

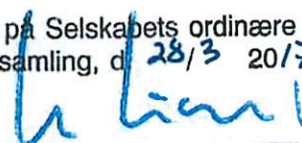
Bukkehave Corporation A/S

Troensevej 29
5700 Svendborg
Denmark

Annual Report 2016

Godkendt på Selskabets ordinære
generalforsamling, d. 28/3 2017

CVR-nr. 15.50.20.02



Dirigent

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Statements

Statement by the Executive and Supervisory Board

The Executive and Supervisory Boards have today discussed and approved the annual report of Bukkehave Corporation A/S for the financial year 1 January – 31 December 2016.

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

It is our opinion that the consolidated financial statements and parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2016 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2016.

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

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

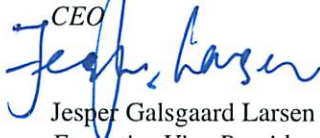
Svendborg, 28 March 2017

Executive Board:



Morten Ravn Frederiksen

CEO



Jesper Galsgaard Larsen

Executive Vice President - Finance

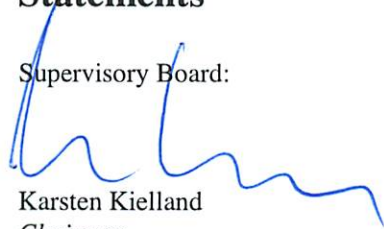


Bo Thomas Dybbro

CFO

Statements

Supervisory Board:



Karsten Kielland
Chairman



Johannes Poulsen



Jens Josefsen

Statements

Independent auditors' report

To the shareholders of Bukkehave Corporation A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Bukkehave Corporation A/S for the financial year 1 January – 31 December 2016, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for both the group and the parent company, as well as consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the parent company at 31 December 2016 and of the results of the Group's and parent company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the parent company or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Group's and the Parent Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the note disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Statements

- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 28 March 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Søren Smedegaard Hvid
State Authorised
Public Accountant

Management's Review

Company Presentation

Bukkehave Corporation A/S
Troensevej 29
5700 Svendborg
Denmark

Phone: 63 21 21 21
Homepage: www.bukkehave.com

CVR-nr.: 15.50.20.02
Established: 1. september 1991
Domicile: Svendborg

Supervisory Board

Karsten Kielland, Chairman
Johannes Poulsen
Jens Josefsen

Executive Board

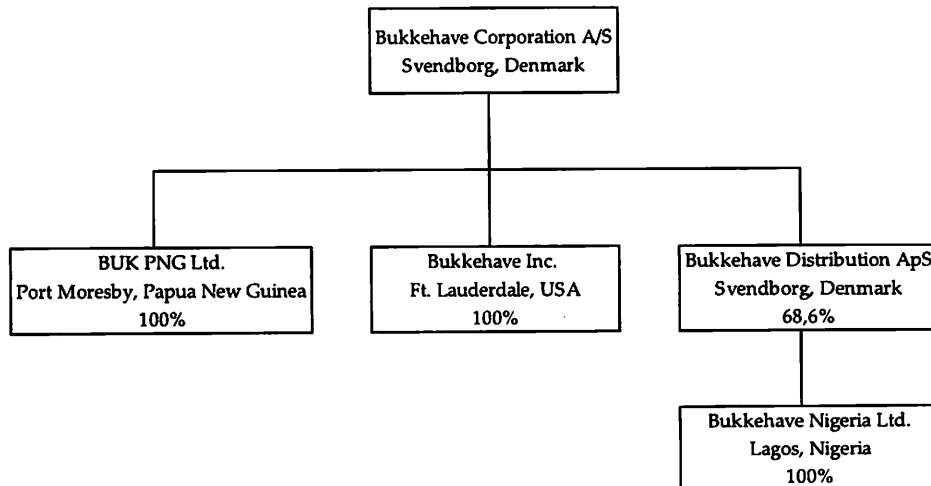
Morten Ravn Frederiksen, CEO
Bo Thomas Dybbro, CFO
Jesper Galsgaard Larsen, EVP Finance

Auditor

Ernst & Young Godkendt Revisionspartnerselskab
Englandsgade 25
5000 Odense C
Søren Smedegaard Hvid

Management's Review

Group chart



Management's Review

Main and Key Figures

Amounts in t.Dkk	2016	2015	2014	2013	2012
Selected financial data					
Net turnover	484,928	334,213	216,918	193,144	314,417
Result of primary operations	44,032	18,581	-11,332	-9,513	5,850
Result of financial items	-72	-1,559	-2,315	-2,959	-2,804
Ordinary result before tax	43,960	17,022	-13,648	-12,471	2,350
The Bukkehave group's share of the result for the financial year	32,758	12,684	-21,919	-10,472	3,925
Fixed assets	15,939	24,921	55,771	72,094	76,078
Current assets	218,785	88,726	79,504	112,483	107,253
Assets	234,724	113,648	135,275	184,577	183,331
Share capital	27,600	27,600	22,600	22,600	12,600
Shareholders' equity	77,854	55,458	32,524	57,476	58,473
Long-term debt	0	637	968	4,642	3,408
Short-term debt	157,826	59,588	101,784	122,459	121,451
Net turnover including commission business	484,928	340,023	258,333	206,347	314,417
Cash flow from operations	101,938	25,374	10,562	-19,579	12,092
Net cash flow for investments	6,580	2,186	4,166	-1,389	-16,416
Cash flow from financing	-6,637	7,670	-8,674	11,734	3,677
Total cash flow	101,881	35,230	6,054	-9,234	-647
Key figures					
Contribution Margin	17.3%	17.7%	12.3%	20.0%	17.5%
Net profit ratio	9.1%	5.6%	-5.2%	-4.9%	1.9%
Return on assets	25.3%	14.9%	-7.1%	-5.2%	3.6%
Return on equity	49.1%	28.8%	-48.7%	-18.1%	6.9%
Equity ratio based on average liabilities	44.7%	44.6%	20.3%	31.2%	35.9%
Average number of employees	22	42	45	51	45

The key figures are calculated as per the definitions and concepts mentioned in applied accounting principle.

Management's Review

Review

Main activity

The business foundation for Bukkehave Corporation is to deliver fleet solutions containing trucks, buses, 4x4 vehicles, special vehicles, spare parts, financing and after sales services to international organizations and companies operating in emerging markets.

The company has been granted global supplier agreements by several of the worlds leading car and truck manufacturers.

Development in activities and financial conditions

Result of the year

The Board and Management are very satisfied to report the second consecutive year of significant improvements of the activity level and results of the company.

The total turnover growth of +45% was driven by the continuous growth in the key account business and solid margins of 17.3% secured a total gross profit of DKK 84.1 million.

The distribution business in Nigeria continued to be influenced negatively by macroeconomic factors such as the oil price level and lack of foreign currency in the markets which affected the result before tax negatively by DKK 3.4 million.

The result of primary operations amounts to DKK 44.0 million vs. DKK 18.6 million in 2015 an improvement of DKK 25.4 million.

Result before tax was DKK 44.0 million an improvement of DKK 26.9 million vs. 2016.

The Bukkehave Group's share of the annual result for the financial year was DKK 32.8 million vs. DKK 12.7 million in 2016, an improvement of DKK 20.1 million. The Board finds the result satisfactory.

Investments

Investments in 2016 in tangible fixed assets of DKK 0.4 million primarily relates to IT.

Cash resources and capital position

The total balance sheet has increased from DKK 113.6 million as of December 31 2015, to DKK 234.7 million as of December 31 2016.

The balance sheet end 2016 was at an unusual high level due to very high sales activity during fourth quarter of 2016. This was reflected in a temporary short term situation characterized by very large prepayments from customers, prepayments to suppliers, inventories and cash funds.

Total prepayments from customers increased from DKK 3.9 million as of December 31 2015 to DKK 127.6 million as of December 31 2016. Inventories increased from DKK 4.7 million

Management's Review

as of December 31 2015 to DKK 46.1 million as of December 31 2016. Prepayments to suppliers increased from DKK 17 million as of December 31 2015 to DKK 38.2 million as of December 31 2016.

The positive effects from both working capital, and a strong result for the year, was reflected in the cash funds increasing from DKK 15 million as of December 31 2015 to DKK 82.6 million as of December 31 2016. Furthermore bank debt was reduced from DKK 40.6 million as of December 31 2015 to DKK 6.3 million as of December 31 2016.

As of December 31 2016, the company has shareholder's equity of DKK 77.9 million. Equity represents 33.2% of the balance sheet total.

For additional comments regarding cash resources and capital position, please refer to Note 1.

Events after the termination of the financial year

No events have occurred, which in our opinion will change the evaluation of the Annual Report and the company's financial position.

Expectations to the future

Management is confident that the positive development in activity and results will continue in 2017. The Key account business is expected to generate business at a slightly higher level than in 2016. This gives comfort for another year of positive results and positive taxable income in 2017.

The company is budgeting with an increased turnover in 2017 and expects a positive result before tax of app. DKK 52 million. The company will generate a positive cash flow that will assure the company to stay within the present and granted bank facilities. However, temporary additional bank facilities may be needed in order to finance additional very large sales orders.

Special risks

General risks

The Group is subject to the political risks that are involved when operating in parts of the world, which are prone to financial instability.

Financial risks

Currency risks

It is the policy of the company not to exposure itself in any risk in connection with currency dispositions. Open foreign currency holdings are therefore hedged.

Credit risks

It is the policy of the company, to the largest possible extent, to avoid any risks on trade accounts receivables. The company's most important customers are large private companies and government organizations with projects in developing countries. In situations, where special

Management's Review

conditions involve risks, these risks are insured through Eksport Kredit Fonden or similar credit insurance companies.

Knowledge resources

It is important for the company to attract and retain staff with large insight and experience within international trade. Investment in education and training is made on a continuing basis.

Financial statements 1 January – 31 December

Accounting practices applied

The annual report of Bukkehave Corporation A/S for 2016 has been prepared in accordance with the provisions applying to a class C enterprise (medium) under the Danish Financial Statements Act.

Effective 1 January 2016, the Company has adopted act no. 738 of 1 June 2015. This implies changes in the recognition and measurement in the following areas:

1. Yearly reassessment of residual values of tangible fixed assets
2. Purchase and sale of minority interest

Re 1: In future, residual values of tangible fixed assets are subject to annual reassessment. The Company has no significant residual values relating to tangible fixed assets. Consequently, the change is made in accordance with section 4 of the executive order on transitional provisions¹ with future effect only as a change in accounting estimates with no impact on equity.

Re 2: In future, purchase and sale of minority interest, with majority control before and after the transaction, are regarded as owner transactions and are recognized directly in consolidated equity. For 2016, this resulted in an improvement of result for the year of the parent company of 2.643.291 DKK.

Apart from the above changes as well as new and changed presentation and disclosure requirements, which follow from act no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Group and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognizing and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

¹ The executive order on transitional provisions based in connection with application of certain provisions in the Danish Financial Statements Act, as amended by act no. 738 of 1 June 2015 regarding amendments to the Danish Financial Statements Act and a number of other acts.

Financial statements 1 January – 31 December

Accounting practices applied

Income is recognized in the income statement as earned. Equally, costs incurred to generate the year's earnings are recognized, including depreciation, amortization, impairment and provisions, as well as reversals as a result of changes in accounting estimates previously recognized in the income statement.

Consolidated financial statements

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

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends are eliminated.

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

Business combinations

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

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

In connection with successive investments in companies assets and liabilities are measured at fair value at the time of the latest investment. Any excess value related to earlier investments is booked directly in equity.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognized as intangible assets and amortized on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years. The useful life is longest for strategic acquisitions with a strong market position and long-term earnings profile, which has been the case with company acquisitions.

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

Financial statements 1 January – 31 December

Accounting practices applied

Minority interests

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

Income Statement

Turnover

Net turnover from the sale and financial lease of products and services is recognized in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and expected to be received. Net turnover is measured ex VAT, taxes and discounts in relation to the sale.

Direct costs

Direct costs comprise the costs related to the turnover, e.g. depreciations, fees and regulations of the exchange rate.

Sales and distribution costs

Sales and distribution costs comprise the costs incurred in distributing goods sold during the year, including expenses for the sales and logistic staff, advertising and marketing expenses, etc. as well as depreciations.

Administration costs

Administration costs comprise the costs incurred during the year for management and administration, including expenses for the administrative staff, office equipment, rent of buildings etc. as well as depreciations.

Other operating income and costs

Other operating incomes and costs comprise items secondary to the principal activities of the enterprises, including gains and losses on disposal and replacement of fixed assets and management fees.

Profit/Losses from Investments in Subsidiaries

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

Financial statements 1 January – 31 December

Accounting practices applied

Depreciation/Amortization

Goodwill is amortized on a straight-line basis over the amortization period, which is 20 years.

Depreciations on tangible fixed assets and other intangible assets with a limited period of usage are provided on a straight-line basis over the expected economic and technical useful lives of the assets.

For tangible fixed assets, the expected useful lives and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

The expected useful lives are as follows:

Other intangible assets	5 years
Leasehold improvements	5 - 10 years
Company cars	4 - 7 years
Technical equipment and fixtures	2 - 5 years
Rental vehicles	1 - 3 years

Depreciations/Amortizations are recognized in the income statement as direct cost, sales and distribution costs and administration costs.

Financial income and expenses

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

Corporation Taxes

The annual tax, which comprises the current tax and deferred tax noncurrent, is included in the profit and loss statement with the part that can be attributed to the annual result, and directly in the shareholder's equity with the part, that can be attributed to movements direct in the shareholder's equity. The part of the tax included in the profit and loss statement, that relates to the annual, extraordinary result, is attributed to it accordingly, whereas the remaining part is attributed to the annual result from ordinary operation.

Balance sheet

Intangible and Tangible Fixed Assets

Intangible and tangible fixed assets are measured at cost less accumulated depreciations and amortizations. The basis of depreciation is cost price less a possible residual value at the end of useful life.

Financial statements 1 January – 31 December

Accounting practices applied

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciations/amortizations are provided on a straight-line basis over the expected economic and technical useful lives of the assets. Please refer to above section for accounting practices for depreciations/amortizations.

The carrying value of intangible as well as tangible fixed assets is evaluated annually for indications of impairment loss aside from what is expressed through the depreciation/amortization. When there are indications that assets may be impaired, impairment test of each asset or groups of assets is carried out. Impairment loss to the recoverable amount is made, if this is lower than the carrying value. The recoverable amount is the higher value of net selling price and value in use. Value in use is calculated as the fair value of the expected net income from the use of the asset or the asset group.

Investments in Subsidiaries

Investments in subsidiaries are measured under the equity method.

Investments in subsidiaries are measured at the proportionate share of the companies' net asset value, calculated in agreement with the consolidated accounting principles with deduction or addition of unrealized group internal revenues and losses with deduction or addition of remaining value of positive or negative goodwill calculated in agreement with the method of acquisition.

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

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

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

Inventories

Inventories contains goods for resale. Inventories are measured at average cost, which include the basic purchase price of the goods with the addition of cost directly connected with the purchase. Where the net realization value is lower than average cost price it is written down to this lower value.

Financial statements 1 January – 31 December

Accounting practices applied

Receivables from affiliated companies

Receivables from affiliated companies are measured after an individual assessment of the values at which they are expected to be debited.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Equity

Reserve for net revaluation according to the equity method

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

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

Dividends

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

Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized at the expected value of their utilization; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

Financial statements 1 January – 31 December

Accounting practices applied

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

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to realize as current tax. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Debts

Financial liabilities comprising amounts owed to financial institutions, debt to suppliers and payables to affiliated companies are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Cash flow statement

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

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

Cash flows from operating activities

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

Cash flow from investing activities

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

Cash flows from financing activities

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

Net Cash funds

Net cash funds comprise cash and short term debt to financial institutions.

Financial statements 1 January – 31 December

Accounting practices applied

Foreign Currency Translation

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

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

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

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

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

Derivative Financial Instruments

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

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

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

Financial statements 1 January – 31 December

Accounting practices applied

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

Changes in the fair value of derivative financial instruments used to hedge net investments in independent foreign subsidiaries or associates are recognised directly in equity.

Key figures

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

Contribution Ratio	$\frac{\text{Gross profit} \times 100}{\text{Net turnover}}$
Net Profit ratio	$\frac{\text{Result of primary operations} \times 100}{\text{Net turnover}}$
Return on assets	$\frac{\text{Result of primary operations}}{\text{Average assets}}$
Return on equity	$\frac{\text{The Bukkehave group's share of result for the year} \times 100}{\text{Average equity}}$
Equity ratio	$\frac{\text{Equity at year end} \times 100}{\text{Average liabilities year-end}}$

Income statement

For the period January 1st. - December 31st.

Notes	Group		Parent Company	
	2016	2015	2016	2015
Net turnover	484,927,860	334,213,457	28,108,579	49,021,611
Direct costs	400,855,729	275,103,482	25,161,177	42,845,325
Gross profit	84,072,131	59,109,975	2,947,402	6,176,286
Sales- and distribution costs	16,534,580	19,070,833	7,389,268	6,624,782
Administration costs	23,946,098	21,691,002	11,347,840	7,521,022
4 Other operating income	440,280	233,320	33,383,213	15,718,752
Result of primary operations	44,031,733	18,581,459	17,593,507	7,749,234
2 Result after tax in subsidaires	0	0	15,753,423	6,535,665
5 Financial income	1,537,353	1,678,180	1,802,992	2,190,607
5 Financial costs	1,609,391	3,237,663	2,391,703	3,791,179
Result before tax	43,959,694	17,021,976	32,758,219	12,684,325
6 Tax on the result of the year	-12,260,676	-7,471,365	0	0
Result for the financial year	31,699,019	9,550,611	32,758,219	12,684,325
Breakdown of the consolidated result of the year:				
Shareholders, Bukkehave Corporation A/S	32,758,219	12,684,325		
Minority interest	-1,059,201	-3,133,713		
	31,699,019	9,550,611		

Balance sheet

as per December 31st.

Notes

	Group		Parent Company	
	2016	2015	2016	2015
ASSETS				
Fixed assets				
Intangible fixed assets:				
3 Goodwill	3,307,762	3,780,300	0	0
Other intangible assets	2,596	100,197	0	0
	<u>3,310,358</u>	<u>3,880,497</u>	<u>0</u>	<u>0</u>
Tangible fixed assets:				
Leasehold improvements	977,559	1,504,165	977,559	1,504,165
Technical equipment and fixtures	829,214	604,991	455,886	102,199
Company cars	659,645	858,695	654,416	760,883
Rental vehicles	0	474,362	0	474,362
	<u>2,466,418</u>	<u>3,442,213</u>	<u>2,087,861</u>	<u>2,841,609</u>
Financial fixed assets				
2 Investments in subsidiaries	0	0	48,745,298	48,480,450
11 Receivables from affiliated companies	0	6,646,546	0	6,646,546
6 Deferred tax asset	10,162,129	9,893,739	8,295,655	8,295,655
12 Other receivables	0	1,058,368	0	1,058,368
	<u>10,162,129</u>	<u>17,598,653</u>	<u>57,040,953</u>	<u>64,481,019</u>
Total fixed assets	<u>15,938,906</u>	<u>24,921,363</u>	<u>59,128,814</u>	<u>67,322,628</u>
Current assets				
Inventory	46,127,538	4,739,858	1,068,164	5,845
Receivables:				
Prepayments to suppliers	38,223,656	16,983,873	1,466,000	12,807,000
11 Receivables from affiliated companies	32,876,857	25,000,000	40,463,500	37,220,352
Trade accounts receivable	7,826,736	24,002,138	9,533	1,181,797
14 Other receivables	9,633,519	1,573,634	665,180	1,035,045
Prepaid income tax	0	440,230	0	0
Accruals	1,490,126	1,008,198	1,048,439	358,224
	<u>90,050,895</u>	<u>69,008,073</u>	<u>43,652,652</u>	<u>52,602,418</u>
Cash funds	82,606,353	14,978,340	32,185	30,460
Total current assets	<u>218,784,786</u>	<u>88,726,270</u>	<u>44,753,001</u>	<u>52,638,723</u>
TOTAL ASSETS	<u>234,723,692</u>	<u>113,647,633</u>	<u>103,881,815</u>	<u>119,961,351</u>

Balance sheet
as per December 31st.

Notes

	Group		Parent Company	
	2016	2015	2016	2015
LIABILITIES				
Shareholder's equity				
Share capital	27,600,000	27,600,000	27,600,000	27,600,000
Reserve for net revaluation under the equity method	0	0	0	4,306,295
Retained earnings	20,253,799	21,857,868	20,253,799	17,551,573
Proposed dividend	30,000,000	6,000,000	30,000,000	6,000,000
Total shareholder's equity, Bukkehave Corporation A/S	77,853,799	55,457,868	77,853,799	55,457,868
Minority interest	-956,445	-2,035,508	0	0
Total equity	76,897,354	53,422,359	77,853,799	55,457,868
Debt				
Long-term debt:				
Leasing commitment	0	637,498	0	637,498
13 Total Long-term debt	0	637,498	0	637,498
Short-term debt:				
Prepayments from customers	127,619,912	3,897,287	392,605	238,545
Debt to financial institutions	6,334,372	40,586,942	6,334,372	30,109,141
Debt to suppliers	6,782,341	4,816,095	2,278,223	553,409
Debt to affiliated companies	145,004	136,969	11,636,838	29,531,645
6 Corporation tax payable	7,643,768	5,241,711	0	0
Leasing commitment	634,201	38,443	634,201	38,443
15 Other debt	8,420,995	4,771,528	4,716,136	3,296,000
Accruals	245,745	98,801	35,641	98,802
Total short-term debt	157,826,338	59,587,776	26,028,016	63,865,985
Total debt	157,826,338	60,225,274	26,028,016	64,503,483
TOTAL LIABILITIES	234,723,692	113,647,633	103,881,815	119,961,351
7 Pledges, securities and contingent liabilities				
8 Employees				
9 Foreign exchange risk, derivative financial instruments				
10 Related party disclosures				

Cash flow statement

For the period January 1st. - December 31st.

	Group	
	2016	2015
Cash flows from operating activities		
Result before tax	43,959,694	17,021,976
Depreciations for the year	1,815,658	4,154,164
Impairment losses for the year	1,058,368	
Negative equity transferred to minority shareholder	0	-233,320
Loss-Profit due to sale of fixed assets	-203,244	0
Corporation tax paid a.o.	-10,209,816	-3,668,294
Cash generated from operations before changes in working capital	36,420,661	17,274,525
Change in inventory	-41,387,680	25,343,060
Change in prepayments to suppliers	-21,239,783	-4,739,294
Change in receivables, accruals	196,961	5,356,874
Change in received prepayments from customers	123,722,625	479,165
Change in debt to suppliers	1,966,246	-14,564,114
Change in other debt, accruals a.o.	4,400,203	-8,983,081
Currency translation adjustments of investments in subsidiaries etc.	-2,141,214	5,207,003
Cash flows from operating activities	101,938,017	25,374,137
Investing activities		
Net value of purchase and sale of tangible fixed assets	-66,486	-950,525
Receivables from affiliated companies	6,646,546	2,316,501
Other receivables	0	820,493
Cash flows from investing activities	6,580,060	2,186,469
Financing activity		
Capital increase during the year	0	8,000,000
Paid dividend	-6,000,000	0
Long-term debt	-637,498	-330,323
Cash flows from Financing activities	-6,637,498	7,669,677
Change in net cash funds for the year	101,880,580	35,230,283
Net cash funds, opening	-25,608,599	-60,838,882
Change in net cash funds during the year	101,880,580	35,230,283
Net cash funds year end	76,271,981	-25,608,599

The item "net cash funds" represents cash funds plus short-term debt to financial institutions.

The cash flow statement cannot be directly inferred from other components to the Group accounts.

Statement of shareholder's equity

pr. 31. december/as per December 31st.

	Group				Total
	Share capital	Proposed dividend	Retained earnings	Minority-interest	
Equity as per 31.12.2014	22,600,000	0	9,923,500	0	32,523,500
Adjustment of opening equity	0	0	0	1,098,206	1,098,206
Capital increase during 2015	5,000,000	0	0	0	5,000,000
Paid dividend	0	0	0	0	0
Currency translation adjustments	0	0	4,118,457	0	4,118,457
Revaluation of hedging instruments, net	0	0	1,131,586	0	1,131,586
Profit distribution on Result of the financial year	0	6,000,000	6,684,325	-3,133,714	9,550,610
Equity as per 31.12.2015	<u>27,600,000</u>	<u>6,000,000</u>	<u>21,857,868</u>	<u>-2,035,508</u>	<u>53,422,359</u>
Aquisition of minority interest	0	0	-2,643,291	2,643,291	0
Paid dividend	0	-6,000,000	0	0	-6,000,000
Currency translation adjustments	0	0	332,565	-505,027	-172,462
Revaluation of hedging instruments, net	0	0	-2,051,562	0	-2,051,562
Profit distribution on Result of the financial year	0	30,000,000	2,758,219	-1,059,201	31,699,019
Equity as per 31.12.2016	<u>27,600,000</u>	<u>30,000,000</u>	<u>20,253,799</u>	<u>-956,445</u>	<u>76,897,354</u>

Statement of shareholder's equity

as per December 31st.

	Parent company				
	Share capital	Reserve for net revaluation under the equity method	Proposed dividend	Retained earnings	Total
Equity as per 31.12.2014	22,600,000	0	0	9,923,500	32,523,500
Capital increase during 2015	5,000,000	0	0	0	5,000,000
Currency translation adjustments	0	0	0	4,118,457	4,118,457
Paid dividend	0	0	0	0	0
Revaluation of hedging instruments, net	0	0	0	1,131,586	1,131,586
Profit distribution on Result of the financial year	0	4,306,295	6,000,000	2,378,030	12,684,325
Equity as per 31.12.2015	<u>27,600,000</u>	<u>4,306,295</u>	<u>6,000,000</u>	<u>17,551,573</u>	<u>55,457,868</u>
Aquisition of minority interest	0	0	0	-2,643,291	-2,643,291
Currency translation adjustments	0	0	0	332,565	332,565
Paid dividend	0	0	-6,000,000	0	-6,000,000
Revaluation of hedging instruments, net	0	0	0	-2,051,562	-2,051,562
Profit distribution on Result of the financial year	0	-4,306,295	30,000,000	7,064,514	32,758,219
Equity as per 31.12.2016	<u>27,600,000</u>	<u>0</u>	<u>30,000,000</u>	<u>20,253,799</u>	<u>77,853,799</u>
Sharecapital - 2016-2012	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Balance 01 January	27,600,000	22,600,000	22,600,000	12,600,000	12,600,000
Capital increase	0	5,000,000	0	10,000,000	0
Balance 31 December	<u>27,600,000</u>	<u>27,600,000</u>	<u>22,600,000</u>	<u>22,600,000</u>	<u>12,600,000</u>
27.600.000 shares of DKK 1 each	<u>27,600,000</u>				

Notes to the accounts of 2016

Notes

1 Significant matters in relation to the Financial statement

Recorded Tax asset

The company's tax asset is primarily related to differences between the carrying amount and the tax value of tangible fixed assets.

The company has a substantiated expectation about continuous high turnover and profit in the Danish jointly taxed entities.

The prepared budgets and forecasts expresses managements best judgment of the development, taking the general insecure situation regarding the global financial situation into consideration.

The basic assumptions for the estimated future turnover and profit in Bukkehave Corporations A/S (the danish parent entity) and entities included in the danish joint taxation are:

-The budgeted turnover for the above mentioned entities is DKK 99 million. The turnover is based on expectations about increased sale to Key Account customers in the danish entity, and turnover to specific markets which are dedicated to sale of Truck brands. Additional sales resources with vast experience in the African car market has been recruited and negotiations with potential suppliers (Car Manufacturers) is taking place.

On top of the growth from 2016 to 2017, a stable annual growth of 5-10% is expected for the next years.

-Earnings generated from specific contracts with US Government contractors will be allocated between the US subsidiary Bukkehave Inc. and Bukkehave Corporation based on the profit split method, due to the significant involvement from Bukkehave Corporation regarding facilitation and negotiation of financing and supply chain.

-Strict continuous cost control will limit the growth in capacity cost to an absolute minimum and secure optimal utilization of the current organisation.

-Based on budget figures for 2017, a total joint taxation income of DKK 20.1 million is expected. A stable growth in the result is expected for the coming years based on the above assumptions. Hence in 2018, a total joint taxation income of DKK 22.1 million before set-off of tax deficits carried forward is expected.

Hence the company expects to utilize the tax asset of DKK 8.3 million within 5 years.

The remaining tax asset, according to the group balance, of app. DKK 1.9 million relates to the subsidiary Bukkehave Inc. Based on the projected development in this entity, it is expected that the tax asset will be utilized within 5 years.

Liquidity and capital resources

During 2016 the cash situation of the company has improved by almost DKK 102 million through a strong operational result, and positive development on working capital.

Based on the budget for 2017, management expect further improvements of the cash situation and are confident that the company will have sufficient credit facilities available.

The company has an constructive ongoing dialogue with it's bank about operational and cash flow status and ensurement of the necessary funding for future growth, which primarily is expected to consider financing of larger projects. Management expects to continue the engagement on the current conditions, with a possibility to obtain specific extraordinary facilities if needed for very large projects.

Notes to the accounts of 2016

Notes

2 Investment in Subsidiaries as per December 31st.

	Parent company	
	2016	2015
Cost price as per January 1	44,174,155	34,224,155
Increase during the year	6,880,900	9,950,000
Cost price as per December 31	51,055,055	44,174,155
Revaluations as per January 1	4,306,295	-6,347,827
Adjustment of opening equity	0	2,987
Paid dividend	-20,058,750	0
Negative equity transferred from/to minority shareholder	-2,643,291	233,320
Currency translation adjustments	332,565	4,115,470
Annual result before tax	28,411,676	14,246,248
Tax for the year	-12,185,714	-7,471,365
Amortization of goodwill	-472,538	-472,538
Revaluations as per December 31	-2,309,757	4,306,295
Book value as per December 31	48,745,298	48,480,450

Investments in subsidiaries are specified as follows:

	Domicile	Share of ownership	Share capital	Share of Equity capital December 31	Share of Annual result
Bukkehave Inc.	Ft. Lauderdale USA	100%	1 USD	49,602,673	19,228,082
Bukkehave Distribution ApS	Svendborg Denmark	68.6%	28,912,700 DKK	-2,092,768	-2,314,049
Buk PNG Limited	Port Moresby Papua New Guinea	100%	1 PGK	-2,072,369	-688,071
Accounting value as per December 31, 2016				45,437,536	16,225,961
Goodwill January 01, 2016				3,780,300	
Amortization for the year				-472,538	-472,538
Investments in subsidiaries as per December 31, 2016				48,745,298	15,753,423
Skat af årets resultat i datterselskaber					
Resultat af datterselskaber før skat					

Notes to the accounts of 2016

Notes

3 INTANGIBLE FIXED ASSETS

	Group	
	<i>Goodwill</i>	<i>Other</i>
Cost price as per January 1	9,450,752	1,388,505
Exchange rate adjustment	0	-450,698
Disposal, cost price		0
Increase	0	0
Cost price as per December 31, 2016	9,450,752	937,807
Amortization as per January 1	5,670,452	1,288,308
Exchange rate adjustment		-418,175
Amortization on the year's disposals		0
Amortization for the year	472,538	65,078
Amortization as per December 31, 2016	6,142,990	935,211
Book value as per December 31, 2016	3,307,762	2,596

The annual amortization on the Profit and Loss Account are distributed as follows:

Sales- and distribution costs	65,078
Administration cost	472,538
	537,616

Notes to the accounts of 2016

Notes

3 TANGIBLE FIXED ASSETS continued

	Group			
	<i>Leasehold improvements</i>	<i>Technical equipment and fixtures</i>	<i>Company cars</i>	<i>Rental vehicles</i>
Cost price as per 01.01.2016	5,481,067	7,409,448	2,160,793	6,512,491
Exchange rate adjustment	1,898	-135,780	-95,719	0
Increase	0	365,180	11,875	0
Disposal, cost price	0	-6,612	-1,052,407	-6,512,491
Cost price as per 31.12.2016	<u>5,482,965</u>	<u>7,632,236</u>	<u>1,024,542</u>	<u>0</u>
Depreciations as per 01.01.2016	3,976,902	6,804,459	1,302,098	6,038,130
Exchange rate adjustment	1,898	-92,852	-63,970	0
Depreciations on the year's disposals	0	-6,484	-1,052,407	-6,512,491
Depreciations of the year	<u>526,606</u>	<u>97,900</u>	<u>179,176</u>	<u>474,361</u>
Depreciations as per 31.12.2016	<u>4,505,406</u>	<u>6,803,022</u>	<u>364,897</u>	<u>0</u>
Book value as per 31.12.2016	<u>977,559</u>	<u>829,214</u>	<u>659,645</u>	<u>0</u>
Includes finance leases with a carrying amount totalling			<u>654,416</u>	

The annual depreciations on the Profit and Loss Account are distributed as follows:

Direct costs	474,361
Sales- and distribution costs	118,748
Administration cost	<u>684,934</u>
	<u>1,278,043</u>

Notes to the accounts of 2016

Notes

3 TANGIBLE FIXED ASSETS continued

	Parent company			
	<i>Leasehold improvements</i>	<i>Technical equipment and fixtures</i>	<i>Company cars</i>	<i>Rental vehicles</i>
Cost price as per 01.01.2016	5,335,720	786,568	1,189,511	6,512,491
Increase	0	365,180	11,875	0
Disposal, cost price	0	0	-370,097	-6,512,491
Cost price as per 31.12.2016	5,335,720	1,151,748	831,289	0
Depreciations as per 01.01.2016	3,831,555	684,369	428,628	6,038,130
Depreciations on the year's disposal	0	0	-370,097	-6,512,491
Depreciations for the year	526,606	11,493	118,342	474,361
Depreciations as per 31.12.2016	4,358,161	695,862	176,873	0
Book value as per 31.12.2016	977,559	455,886	654,416	0
Includes finance leases with a carrying amount totalling			654,416	

The annual depreciations on the Profit and Loss Account are distributed as follows:

Direct costs	474,361
Sales- and distribution costs	96,992
Administration cost	559,449
	1,130,802

Notes to the accounts of 2016

Notes	Group		Parent company	
	2016	2015	2016	2015
4 OTHER OPERATING INCOME AND COSTS				
Other operating income				
Intercompany fees	237,036	0	33,295,213	15,718,752
Negative equity transferred to minority shareholder	0	233,320	0	0
Gain on sale of tangible fixed assets	203,244	0	88,000	0
	<u>440,280</u>	<u>233,320</u>	<u>33,383,213</u>	<u>15,718,752</u>
5 FINANCIAL INCOME AND COSTS				
Financial income				
Interest from affiliated companies	1,324,093	1,673,339	1,802,727	2,190,285
Other financial income	213,260	4,841	265	322
	<u>1,537,353</u>	<u>1,678,180</u>	<u>1,802,992</u>	<u>2,190,607</u>
Financial costs				
Interest to affiliated companies	8,035	8,155	1,408,980	1,529,573
Other interest	1,281,477	2,849,434	831,098	2,030,232
Other financial costs	319,879	380,074	151,625	231,375
	<u>1,609,391</u>	<u>3,237,663</u>	<u>2,391,703</u>	<u>3,791,179</u>
6 COMPANY TAX				
Current tax for the year	12,611,873	7,887,101	0	0
Adjustment of deferred tax	-351,198	-415,736	0	0
	<u>12,260,676</u>	<u>7,471,365</u>	<u>0</u>	<u>0</u>
Company tax paid during the year	<u>-10,209,816</u>	<u>-3,668,294</u>	<u>0</u>	<u>0</u>

In the capitalized deferred tax asset, which has been entered with DKK 10.2 million (8.3 million related to the parent company and 1.9 million related to subsidiaries) an evaluation of the possibility to use the tax asset has been made. This evaluation includes only expected positive taxable income for the years 2017-2021.

Notes to the accounts of 2016

Notes

7 PLEDGES, SECURITIES AND CONTINGENT LIABILITIES

Parent company and Group:

As a security for the group's banking agreements, borrowings pursuant to these agreements are collateralized by all the assets of the company, except of shares in subsidiaries, however not exceeding DKK 50.0 million. As of 31 December 2016 total drawings under the said agreements amounted to DKK 6.3 million.

Further, as a security for the group's banking agreement, shares in subsidiary companies have been pledged. As of 31 December 2016 book value is DKK 48.7 million.

Security was also provided in bank deposits totalling DKK 0.022 million at 31 December 2016.

Invoice discounting arrangements with the groups bank connections have been made. At 31 December 2016 the book value is DKK 37.9 million.

Bank guarantees etc. to customers and suppliers have been provided at a total value of DKK 0.2 million.

The parent company have provided guarantee for Bukkehave Inc.'s banking agreements.

As a security for the group's agreements with financial institutions, borrowings pursuant to these agreements are collateralized by all the assets and share capital of Bukkehave, Inc.. As of 31 December 2016 the total outstanding balance under these agreements was DKK 0.0 million.

On the balance sheet date the future non-cancelable operating lease payments amount to DKK 2.0 million for the Group as a whole. Due for payment within 1 year is DKK 1.1 million and within 5 years DKK 0.0 million.

The parent company is jointly taxed with the Danish subsidiaries. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interests and royalties. At 31 December 2016, the net taxes payable to the Danish Central Tax Administration by the companies included in the joint taxation amounted to DKK 0.0 thousand. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies' liability will increase. The Group as a whole is not liable to others.

8 EMPLOYEES	Group		Parent company	
	2016	2015	2016	2015
Wages, salaries and director's fees	23,510,279	20,042,804	10,147,477	8,394,006
Pension plan contributions	1,110,372	983,290	535,679	346,266
Other social costs	1,697,112	2,267,961	272,404	102,827
	26,317,763	23,294,054	10,955,561	8,843,099
From the above, following constitutes:				
Salaries and pensions, executive board.	5,869,027	4,034,168		
Director's fees	291,500	247,063		
	6,160,527	4,281,231		
The average number of employees in the financial year	22	42	8	9

Notes to the accounts of 2016

Notes

9 FOREIGN EXCHANGE RISK AND USE OF DERIVATIVE FINANCIAL INSTRUMENTS

The company selectively hedges its foreign currency exposure through the use of currency derivative financial instruments. Hedging of realized and entered entries primarily consist of receivables and short term debt.

To reduce the effect of fluctuating currency exchange rates on firm commitments related to sale and purchase of goods, currency forward exchange contracts are utilized by the company.

	Value according to contract		Deferred recognition in P&L of gains/losses (-) expected to be realized after the balance sheet date	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Currency forward exchange contracts	<u>174,478,102</u>	<u>53,183,789</u>	<u>-2,058,052</u>	<u>-6,490</u>

10 RELATED PARTY DISCLOSURES

The related parties of Bukkehave Corporation A/S are:

Party exercising control

B1925 A/S, Svendborg, Denmark being the wholly owner of the share capital in Bukkehave Corporation A/S and Christian Haar being majority shareholder in B1925 A/S.

Related parties exercising significant influence

Related parties exercising significant influence comprise subsidiary companies, as mentioned in note 2, the Group's Supervisory and Executive Boards, executive employees and their family members. Further, related parties comprise affiliated companies and other companies in which the above persons have substantial interests.

Transactions with related parties

Transactions with related parties have been done on basis the Arm's lenght principles, so Section 98c(7) of the Danish Financial Statements Act is applied regarding related party.

11 RECEIVABLES FROM AFFILIATED COMPANIES

Financial fixed assets	Group & Parent company	
	2016	2015
Cost price as per January 01	31,646,546	37,263,047
Increase	32,230,311	4,383,499
Decrease	<u>-31,000,000</u>	<u>-10,000,000</u>
Cost price as per December 31, 2016	<u>32,876,857</u>	<u>31,646,546</u>
Adjustments as per January 01	0	0
Year adjustment	<u>0</u>	<u>0</u>
Revaluations as per December 31, 2016	<u>0</u>	<u>0</u>
Book value as per December 31, 2016	<u>32,876,857</u>	<u>31,646,546</u>

Financial fixed assets which are due within 1 year amount to DKK 32.9 (2015: 25.0) million.

Financial fixed assets which are due in more than 5 years amount to DKK 0.0 (2015: 0.0) million.

Notes to the accounts of 2016

Notes

12 OTHER RECEIVABLES

Financial fixed assets	Group		Parent company	
	2016	2015	2016	2015
Cost price as per January 01	1,058,368	1,878,861	1,058,368	1,878,861
Increase	0	0	0	0
Decrease	-1,058,368	-820,493	-1,058,368	-820,493
Cost price as per December 31, 2016	<u>0</u>	<u>1,058,368</u>	<u>0</u>	<u>1,058,368</u>
Adjustments as per January 01	0	0	0	0
Year adjustment	0	0	0	0
Revaluations as per December 31, 2016	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Book value as per December 31, 2016	<u>0</u>	<u>1,058,368</u>	<u>0</u>	<u>1,058,368</u>

Financial fixed assets which are due in more than 5 years amount to DKK 0.0 (2015: 0.0) million.

13 LONG TERM DEBT

Long-term debt which is due in more than 5 years amounts to DKK 0.0 (2015: 0.0) million.

14 OTHER RECEIVABLES

Other receivables primarily consist of VAT receivables from Authorities.

15 OTHER DEBT

A major part of other debt is related to the value of outstanding currency derivative financial instruments.

16 APPROPRIATION OF PROFIT/LOSS

	Parent	
	2016	2015
Recommended appropriation of profit/loss	30,000,000	6,000,000
Dividend proposed for the year	2,758,219	6,684,325
Transferred to reserves under equity	<u>32,758,219</u>	<u>12,684,325</u>