

Løjstrup Dambrug A/S

Strandvejen 101, 4281 Goerlev

Company reg. no. 19 39 10 78

Annual report

1 April 2015 - 31 March 2016

The annual report have been submitted and approved by the general meeting on the 22 August 2016.

Michael Budtz
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Løjstrup Dambrug A/S for the financial year 1 April 2015 to 31 March 2016.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 March 2016 and of the company's results of its activities in the financial year 1 April 2015 to 31 March 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Goerlev, 22 August 2016

Managing Director

Niels Ebbe Dalsgaard
Managing director

Board of directors

Michael Egede Budtz
Chairman of the board

Niels Ebbe Dalsgaard

Karl Iver Dahl-Madsen

The independent auditor's reports

To the shareholder of Løjstrup Dambrug A/S

Report on the annual accounts

We have audited the annual accounts of Løjstrup Dambrug A/S for the financial year 1 April 2015 to 31 March 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control considered necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts 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 the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

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

The audit has not resulted in any qualification.

The independent auditor's reports

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 March 2016 and of the results of the company's operations for the financial year 1 April 2015 to 31 March 2016 in accordance with the Danish Financial Statements Act.

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the performed audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Copenhagen, 22 August 2016

Redmark

Statsautoriseret Revisionspartnerselskab
Company reg. no. 29 44 27 89

Anders Schelde-Møllerup Funder

State Authorised Public Accountant

Company data

The company	Løjstrup Dambrug A/S Strandvejen 101 4281 Goerlev
	Phone 58 85 90 07
	Company reg. no. 19 39 10 78
	Financial year: 1 April - 31 March
Board of directors	Michael Egede Budtz, Chairman of the board Niels Ebbe Dalsgaard Karl Iver Dahl-Madsen
Managing Director	Niels Ebbe Dalsgaard
Auditors	Redmark, Statsautoriseret Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
Bankers	Spar Nord Bank A/S
Lawyer	Kromann Reumert
Parent company	Musholm A/S
Associated enterprise	Brejnholm Dambrug ApS, Toerring

Management's review

The significant activities of the enterprise

Løjstrup Dambrug A/S is an aquaculture company – farming trout. The aquaculture activities are carried out at hatcheries and smolt stations in Jutland and Zealand. Løjstrup Dambrug A/S is a subsidiary company of Musholm A/S and the production of trout eggs, juveniles and smolt is mainly for the mother company.

Development in activities and financial matters

The production of trout on the smolt stations went well. The company has realized a result of 1,4 mill. dkk after tax which must be characterized as satisfactory. Compared to last year, the company has in March 2016 sold trouts to Musholm A/S which have positively effected the result.

The company has fulfilled the expectations for profit forecast that were outlined in the annual report for 2014-2015.

Special risks

The company's risks can generally be divided in to 2 categories that relate to aquaculture and political conditions.

Aquaculture with farming of trout at hatchery, smolt stations and sea farm contains varying risks.

Among the most significant challenges are disease, extreme weather conditions, breakdown of machinery, natural flora and fauna, biological conditions (growth, genetics, breeding, feed quality) and physical damages. These risks are all fundamental conditions in aquaculture and prevention of them are a part of the daily operations. Damages and losses can be partly covered by insurance agreements.

As **political risks** we can include the especially restrictive Danish environmental regulations, which increase the cost level and limit the possibilities for development compared with competing producers in Europe, protectionism on foreign markets and negative media campaigns about salmon and aquaculture.

The expected development

A positive result is expected for the coming production year 2016/2017.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Løjstrup Dambrug A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales

Cost of sales include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Accounting policies used

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Results from equity investment in associated enterprise

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the associated enterprise is recognised in the profit and loss account at a proportional share of the associated enterprise's results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation of the parent company and the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and amortisation which directly and indirectly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical utilisation, sufficient resources, and a potential, future market can be demonstrated, and provided that it is the intention to produce, market, or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Capitalised development costs are measured at cost with deduction of accrued amortisation or at the recoverable value, if this is lower.

Accounting policies used

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 5 years and does not exceed 20 years.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 20 years.

Profit and loss from the realisation of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under amortisation.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Buildings	20 years
Technical plants and machinery	10-20 years
Other plants, operating assets, fixtures and furniture	5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Accounting policies used

Financial fixed assets

Equity investment in associated enterprise

Equity investment in associated enterprise is recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Associated enterprise with negative equity is recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investment in associated enterprise is transferred to the reserves under the equity for net revaluation as per the equity method. The reserves are adjusted by other equity movements in associated enterprise.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Accounting policies used

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Løjstrup Dambrug A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

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

Profit and loss account 1 April - 31 March

All amounts in DKK.

<u>Note</u>	<u>2015/16</u>	<u>2014/15</u>
Net turnover	25.946.613	15.555.132
Change in inventories of finished goods and work in progress	-2.019.349	1.778.906
Raw materials and consumables used	-19.584.845	-13.644.812
Other external costs	-634.201	-567.144
Gross results	3.708.218	3.122.082
1 Staff costs	-124.034	-207.774
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-1.670.922	-1.609.088
Operating profit	1.913.262	1.305.220
2 Income from equity investment in associated enterprise	498.201	162.490
Other financial income	2	0
3 Other financial costs	-805.006	-790.522
Results before tax	1.606.459	677.188
4 Tax on ordinary results	-241.855	-98.560
Results for the year	1.364.604	578.628
Proposed distribution of the results:		
Reserves for net revaluation as per the equity method	448.301	113.291
Dividend associate - transferred to result brought forward	49.900	49.200
Allocated to results brought forward	866.403	416.137
Distribution in total	1.364.604	578.628

Balance sheet 31 March

All amounts in DKK.

Assets		<u>2016</u>	<u>2015</u>
<u>Note</u>			
Fixed assets			
5	Farming licenses and rights	3.412.086	1.327.500
	Intangible fixed assets in total	<u>3.412.086</u>	<u>1.327.500</u>
6	Land and property	3.497.320	2.297.959
7	Production plant and machinery	6.067.024	5.675.954
8	Other plants, operating assets, and fixtures and furniture	3.778.413	3.003.720
9	Tangible assets under construction and prepayments for tangible assets	90.000	0
	Tangible fixed assets in total	<u>13.432.757</u>	<u>10.977.633</u>
10	Equity investment in associated enterprise	1.863.310	1.415.009
	Financial fixed assets in total	<u>1.863.310</u>	<u>1.415.009</u>
	Fixed assets in total	<u>18.708.153</u>	<u>13.720.142</u>
Current assets			
	Raw materials and consumables	863.271	683.361
	Work in progress	13.737.368	15.756.717
	Inventories in total	<u>14.600.639</u>	<u>16.440.078</u>
	Trade debtors	251.081	504.696
	Other debtors	1.500.391	868.741
	Accrued income and deferred expenses	163.829	667.519
	Debtors in total	<u>1.915.301</u>	<u>2.040.956</u>
	Cash funds	3.305	8.110
	Current assets in total	<u>16.519.245</u>	<u>18.489.144</u>
	Assets in total	<u>35.227.398</u>	<u>32.209.286</u>

Balance sheet 31 March

All amounts in DKK.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Equity and liabilities		
Equity		
11 Contributed capital	500.000	500.000
12 Revaluation reserve	1.296.000	1.296.000
13 Reserves for net revaluation as per the equity method	1.596.460	1.148.159
14 Results brought forward	3.279.978	2.363.674
Equity in total	6.672.438	5.307.833
Provisions		
Provisions for deferred tax	1.699.797	1.457.942
Provisions in total	1.699.797	1.457.942
Liabilities		
Mortgage debt	2.159.473	2.549.534
Debt certificate	2.576.400	0
Long-term liabilities in total	4.735.873	2.549.534
Short-term part of long-term liabilities	1.248.860	377.982
Bank debts	634.387	7.941.272
Trade creditors	1.288.658	1.182.295
16 Debt to group enterprises	18.373.124	12.966.019
Other debts	574.261	426.409
Short-term liabilities in total	22.119.290	22.893.977
Liabilities in total	26.855.163	25.443.511
Equity and liabilities in total	35.227.398	32.209.286
17 Mortgage and securities		
18 Contingencies		

Notes

All amounts in DKK.

	<u>2015/16</u>	<u>2014/15</u>
1. Staff costs		
Salaries and wages	3.569.377	2.308.481
Pension costs	270.963	154.844
Other costs for social security	16.297	27.958
Other staff costs	<u>187.748</u>	<u>226.183</u>
	<u>4.044.385</u>	<u>2.717.466</u>
Total personnel expenses are presented as follows:		
Raw materials and consumables used	3.920.351	2.509.692
Staff costs	<u>124.034</u>	<u>207.774</u>
	<u>4.044.385</u>	<u>2.717.466</u>
2. Income from equity investment in associated enterprise		
Income from Brejnholm Dambrug ApS	<u>498.201</u>	<u>162.490</u>
	<u>498.201</u>	<u>162.490</u>
3. Other financial costs		
Interest, group enterprises	293.574	277.032
Other interest costs	<u>511.432</u>	<u>513.490</u>
	<u>805.006</u>	<u>790.522</u>
4. Tax on ordinary results		
Adjustment for the year of deferred tax	<u>241.855</u>	<u>98.560</u>
	<u>241.855</u>	<u>98.560</u>

Notes

All amounts in DKK.

	<u>31/3 2016</u>	<u>31/3 2015</u>
5. Farming licenses and rights		
Cost 1 April 2015	1.350.000	0
Additions during the year	<u>2.165.000</u>	<u>1.350.000</u>
Cost 31 March 2016	<u>3.515.000</u>	<u>1.350.000</u>
Amortisation and writedown 1 April 2015	-22.500	0
Amortisation and writedown for the year	<u>-80.414</u>	<u>-22.500</u>
Amortisation and writedown 31 March 2016	<u>-102.914</u>	<u>-22.500</u>
Book value 31 March 2016	<u>3.412.086</u>	<u>1.327.500</u>
6. Land and property		
Cost 1 April 2015	3.558.011	3.163.481
Additions during the year	<u>1.335.800</u>	<u>394.530</u>
Cost 31 March 2016	<u>4.893.811</u>	<u>3.558.011</u>
Depreciation and writedown 1 April 2015	-1.260.052	-1.133.827
Depreciation and writedown for the year	<u>-136.439</u>	<u>-126.225</u>
Depreciation and writedown 31 March 2016	<u>-1.396.491</u>	<u>-1.260.052</u>
Book value 31 March 2016	<u>3.497.320</u>	<u>2.297.959</u>

Notes

All amounts in DKK.

	<u>31/3 2016</u>	<u>31/3 2015</u>
7. Production plant and machinery		
Cost 1 April 2015	11.095.751	10.864.965
Additions during the year	<u>1.040.200</u>	<u>230.786</u>
Cost 31 March 2016	<u>12.135.951</u>	<u>11.095.751</u>
Revaluation 1 April 2015	<u>1.800.000</u>	<u>1.800.000</u>
Revaluation 31 March 2016	<u>1.800.000</u>	<u>1.800.000</u>
Depreciation and writedown 1 April 2015	-7.219.797	-6.582.697
Depreciation and writedown for the year	<u>-649.130</u>	<u>-637.100</u>
Depreciation and writedown 31 March 2016	<u>-7.868.927</u>	<u>-7.219.797</u>
Book value 31 March 2016	<u>6.067.024</u>	<u>5.675.954</u>
8. Other plants, operating assets, and fixtures and furniture		
Cost 1 April 2015	8.656.721	8.243.343
Additions during the year	1.579.632	444.378
Disposals during the year	<u>0</u>	<u>-31.000</u>
Cost 31 March 2016	<u>10.236.353</u>	<u>8.656.721</u>
Depreciation and writedown 1 April 2015	-5.653.001	-4.753.605
Depreciation and writedown for the year	-804.939	-903.013
Depreciation and writedown, assets disposed of	<u>0</u>	<u>3.617</u>
Depreciation and writedown 31 March 2016	<u>-6.457.940</u>	<u>-5.653.001</u>
Book value 31 March 2016	<u>3.778.413</u>	<u>3.003.720</u>

Notes

All amounts in DKK.

	<u>31/3 2016</u>	<u>31/3 2015</u>
9. Tangible assets under construction and prepayments for tangible assets		
Cost 1 April 2015	0	284.271
Additions during the year	90.000	0
Transfers	0	-284.271
Cost 31 March 2016	<u>90.000</u>	<u>0</u>
Book value 31 March 2016	<u>90.000</u>	<u>0</u>
10. Equity investment in associated enterprise		
Acquisition sum, opening balance 1 April 2015	266.850	266.850
Cost 31 March 2016	<u>266.850</u>	<u>266.850</u>
Revaluation, opening balance 1 April 2015	1.148.159	1.034.869
Results for the year	498.201	162.490
Dividend	-49.900	-49.200
Revaluation 31 March 2016	<u>1.596.460</u>	<u>1.148.159</u>
Book value 31 March 2016	<u>1.863.310</u>	<u>1.415.009</u>
Associated enterprise:		
	Domicile	Share of ownership
Brejnholm Dambrug ApS	Toerring	33,33 %
11. Contributed capital		
Contributed capital 1 April 2015	500.000	500.000
	<u>500.000</u>	<u>500.000</u>

The share capital consists of 500 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.

Notes

All amounts in DKK.

	<u>31/3 2016</u>	<u>31/3 2015</u>		
12. Revaluation reserve				
Revaluation reserve 1 April 2015	1.296.000	1.296.000		
	<u>1.296.000</u>	<u>1.296.000</u>		
13. Reserves for net revaluation as per the equity method				
Reserves for net revaluation 1 April 2015	1.148.159	1.034.868		
Share of results	498.201	162.491		
Dividend received from associated enterprise	-49.900	-49.200		
	<u>1.596.460</u>	<u>1.148.159</u>		
14. Results brought forward				
Results brought forward 1 April 2015	2.363.675	1.898.337		
Profit or loss for the year brought forward	866.403	416.137		
Dividend associate - transferred to result brought forward	49.900	49.200		
	<u>3.279.978</u>	<u>2.363.674</u>		
15. Liabilities				
	Instalments	Outstanding	Debt in total	Debt in total
	first year	debt after	31 Mar 2016	31 Mar 2015
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Mortgage debt	390.060	465.335	2.549.533	2.927.515
Debt certificate	858.800	0	3.435.200	0
	<u>1.248.860</u>	<u>465.335</u>	<u>5.984.733</u>	<u>2.927.515</u>
16. Debt to group enterprises				
Intercompany account with Musholm A/S			18.373.124	12.966.019
			<u>18.373.124</u>	<u>12.966.019</u>

Notes

All amounts in DKK.

17. Mortgage and securities

Spar Nord Bank A/S has as security for the parent company and consolidated debt received letter of indemnity nom. 6.500 thousand secured by property registration number 5a Løjstrup HGD which represent a book value of TDKK 1.796 at 31 March 2016.

The parent company Musholm A/S has provided suretyship in respect of all accounts with Spar Nord Bank A/S.

18. Contingencies

Contingent liabilities

The company has entered into rent leases with residual obligations in the period of irrevocability of TDKK 221.

Joint taxation

Musholm A/S, company reg. no 17895907 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.