staff costs (continued)

Remuneration of Management

Analysis of remuneration of the members of the Parent's Executive Board and Board of Directors:

				GROUP
	Board of Directors		Executive Board	
DKK'000	2015	2014	2015	2014
Remuneration of the Board of Directors	1,250	1,250	-	-
Fee, membership of committees	50	0	-	-
Salaries	0	0	5,354	5,591
Share-based payment	0	0	25	57
	1,300	**1,250**	**5,379**	**5,648**

				PARENT
	Board of Directors		Executive Board	
DKK'000	2015	2014	2015	2014
Remuneration of the Board of Directors	1,250	1,250	-	-
Fee, membership of committees	50	0	-	-
Salaries	0	0	4,919	5,231
Share-based payment	0	0	25	57
	1,300	**1,250**	**4,944**	**5,288**

The Company has entered into defined contribution plans for the majority of its employees.

According to the agreements entered into, the Company pays a monthly contribution to independent pension providers.

PARENT			GROUP	
2014	2015	DKK'000	2015	2014
348	339	Expensed contributions to defined pension plans	19,405	17,809

7. Share-based payment

Equity-settled share option plans, Parent and Group

To tie the Executive Board and other executive officers more closely to the Group, SP Group A/S has set up the following share-based payment arrangements:

Warrant programme 2015

In 2015, the Group set up an incentive programme for the Company's Executive Board and 26 executive officers. The programme is based on warrants. A total of 50,000 warrants were issued in the year, 10,000 of which were granted to the Executive Board and the rest to executive officers.

The warrants were granted based on a wish to tie the Company's executive officers more closely to the Group.

The exercise price is fixed at DKK 255 per share of nominally DKK 10 plus 7.5% per annum, calculated from 1 April 2015 and until the warrants are in fact exercised. The exercise price is fixed based on the listed price immediately before the publication of the annual report on 26 March 2015 and up to 27 April 2015. The issued warrants will expire without net settlement if the warrants are not exercised. The right to the warrants is earned over the period.

The warrants issued may be exercised to purchase shares in the Company in the period from 1 April 2018 to 31 March 2021. Alternatively, the Executive Board and the 26 executive officers could purchase the warrants at market price, see below, against cash payment. The purchase option could be exercised until 30 June 2015. The Executive Board and 9 executive officers decided to exercise this option.

The estimated fair value of the warrants issued is calculated at approx. DKK 567 thousand on the assumption that the warrants granted will be exercised in April 2018. The warrants are valued using the Black-Scholes pricing model. The valuation is based on the following assumptions:

Volatility	20 %
Risk-free interest rate	0.00 %
Share price	240

The estimated volatility is determined based on the price of the Company's shares during the months preceding 22 April 2015.

Warrant programme 2014

In 2014, the Group set up an incentive programme for the Company's Executive Board and 25 executive officers. The programme is based on warrants. A total of 50,000 warrants were issued in the year, 10,000 of which were granted to the Executive Board and the rest to executive officers.

The warrants were granted based on a wish to tie the Company's executive officers more closely to the Group.

The exercise price is fixed at DKK 280 per share of nominally DKK 10 plus 7.5% per annum, calculated from 1 April 2014 and until the warrants are in fact exercised. The exercise price is fixed based on the listed price immediately before the publication of the annual report on 27 March 2014 and up to 29 April 2014. The issued warrants will expire without net settlement if the warrants are not exercised. The right to the warrants is earned over the period.

The warrants issued may be exercised to purchase shares in the Company in the period from 1 April 2017 to 31 March 2020. Alternatively, the Executive Board and the 25 executive officers could purchase the warrants at market price, see below, against cash payment. The purchase option could be exercised until 30 June 2014. The Executive Board and 10 executive officers decided to exercise this option.

The estimated fair value of the warrants issued is calculated at approx. DKK 153 thousand on the assumption that the warrants granted will be exercised in April 2017. The warrants are valued using the Black-Scholes pricing model. The valuation is based on the following assumptions:

Volatility	13 %
Risk-free interest rate	0.38 %
Share price	263

The estimated volatility is determined based on the Company's share prices during the six months preceding 22 April 2014.

Warrant programme 2013

In 2013, the Group set up an incentive programme for the Company's Executive Board and 23 executive officers. The programme is based on warrants. A total of 100,000 warrants were issued in the year, 25,000 of which were granted to the Executive Board and the rest to executive officers.

The warrants were granted based on a wish to tie the Company's executive officers more closely to the Group.

The exercise price is fixed at DKK 145 per share of nominally DKK 10 plus 7.5% per annum, calculated from 1 April 2013 and until the warrants are in fact exercised. The exercise price is fixed based on the listed price immediately before and after the publication of the annual report on 22 March 2013 and up to 18 April 2013. The issued warrants will expire without net settlement if the warrants are not exercised. The right to the warrants is earned over the period.

The warrants issued may be exercised to purchase shares in the Company in the period from 1 April 2016 to 31 March 2019. Alternatively, the Executive Board and the 23 executive officers could purchase the warrants at market price, see below, against cash payment. The purchase option could be exercised until 19 June 2013. The Executive Board and two executive officers decided to exercise this option.

The estimated fair value of the warrants issued is calculated at approx. DKK 603 thousand on the assumption that the warrants granted will be exercised in April 2016. The warrants are valued using the Black-Scholes pricing model. The valuation is based on the following assumptions:

Volatility	19 %
Risk-free interest rate	0.13 %
Share price	138

The estimated volatility is determined based on the price of the Company's shares during the six months preceding 22 March 2013.

Warrant programme 2012

In 2012, the Group set up an incentive programme for the Company's Executive Board and 22 executive officers. The programme is based on warrants. A total of 100,000 warrants were issued in the year, 30,000 of which were granted to the Executive Board and the rest to executive officers.

The warrants were granted based on a wish to tie the Company's executive officers more closely to the Group.

The exercise price is fixed at DKK 120 per share of nominally DKK 10 plus 7.5% p.a. calculated from 1 April 2012 and until the warrants can be exercised at the earliest. The exercise prise is fixed based on the listed price immediately before and after the publication of the annual report on 28 March 2012. The issued warrants will expire without net settlement if the warrants are not exercised. The right to the warrants is earned over the period.

The warrants issued may be exercised to purchase shares in the Company in the period from 1 April 2015 to 31 March 2018. Alternatively, the Executive Board and the 22 executive officers could purchase the warrants at market price, see below, against cash payment. The purchase option could be exercised until 29 June 2012. CEO Frank Gad chose to exercise the option.

The estimated fair value of the warrants issued is calculated at approx. DKK 752 thousand on the assumption that the warrants granted will be exercised in April 2015. The warrants are valued using the Black-Scholes pricing model. The valuation is based on the following assumptions:

Volatility	31 %
Risk-free interest rate	0.51 %
Share price	102

The estimated volatility is determined based on the price of the Company's shares during the six months preceding 30 March 2012.

Development in the year

Analysis of the development in outstanding warrants:

	Number warrants	Number warrants	Average exercise price, warrants	Average exercise price, warrants
Number of shares	**2015**	**2014**	**2015**	**2014**
Outstanding warrants at 1 January	254,000	303,000	200	150
Granted in the financial year	50,000	50,000	317	348
Exercised in the financial year	-83,462	-99,000	139	117
Expired/cancelled in the financial year	-5,054	0	149	0
	215,484	**254,000**	**248**	**200**
Exercisable at 31 December	19,150	4,000		

Of the outstanding warrants, 45,000 have been awarded to the executive Board and 170,484 to other executives.

The fair values of the warrants issued calculated at the grant date are recognised proportionally in the income statement as staff costs over the period up to the exercise date.

PARENT			GROUP	
2014	**2015**	DKK'000	**2015**	**2014**
		Equity-settled share option plans, Company and Group		
		Development in the year		
399	**240**	Share-based payment recognised in the income statement, equity-settled share option plan	**240**	**399**

PARENT			GROUP	
2014	2015	DKK'000	2015	2014
		8. Depreciation, amortisation and impairment losses		
141	132	Amortisation of intangible assets	10,426	5,485
0	0	Impairment losses of intangible assets	5,017	5,485
3,118	3,077	Depreciation on property, plant and equipment	56,568	47,844
3,259	**3,209**		**72,011**	**53,329**
		9. Dividends from subsidiaries		
20,000	26,231	Dividends from subsidiaries	-	-
20,000	**26,231**	**-**	**-**	
		10. Other financial income		
0	16,398	Interest, etc.	639	583
212	587	Interest, subsidiaries	-	-
212	**16,985**	**Interest income from financial assets not measured at fair value through profit/loss**	**639**	**583**
1,833	0	Exchange rate adjustments	3,042	4,810
2,045	**16,985**		**3,681**	**5,393**
		11. Financial expenses		
3,262	3,786	Interest, etc.	12,678	13,047
1,037	1,125	Value adjustment of hedging transactions	1,125	1,037
1,057	1,097	Interest to group entities	-	-
5,356	**6,008**	**Interest expenses on financial liabilities not measured at fair value through profit/loss**	**13,803**	**14,084**
0	10,429	Write-down of investment in subsidiary	-	-
0	4,452	Exchange rate adjustments	0	0
5,356	**20,889**		**13,803**	**14,084**

PARENT			GROUP	
2014	2015	DKK'000	2015	2014
		12. Tax for the year		
0	0	Current tax	17,280	7,880
-3,347	-356	Changes in deferred tax	2,263	3,744
0	0	Adjustment concerning previous years, deferred tax	0	43
-3,347	**-356**		**19,543**	**11,667**
		The current income tax for the financial year is calculated based on a tax rate of 23.5 % (2014: 24.5 %) for Danish entities. As regards foreign entities, the current tax rate in the country in question is used.		
		Tax on other comprehensive income		
-114	185	Value adjustment of financial instruments acquired to hedge future cash flows	3,442	-1,526
-114	**185**		**3,442**	**-1,526**
		Analysis of tax on items recognised in other comprehensive income:		
0	0	Current tax	0	-283
-114	185	Changes in deferred tax	3,442	-1,243
-114	**185**		**3,442**	**-1,526**
		Reconciliation of tax rate		
-	-	Danish tax rate	23.5	24.5
-	-	Effect of differences in tax rates for foreign entities	0.7	-1.8
-	-	Effect of changed corporate income tax rate in Denmark	0.0	0.0
-	**-**	**Effective tax rate for the year**	**24.2**	**22.7**
		The Parent's tax rate in 2015 as well as in 2014 is materially affected by tax-exempt dividends from subsidiaries.		
		Analysis of the estimated current tax charge for the year:		
		Denmark	500	0
		Poland	5,891	3,857
		USA	4,615	1,126
		China	1,549	382
		Latvia	0	0
		Slovakia	472	0
		Sweden	862	374
		The Netherlands	1,775	1,139
		Brazil	1,616	1,002
			17,280	**7,880**

There is no current tax in Latvia, as there are tax loss carry-forwards from prior years.

The current tax in Denmark is affected by tax loss carry-forwards, including in particularly from 2004, 2008 and 2009. Reference is made to note 25.

	GROUP	
DKK'000	2015	2014

13. Earnings per share

The calculation of earnings per share is based on the following:

Profit to the Company's shareholders	**60,584**	**39,020**

Number of shares	**2015**	**2014**
Average number of shares issued	2,124,000	2,024,000
Average number of treasury shares issued	-33,406	-60,655
Number of shares used to calculate earnings per share	**2,090,594**	**1,963,345**
Average dilution effect of outstanding warrants	**73,266**	**64,128**
Number of shares used to calculate diluted earnings per share	**2,163,860**	**2,027,473**

DKK'000	Software	Customer files	Goodwill	Completed development projects	Development projects in progress
					GROUP
14. Intangible assets					
Cost at 01/01/2015	20,820	4,000	110,843	36,982	1,874
Value adjustment	5	0	1,517	-234	0
Additions relating to acquisition of entity	0	14,928	28,529	0	0
Additions	4,04	0	0	1,050	1,506
Disposals	1,310	0	0	0	-532
Cost at 31/12/2015	**23,579**	**18,928**	**140,889**	**37,798**	**2,848**
Amortisation and impairment losses at 01/01/2015	13,201	2,270	1,861	16,990	0
Value adjustment	5	0	0	-142	0
Amortisation losses for the year	2,510	1,314	0	6,602	0
Impairment losses for the year	0	0	0	5,017	0
Reversal in connection with disposals	-1,310	0	0	0	0
Amortisation and impairment losses at 31/12/2015	**14,406**	**3,584**	**1,861**	**28,467**	**0**
Carrying amount at 31/12/2015	**9,173**	**15,344**	**139,028**	**9,331**	**2,848**
Cost at 01/01/2014	19,064	3,000	106,224	23,007	8,714
Value adjustment	-37	0	1,449	63	0
Additions relating to acquisition of entity	0	1,000	3,170	0	0
Retained	0	0	0	8,351	-8,351
Additions	1,809	0	0	5,561	1,511
Disposals	-16	0	0	0	0
Cost at 31/12/2014	**20,820**	**4,000**	**110,843**	**36,982**	**1,874**
Amortisation and impairment losses at 01/01/2014	12,137	1,800	1,861	13,022	0
Value adjustment	-32	0	0	55	0
Amortisation for the year	1,102	470	0	3,913	0
Reversal in connection with disposals	-6	0	0	0	0
Amortisation and impairment losses at 31/12/2014	**13,201**	**2,270**	**1,861**	**16,990**	**0**
Carrying amount at 31/12/2014	**7,619**	**1,730**	**108,982**	**19,992**	**1,874**

Impairment losses in respect of completed development projects include an impairment loss on a development project, reducing the asset from DKK 5.0 million to DKK 0. The reason for recognising the impairment loss is considerable uncertainty as to whether the project will realise earnings sufficient to support the value.

	PARENT	
DKK'000	Software 2015	Software 2014

14. Intangible assets (continued)

Cost at 1 January	989	977
Additions	63	12
Disposals	0	0
Cost at 31 December	**1,052**	**989**
Amortisation and impairment losses at 1 January	814	673
Amortisation for the year	132	141
Reversal in connection with disposals	0	0
Amortisation and impairment losses at 31 December	**946**	**814**
Carrying amount at 31 December	**106**	**175**

Goodwill

Goodwill arising from business acquisitions, etc., is distributed at the acquisition date to the cash-generating units which are expected to obtain financial benefits from the business combination.

The carrying amount of goodwill is distributed as follows by cash-generating units:

	GROUP	
DKK'000	**2015**	**2014**
Coatings	9,823	9,823
Plastics (excl. Ulstrup Plast A/S)	102,550	99,159
Plastics (Ulstrup Plast A/S)	26,655	0
	139,028	**108,982**

14. Intangible assets (continued)

Goodwill

Goodwill is tested for impairment at least once a year and in addition, if there is evidence of impairment. The annual impairment test is usually performed at 31 December.

No impairment losses were recognised in respect of goodwill in 2015 or 2014.

The recoverable amount of the cash-generating units to which the goodwill amounts relate is calculated on the basis of a calculation of value in use. In this relation, the most significant uncertainties are attributable to the determination of discount factors and growth rates as well as the expectations for sales in an unstable market.

The discount factors determined reflect the market assessments of the time value of money expressed as a risk-free interest rate and the specific risks related to the cash-generating unit.

The fixed sales prices, production costs and growth rates are based on historical experience as well as expectations for future market changes. Revenue from the segments is broken down by several industries and is therefore not particularly dependent on lines of business or individual customers.

The calculation of the value in use is based on the cash flows stated in the most recent management-approved budget for 2016 and forecasts for 2017 and 2018. For financial years after the forecast period, cash flows have been extrapolated for the most recent forecast periods adjusted for an expected growth rate.

The most significant parameters applied when calculating recoverable amounts are as follows:

	2015	2014
Discount rate after tax	7.5%	7.5%
Discount rate before tax	9.0%	9.2%
Growth rate in the terminal period	2.0%	2.0%

The above parameters have been used for all 3 cash-generating units, as it is assessed that there are no material differences in the parameters affecting the value in use in the individual cash-generating units.

Other intangible assets

Apart from goodwill, all intangible assets are considered to have determinable useful lives over which the assets are amortised; see the description of accounting policies.

DKK'000	Land and buildings	Plant and machinery	Other fixtures, etc.	Leasehold improve-ments	Property, plant and equipment in progress
					GROUP

15. Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures, etc.	Leasehold improve-ments	Property, plant and equipment in progress
Cost at 01/01/2015	217,907	696,156	85,635	27,691	23,298
Value adjustment	0	3,433	418	679	21
Additions relating to acquisition of entity	0	8,031	1,137	1,168	0
Additions	7,100	64,178	8,549	737	23,544
Disposals	-23	-7,288	-3,099	0	-30,870
Cost at 31/12/2015	**224,984**	**764,510**	**92,640**	**30,275**	**15,993**
Depreciation and impairment losses at 01/01/2015	89,865	451,740	65,912	15,805	0
Value adjustment	0	1,717	235	465	0
Depreciation for the year	6,300	40,922	6,915	2,431	0
Reversal in connection with disposals	-11	-3,462	-2,502	0	0
Depreciation and impairment losses at 31/12/2015	**96,154**	**490,917**	**70,560**	**18,701**	**0**
Carrying amount at 31/12/2015	**128,830**	**273,593**	**22,080**	**11,574**	**15,993**
Portion relating to assets held under finance leases at 31/12/2015	0	77,503	227	0	0
Cost at 01/01/2014	213,421	647,854	79,238	26,466	26,945
Value adjustment	0	173	39	-152	-43
Additions relating to acquisition of entity	0	5,074	121	97	0
Additions	4,486	67,392	8,237	1,280	17,219
Disposals	0	-24,337	-2,000	0	-20,823
Cost at 31/12/2014	**217,907**	**696,156**	**85,635**	**27,691**	**23,298**
Depreciation and impairment losses at 01/01/2014	84,177	434,553	60,877	13,440	0
Value adjustment	0	705	66	128	0
Depreciation for the year	5,688	33,604	6,315	2,237	0
Reversal in connection with disposals	0	-17,122	-1,346	0	0
Depreciation and impairment losses at 31/12/2014	**89,865**	**451,740**	**65,912**	**15,805**	**0**
Carrying amount at 31/12/2014	**128,042**	**244,416**	**19,723**	**11,886**	**23,298**
Portion relating to assets held under finance leases at 31/12/2014	0	63,549	877	0	0

DKK'000	PARENT Land and buildings	Other fixtures, etc.
15. Property, plant and equipment		
Cost at 01/01/2015	81,438	3,637
Additions	2,467	185
Disposals	0	0
Cost at 31/12/2015	**83,905**	**3,822**
Depreciation and impairment losses at 01/01/2015	13,849	2,511
Depreciation for the year	2,361	716
Reversal in connection with disposals	0	0
Depreciation and impairment losses at 31/12/2015	**16,210**	**3,227**
Carrying amount at 31/12/2015	**67,695**	**595**
Portion relating to assets held under finance leases at 31/12/2015	0	117
Cost at 01/01/2014	80,801	4,182
Additions	637	339
Disposals	0	-884
Cost at 31/12/2014	**81,438**	**3,637**
Depreciation and impairment losses at 01/01/2014	11,575	2,211
Depreciation for the year	2,274	844
Reversal in connection with disposals	0	-544
Depreciation and impairment losses at 31/12/2014	**13,849**	**2,511**
Carrying amount at 31/12/2014	**67,589**	**1,126**
Portion relating to assets held under finance leases at 31/12/2014	0	467

	PARENT	
DKK'000	2015	2014

16. Investments in subsidiaries

	2015	2014
Cost at 1 January	597,009	587,146
Additions	80,590	9,863
Cost at 31 December	**677,599**	**597,009**
Impairment losses at 1 January	240,835	240,835
Impairment losses for the year	10,429	0
Impairment losses at 1 December	**251,264**	**240,835**
Carrying amount at 31 December	**426,335**	**356,174**

The impairment concern the investment in SP Extrusion A/S. The entity has been loss-making in the start-up phase 2013-2015. It is considered uncertain if the net present value of the expected net cash flows from operating activities will correspond the carrying amount of the investments at 31 December 2015, which totals DKK 17.0 million before write-downs. On this basis, the investments have been written down to the value in use, DKK 6.6 million. The write-down of DKK 10.4 million has been recognised under finance expenses.

After the write-down, the fair value at 31 December 2015 equals the net asset value of the entity.

Management expects the entity to be profitable from 2016, but the entity is still in a start-up phase.

Investments in subsidiaries comprise:

	Registered office	Ownership interest		Share of voting rights		Activity
		2015	2014	2015	2014	
SP Moulding	Denmark	100 %	100 %	100 %	100 %	Production and sale of injection-moulded items
Ulstrup Plast A/S	Denmark	100 %	-	100 %	-	Production and sale of injection-moulded items
Accoat A/S	Denmark	100 %	100 %	100 %	100 %	Production and sale of coatings
Gibo Plast	Denmark	100 %	100 %	100 %	100 %	Production and sale of vacuum-formed items
Tinby A/S	Denmark	100 %	100 %	100 %	100 %	Production and sale of polyurethane products
Ergomat A/S	Denmark	100 %	100 %	100 %	100 %	Production and sale of ergonomics solutions
SP Extrusion A/S	Denmark	100 %	100 %	100 %	100 %	Production and sale of extruded items
Brdr. Bourghardt AB	Sweden	80 %	80 %	80 %	80 %	Production and sale of Telene products
TPI Polytechniek B.V.	The Netherlands	100 %	100 %	100 %	100 %	Sale of ventilation components

In 2015, all of the shares in Ulstrup Plast A/S were acquired.

Note 42 includes an overview of all entities in the Group.

PARENT			GROUP	
2014	**2015**	DKK'000	**2015**	**2014**
		17. Inventories		
0	0	Raw materials and consumables	115,993	92,835
0	0	Work in progress	9,092	8,231
0	0	Finished goods and goods for resale	118,449	106,804
0	**0**		**243,534**	**207,870**
0	0	Carrying amount of inventories recognised at net realisable value	5,926	9,255
		18. Trade receivables		
0	0	Write-down for the year recognised in the income statement	61	116
		Trade receivables are written down if, based on an individual assessment of the debtors' ability to pay, the value has depreciated, e.g. in case of non-payment, suspension of payments, bankruptcy, etc. (objective evidence of impairment). Trade receivables are written down to net realisable value. Moreover, reference is made to note 35.		
		The carrying amount of receivables written down to net realisable value based on an individual assessment amounts to DKK 0 thousand (2014: DKK 1 thousand).		
		Due receivables not written down:		
8	25	Due by up to one month	25,869	16,803
0	0	Due between one and three months	4,985	5,093
0	0	Due by more than three months	1,033	432
8	**25**		**31,887**	**22,328**
		19. Construction contracts		
0	0	Selling price of construction contracts	12,264	9,805
0	0	Progress billings	-11,014	-3,272
0	**0**		**1,250**	**6,533**
		recognised as follows:		
0	0	Construction contracts (assets)	3,639	6,533
0	0	Construction contracts (liabilities)	-2,389	0
0	**0**		**1,250**	**6,533**
0	0	Prepayments from customers relating to contract not yet initiated	0	0
0	0	Payments withheld	0	0
0	0	The selling price of the year's production relating to construction contracts	35,447	15,498

20. Other receivables

Receivables are not subject to any special credit risks, and as in the previous year, no impairment losses have been recognised in that regard. None of the receivables have fallen due. They will fall due in 2016.

21. Cash

The Group's and the Parent's cash primarily consists of deposits in banks with high credit ratings. Consequently, cash is not considered to be subject to any special credit risk.

22. Share capital

The share capital consists of 2,224,000 shares. The shares are fully paid-in. The shares are not divided into classes.

All shares rank equally.

	Issued shares			
DKK'000	Number		Nom. value	
	2015	2014	2015	2014
01.01.	2,024,000	2,024,000	20,240,000	20,240,000
Capital increase	200,000	0	2,000,000	0
31.12.	**2,224,000**	**2,024,000**	**22,240,000**	**20,240,000**

The capital increase of DKK 2.0 million nominal value was carried through on 24 June 2015 at a price of 280.
The expenses relating to the capital increase totalled DKK 0.7 million.

	Treasury shares					
DKK'000	Number		Nom. value		% of share capital	
	2015	2014	2015	2014	2015	2014
01.01.	43,993	77,815	439,930	778,150	2.0 %	3.8 %
Acquired	62,288	65,178	622,880	651,780	2.8 %	3.2 %
Sold	-83,462	-99,000	-834,620	-990,000	-3.8 %	-4.9 %
31.12.	**22,819**	**43,993**	**228,190**	**439,930**	**1.0 %**	**2.2 %**

Acquisitions in 2014 and 2015 were made in order to partially fund existing warrant schemes.
Sales in 2014 and 2015 relate to the exercise of warrant schemes.

Capital management

The Group continuously assesses the need to adjust its capital structure to weigh the higher yield requirement applicable equity against the increased uncertainty associated with loan capital. At year-end 2015, equity accounted for 36.5% of total assets (2014: 28.3%). It is the Group's objective to have a solvency ratio of 25-45 %. Capital is managed for the Group taken as a whole.

It is SP Group A/S' dividend policy that the shareholders should yield a return on their investment in the form of price increases and dividends. It is the ambition that earnings per share increae by an average of 20 % per year over a five-year period, corresponding to the growth rate over the latest five years. Payment of dividends must be made taking into consideration the necessary consolidation of equity as a basis for the Group's continued expansion. For 2015, DKK 4 per share is distributed as dividend, corresponding to approx. 15 % of the profit for the year.

DKK'000	Reserve for exchange rate adjustments	Reserve for share-based payment	Reserve for hedging transactions	Total
				GROUP

23. Other reserves

DKK'000	Reserve for exchange rate adjustments	Reserve for share-based payment	Reserve for hedging transactions	Total
Reserve at 01/01/2014	2,276	2,068	3,953	8,297
Exchange rate adjustment relating to foreign entities	1,303	0	0	1,303
Recognition of share-based payment	0	399	0	399
Share-based payment, exercised arrangements	0	-1,252	0	-1,252
Sale of warrants	0	73	0	73
Value adjustments of financial instruments acquired to hedge future cash flows, net	0	0	-7,098	-7,098
Reserve at 31/12/2014	**3,579**	**1,288**	**-3,145**	**1,722**
Exchange rate adjustment relating to foreign entities	5,611	0	0	5,611
Recognition of share-based payment	0	240	0	240
Share-based payment, exercised arrangements	0	-758	0	-758
Sale of warrants	0	272	0	272
Value adjustments of financial instruments acquired to hedge future cash flows, net	0	0	14,353	14,353
Reserve at 31/12/2015	**9,190**	**1,042**	**11,208**	**21,440**

PARENT

DKK'000	Reserve for share-based payment	Reserve for hedging transactions	Total
Reserve at 01/01/2014	2,068	-916	1,152
Recognition of share-based payment	399	0	399
Share-based payment, exercised arrangements	-1,252	0	-1,252
Sale of warrants	73	0	73
Value adjustments of financial instruments acquired to hedge future cash flows, net	0	-354	-354
Reserve at 31/12/2014	**1,288**	**-1,270**	**18**
Recognition of share-based payment	240	0	240
Share-based payment, exercised arrangements	-758	0	-758
Sale of warrants	272	0	272
Value adjustments of financial instruments acquired to hedge future cash flows, net	0	505	505
Reserve at 31/12/2015	**1,042**	**-765**	**277**

The reserve for exchange rate adjustments comprises all exchange rate adjustments arising from the translation of financial statements of entities with a functional currency other than DKK.

The reserve for share-based payment comprises the accumulated value of the earned right to share option plans (equity-settled share option plans) measured at the fair value of the equity instruments at the grant date and recognised over the vesting period. The reserve is dissolved as the employees exercise the earned right to acquire shares or as the options expire without having been exercised.

The hedging reserve comprises the accumulated net change in the fair value of hedging transactions that qualify for designation as hedges of future cash flows where the hedged transaction has not yet been realised.

24. Non-current liabilities

								GROUP
	Bank debt		Financial institutions		Finance lease liabilities (minimum lease payments)		Other non-current liabilities	
DKK'000	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Non-current liabilities fall due as follows:								
Within one year from the balance sheet date	25,642	23,910	11,087	11,036	15,985	12,844	2,281	0
Between one and two years from the balance sheet date	24,954	23,910	11,130	73,584	17,666	13,529	2,281	0
Between two and three years from the balance sheet date	17,970	23,910	8,603	11,128	14,387	13,283	8,413	0
Between three and four years from the balance sheet date	12,000	17,954	69,752	9,205	9,725	10,452	5,873	0
Between four and five years from the balance sheet date	0	12,000	7,316	7,258	3,982	5,926	0	0
After five years from the balance sheet date	0	0	45,710	52,974	210	0	0	0
	80,566	**101,684**	**153,598**	**165,185**	**61,955**	**56,034**	**18,848**	**0**
Liabilities are recognised in the balance sheet as follows:								
Current liabilities	25,642	23,910	11,087	11,036	15,985	12,844	2,281	0
Non-current liabilities	54,924	77,774	142,511	154,149	45,970	43,190	16,567	0
	80,566	**101,684**	**153,598**	**165,185**	**61,955**	**56,034**	**18,848**	**0**
Fair value	80,566	101,684	155,326	166,820	61,955	56,034	18,848	0

The fair value of fixed-rate debt is calculated at the present value of the future payments of interest and instalments using the current market rate.

Other non-current liabilities include the net present value of expected earn-out payments and instruments of debt in connection with corporate acquisitions in 2015, see more details in note 39.

	Bank debt		Financial institutions		Finance lease liabilities (minimum lease payments)		Other non-current liabilities	PARENT
DKK'000	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
24. Non-current liabilities (continued)								
Non-current liabilities fall due as follows:								
Within one year from the balance sheet date	23,940	23,910	3,266	3,235	230	435	2,281	0
Between one and two years from the balance sheet date	23,940	23,910	3,291	65,761	0	231	2,281	0
Between two and three years from the balance sheet date	17,970	23,909	3,315	3,288	0	0	8,413	0
Between three and four years from the balance sheet date	12,000	17,955	65,839	3,315	0	0	5,873	0
Between four and five years from the balance sheet date	0	12,000	3,365	3,341	0	0	0	0
After five years from the balance sheet date	0	0	22,096	25,428	0	0	0	0
	77,850	**101,684**	**101,172**	**104,368**	**230**	**666**	**18,848**	**0**
Liabilities are recognised in the balance sheet as follows:								
Current liabilities	23,940	23,910	3,266	3,235	230	435	2,281	0
Non-current liabilities	53,910	77,774	97,906	101,133	0	231	16,567	0
	77,850	**101,684**	**101,172**	**104,368**	**230**	**666**	**18,848**	**0**
Fair value	77,850	101,684	102,868	105,957	230	666	18,848	0

The fair value of fixed-rate debt is calculated at the present value of the future payments of interest and instalments using the current market rate.

Other non-current liabilities include the net present value of expected earn-out payments and instruments of debt in connection with corporate acquisitions in 2015, see more details in notes 39.

PARENT			GROUP	
Deferred tax assets	Deferred tax liabilities	DKK'000	Deferred tax assets	Deferred tax liabilities
		25. Deferred tax		
10,855	0	Deferred tax at 01/01/2014	2,917	11,015
0	0	Foreign exchange adjustment	267	140
0	0	Acquisition of entity	1,699	0
0	0	Other adjustments, reclassification of tax payable at beginning of year	-505	-505
3,347	0	Change in deferred tax recognised in the income statement	-730	3,014
114	0	Change in deferred tax recognised in other comprehensive income	598	-645
-4,444	0	Transfer, subsidiaries	0	0
9,872	**0**	**Deferred tax at 31/12/2014**	**4,246**	**13,019**
0	0	Foreign exchange adjustment	221	140
0	0	Acquisition of entity	589	3,426
0	0	Other adjustments, reclassification of tax payable at beginning of year	-60	-60
356	0	Change in deferred tax recognised in the income statement	-1,045	1,218
-185	0	Change in deferred tax recognised in other comprehensive income	-159	3,283
1,629	0	Change in deferred tax recognised in equity	0	-1,629
-4,188	0	Transfer, subsidiaries	0	0
7,484	**0**	**Deferred tax at 31/12/2015**	**3,792**	**19,397**

PARENT			GROUP	
2014	**2015**	DKK'000	**2015**	**2014**
		Deferred tax is recognised in the balance sheet as follows:		
9,872	7,484	Deferred tax assets	3,792	4,246
0	0	Deferred tax liabilities	-19,397	-13,019
9,872	**7,484**		**-15,605**	**-8,773**

The Group's tax assets primarily relate to tax losses in SP Moulding (Suzhou) Co. Ltd. in China.
The tax asset are expected to be utilised within three years.

DKK'000	01.01.	Recognised in profit/loss	Recognised in other comprehensive income	Recognised in equity	Recognised on acquisition of entity	Value adjustments etc.	31.12.
							GROUP

25. Deferred tax

DKK'000	01.01.	Recognised in profit/loss	Recognised in other comprehensive income	Recognised in equity	Recognised on acquisition of entity	Value adjustments etc.	31.12.
2015							
Intangible assets	11,645	-2,546	0	0	2,845	0	11,944
Property, plant and equipment	14,194	-404	0	0	271	0	14,061
Inventories	3,196	-289	0	0	-215	0	2,692
Receivables	177	-784	0	0	0	0	-607
Liabilities	-540	50	0	0	-65	0	-555
Value adjustment of derivative financial instruments	75	-246	3,257	0	0	0	3,086
Tax loss carry-forwards	-19,974	6,482	185	-1,629	0	-80	-15,016
	8,773	**2,263**	**3,442**	**-1,629**	**2,836**	**-80**	**15,605**
2014							
Intangible assets	11,735	-90	0	0	0	0	11,645
Property, plant and equipment	11,224	2,970	0	0	0	0	14,194
Inventories	2,977	219	0	0	0	0	3,196
Receivables	56	121	0	0	0	0	177
Liabilities	-510	-30	0	0	0	0	-540
Value adjustment of derivative financial instruments	1,232	-28	-1,129	0	0	0	75
Tax loss carry-forwards	-18,616	582	-114	0	-1,699	-127	-19,974
	8,098	**3,744**	**-1,243**	**0**	**-1,699**	**-127**	**8,773**

PARENT

DKK'000	01.01.	Recognised in profit/loss	Recognised in other comprehensive income	Recognised in equity	Recognised on acquisition of entity	Transfer, subsidiaries	31.12.
2015							
Intangible assets	39	-16	0	0	0	0	23
Property, plant and equipment	286	502	0	0	0	0	788
Liabilities	0	-110	0	0	0	0	-110
Tax loss carry-forwards	-10,197	-732	185	-1,629	0	4,188	-8,185
	-9,872	**-356**	**185**	**-1,629**	**0**	**4,188**	**-7,484**
2014							
Intangible assets	67	-28	0	0	0	0	39
Property, plant and equipment	-4	290	0	0	0	0	286
Liabilities	-79	79	0	0	0	0	0
Tax loss carry-forwards	-10,839	-3,688	-114	0	0	4,444	-10,197
	-10,855	**-3,347**	**-114**	**0**	**0**	**4,444**	**-9,872**

PARENT			GROUP	
2014	**2015**	DKK'000	**2015**	**2014**

26. Trade payables

2014	2015	DKK'000	2015	2014
485	**107**	Trade payables	**122,121**	**103,749**

The carrying amount is equal to the fair value of the liabilities.

27. Other payables

The item comprises payables relating to payroll, withholding taxes, social contributions, compensated absence commitments, derivative financial statement instruments, VAT, duties, etc.

The compensated absence commitment represents the Group's obligation to pay salary to employees during holidays to which they are entitled, at the balance sheet date, in the subsequent financial year.

Other payables further comprise the net present value of expected earn-out payments and instruments of debt in connection with corporate acquisitions in 2014, see more details in note 40, totalling DKK 4.2 million.

28. Charges

Mortgage debt, DKK 89 million, is secured by way of mortgage on properties. The mortgage also comprises such items of plant and machinery that are deemed part of the properties.

Moreover, loans with banks and financial institutions are secured by way of a letter of indemnity on real property and mortgages registered to the mortgagor with secondary liability, totalling a nominal amount of DKK 60 million (2014: DKK 60 million).

2014	2015	DKK'000	2015	2014
67,193	**67,299**	Carrying amount of mortgaged properties	**128,435**	**127,645**

Loans with banks and financial institutions are secured by way of a letter of indemnity and mortgages on movable property registered to the mortgagor secured upon operating equipment and fixtures and fittings, tools and equipment of a nominal amount of DKK 27 million (2014: DKK 27 million).

2014	2015	DKK'000	2015	2014
0	**0**	Carrying amount of mortgaged operating equipment	**8,392**	**12,170**

Bank debt, totalling DKK 6.7 million, is secured by way of a pledge on all existing as well as future receivables of the Company.

2014	2015	DKK'000	2015	2014
0	**0**	Carrying amount of pledged receivables	**15,307**	**0**

Bank debt is secured by way of collateral on investments in the Group's Danish subsidiaries.

2014	2015	DKK'000	2015	2014
298,288	**298,288**	Carrying amount of pledged investments (cost)	-	-

PARENT			GROUP	
2014	**2015**	DKK'000	**2015**	**2014**
		29. Operating lease liabilities		
		For the years 2016-2021, the Group has entered into operating leases on properties. The leases have fixed lease payments, which are indexed annually. Future minimum lease payments in accordance with interminable leases fall due as follows:		
1,387	1,415	Within one year from the balance sheet date	22,477	17,687
5,831	5,947	Between one and five years from the balance sheet date	42,203	29,015
3,093	1,562	After five years from the balance sheet date	2,139	3,579
10,311	**8,924**		**66,819**	**50,281**
1,360	**1,387**	Minimum lease payments recognised in the income statement for the year	**20,900**	**17,328**
		A few of the leases include purchase options in the lease period at agreed fixed prices. If the options are not exercised, the leases will continue until 2021.		
		End 2015, no operating leases have been entered into on machinery to be used in the production.		
0	0	Within one year from the balance sheet date	0	428
0	0	Between one and five years from the balance sheet date	0	61
0	0	After five years from the balance sheet date	0	0
0	**0**		**0**	**489**
0	**0**	Minimum lease payments recognised in the income statement for the year	**122**	**735**
		For the years 2016-2020, the Group has entered into operating leases on operating equipment and cars. Future minimum lease payments in accordance with interminable leases fall due as follows:		
94	279	Within one year from the balance sheet date	2,925	2,215
0	325	Between one and five years from the balance sheet date	4,836	3,311
0	0	After five years from the balance sheet date	39	81
94	**604**		**7,800**	**5,607**
167	**372**	Minimum lease payments recognised in the income statement for the year	**3,052**	**2,501**
		Overall, the rental and lease obligations can be specified as follows:		
1,481	1,694	Within one year from the balance sheet date	25,402	20,330
5,831	6,272	Between one and five years from the balance sheet date	47,039	32,387
3,093	1,562	After five years from the balance sheet date	2,178	3,660
10,405	**9,528**		**74,619**	**56,377**
0	**0**	Leases regarding acquisition of machinery for future delivery	**2,000**	**10,000**

PARENT			GROUP	
2014	2015	DKK'000	2015	2014

30. Recourse guarantee commitments and contingent liabilities

Together with its subsidiaries, the Parent has entered into bank commitments under which the Parent is liable for all draw-downs on credit facilities.

2014	2015	DKK'000	2015	2014
153,297	**146,366**	Subsidiaries' bank debt		

The Parent has guaranteed the subsidiaries' debt to financial institutions or has joint and several liability.

2014	2015	DKK'000	2015	2014
61,397	**52,931**	**Surety, guarantee and liability**		

The Parent is jointly and severally liable for the subsidiaries' lease liabilities.

2014	2015	DKK'000	2015	2014
52,627	**63,883**	**Minimum lease payments**		

On behalf of a subsidiary, the Parent has provided a payment guarantee of DKK 2,566 thousand to a supplier (2014: DKK 2,394 thousand).

The Parent is jointly taxed with other Danish entities in the Group. As management company, the Company has joint and several liability, together with the other jointly taxed entities, for Danish payment of income taxes and withholding taxes on dividends, interest and royalties. At 31 December 2015, the jointly taxed entities' net liabilities to SKAT amounted to DKK 0.5 million (31. December 2014: DKK 0).

31. Changes in net working capital

2014	2015	DKK'000	2015	2014
0	0	Change in inventories	21,320	9,126
18,159	7,988	Change in receivables	-9,998	11,079
-16,465	-22,364	Change in trade payables, etc.	-23,605	4,804
1,694	**-14,376**		**-12,283**	**25,009**

32. Cash and cash equivalents

2014	2015	DKK'000	2015	2014
2,236	2,735	Cash	43,763	29,291
-20,388	-23,267	Short-term bank debt	-151,067	-173,585
-18,152	**-20,532**		**-107,304**	**-144,294**

33. Fees to the auditors appointed by the company in general meeting

External expenses include fees to the auditors appointed by the company in general meeting:

2014	2015	DKK'000	2015	2014
		EY		
200	200	Statutory audit	850	750
0	63	Other assurance engagements	67	0
89	211	Tax and VAT advisory services	455	158
272	450	Other assistance	533	452
561	**924**		**1,905**	**1,360**

34. Related parties

Related parties exercising control over the Group and the Company
There are no related parties exercising control over SP Group A/S. Shareholders holding more than 5 % of the share capital are disclosed in note 38.

For an outline of subsidiaries, see the group chart in note 42.

Related party transactions, Group
As in previous years, the Group has leased a production property from a company in which members of the Group's Executive Board and Board of Directors are indirectly shareholders. Rent amounted to DKK 1,387 thousand in 2015 (2014: DKK 1,360 thousand). The lease, which was entered into in 2009, is non-terminable until 2021 (sale and lease back arrangement). During the lease term, the Group is entitled to repurchase the property at the original selling price. The Group did not have any other related party transactions in 2014 and 2015 apart from remuneration of the Board of Directors and the Executive Board, see note 6.

Related party transactions, Company

DKK'000	Lease income	Lease expenses	Sale of goods and services	Purchase of goods and services	Interest income	Interest expenses	Receivables	Payables
2015								
From subsidiaries	4,634	235	10,963	120	587	1,097	34,501	77,648
2014								
From subsidiaries	4,465	249	7,546	120	212	1,057	33,636	57,749

In addition, SP Group A/S received dividends from subsidiaries in the amount of DKK 26,231 thousand (2014: DKK 20,000 thousand).

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with the accounting policies.

Rental income relates to the Parent's renting of properties to subsidiaries. The rent is fixed on a cost basis.

Sale of services relates to assistance provided to subsidiaries. Intra-group acquisitions and sales are made at cost plus a market-based gain.

No security or guarantees have been provided for intra-group balances at the balance sheet apart from what is disclosed in note 28. Receivables as well as payables will be settled in cash. The Group has not recorded any bad debts relating to related parties or made provisions for probable bad debts.

Remuneration of management
For information on the remuneration of the Group's Board of Directors and Executive Board, see note 6.

PARENT			GROUP	
2014	2015	DKK'000	2015	2014
		35. Financial risks and financial instruments		
		Financial instrument categories		
0	0	Derivative financial instruments acquired to hedge future cash flows	5,551	418
0	**0**	**Financial assets applied as hedging instruments**	**5,551**	**418**
3,000	3,000	Deposits	3,486	3,037
345	25	Trade receivables	123,226	99,251
33,636	34,501	Receivables from subsidiaries	-	-
510	7,809	Other receivables	19,911	14,873
2,236	2,735	Cash	43,763	29,291
39,727	**48,070**	**Loans, receivables and cash**	**190,386**	**146,452**
2,328	1,272	Derivative financial instruments acquired to hedge future cash flows	1,357	2,328
2,328	**1,272**	**Financial liabilities applied as hedging instruments**	**1,357**	**2,328**
122,072	101,117	Bank debt	231,633	275,269
104,368	101,172	Financial institutions	153,598	165,185
0	230	Finance lease liabilities	61,955	56,034
0	18,848	Other non-current liabilities	18,848	0
485	107	Trade payables	122,121	103,749
57,749	77,648	Payables to subsidiaries	-	-
284,674	**299,122**	**Financial liabilities measured at amortised cost**	**588,155**	**600,237**

The fair value of the financial instruments corresponds to the carrying amount, both in the Parent and in the Group, except for the fact that the fair value of the debt to financial institutions has increased by DKK 1.7 million (2014: increase of DKK 1.6 million) in the Group and DKK 1.7 million (2014: increase of DKK 1.6 million) in the Parent. The fair value of debt to financial institutions is determined based on quoted values, i.e. at level 1, bank debt and finance lease liabilities at level 2 and derivative financial instruments at level 2.

The Parent's and the Group's foreign exchange risks and interest rate risks are shown on the following page. The individual risks, including the Group's policy for control of financial risks and sensitivity provisions are further described in the Management commentary.

Currency risks
The Group is exposed to exchange rate fluctuations.

There is generally a good balance between income and expenses. Approx. 80 % of sales is thus recognised in DKK or EUR, and approx. 60 % of the Group's fixed costs is incurred in DKK or EUR. The most important commercial currency risk is indirect and relates to the customers' sales outside Europe. Similarly, purchasing is primarily conducted in DKK and EUR.

29 % of the Group's financing has been procured in EUR, and the remaining debt has mainly been procured in DKK. A fluctuation of 1 % in the EUR rate against DKK may therefore affect results by up to approx. DKK 1.2 million.

In order to hedge the currency risk on future sale of goods in EUR from the Polish enterprises and sales in USD from several of the Group's enterprises, derivative financial contracts have been concluded in accordance with the Group's currency policy, which is approved by the Board of Directors, hedging a part of the currency risk related to these sales for a period of up to three years.

At 31 December 2015, a contract on the sale of EUR against PLN in the amount of DKK 498 million (2014: DKK 394 million) and USD against DKK in the amount of DKK 37 million (2014: DKK 12 million) was thus concluded.

Due to the Group's use of derivative financial instruments for hedging the Group's exposure in relation to expected sales transactions, recognition of the effective part of the changes in the fair value of the hedging instruments in the cash flow hedge reserve has a positive effect on the Group's equity by net DKK 17.7 million before tax and DKK 14.3 million after tax.

GROUP					
DKK'000	Cash and cash equivalents	Receivables	Liabilities	Hedged portion	Net-position

35. Financial risks and financial instruments (continued)

EUR	14,951	63,168	-150,872	0	-72,753
PLN	9,515	14,441	-18,376	0	5,580
USD	12,638	22,108	-20,876	0	13,870
CAD	3,902	1,082	-387	0	4,597
SEK	1,070	1,474	-6,934	4,182	-208
JPY	26	0	0	0	26
RMB	3,255	18,174	-14,347	0	7,082
GBP	43	113	-1	0	155
BRL	775	1,453	-466	0	1,762
31/12/2015	**46,175**	**122,013**	**-212,259**	**4,182**	**-39,889**
EUR	9,554	45,917	-175,505	0	-120,034
PLN	32	6,084	-14,213	0	-8,097
USD	7,559	19,201	-18,531	0	8,229
CAD	3,550	637	-133	0	4,054
SEK	2,374	2,098	-5,789	0	-1,317
NOK	0	0	-11	0	-11
JPY	24	0	0	0	24
RMB	4,509	12,338	-12,435	0	4,412
CHF	0	0	-75	0	-75
GBP	147	86	-29	0	204
BRL	641	1,670	-615	0	1,696
31/12/2014	**28,390**	**88,031**	**-227,336**	**0**	**-110,915**

PARENT					
DKK'000	Cash and cash equivalents	Receivables	Liabilities	Hedged portion	Net-position
EUR	2,334	0	-23	0	2,311
PLN	1	0	-55	0	-54
USD	399	0	0	0	399
SEK	0	0	-4,212	4,182	-30
31/12/2015	**2,734**	**0**	**-4,290**	**4,182**	**2,626**
EUR	5	145	-61,926	0	-61,776
PLN	0	0	-22	0	-22
USD	2,190	0	0	0	2,190
31/12/2014	**2,195**	**145**	**-61,948**	**0**	**-59,608**

35. Financial risks and financial instruments (continued)

Interest rate risks

Interest rate risks primarily relate to the interest-bearing net debt, i.e. mortgage debt and bank debt less cash and cash equivalents. At year-end, net interest-bearing debt amounted to approx. DKK 403 million. The interest on 76 % of the debt is floating rates, including mortgage debt with an average interest rate of approx. 1.0 % for the next six months. An increase in the general interest level of one percentage point will result in an increase in the Group's interest expenses before tax of approx. DKK 3.0 million.

SP Group focuses on increasing cash flows from operating activities so that the net interest-bearing debt can be reduced and the Group can finance investments via operating activities. The Group also aims at reducing debt by selling non-value creating assets and activities.

The interest rate risk related to financial assets and liabilities can be described as follows with the disclosure of date of interest rate adjustment or maturity, whichever occurs first, and effective interest rates.

GROUP

DKK'000	Time of interest adjustment or maturity: Within 1 year	Between 1 and 5 years	After 5 years	Total	Heraf fast-forrentet	Effective interest
Bank deposits	43,763	0	0	43,763	0	1.0 %
Financial institutions	-72,436	-81,162	0	-153,598	0	1.9 %
Finance lease liabilities	-47,800	-14,155	0	-61,955	0	1.9 %
Bank debt	-231,633	0	0	-231,633	0	1.8 %
31/12/2015	**-308,106**	**-95,317**	**0**	**-403,423**	**0**	
Bank deposits	29,291	0	0	29,291	0	0.8 %
Financial institutions	-87,308	-73,887	-3,990	-165,185	0	2.1 %
Finance lease liabilities	-56,034	0	0	-56,034	0	2.3 %
Bank debt	-275,269	0	0	-275,269	0	2.0 %
31/12/2014	**-389,320**	**-73,887**	**-3,990**	**-467,197**	**0**	

The fair value of the interest rate swaps outstanding at the balance sheet date entered into to hedge the interest rate exposure of floating-rate loans amounts to DKK 1,274 thousand (31/12/2014: DKK 2,328 thousand). Interest rate swaps will expire in 2016 and 2017.

PARENT

DKK'000	Time of interest adjustment or maturity: Within 1 year	Between 1 and 5 years	After 5 years	Total	Heraf fast-forrentet	Effective interest
Bank deposits	2,735	0	0	2,735	0	0.0 %
Financial institutions	-53,186	-47,986	0	-101,172	0	2,2 %
Finance lease liabilities	-230	0	0	-230	0	2.9 %
Bank debt	-101,117	0	0	-101,117	0	1.8 %
31/12/2015	**-151,798**	**-47,986**	**0**	**-199,784**	**0**	
Bank deposits	2,236	0	0	2,236	0	0.0 %
Financial institutions	-39,081	-65,287	0	-104,368	0	2.2 %
Finance lease liabilities	-666	0	0	-666	0	2.9 %
Bank debt	-122,072	0	0	-122,072	0	2.2 %
31/12/2014	**-159,583**	**-65,287**	**0**	**-224,870**	**0**	

The fair value of the interest rate swaps outstanding at the balance sheet date entered into to hedge the interest rate exposure of floating-rate loans amounts to DKK 1,274 thousand (31/12/2014: DKK 2,328 thousand). Interest rate swaps will expire in 2016 and 2017.

35. Financial risks and financial instruments (continued)

Credit risks

The Company's primary credit risk is related to trade receivables. SP Group systematically and continuously monitors the credit rating of customers and business partners. Credit insurance and sale of invoices are used to partially hedge credit risks. However, trade with blue-chip groups is not subject to credit insurance. No individual customers or business partners pose an unusual credit risk to the Group. The customers and business partners are normally well-reputed companies operating in many different business sectors and countries, which reduces the overall credit risk. The maximum credit risk associated with financial assets is reflected in the carrying amounts in the balance sheet.

COMPANY			GROUP	
2014	**2015**	DKK'000	**2015**	**2014**
		Due receivables not written down:		
0	25	Due by up to one month	25,869	16,803
0	0	Due between one and three months	4,985	5,093
0	0	Due by more than three months	1,033	432
0	**25**		**31,887**	**22,328**

Liquidity risks

It is the Group's objective to have sufficient cash resources to be able to continuously make appropriate arrangements in case of unforeseen changes in cash outflows. It is Management's opinion that the Company still has reasonable capital resources compared to the Company's operations and sufficient liquidity to meet the Company's present and future liabilities. The Company's long-term cooperation with its financial business partners is fruitful and constructive. This is expected to continue. The Group has neither neglected nor been in breach of loan agreements in the financial year or the comparative year. The Group has calculated the cash resources at DKK 135 million at year-end 2015.

The term to maturity of financial liabilities is specified below. The amounts specified represent the amounts falling due exclusive of interest.

				GROUP
DKK'000	**Within 1 years**	**Between 1 and 5 years**	**After 5 years**	**Total**
2015				
Non-derivative financial liabilities				
Bank debt	176,3709	54,924	0	231,633
Financial institutions	11,087	96,801	45,710	153,598
Finance lease liabilities	15,985	45,760	210	61,955
Other non-current liabilities	2,281	16,567	0	18,848
Trade payables	122,121	0	0	122,121
	328,183	**214,952**	**45,920**	**588,155**
Derivative financial instruments				
Derivative financial instruments acquired to hedge future cash flows	-2,691	-1,586	0	-4,277
	325,492	**212,466**	**45,920**	**583,878**
2014				
Non-derivative financial liabilities				
Bank debt	197,495	77,774	0	275,269
Financial institutions	11,036	101,175	52,974	165,185
Finance lease liabilities	12,844	43,190	0	56,034
Trade payables	103,749	0	0	103,749
	325,124	**222,139**	**52,974**	**600,237**
Derivative financial instruments				
Derivative financial instruments acquired to hedge future cash flows	0	2,328	0	2,328
	325,124	**224,467**	**52,974**	**602,565**

35. Financial risks and financial instruments (continued)

				PARENT
DKK'000	Within 1 years	Between 1 and 5 years	After 5 years	Total
2015				
Non-derivative financial liabilities				
Bank debt	47,207	53,910	0	101,117
Financial institutions	3,266	75,810	22,096	101,172
Finance lease liabilities	230	0	0	230
Other non-current liabilities	2,281	16,567	0	18,848
Trade payables	107	0	0	107
	53,091	**146,287**	**22,096**	**221,474**
Derivative financial instruments				
Derivative financial instruments acquired to hedge future cash flows	2,136	1,274	0	3,410
	55,227	**147,561**	**22,096**	**224,884**
2014				
Non-derivative financial liabilities				
Bank debt	44,298	77,774	0	122,072
Financial institutions	3,235	75,705	25,428	104,368
Finance lease liabilities	435	231	0	666
Trade payables	485	0	0	485
	48,453	**153,710**	**25,428**	**227,591**
Derivative financial instruments				
Derivative financial instruments acquired to hedge future cash flows	0	2,328	0	2,328
	48,453	**156,038**	**25,428**	**229,919**

Derivative financial instruments are measured in accordance with a valuation method according to which all material data are based on observable market data, i.e. level 2. Apart from this, the Group has no assets and liabilities measured at fair value.

36. Sale of financial assets

As in previous years, the Group has sold selected trade receivables as part of its credit and risk management. The Group's continued involvement is limited to administration of the sold receivables and a limited guarantee regarding the risk of delayed payment. Thus, the Group has only maintained insignificant risks. The sale has not affected the income statement.

37. Segment information for the Group

Segments

Segments are reported in accordance with the internal reporting those charge with governance, which are the members of the Board of Directors.

Segments are specified on the basis of the financial and operational reporting reviewed by the Executive Board. The segments are specified by differences in products and services.

Segment information is prepared in accordance with the Group's accounting policies and IFRS and is based on the Group's internal management reporting.

For management and reporting purposes, the Group is organised in two business segments which are considered the Group's primary basis of segmentation.

Transfers of sale of goods, etc., between the segments are calculated using actual transfer prices corresponding to estimated market prices of the goods, services, etc. in question.

Business segments – 2015

DKK'000	Coatings	Plastics	Other*	Group
Revenue, external customers	131,026	1,185,943	2,799	1,319,768
Revenue among segments	7,813	3,831	-11,644	0
Revenue	**138,839**	**1,189,774**	**-8,845**	**1,319,768**
Profit/loss before depreciation, amortisation and impairment losses (EBITDA)	**13,578**	**157,026**	**-7,816**	**162,788**
Depreciation, amortisation and impairment losses	-9,568	-59,234	-3,209	-72,011
Profit/loss before financial items (EBIT)	**4,010**	**97,792**	**-11,025**	**90,777**
Financial income and financial expenses				-10,122
Profit before tax				**80,655**
Tax for the year				-19,543
Profit for the year				**61,112**
Additions of non-current property, plant and equipment and intangible assets	3,789	73,423	2,715	79,927
Segment assets	77,678	846,063	97,015	1,020,756
Non-allocated assets				57,132
				1,077,888
Segment liabilities, non-interest bearing	19,496	160,740	18,673	198,909
Non-allocated liabilities				485,418
				684,327

*) Comprises eliminations and non-allocated overhead costs.

Disclosure of significant customers

11.6 % (2014: 12.5 %) of the Group's revenue is attributable to one customer in the Coatings and Plastics segments, and 11.6 % (2014: 12.4 %) is attributable to one customer in the Plastics segment.

The ten largest customers account for 46.9% (2014: 52.2 %) of the Group's revenue.
Similarly, the 20 largest customers account for 59.6 % of revenue (2014: 64.9 %).

37. Segment information for the Group (continued)

Business segments – 2014

DKK'000	Coatings	Plastics	Other*	Group
Revenue, external customers	159,094	1,002,047	3,801	1,164,942
Revenue among segments	8,820	-2,730	-6,090	0
Revenue	**167,914**	**999,317**	**-2,289**	**1,164,942**
Profit/loss before depreciation, amortisation and impairment losses (EBITDA)	**18,829**	**104,420**	**-9,753**	**113,496**
Depreciation, amortisation and impairment losses	-9,081	-40,990	-3,258	-53,329
Profit/loss before financial items (EBIT)	**9,748**	**63,430**	**-13,011**	**60,167**
Financial income and financial expenses				-8,691
Profit before tax				**51,476**
Tax for the year				-11,667
Profit for the year				**39,809**
Additions of non-current property, plant and equipment and intangible assets	4,704	85,138	987	90,829
Segment assets	95,033	740,784	70,140	905,957
Non-allocated assets				37,464
				943,421
Segment liabilities, non-interest bearing	25,384	122,717	8,513	156,614
Non-allocated liabilities				510,446
				667,060

*) Comprises eliminations and non-allocated overhead costs.

37. Segment information for the Group (continued)

Geographical segments

The Group's activities are primarily located in Denmark, rest of Europe, the Americas and Asia. The following table shows the Group's sale of goods by geographical market.

DKK'000	2015	2014
Denmark	614,240	580,446
Rest of Europe	430,623	368,560
Americas	145,438	119,282
Asia (incl. the Middle East)	126,371	95,782
Rest of the world	3,096	872
	1,319,768	**1,164,942**
Sale of goods	1,284,321	1,149,444
The selling price of the year's production relating to construction contracts	35,447	15,498
	1,319,768	**1,164,942**

The below table specifies the carrying amounts and the year's additions of non-current property, plant and equipment and intangible assets by geographical market on the basis of the physical location of the assets.

	Non-current assets		Additions of intangible assets and property, plant and equipment	
DKK'000	**2015**	**2014**	**2015**	**2014**
Denmark	482,468	437,987	45,165	67,908
Sweden	5,858	5,347	1,311	4,660
Latvia	226	664	29	226
Slovakia	4,919	0	2,222	0
The Netherlands	24,485	26,091	2,044	2,460
Poland	79,740	69,424	23,137	14,645
North America	18,641	17,712	586	1,087
China	12,809	9,810	4,804	553
Brazil	2,134	3,564	28	12
	631,280	**570,599**	**79,326**	**91,551**

38. Shareholder information

At the beginning of March 2016, SP Group registered the following shareholders as holding more than 5 % of the voting share capital or of the nominal value of the share capital:

Schur Finance A/S, Horsens (22.9 %)

Frank Gad (including related parties), Frederiksberg (17.2 %)

39. Acquisition of activity and subsidiary in 2015

On 1 January 2015, the Group acquired the activity in Scanvakuum ApS, which is a manufacturer of vacuum-formed plastics.

On 13 March 2015, the Group acquired all of the shares in Sander Tech ApS, which is a manufacturer of injection-moulded plastics.

On 29 June 2015 (18 %) and 1 July 2015 (82 %), the Group acquired all of the shares in Ulstrup Plast A/S, which is a manufacturer of injection-moulded plastics as well as supplier of related services such as assembly, packaging, logistics, manufacture of tools and advisory services.

Revenue from the acquired activity and subsidiaries is included in consolidated revenue for 2015 by approx. DKK 70 million, and a pre-tax profit of approx. DKK 6.0 million. Total revenue for 2015 from the acquired activity and subsidiaries is approx. DKK 120 million, and a pre-tax profit of DKK 17 million.

The fair value of assets and liabilities at the date of acquisitions has been distributed as follows (DKK'000):

Property, plant and equipment	10,521
Customer files	14,928
Deposit	344
Inventories	14,344
Trade receivables	26,866
Other receivables	343
Deferred tax asset	20
Prepaid expenses	199
Cash and Bank debt	-5,612
Deferred tax	-2,857
Trade payables	-8,736
Income taxes payable	-1,879
Other payables	-4,320
Net assets taken over	**44,161**
Goodwill	28,529
Total consideration	**72,690**

Cash consideration	54,100
Debt instrument	10,983
Contingent consideration	7,607
Total consideration	**72,690**

The consideration amounts to DKK 72,690 thousand, of which DKK 54,100 thousand has been paid in cash less liquid funds and bank debt taken over of DKK 5,612 thousand. A debt instrument of DKK 10,983 thousand has been issued. In addition, there is a conditional cash consideration of DKK 7,607 thousand.

The debt instrument issued, DKK 10,983 thousand, has been recognised at fair value at the acquisition date. The undiscounted amount is DKK 12,000 thousand.

The contingent consideration of DKK 7,607 thousand has been recognised at fair value at the date of acquisition and at the maximum amount which may become payable as it is expected that the conditions for future earnings will be met. The undiscounted amount is DKK 8,000 thousand.

The costs of purchase amounted to DKK 1,0 million, which has been expensed in 2015.

The acquired assets include trade receivables at a fair value of DKK 26,866 thousand. This corresponds to the contractual gross receivable at the date of the acquisition which was received after a short credit period.

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill in connection with the acquisition is calculated at DKK 28,529 thousand. Goodwill represents the expected value of synergies and knowhow from the combination with SP Group. Goodwill is not amortisable for tax purposes.

40. Acquisition of subsidiary in 2014

On 24 February 2014, the Group acquired 80 % of the shares in Bröderna Bourghardt AB in Sweden, which is a leading manufacturer of Telene, and a minor production of components in PUR. The Group has a call option to acquire an additional 10 % of the shares, and the seller has a put option to sell 10 % of the shares.

In 2014, the acquired entity was included in revenue by DKK 25 million and a small profit.

Total revenue for 2014 in the acquired entity amounted to approx. DKK 30 million, and a small profit was realised for 2014.

The fair value of assets and liabilities at the date of acquisition has been distributed as follows (DKK'000):

Property, plant and equipment	5,390
Customer files	1,000
Inventories	1,875
Receivables	3,788
Deferred tax	1,699
Cash and Bank debt	-3,012
Trade payables	-2,417
Other payables	-886
Net assets taken over	**7,437**
Portion relating to non-controlling interests	-744
Goodwill	3,170
Total consideration	**9,863**

Cash consideration	5,901
Contingent consideration	3,170
Liability related to the put option	792
Total consideration	**9,863**

The consideration amounts to DKK 9,863 thousand, of which DKK 5,901 thousand has been paid in cash less liquid funds and bank debt taken over of DKK 3,012 thousand. In addition, there is a contingent consideration of DKK 3,170 thousand and an expected purchase price of the call/put option of DKK 792 thousand. The put option has been recognised as a liability in 2014 as it is expected to be exercised.

The contingent consideration of DKK 3,170 thousand has been recognised at fair value at the date of acquisition and at the maximum amount which may become payable as it is expected that the conditions for future earnings will be met. The undiscounted amount is DKK 3,372 thousand.

The Group expects to exercise the option to acquire another 10 % of the shares in 2016, meaning that the Company will be 90 %-owned after the exercise of the call option.

The costs of purchase amounted to DKK 0.4 million, which was expensed in 2014.

The acquired assets include trade receivables at a fair value of DKK 3,788 thousand. This corresponds to the contractual gross receivable at the date of the acquisition which was received after a short credit period.

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill in connection with the acquisition is calculated at DKK 3,170 thousand. Goodwill represents the expected value of synergies and knowhos from the combination with SP Group. Goodwill is not amortisable for tax purposes.

41. Events after the balance sheet date

No significant events have occurred after the balance sheet date until the publication of this annual report which have not already been incorporated in this annual report and which change the assessment of the Group's or the Parent's financial position.

42. Group chart

			Nominal share capital ('000)	Ownership interest
SP Group	**Denmark**	**DKK**	**22,240**	
SP Moulding	Denmark	DKK	50,000	100 %
SP Medical Sp. z o.o.	Poland	PLN	1,000	100 %
SP Moulding Poland Sp. z o.o.	Poland	PLN	1,100	100 %
Sander Tech ApS	Denmark	DKK	80	100 %
SP International A/S	Denmark	DKK	5,600	100 %
SP Moulding (Suzhou) Co., Ltd.	China	USD	4,080	100 %
Ulstrup Plast A/S	Denmark	DKK	1.590	100 %
Ulstrup Plast s.r.o.	Slovakia	EUR	7	100 %
Gibo Plast	Denmark	DKK	30,000	100 %
Gibo Sp. z o.o.	Poland	PLN	3,005	100 %
Accoat A/S	Denmark	DKK	10,000	100 %
Accoat do Brasil	Brazil	BRL	392	100 %
Accoat Technology ApS	Denmark	DKK	200	100 %
Ergomat A/S	Denmark	DKK	10,000	100 %
Ergomat Sp. z o.o.	Poland	PLN	2,005	100 %
Ergomat-Nederland B.V.	The Netherlands	EUR	75	100 %
Ergomat Sweden AB	Sweden	SEK	100	60 %
Ergomat Inc.	USA	USD	360	100 %
Ergomat Canada Inc.	Canada	CAD	0	100 %
Tinby A/S	Denmark	DKK	10,000	100 %
Tinby Sp. z o.o.	Poland	PLN	50	100 %
Tinby Denmark A/S	Denmark	DKK	500	100 %
Tinby Co., Ltd.	China	USD	210	100 %
Tinby Inc.	USA	USD	100	100 %
TPI Polytechniek B.V.	The Netherlands	EUR	113	100 %
TPI Polytechniek ApS	Denmark	DKK	125	100 %
SP Extrusion A/S	Denmark	DKK	6,000	100 %
Bröderna Bourghardt AB	Sweden	SEK	100	80 %
Baltic Rim, SIA	Latvia	EUR	3	100 %

In 2015, all of the shares in Ulstrup Plast A/S were acquired.

In 2015, all of the shares in Sander Tech ApS were acquired.

In 2015, the ownership interest in SP International A/S was increased from 75 % to 100 %.

In 2015, the share capital of SP Extrusion A/S was increased by a nominel amount of DKK 1 million.

SP Group A/S

Snavevej 6-10
DK-5471 Søndersø
Telephone: +45 70 23 23 79
Fax: +45 70 23 23 52

Website: www.sp-group.dk
E-mail: info@sp-group.dk

CVR no.: 15 70 13 15