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Dinex Emission Holding A/S
Central Business Registration No 17084941
Fynsvej 39
5500 Middelfart

Annual report 2015

The Annual General Meeting adopted the annual report on 07.06.2016

Chairman of the General Meeting

Name: Niels Peter Christiansen

Contents

Entity details

Entity

Dinex Emission Holding A/S
Fynsvej 39
5500 Middelfart

Central Business Registration No: 17084941
Registered in: Middelfart
Financial year: 01.01.2015 - 31.12.2015

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Internet: www.dinex.dk
E-mail: dinex@dinex.dk

Board of Directors

Lene Dinesen, Chairman
Torben Dinesen
Simon Staal Dinesen

Executive Board

Torben Dinesen, CEO

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Dinex Emission Holding A/S for the financial year 01.01.2015 - 31.12.2015.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015.

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

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

Middelfart, 07.06.2016

Executive Board

Torben Dinesen
CEO

Board of Directors

Lene Dinesen Chairman	Torben Dinesen	Simon Staal Dinesen

Independent auditor's reports

To the owners of Dinex Emission Holding A/S
Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of Dinex Emission Holding A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

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

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

Auditor's responsibility

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

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

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

Our audit has not resulted in any qualification.

Independent auditor's reports

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations and the Group's cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

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

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

Aarhus, 07.06.2016

Deloitte
Statsautoriseret Revisionspartnerselskab

Thomas Rosquist Andersen
State Authorised Public Accountant

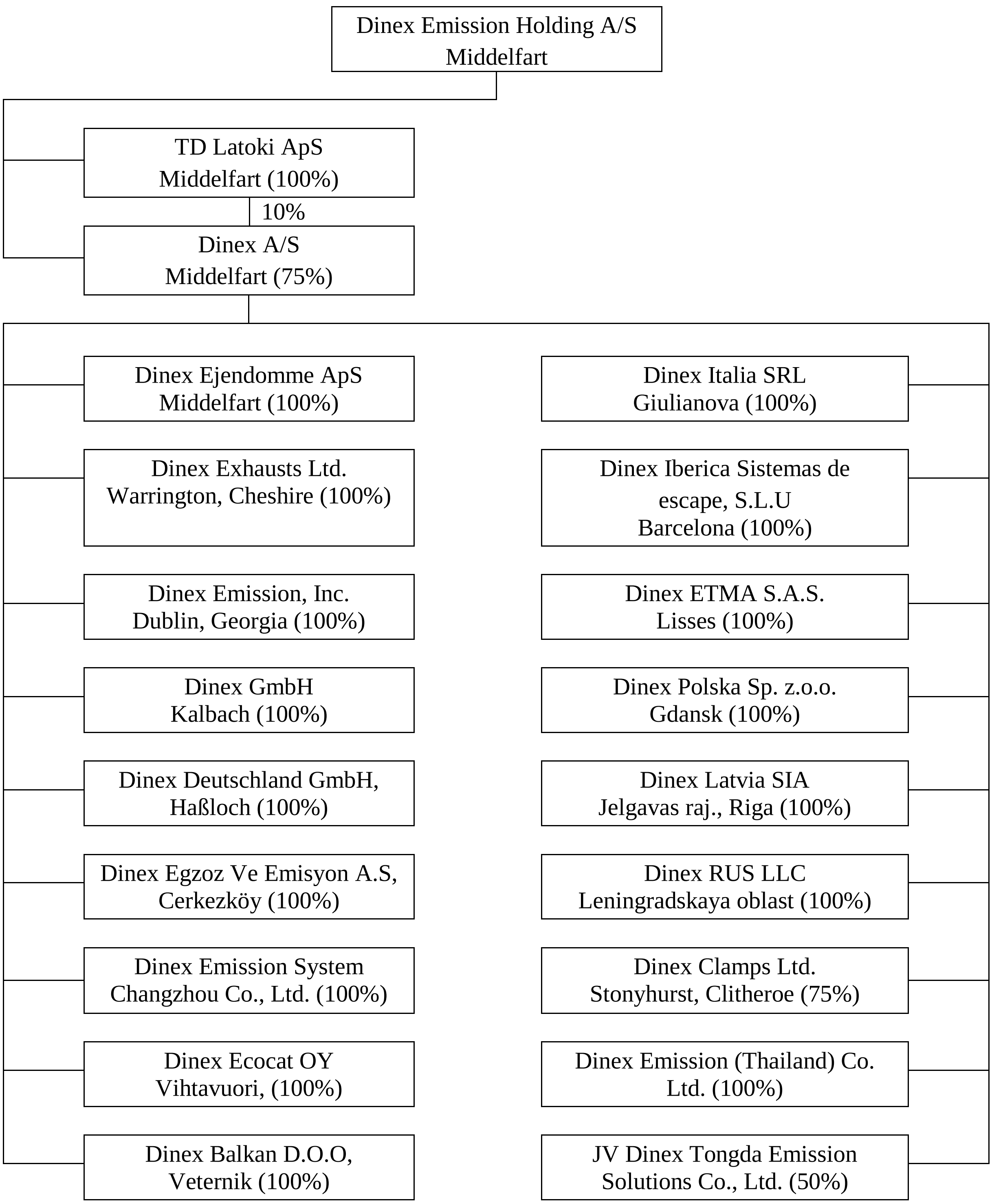
CVR-nr. 33963556

Management commentary

	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000	2011 DKK'000
Financial highlights					
Key figures					
Revenue	810.987	944.778	738.173	545.987	559.579
Gross profit/loss	190.761	220.230	215.124	162.493	177.416
Operating profit/loss	15.177	2.160	74.614	40.494	79.252
Net financials	-21.713	-42.955	-30.083	-24.371	-17.690
Profit/loss for the year	1.405	-23.078	28.414	8.024	24.000
Total assets	1.008.057	1.063.631	1.001.743	831.904	796.368
Investments in property, plant and equipment	117.434	99.248	83.899	0	0
Equity	167.631	167.237	188.482	171.785	161.513
Invested capital including goodwill	890.006	932.934	889.741	794.564	756.488
Interest bearing debt, net	-624.760	-639.189	-540.725	-455.301	-422.834
Ratios					
Gross margin (%)	23,5	23,3	29,1	29,8	31,7
Turnover invested capital	0,9	1,0	0,8	0,7	0,7
Financial gearing (%)	(3,7)	(3,8)	(2,9)	(2,7)	(2,6)
Return on equity (%)	0,8	(13,0)	15,8	4,8	23,5
Equity ratio (%)	16,6	15,7	18,8	20,6	20,3

Management commentary

Group chart



Management commentary

Primary activities

As in previous years, the primary activity of the Dinex A/S Group has been development, production and sales of exhaust and emission systems for trucks, buses, vans and industrial machines.

Development in activities and finances

Customers in the Dinex A/S Group are separated in two main segments - AEM customers (spare parts wholesalers) and OEM customers (manufacturers of diesel-powered vehicles - On Road and Off Road), including OEM LE (Large engines) a sub segment with the purpose to sell technology systems for power plants, ships and trains.

The operating profit (EBIT) of the Group was DKK 15.177 thousands against DKK 2.160 thousand in 2014. The year-end total net result after tax of the Group was DKK 1.405 thousand against DKK -23.078 thousand in 2014.

The 2015 result is influenced by a number of special items with a total positive net effect of DKK 41.109 thousand before tax. The most significant special item is the divestiture of buildings in Denmark and United Kingdom with a positive impact of 35.793 thousand recognized under other operating in-come. Additionally the results were adversely impacted by closure of the Danish production, affecting both productivity and costs with a total estimated effect of DKK 10.400 thousand. Finally the share-holders of Dinex have waived dividends for a total of DKK 15.716 thousand, which has been recognized under financial income.

EBITDA is below the 2014 level due to delay in turnover of planned ramp-up of new applications for major OEMs which start in 2016. The Russian market was challenging throughout 2015 but with a positive trend in the second half of the year. Operational performance in the OEM segment is improving; however full impact of 2014 and 2015 initiatives will not be seen before 2016.

The investment activities remained on a high level. There was a high investment level in Finland to sup-port ongoing development of new Eminizer™ technology, and in Turkey and China in preparation for product launches.

The shareholders of Dinex have further strengthen the capital base through the establishment of a subordinated loan of 15.000 thousand.

Unusual circumstances affecting recognition and measurement

No unusual conditions have been noted in the actual financial year, which might have influenced this annual report positively or negatively.

Management commentary

Outlook

2016 revenue is expected to return to 2014 levels, driven by growth in China, US, Iran and Turkey. The EBITDA margin, excluding special items, is expected to improve to a satisfactory level as a result of increased revenue, continued focus on efficiency, and a cautious cost approach.

The level of investments in 2016 is planned to be on a significantly lower level than 2015; with focus on finalization of new production lines in China and Turkey. Production of Euro 6 systems commenced in Turkey in Q1 2016.

The Chinese joint venture achieved a Nation 4 nomination in 2015 from one of China's large manufacturers of trucks. 2016 will be the year in which we start production of technology systems. The joint venture is already now also pursuing National 5 opportunities.

Dinex continued the development of the Eminizer ™ concept in 2015. Eminizer ™ is a complete emission exhaust system that meets the emission requirements that are expected to be introduced in 2020. The new system is around 50% smaller and lighter than previous systems. Dinex is in development ne-gotiations with several major truck manufacturers globally.

Due to the implemented actions and with financial prudence, the management estimates that the Group will achieve a satisfactory positive result in 2016.

Particular risks

Business risks

Dinex primarily produces goods that are sold in a regulated emission market where governments and agencies control the emission standards. Sudden unexpected changes in emission standards can affect sales volume negatively for Dinex; sudden stricter emission standards require a development process before new emission products can be sold, and a sudden roll-back in emission standards requires change in production plans, product portfolio and similar. The unexpected changes in emission standards in Russia in 2014 is an example of this business risk.

Financial exposure

Dinex is investing in a Joint Venture with a Chinese manufacturer. The return on the investment is highly dependent of the development in the Chinese market for emission products, and the regulation. If it does not live up to the expectations it can have a negative effect on the return of the investment.

Credit risk

The credit risks of the Group are primarily related to trade receivables, which at the end of 2015 were DKK 170.041 thousand against DKK 169.115 thousand in 2014. Approximately 34 million of the receivables by the end of 2015 were overdue receivables from Iranian customers. Dinex has seen significant improvements in payment behavior from Iranian customers after the sanctions were lifted in Q1 2016.

Management commentary

Currency and interests risks

The consolidated financial statements are furthermore influenced by changes in exchange rates, as the result and equity of the subsidiaries are converted into Danish kroner at year-end based on average and year-end rates.

The currency risk of the Group is mainly managed through matching of incoming and outgoing payment currencies; active hedging using e.g. instruments is only used to a limited extent. In connection with considerations about the future financing structure of the Dinex Group, Management has examined various possibilities of covering the risks connected with loan financing, cash flow in foreign currency and the related interest costs. In 2015, a total net exchange loss of DKK 5.393 thousand is realized, against a net loss of DKK 13.725 thousand in 2014. The exchange losses are driven by losses in Dinex Russia as a consequence of the decline in the RUB.

Intellectual capital resources

The employees in the Dinex Group cover a wide field. At year-end, the Group had 1.217 employees, including 80 in Denmark.

Research and development activities

The company’s total costs for R&D make up approx. 4% of the revenue.

Corporate social responsibility

Corporate social responsibility policies

The main contribution to society by the Dinex Group is the Group’s development, production and sale of particulate filters reducing harmful particles and noise from diesel engines. Today, particles are considered a key health issue in many cities around the world. Dinex has developed a technology that can eliminate 99.9% of particles emanating from diesel engines. The Group wants to contribute to a sustainable development by preventing pollution and reducing energy consumption.

The Group’s CSR efforts are outlined below, including the policies and guidelines on which the Group bases its work. The Company’s CSR activities are attended to all global sites within the Dinex Group.

Ethics - Code of Conduct

Our Code of Conduct reflects the Group’s general CSR approach. The Code of Conduct lays down formal guidelines on compliance with effective legislation and fundamental human rights, including combating discrimination and child labor, guidelines for maintaining a safe environment and working environment for all the Group's employees. The Code of Conduct applies to the entire Dinex Group and must be signed by all key suppliers. Dinex has a global Occupational Health and Safety Policy which all Dinex employees have to comply with in their daily work. The management policy establishes guidelines on equal treatment, motivation and communication with staff.

Management commentary

Our CSR focus in 2015 - activities and results

Dinex' CSR efforts fall within three general areas that relate to the company's day-to-day operations and production: Environment, supplier management and employee relations.

Environment

As part of the environmental focus, Dinex Group works out from an environmental policy and has been environmentally certified under ISO 14001. Through its environmental policy, the Group has committed itself to comply with regulatory requirements, communicating honestly with stakeholders on environmental issues, regularly improving the environmental conditions of the Company and reducing environmental burdens from production, including reducing electricity consumption and scrap quantities, preventing pollution and applying environmentally friendly materials and technologies.

Supplier management

Dinex wants to promote a focus on responsibility among the Group's suppliers and business partners. When selecting new suppliers, weight is thus attached to responsibility being considered actively in the relevant supplier's day-to-day operations and management.

In order to support this objective, the guidelines are specified in the Group's Code of Conduct as criteria when evaluating potential suppliers. New suppliers receive our Code of Conduct, and are also encour-aged to obtain an environmental certification.

The Group's existing and most significant suppliers are also audited annually, based on similar criteria and the guidelines of the Code of Conduct.

Employee relations

Ensuring a healthy and safe environment for the staff of Dinex involves guaranteeing physical safety and psychological wellbeing. Dinex Group safety committee and regular workplace evaluations focus on following up on accidents and other issues requiring a special effort, in order to reduce the risk of accidents and occupational disease. Dinex Group has in 2015 further enhanced the focus on safety to achieve zero accidents as the Group Management Team started weekly follow ups on all potential incidences. This attention has resulted in several optimizations in the production to prevent accidents. As a result, additional safety installments have been performed on critical machines e.g. all eccentric presses have been through a security check. Further, we have performed safety training in all production companies as well as all production companies have been equipped with new and improved personal protection equipment like e.g. safety cutting gloves.

In order to ensure a high safety level across the organization, Dinex Group follow up on the implemented global formal procedure for purchasing production equipment and tools, where the object is to ensure that all equipment at all Dinex sites must be CE certified before operating. A CE certification means, that under its own responsibility, the manufacturer has declared, that the product is consistent with all statutory requirements

Management commentary

of the CE marking and that the product in question may be sold throughout the European Economic Area. Dinex also implemented an extended version of our "Occupational Health and Safety policy" throughout the whole Dinex Group.

As part of the Dinex Group's general Best Practice System, this procedure is important, as its objective is to continually support a high safety level in the Group. It becomes particularly significant in cases where production equipment is purchased from overseas areas, where safety requirements may differ from the European requirements.

In 2015, Dinex also implemented improved safety regulations for visitors on all our production sites to ensure a safe environment for our visitors and prevent visitors from bringing themselves or our employees in danger.

As part of a growing focus on the HR area, from 2013, Dinex implemented a 360-degree management survey including all middle managers within the Group. This survey is a method to identify development areas and skills held by middle managers, but also a tool to support employee involvement and ownership among the other employees. In 2016, Dinex will implement a new people review system for all companies within the Group which will facilitate involvement buttom-up and ensure that employees at all levels in the organization develop their competences.

Dinex focuses on creating a diverse workplace with room for differences. This is reflected in the circumstance that the Company regularly enters into partnerships with, for instance, trainees in various kinds of job programs. Dinex has a co-operation agreement with different Universities around the world and co-operates with thesis students for the benefit of both the student and the Company. Dinex is also on a continuous basis investing in education and courses to develop employee's competences to meet both personal and future business needs. As an example, Dinex has invested in an Master program for some of our Engineers.

Diversity - reporting on the underrepresented gender

All Dinex staff was recruited based on professional skills without regard to religion, race, gender, handicap or age. As a Group, we look upon diversity as a strength, and we actively combat discrimination and aspire to promote equal treatment. This applies to the management level as well as all other levels in the organization.

Dinex' Board of Directors have four members. Dinex wants the Board of Directors to reflect the diversity existing in all other parts of the Company. The Company has committed itself to find candidates with the necessary qualifications, skills, and expertise necessary for our Board of Directors, without regard to gender, sexuality or ethnicity. The Board of Directors has set a 20% target figure at the minimum for the underrepresented gender in 2017.

Dinex' increased focus on the underrepresented gender has lead to an increase of women in both production and sales companies. In 2015, Dinex' production companies employed a total of 19% women compared to

Management commentary

14% in 2014 and 81% compared to 86% men in 2014. For the Group's sales companies, the figures are 35% women in 2015 compared to 32% in 2014 and 65% men in 2015 compared to 68% in 2014. In the future, we want to ensure
a greater balance in the local management teams. As an example of Dinex' effort, we have hired the first female General Manager for our production site in Finland.

Events after the balance sheet date

Dinex A/S announced in January of 2016 that it intends to transfer the production activities in Dinex Deutschland GmbH to some of the other global production plants. As a consequence of this strategic decision Dinex will transfer production jobs and equipment from Hassloch to existing production facilities mainly in Latvia. This transfer will make it possible to consolidate production at fewer sites, creating critical mass and making certain that Dinex can deliver competitive high quality products. The decision does not influence the evaluation of this annual report.

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

Accounting policies

Reporting class

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

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates, see group chart on page 6.

Basis of consolidation

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

Accounting policies

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

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

Business combinations

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

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

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Profits or losses from divestment of equity investments

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

Foreign currency translation

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

Accounting policies

When recognizing foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered as belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognized directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognizing foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate of the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognized under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognized asset or a recognized liability are recorded 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 complying with the requirements for hedging future transactions are recognized directly in equity. When the hedged transactions are realized, the accumulated changes are recognized as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognized currently in the income statement as financial income or financial expenses.

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are classified directly as equity.

Accounting policies

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognized in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognized net of VAT, duties and sales discounts.

Production costs

Cost of sales comprises direct and indirect costs incurred to earn revenue. In cost of sales, commercial businesses recognise consumption of goods whereas manufacturing businesses recognize costs of raw materials, consumables and production staff as well as depreciation.

Cost of sales also includes research costs, costs of development projects that do not meet the criteria for recognition in the balance sheet, and amortization of recognized development projects. In addition, provisions for loss on contract work in progress are recognized

Distribution costs

Distribution costs comprise costs incurred for distribution of goods sold and also for sales campaigns, including costs for sales and distribution staff, advertising costs as well as depreciation and amortisation.

Administrative expenses

Administrative expenses comprise expenses incurred for management and administration of the Group, including expenses for the administrative staff and Management, stationery and office supplies as well as depreciation and amortisation.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including subsidies, rental income, licence income etc.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including subsidies, rental income, licence income etc.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Other financial income

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

Accounting policies

in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year’s profit/loss from ordinary activities.

The Company is jointly taxed with its Parent. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

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

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

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

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

Accounting policies

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is usually five years, but in certain cases it may be up to 20 years if the longer amortisation period is considered to better reflect the Group's benefit from the developed product etc. For development projects protected by intellectual property rights, the maximum amortization period is the remaining duration of the relevant rights, however, no more than 20 years.

Acquired intellectual property rights in the form of patents, know-how and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Other intangible assets are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of other intangible assets are calculated as the difference between selling price minus selling costs and the carrying amount at the time of sale. Profits or losses are recognised in the income statement as an adjustment to amortisation and impairment losses, or under other operating income if the selling price exceeds original cost.

Property, plant and equipment

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

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

Interest expenses on loans for financing the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other financing costs are recognized in the income statement.

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

Buildings	40 years
Plant and machinery	3-15 years
Other fixtures and fittings, tools and equipment	3-15 years
Leasehold improvements	5-10 years

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

Accounting policies

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement as an adjustment to depreciation and impairment losses, or under other operating income if the selling price exceeds original cost.

Investments in group enterprises

Investments in subsidiaries and associates are recognized and measured under the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or less unamortized positive, or negative, goodwill and plus or less unrealized intra-group profits or losses.

The Parent's share of the enterprises' profits or losses after elimination of unrealized intra-group profits and losses and less or plus amortization of positive, or negative, goodwill is recognized in the income statement.

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

Upon distribution of profit or loss, net revaluation of investments in subsidiaries and associates is transferred to reserve for net revaluation according to the equity method under equity.

The purchase method is applied in the acquisition of investments in subsidiaries and associates; see above description under consolidated financial statements.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised pro rata internal profits and losses.

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

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

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

Accounting policies

Other investments
Securities and other investments are measured at the acquisition price.

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

Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered as current tax. Changes in deferred tax resulting from changed tax rates are recognized in the income statement.

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

The Parent is jointly taxed with all of its Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognized based on a specific assessment of the purpose of the individual subsidiary.

Balances held under corporate tax law interest deduction limitation rules are distributed among the jointly taxed corporations respecting the concluded joint taxation agreement. Deferred tax liabilities relating to these balances are recognized in the balance sheet, while deferred tax assets are recognized only if the criteria for recognition of deferred tax assets are met.

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

Cost of goods for resale, raw materials and consumables consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labor costs as well as indirect production costs.

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

Accounting policies

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

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

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

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividends are recognised as a liability at the time of adoption at the general meeting. The proposed dividends for the financial year are disclosed as a separate item in equity.

Minority interests
Minority interests consist of non-controlling interests share of equity in subsidiaries not 100% owned by the parent company.

Provisions for pensions and similar liabilities
Provisions for pensions and similar liabilities are measured at net realisable value equal to the present value of expected payments by the individual pension schemes etc.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments, loss on contract work in progress, decided and published restructurings, etc.

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

If goods are sold on approval, a provision is made for the mark-up on the goods estimated to be returned as well as any expenses related to the returns.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Accounting policies

Once it is likely that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

On acquisition of enterprises and shares in subsidiaries, provisions are made for costs relating to restructurings in the acquired enterprise that were decided and published at the takeover date at the latest.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Finance lease commitments

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

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

Other financial liabilities

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

Deferred income

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable

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

Accounting policies

Cash flow statement

The cash flow statement of the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Group's cash and cash equivalents at the beginning and the end of the financial year. No separate cash flow statement has been prepared for the Parent because it is included in the consolidated cash flow statement.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows to acquired enterprises are recognized in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognized up to the time of sale.

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

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

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

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

Financial highlights

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

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$	The Entity's operating gearing.
Revenue/Invested capital incl goodwill	$\frac{\text{Revenue}}{\text{Average invested capital incl goodwill}}$	Turnover rate of capital employed by the Entity.
Financial gearing	$\frac{\text{Net interest-bearing debt}}{\text{Equity}}$	The Entity's financial gearing..

Accounting policies

Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Soliditetsgrad (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the Entity.

EBIT (Earnings Before Interest and Tax) is defined as operating profit.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) is defined as operating profit plus the year's depreciation and amortization of and impairment losses on intangible assets including goodwill.

Invested capital including goodwill is defined as net working capital plus the carrying amount of property, plant and equipment and intangible assets as well as accumulated amortization of intangible assets including goodwill, and less other provisions and long-term operating liabilities. Accumulated impairment losses on goodwill are not added.

Net working capital is defined as inventories, receivables and other operating current assets net of trade payables and other short-term operating liabilities. Income tax receivable and payable as well as cash are not included in net working capital.

Net interest-bearing debt is defined as interest-bearing liabilities, including income tax payable, net of interest-bearing assets, including cash and income tax receivable.

Consolidated income statement for 2015

	Notes	2015 DKK'000	2014 DKK'000
Revenue	1	810.987	944.778
Production costs	3	-620.226	-724.548
Gross profit/loss		**190.761**	**220.230**
Distribution costs		-104.578	-116.879
Administrative costs	2	-102.803	-96.729
Other operating income		39.847	3.178
Other operating expenses		-8.050	-7.640
Operating profit/loss		**15.177**	**2.160**
Income from investments in associates		-1.687	-811
Other financial income	5	22.147	16.384
Other financial expenses	6	-42.173	-58.528
Profit/loss from ordinary activities before tax		**-6.536**	**-40.795**
Tax on profit/loss from ordinary activities	7	9.661	15.116
Consolidated profit/loss		**3.125**	**-25.679**
Minority interests' share of profit/loss		-1.720	2.601
Profit/loss for the year		**1.405**	**-23.078**
Proposed distribution of profit/loss			
Dividend for the financial year		100	100
Retained earnings		1.305	-23.178
		1.405	**-23.078**

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Completed development projects		35.325	27.465
Acquired licences		5.679	7.962
Goodwill		99.619	104.725
Intangible assets	8	**140.623**	**140.152**
Land and buildings		141.798	207.960
Plant and machinery		165.462	199.775
Other fixtures and fittings, tools and equipment		29.610	40.123
Leasehold improvements		3.326	3.153
Property, plant and equipment in progress		77.530	12.446
Property, plant and equipment	9	**417.726**	**463.457**
Investments in associates		5.158	2.564
Other investments		17	17
Deferred tax	13	45.004	32.962
Fixed asset investments	10	**50.179**	**35.543**
Fixed assets		**608.528**	**639.152**
Raw materials and consumables		64.036	87.616
Work in progress		14.569	17.125
Manufactured goods and goods for resale		74.968	91.406
Inventories		**153.573**	**196.147**

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Trade receivables		155.592	169.115
Other short-term receivables		64.688	36.607
Income tax receivable		5.839	5.016
Prepayments		5.975	3.920
Receivables		**232.094**	**214.658**
Cash		**13.862**	**13.674**
Current assets		**399.529**	**424.479**
Assets		**1.008.057**	**1.063.631**

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Contributed capital		50.000	50.000
Retained earnings		117.531	117.137
Proposed dividend		100	100
Equity		**167.631**	**167.237**
Minority interests	14	**19.980**	**22.894**
Provisions for pensions and similar liabilities		3.096	6.244
Provisions for deferred tax	13	5.112	12.549
Other provisions		7.473	7.416
Provisions		**15.681**	**26.209**
Subordinate loan capital	15	15.000	0
Mortgage debts		4.921	48.430
Bank loans		120.277	198.463
Finance lease liabilities		15.766	28.856
Other payables		0	900
Non-current liabilities other than provisions	16	**155.964**	**276.649**
Current portion of long-term liabilities other than provisions	16	111.175	89.896
Bank loans		349.993	284.910
Prepayments received from customers		8.497	0
Trade payables		83.934	107.563
Income tax payable		15.087	7.324
Other payables		80.115	80.949
Current liabilities other than provisions		**648.801**	**570.642**
Liabilities other than provisions		**804.765**	**847.291**
Equity and liabilities		**1.008.057**	**1.063.631**

Subsidiaries	11
Arrangements not recognised in balance sheet	18
Unrecognised rental and lease commitments	19
Mortgages and securities	20

Consolidated statement of changes in equity for 2015

	Contri-buted capi-tal DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	50.000	117.137	100	167.237
Ordinary dividend paid	0	0	-100	-100
Exchange rate adjustments	0	-3.101	0	-3.101
Fair value adjustments of hedging instru-ments	0	2.061	0	2.061
Value adjustments	0	129	0	129
Profit/loss for the year	0	1.305	100	1.405
Equity end of year	**50.000**	**117.531**	**100**	**167.631**

Consolidated cash flow statement for 2015

	Notes	2015 DKK'000	2014 DKK'000
Operating profit/loss		15.177	2.160
Amortisation, depreciation and impairment losses		24.750	67.562
Working capital changes	17	5.578	29.459
Cash flow from ordinary operating activities		**45.505**	**99.181**
Financial income received		22.147	16.384
Financial income paid		-42.173	-58.468
Income taxes refunded/(paid)		-2.394	-8.832
Cash flows from operating activities		**23.085**	**48.265**
Acquisition etc of intangible assets		-12.198	-22.495
Acquisition etc of property, plant and equipment		-117.434	-99.249
Sale of property, plant and equipment		145.286	366
Acquisition of fixed asset investments		-4.128	-3.233
Cash flows from investing activities		**11.526**	**-124.611**
Loans raised		0	41.399
Instalments on loans etc		-97.570	-71.646
Reduction of lease commitments		-16.836	-7.496
Dividend paid		-100	-98
Other cash flows from financing activities		15.000	0
Cash flows from financing activities		**-99.506**	**-37.841**
Increase/decrease in cash and cash equivalents		**-64.895**	**-114.187**
Cash and cash equivalents beginning of year		-271.236	-157.049
Cash and cash equivalents end of year		**-336.131**	**-271.236**
Cash and cash equivalents at year-end are composed of:			
Cash		13.862	13.674
Short-term debt to banks		-349.993	-284.910
Cash and cash equivalents end of year		**-336.131**	**-271.236**

Notes to consolidated financial statements

1. Revenue

	2015 DKK'000	2014 DKK'000
Export	805.040	937.952
Denmark	5.947	6.826
	810.987	**944.778**

2. Fees to the auditor appointed by the Annual General Meeting

	2015 DKK'000	2014 DKK'000
Statutory audit services	366	333
Other assurance engagements	23	33
Tax services	1.084	262
Other services	4.608	596
	6.081	**1.224**

3. Staff costs

	2015 DKK'000	2014 DKK'000
Wages and salaries	220.744	239.009
Pension costs	13.837	19.278
Other social security costs	34.955	32.007
	269.536	**290.294**
Average number of employees	**1.275**	**1.215**

	Remune-ration of manage-ment 2015 DKK'000	Remune-ration of manage-ment 2014 DKK'000
Executive Board	5.925	13.412
Board of Directors	750	675
	6.675	**14.087**

Notes to consolidated financial statements

	2015 DKK'000	2014 DKK'000
Of this, total remuneration for:		
Executive Board	5.925	8.623
Terminated benefits	0	4.789
Executive board total	**5.925**	**13.412**

4. Depreciation, amortisation and impairment losses

	2015 DKK'000	2014 DKK'000
Amortisation of intangible assets	11.660	10.583
Depreciation on property, plant and equipment	49.242	48.025
Profit/loss from sale of intangible assets and property, plant and equipment	-36.152	8.954
	24.750	**67.562**

5. Other financial income

	2015 DKK'000	2014 DKK'000
Interest income	15.790	58
Exchange rate adjustments	6.357	16.326
	22.147	**16.384**

6. Other financial expenses

	2015 DKK'000	2014 DKK'000
Interest expenses	30.423	28.477
Exchange rate adjustments	11.750	30.051
	42.173	**58.528**

7. Tax on profit/loss from ordinary activities

	2015 DKK'000	2014 DKK'000
Tax on current year taxable income	12.277	7.792
Change in deferred tax for the year	-16.736	-23.117
Adjustment concerning previous years	-4.853	209
Effect of changed tax rates	-349	0
	-9.661	**-15.116**

Notes to consolidated financial statements

8. Intangible assets

	Completed development projects DKK'000	Acquired licences DKK'000	Goodwill DKK'000
Cost beginning of year	44.788	18.578	140.058
Exchange rate adjustments	44	889	0
Transfer to and from other items	8	0	0
Additions	11.545	653	0
Disposals	-170	0	0
Cost end of year	**56.215**	**20.120**	**140.058**
Amortisation and impairment losses beginning of year	-17.323	-10.616	-35.333
Exchange rate adjustments	-56	-839	0
Amortisation for the year	-3.568	-2.986	-5.106
Reversal regarding disposals	57	0	0
Amortisation and impairment losses end of year	**-20.890**	**-14.441**	**-40.439**
Carrying amount end of year	**35.325**	**5.679**	**99.619**

Notes to consolidated financial statements

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fix-tures and fittings, tools and equipment DKK'000	Leasehold improve-ments DKK'000
9. Property, plant and equipment				
Cost beginning of year	264.488	385.811	95.100	15.290
Exchange rate adjustments	-2.977	437	-907	396
Transfer to and from other items	0	-10.157	-4.308	0
Additions	15.716	45.731	4.312	1.383
Disposals	-94.334	-80.902	-2.826	-38
Cost end of year	**182.893**	**340.920**	**91.371**	**17.031**
Depreciation and impairment losses beginning of the year	-56.528	-186.036	-54.977	-12.137
Exchange rate adjustments	-757	-1.163	-125	-133
Depreciation for the year	-7.300	-32.868	-7.601	-1.473
Reversal regarding disposals	23.490	44.609	942	38
Depreciation and impairment losses end of the year	**-41.095**	**-175.458**	**-61.761**	**-13.705**
Carrying amount end of year	**141.798**	**165.462**	**29.610**	**3.326**
Recognised assets not owned by entity	**0**	**37.142**	**409**	**0**

Notes to consolidated financial statements

9. Property, plant and equipment

	Property, plant and equipment in progress DKK'000
Cost beginning of year	12.446
Exchange rate adjustments	335
Transfer to and from other items	14.457
Additions	50.292
Disposals	0
Cost end of year	**77.530**
Depreciation and impairment losses beginning of the year	0
Exchange rate adjustments	0
Depreciation for the year	0
Reversal regarding disposals	0
Depreciation and impairment losses end of the year	**0**
Carrying amount end of year	**77.530**
Recognised assets not owned by entity	**0**

10. Fixed asset investments

	Investments in associates DKK'000	Other invest- ments DKK'000	Deferred tax DKK'000
Cost beginning of year	3.233	17	32.962
Additions	4.128	0	12.042
Cost end of year	**7.361**	**17**	**45.004**
Revaluations beginning of year	-669	0	0
Exchange rate adjustments	153	0	0
Share of profit/loss for the year	-1.687	0	0
Revaluations end of year	**-2.203**	**0**	**0**
Carrying amount end of year	**5.158**	**17**	**45.004**

Notes to consolidated financial statements

11. Subsidiaries

	Registered in	Equity interest %
Dinex Exhausts Limited	England	100,0
Dinex GmbH, Kalbach	Germany	100,0
Dinex Latvia SIA	Latvia	100,0
Dinex Italia SRL	Italy	100,0
Dinex Polska Sp. z.o.o.	Poland	100,0
Dinex Iberica Sistemas de escape, S.L.U	Spain	100,0
Dinex ETMA S.A.S.	France	100,0
Dinex Deutschland GmbH	Germany	100,0
Dinex Emission Inc.	USA	100,0
Dinex RUS LLC	Russia	100,0
Dinex Clamps Ltd.	England	75,0
Dinex Egzoz Ve Emisyon A.S	Turkey	100,0
Dinex Emission System Changzhou Co., Ltd.	China	100,0
Dinex Ejendomme ApS	Denmark	100,0
Dinex Ecocat OY	Finland	100,0
Dinex Emission (Thailand) Co. Ltd	Thailand	100,0
Dinex Balkan D.O.O.	Serbia	100,0
TD Latoki ApS	Denmark	100,0

12. Associates

	Registered in	Equity interest %
JV Dinex Tongda Emission Solutions Co., Ltd.	China	50,0

Notes to consolidated financial statements

13. Deferred tax

	2015 DKK'000	2014 DKK'000
Intangible assets	-7.941	-3.721
Property, plant and equipment	-4.905	-18.058
Inventories	1.173	4.331
Receivables	167	136
Liabilities other than provisions	71	66
Tax losses carried forward	51.327	37.659
	39.892	**20.413**

Deferred tax is recognized in the financial statements with DKK 45.004 m under fixed assets investments and DKK 5.112 m under provisions.

14. Minority interests

	2015 DKK'000	2014 DKK'000
Minority interests beginning of year	22.894	30.160
Share of profit for the year	1.720	(2.601)
Other Adjustment	(5.099)	(5.106)
Exchange adjustment	465	440
Minority interests end of year	**19.980**	**22.894**

15. Subordinate loan capital

Remunerated at 8,5% p.a. until repayment 23.12.2017.

16. Long-term liabilities other than provisions

	Instalments within 12 months 2015 DKK'000	Instalments within 12 months 2014 DKK'000	Instalments beyond 12 months 2015 DKK'000	Outstanding after 5 years DKK'000
Subordinate loan capital	0	0	15.000	0
Mortgage debts	210	2.532	4.921	622
Bank loans	101.659	75.212	120.277	14.087
Finance lease liabilities	7.506	11.252	15.766	0
Other payables	1.800	900	0	0
	111.175	**89.896**	**155.964**	**14.709**

Notes to consolidated financial statements

17. Change in working capital

	2015 DKK'000	2014 DKK'000
Increase/decrease in inventories	42.574	23.286
Increase/decrease in receivables	-31.062	-18.267
Increase/decrease in trade payables etc	-5.934	24.440
	5.578	**29.459**

18. Arrangements not recognised in balance sheet

	2015 DKK'000	2014 DKK'000
Concluded currency forward contracts on the sale of currency for a total consideration of	**6.052**	**9.218**

19. Unrecognised rental and lease commitments

	2015 DKK'000	2014 DKK'000
Lease contracts on property has been concluded		
Annual lease payments	**14.286**	**2.829**

Operating Lease

Operating lease contracts on cars have been concluded for the years 2015 to 2018.

The contracts have been concluded for at least 3 years with fixed lease payments, subject to annual indexation.

The total future minimum lease payments under non-cancellable leases are distributed as follows:

Within a year	1.403	1.488
Between two and five years	1.040	1.770
After more than five years	0	0
	2.443	**3.258**

Notes to consolidated financial statements

18. Unrecognised rental and lease commitments - continued

	2015 DKK'000	2014 DKK'000

Operating lease contracts on machinery have been concluded for the years 2015 to 2018.

The contracts have been concluded for at least 3 years with fixed lease payments, subject to annual indexation.

The total future minimum lease payments under non-cancellable leases are distributed as follows:

	2015 DKK'000	2014 DKK'000
Within a year	880	651
Between two and five years	352	424
After more than five years	0	0
	1.232	**1.075**

Operating lease contracts on office equipment have been concluded for the years 2015 to 2016.

The contracts have been concluded for at least two years with fixed lease payments, subject to annual indexation.

The total future minimum lease payments under non-cancellable leases are distributed as follows:

	2015 DKK'000	2014 DKK'000
Within a year	425	610
Between two and five years	713	359
After more than five years	0	0
	1.138	**969**

Notes to consolidated financial statements

20. Mortgages and securities

	2015 DKK'000	2014 DKK'000
Bank debt is secured by a fixed and floating charge on the shares of Dinex Ecocat Oyassets of a subsidiary and by a fixed and floating charge on the shares in Dinex Ecocat OY.		
Carrying amount of assets	**18.795**	**24.574**
Carrying amount of shares	**188.936**	**89.964**
Bank debt and mortgage debt is secured by way of mortgage on properties.		
Carrying amount of mortgaged properties	**29.907**	**115.893**
Current debt	**5.135**	**55.656**
Bank debt is secured by way of mortgage on plant and machinery, DKK 3.800.000 nominal		
Carrying amount of mortgaged plant and machinery	**21.877**	**34.140**
Current bank debt	**3.059**	**5.145**
Financial leases		
Financial lease contracts have been concluded for the years 2014 to 2020 on:		
Plant and machinery, carrying amount	**37.142**	**56.719**
Other fixtures & fittings, tools & equipment, carrying amount	**409**	**538**

Notes to consolidated financial statements

20. Mortgages and securities (continued)

Dinex has been requested Transfer Pricing documentation for the years 2010-2013. SKAT has proposed a significant increase of the taxable income in Denmark for these years. Management does not agree on the tax authorities' increase. If SKAT maintains the change to the Danish taxable income, a similar reduction is expected in foreign income since the adjustment concerns EU countries. Therefore, no provisions have been made for this in the annual report.

Parent income statement for 2015

	Notes	2015 DKK'000	2014 DKK'000
Administrative costs	1	-52	-32
Operating profit/loss		**-52**	**-32**
Income from investments in group enterprises		2.696	-21.650
Income from investments in associates		0	8
Other financial income	2	434	712
Other financial expenses	3	-1.674	-2.344
Profit/loss from ordinary activities before tax		**1.404**	**-23.306**
Tax on profit/loss from ordinary activities	4	0	228
Profit/loss for the year		**1.404**	**-23.078**

Proposed distribution of profit/loss		
Dividend for the financial year	100	100
Reserve for net revaluation according to the equity method	0	-21.643
Retained earnings	1.304	-1.535
	1.404	**-23.078**

Parent balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Investments in group enterprises		188.936	210.025
Deferred tax	6	1.533	1.533
Fixed asset investments	5	**190.469**	**211.558**
Fixed assets		**190.469**	**211.558**
Receivables from group enterprises		12.232	14.837
Income tax receivable		418	418
Receivables		**12.650**	**15.255**
Cash		**6**	**0**
Current assets		**12.656**	**15.255**
Assets		**203.125**	**226.813**

Parent balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Contributed capital	7	50.000	50.000
Retained earnings		117.530	117.139
Proposed dividend		100	100
Equity		**167.630**	**167.239**
Provisions for investments in group enterprises	8	7.473	7.416
Provisions		**7.473**	**7.416**
Bank loans		3.500	27.000
Non-current liabilities other than provisions	9	**3.500**	**27.000**
Current portion of long-term liabilities other than provisions	9	23.500	23.500
Bank loans		312	427
Other payables		710	1.231
Current liabilities other than provisions		**24.522**	**25.158**
Liabilities other than provisions		**28.022**	**52.158**
Equity and liabilities		**203.125**	**226.813**

Contingent liabilities	10
Mortgages and securities	11
Related parties with controlling interest	12

Parent statement of changes in equity for 2015

	Contri-buted capi-tal DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	50.000	117.137	100	167.237
Ordinary dividend paid	0	0	-100	-100
Exchange rate adjustments	0	-3.101	0	-3.101
Fair value adjustments of hedging instru-ments	0	2.061	0	2.061
Other adjustments	0	129	0	129
Profit/loss for the year	0	1.304	100	1.404
Equity end of year	**50.000**	**117.530**	**100**	**167.630**

Notes to parent financial statements

1. Fees to the auditor appointed by the Annual General Meeting

	2015 DKK'000	2014 DKK'000
Statutory audit services	-29.950	19
Other services	30	12
	-29.920	**31**

2. Other financial income

	2015 DKK'000	2014 DKK'000
Financial income arising from group enterprises	434	712
	434	**712**

3. Other financial expenses

	2015 DKK'000	2014 DKK'000
Financial expenses from group enterprises	1	0
Interest expenses	1.673	2.344
	1.674	**2.344**

4. Tax on profit/loss from ordinary activities

	2015 DKK'000	2014 DKK'000
Change in deferred tax for the year	0	-228
	0	**-228**

5. Fixed asset investments

	Investments in group enter-prises DKK'000	Deferred tax DKK'000
Cost beginning of year	202.497	1.533
Cost end of year	**202.497**	**1.533**
Revaluations beginning of year	7.529	0
Amortisation of goodwill	-4.956	0
Share of profit/loss for the year	7.651	0
Dividend	-22.875	0
Other adjustments	-910	0
Revaluations end of year	**-13.561**	**0**
Carrying amount end of year	**188.936**	**1.533**

Notes to parent financial statements

Goodwill on consolidation included in carrying amount	**99.916**

	2015 DKK'000	2014 DKK'000
6. Deferred tax		
Tax losses carried forward	1.533	1.533
	1.533	**1.533**

	Number	Nominal value DKK'000
7. Contributed capital		
A-shares	25.000.000	25.000
B-shares	25.000.000	25.000
	50.000.000	**50.000**

	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000	2011 DKK'000
Changes in contributed capital					
Contributed capital beginning of year	50.000	50.000	50.000	50.000	200
Increase of capital	0	0	0	0	49.800
Contributed capital end of year	**50.000**	**50.000**	**50.000**	**50.000**	**50.000**

8. Provisions for investments in group enterprises

Provision for investments in group enterprises comprise internal profits related to investments in group enterprises.

	Instalments within 12 months 2015 DKK'000	Instalments within 12 months 2014 DKK'000	Instalments beyond 12 months 2015 DKK'000	Outstanding after 5 years DKK'000
9. Long-term liabilities other than provisions				
Bank loans	23.500	23.500	3.500	3.500
	23.500	**23.500**	**3.500**	**3.500**

10. Contingent liabilities

Notes to parent financial statements

The Company participates in a Danish joint taxation arrangement as the administration company. The Company therefore has partial joint and partial secondary liability from the financial year 2013 for income taxes etc for the jointly taxed company, and from 1 July 2012 also partial joint and partial secondary liability for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed company. The total net liability to the Danish tax authorities appears from the financial statements.

11. Mortgages and securities

	2015 DKK'000	2014 DKK'000
Bank debt is secured by a fixed and floating charge on the shares of subsidaries		
Carrying amount	**188.936**	**210.026**

12. Related parties with controlling interest

The following parties have a controlling interest:

Name	Registered office	Basis of influence
Torben Dinesen	Strandstien 157, Strib DK-5500 Middelfart	Managing Director, CEO