

Danica Corporation A/S

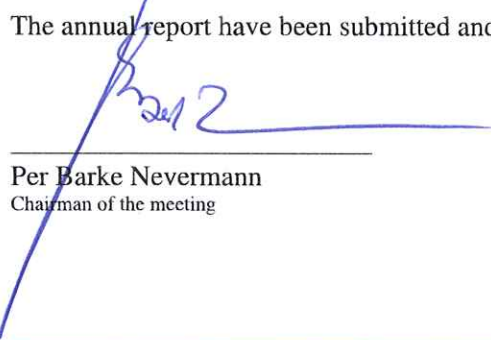
Steensbjerg Industri Park, Påstrupvej 1, 3550 Slangerup

Company reg. no. 25 05 11 22

Annual report

2015

The annual report have been submitted and approved by the general meeting on the 6 June 2016.

A handwritten signature in blue ink, appearing to read 'Per Barke Nevermann', is written over a horizontal line.

Per Barke Nevermann
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 Danica Corporation A/S for the financial year 1 January to 31 December 2015.

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 December 2015 and of the company's results of its activities in the financial year 1 January to 31 December 2015.

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.

Slangerup, 6 June 2016

Managing Director

Steffen Barke Nevermann
managing director

Board of directors

Per Barke Nevermann
chairman

Tine Nevermann Tesdorpf

Steffen Barke Nevermann

Nikolas Barke Nevermann

Else Margrethe Nevermann

The independent auditor's reports

To the shareholders of Danica Corporation A/S

Report on the annual accounts

We have audited the annual accounts of Danica Corporation A/S for the financial year 1 January to 31 December 2015, 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 December 2015 and of the results of the company's operations for the financial year 1 January to 31 December 2015 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, 6 June 2016

Grant Thornton

Company reg. no. 34 20 99 36



Class Koskelin

State Authorised Public Accountant

Company data

The company

Danica Corporation A/S
Steensbjerg Industri Park
Påstrupvej 1
3550 Slangerup

Company reg. no. 25 05 11 22

Financial year: 1 January - 31 December

Board of directors

Per Barke Nevermann, chairman
Steffen Barke Nevermann
Else Margrethe Nevermann
Tine Nevermann Tesdorpf
Nikolas Barke Nevermann

Managing Director

Steffen Barke Nevermann, managing director

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Bankers

Handelsbanken A/S
Banco do Brasil S.A.
Caixa Economica S.A.

Lawyer

Adlex Advokater Partnerselskab, Frederiksborggade 5A, 1360
Copenhagen

Associated enterprise

DanicaZipco Sistemas Construtivos S.A., Brazil

Management's review

The significant activities of the enterprise

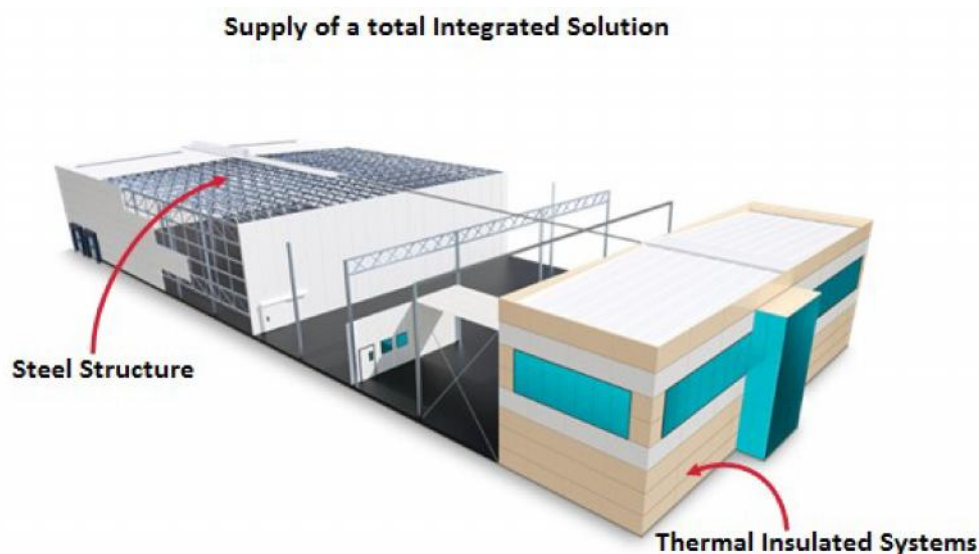
The main activity of the company is to hold shares in DanicaZipco Sistemas Construtivo S.A., Brasil.

Development in activities and financial matters

The results from ordinary activities after tax are t.DKK 20.028 against t.DKK 22.225 last year. The development must be seen in the light of the fact that the company as per 30 June 2015 have sold a share of DanicaZipco Sistemas Construtivos S.A., former Danica Termointustrial Brasil S.A. to investment funds under management of Pátria/Blackstone. The ownership interest is 29,66 % at 31 December 2015 against 68,18 % at 31 December 2014.

The merger

As per 30 June 2015 Danica Termointustrial Brasil S.A. incorporated Zipco S.A., which main activity was manufacturing of Steel Structure, creating the only producer of 100 % prefabricated construction systems in Brazil, scoping thermal insulated roof and wall panels, and steel structure and profiles, supplied to final customers, construction companies and steel structure companies.



Management's review

Costs synergies through 3 principal projects

1. Transfer of the manufacturing unit of Steel Structure from Paulista/PE to Aparecida do Taboado/MS, where is located the principal manufacturing plant of DanicaZipco. The objective is to position the unit logistically close to the principal Brazilian market, creating cost reduction of BRL 3,5 million / DKK 6,5 million/year plus increase of VAT incentives. The new factory for Steel Structure was constructed and the transfer process was concluded in 6 months, and inaugurated in January 2016, with high production scale and quality. The previous rented factory of Zipco at Paulista/PE was deactivated and the key people transferred. The investment of the expansion from 10.000 m² to 16.000 m² totalized BRL 10 million / DKK 18,5 million, financed 80 % over 12 years with 2 years grace by FCO (Constitutional fund for financing of Centro Oeste) at subsidized interest.



2. Organizational restructuring: transfer of geographic structure to financial structure, with reduction of employees by approx. 20 % and annual cost reduction of approx. BRL 3,1 million/DKK 5,7 million.

3. Steel coil purchase: by increase of volume from approx. 25.000 to 35.000 tons per year in addition to other consumables.

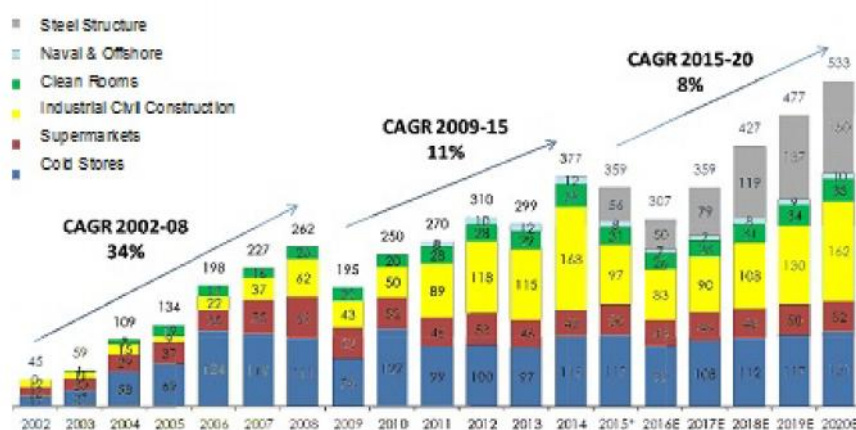
Management's review

Principal projects in 2016 and 2020 strategy

2020 Strategy: The industrial construction market increased strongly from 2002 to 2014 and has optimal prospective to increase in the future, within the characteristic market cyclic.

The strategy is to focus on efficiency increase and internal performance, securing that the company is fully positioned and ready for return of the increase during the next years, with a strong focus on strategy plan 2020 of the company.

Summery of the NET invoicing per year (BRL millions)



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 Danica Corporation 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).

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of Danica Corporation A/S and its group enterprises are included in the consolidated annual accounts for Danica Corporation Holding A/S, Slangerup, reg. nr. 31 76 43 86.

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.

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.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Accounting policies used

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

Exchange rate adjustments of current accounts with foreign group enterprises, which are considered an addition or a deduction in the equity of independent group enterprises, are recognised directly in the equity. Likewise, capital profits and losses on loans and derived financial instruments for hedging independent foreign group enterprises are recognised in the equity.

The following exchange rates has been used in the consolidated financial statements and the annual accounts:

	31.12.2012	31.12.2013	31.12.2014	31.12.2015
DKK/R\$ (Brasilien)	2,7524	2,3241	2,2978	1,7559
DKK/PMX (Mexico)	0,4337	0,4187	0,4167	0,3949
DKK/US\$ (USA)	5,6396	5,4127	6,1214	6,8561
DKK/EUR	7,4600	7,4603	7,4436	7,4625

The profit and loss account

Gross profit

The gross profit comprises the net turnover, production costs and other operating income.

Accounting policies used

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.

The production costs comprise costs, including salaries, wages and depreciation, which are incurred in order to achieve the net turnover of the year. Trade enterprises recognise cost of sales, and manufacturing enterprises recognise production costs corresponding to the turnover of the year. These costs include direct and indirect costs for raw materials and consumables, salaries and wages, rent and leasing, and depreciation on the production plant.

Administration costs

Administration costs comprise costs which have been incurred during the year for management and administration, including costs for the administrative staff, the executive board, offices, stationery and office supplies, and depreciation.

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

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 investments in group enterprises and associated enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

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

The balance sheet

Tangible fixed assets

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



Accounting policies used

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

Other plants, operating assets, fixtures and furniture	5 years
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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.

Financial fixed assets

Equity investments in group enterprises and associated enterprises

Equity investments in group enterprises and associated enterprises are 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.

Group enterprises and associated enterprises with negative equity are 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 investments in group enterprises and associated enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises and associated enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises and associated enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

Accounting policies used

In connection with the take over of new group enterprises and associated enterprises, the acquisition method is applied, by which the taken over companies' assets and liabilities are measured at fair value at the time of take over. Provisions are made for covering costs in connection with decided restructuring projects in the taken over enterprise in connection with the take-over. The tax effect of the revaluation carried out is taken into consideration, cf. the below description of goodwill.

Positive differences (goodwill) between the acquisition value and the fair value of the assets and liabilities taken over, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and associated enterprises, and they are amortised over the estimated financial life. The financial life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategically taken over companies with a strong market position and a long range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

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.

Work in progress for the account of others

Work in progress for the account of others is measured at the market value of the work performed. The market value is measured on basis of the scope of completion on the balance sheet date and the total expected income from the individual work in progress.

When the market value of a contract can not be determined reliably, the sales value is measured at the costs incurred or at the net realisable value, if this is lower.

The individual work in progress is recognised in the balance sheet under debtors or liabilities, depending on the net value of the sales price with deduction of prepayments and amounts invoiced on account.

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

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.

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

Profit and loss account 1 January - 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Gross profit	0	1.215
Administration costs	-193.258	-189
Operating profit	-193.258	1.026
Income from equity investments in group enterprises	32.395.495	21.546
Income from equity investments in associated enterprises	-14.073.269	0
Other financial income from group enterprises	108.552	209
Other financial income	2.348.251	186
Other financial costs	-557.503	-742
Results before tax	20.028.268	22.225
Tax on ordinary results	0	0
Results for the year	20.028.268	22.225
Proposed distribution of the results:		
Reserves for net revaluation as per the equity method	6.777.185	25.319
Allocated to results brought forward	13.251.083	0
Allocated from results brought forward	0	-3.094
Distribution in total	20.028.268	22.225

Balance sheet 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

Assets			
Note		2015	2014
Fixed assets			
	Other plants, operating assets, and fixtures and furniture	0	13
	Tangible fixed assets in total	0	13
1	Equity investments in group enterprises	0	40.318
2	Equity investments in associated enterprises	22.418.355	0
	Financial fixed assets in total	22.418.355	40.318
	Fixed assets in total	22.418.355	40.331
Current assets			
	Trade debtors	0	8.229
	Contract work in progress	0	234
	Amounts owed by group enterprises	0	5.768
	Amounts owed by associated enterprises	16.078.627	0
	Accrued income	460	0
	Debtors in total	16.079.087	14.231
	Cash funds	12.746.911	25
	Current assets in total	28.825.998	14.256
	Assets in total	51.244.353	54.587

Balance sheet 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

Equity and liabilities			
Note		2015	2014
Equity			
3	Contributed capital	500.000	500
4	Reserves for net revaluation as per the equity method	4.279.377	14.945
5	Results brought forward	41.961.725	28.711
	Equity in total	46.741.102	44.156
Liabilities			
	Bank debts	0	4.763
	Trade creditors	0	401
	Debt to group enterprises	4.474.552	5.265
	Other debts	28.699	2
	Short-term liabilities in total	4.503.251	10.431
	Liabilities in total	4.503.251	10.431
	Equity and liabilities in total	51.244.353	54.587

6 Contingencies

Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	31/12 2015	31/12 2014
1. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2015	25.371.762	29.146
Disposals during the year	-1.533.979	-3.774
Transfer to associated enterprises	-23.837.783	0
Cost 31 December 2015	0	25.372
Revaluations, opening balance 1 January 2015	14.945.770	4.480
Translation by use of the exchange rate valid on balance sheet date	-2.258.190	-1.253
Results for the year before goodwill amortisation	-7.169.576	20.186
Reversals for the year concerning disposals	22.321.225	6.949
Other movements in capital	-10.607.729	-15.416
Transfer to associated enterprises	-17.231.500	0
Revaluation 31 December 2015	0	14.946
Book value 31 December 2015	0	40.318

Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	31/12 2015	31/12 2014
2. Equity investments in associated enterprises		
Acquisition sum, opening balance 1 January 2015	0	0
Transfer from group enterprises	23.837.783	0
Cost 31 December 2015	23.837.783	0
Revaluation, opening balance 1 January 2015	0	0
Transfer from group enterprises	17.231.500	0
Translation by use of the exchange rate valid on balance sheet date	-5.922.364	0
Results for the year before goodwill amortisation	-14.073.269	0
Other movements in capital	1.344.705	0
Revaluation 31 December 2015	-1.419.428	0
Book value 31 December 2015	22.418.355	0
Associated enterprises:		
	Domicile	Share of ownership
DanicaZipco Sistemas Construtivos S.A.	Brazil	29,66 %
	31/12 2015	31/12 2014
3. Contributed capital		
Contributed capital 1 January 2015	500.000	500
	500.000	500

The share capital consists of 500 shares, each with a nominal value of DKK 1.000. No shares hold particular rights.

Within the latest 5 years, there have been no changes in the share capital.

Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	31/12 2015	31/12 2014
4. Reserves for net revaluation as per the equity method		
Reserves for net revaluation 1 January 2015	14.945.770	4.480
Share of results	6.777.185	20.186
Exchange rate adjustments	-8.180.554	-1.253
Equity adjustment	-9.263.024	-15.417
Adjustment sale during the year	0	6.949
	4.279.377	14.945

	31/12 2015	31/12 2014
5. Results brought forward		
Results brought forward 1 January 2015	28.710.642	31.805
Profit or loss for the year brought forward	13.251.083	-3.094
	41.961.725	28.711

6. Contingencies

Joint taxation

Danica Corporation Holding A/S, company reg. no 31 76 43 86 being the administration company, the company is subject to the Danish scheme of joint taxation and it is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligation to withhold tax on interest, royalties and dividends of the jointly taxed companies.

The liabilities amount to a maximum corresponding to that share of the company capital, which is owned directly or indirectly by the ultimate parent company.