

# HusCompagniet A/S

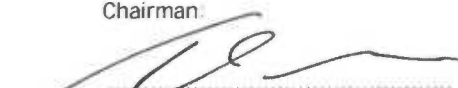
Plutovej 3, DK-8700 Horsens

CVR no. 28 50 50 35

## Consolidated financial statements for the year ended 31 December 2015

Approved at the Company's annual general meeting on 31 May 2016

Chairman:



Peter Ahlers Sørensen

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of HusCompagniet A/S for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

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

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

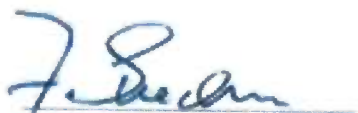
We recommend that the annual report be approved at the annual general meeting.

Horsens, 31 May 2016  
Executive Board:



Steffen Martin Baungaard  
CEO

Board of Directors:



Jesper H. Svendsen  
Chairman



Martin Ravn-Nielsen



Steffen Martin Baungaard

## Independent auditors' report

To the shareholders of HusCompagniet A/S

### Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of HusCompagniet A/S for the financial year 1 January - 31 December 2015, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

### *Management's responsibility for the consolidated financial statements and the parent company financial statements*

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

### *Auditors' responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

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

Our audit has not resulted in any qualification.

### *Opinion*

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January - 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

## Independent auditors' report

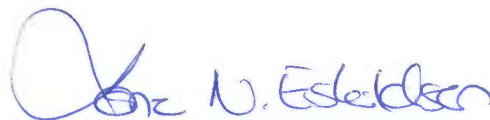
### Statement on the Management's review

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 audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Aarhus, 31 May 2016  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab



Steen Skorstengaard  
State Authorised  
Public Accountant



Lone Nørgaard Eskildsen  
State Authorised  
Public Accountant

## Management's review

### The Group's key activities

As in previous years, the Group's primary activities include the construction and sale of houses, primarily single-family houses at the customers own account in Denmark, Sweden and Germany.

### Group structure and new owner

In the financial year, EQT acquired HusCompagniet's ultimate parent, HC TopCo A/S, via the company Diego HC A/S - closing date was 18 August 2015. Diego HC TopCo A/S, which is the ultimate parent company of the Group and owned by EQT's foundation VI, is the owner of Diego HC A/S.

The new ownership is positive seen in relation to the Company's strategy for which growth and continued focus on the customers will still be decisive to the Company's development.

As the closing date was 18 August 2015, the ultimate parent company, Diego HC TopCo A/S, presented financial statements for the four-month period 1 September 2015 - 31 December 2015. A purchase price allocation has been made in the parent company into the relevant assets, just as the depreciation policy has been determined for the various assets. Goodwill is allocated into the relevant CGUs, which are determined to be country level.

### *Development of the business in 2015*

As in the recent years, 2015 showed continued progress. The Group handed over 1,151 houses compared to 1,010 houses in 2014, and revenue totalled DKK 2,228 million compared to DKK 1,775 million in 2014, an increase of DKK 453 million, corresponding to 26% for the full year 2015.

The volume of orders of HusCompagniet at 31 December 2015 was higher than at 31 December 2014, and is deemed to form a sound basis for further growth in 2016.

The Group generated an operating profit before depreciation and amortisation, interest and special items in 2015 (EBITDA) of DKK 229 million (2014: DKK 189 million) in accordance with IFRS accounting policies, which is considered satisfactory.

The Company incurred non-recurring special costs of DKK 30 million (2014: DKK 0 million), which are deemed to be extraordinary costs. The costs are directly or indirectly related to the acquisition of HC TopCo A/S by Diego HC A/S (EQT VI), primarily organisational costs and advisory services costs.

The profit for 2015 showed a positive cash flow from operations of DKK 118 million (2014: DKK 235 million).

## Management's review

In 2012, HusCompagniet established a branch in Handewitt, Germany. The expansion in Germany continued in 2014 and another branch was established in Neumünster, which is the Group's largest branch. In 2015, yet another branch was opened in Hamburg, and the Group now has three branches in Germany.

There is considerable interest for HusCompagniet's houses in Germany and long-term prospects are promising. In 2015, sales in Germany showed an upward trend and the level is satisfactory.

In Sweden, the Group is still working from the branches in Malmö and Gothenburg. Focus on the market surrounding Gothenburg has been intensified, and the Group expects this branch to make a higher contribution to growth in Sweden.

Overall, Management considers the profit realised in 2015 satisfactory.

The Group's market share in Denmark is deemed to be 20% - 30% at present.

### Financing

The Group's solvency ratio is 51% and the cash balance is DKK 262 million. Furthermore, the Group has drawing rights through revolving credit facilities in the Group's bank of DKK 200 million. See "Financial risks" for more details.

As part of the financing of Diego HC's purchase of HusCompagniet group, two long-term loans with a total principal amount of DKK 900 million have been taken.

### Uncertainty of recognition and measurement

The Group's holding of land plots is valued at the lower of cost and net realisable value. In general, the land is developed by HusCompagniet before start-up of the building projects, and the individual plots are assessed individually.

### Employee relations

In 2015 new employees were hired, which has strengthened the Group's knowledge base and qualifications. During the year, capacity adjustments were made to reflect the level of activities.

Average number of employees 2014	231
Average number of employees 2015	260

In order to deliver competitive products at a fair price and of good quality, it is decisive that the Group is able to recruit and retain its employees.

### Events after the balance sheet date

No events have occurred after the balance sheet date which may materially affect the Company's financial position and thereby the assessment of the annual report.

### Expected development

In 2016, Management expects revenue to grow in line with the market. Expected earnings are still affected by the investments made and costs incurred in connection with HusCompagniet's expansion in the Swedish and German markets.

## Management's review

### Corporate governance

Diego HC TopCo's Board of Directors and Executive Board always aim at ensuring that the Group's management structure and control systems are appropriate and function satisfactorily. Management assesses on an ongoing basis whether this is the case.

Management's tasks are among other things based on the Danish Companies Act, the Danish Financial Statements Act, IFRS, the Company's Articles of association and ethical guidelines as well as good practice for enterprises of the same size and with the same reach as HusCompagniet. Furthermore being owned by a private equity fund, the Company complies with DVCA's guidelines on responsible ownership and corporate governance. Based on this, a number of internal procedures have been developed and they are regularly updated in order to ensure an active, safe and profitable management of the Group.

### Risks

#### *General risks*

The most significant operating risk of the Company relates to general development in macroeconomics, market conditions, primarily the number of new single-family houses built.

#### *Financial risks*

Due to its operations, investments and financing, the Group is exposed to changes in interest rates. The parent company manages the Group's financial risks centrally and coordinates the Group's cash management, including new funding and placement of excess liquidity. The Group follows a finance policy approved by the Board of Directors which operates with a low risk profile; accordingly interest and credit risks only arise from commercial activities.

Management assesses on a regular basis whether the Group's capital structure is adequate.

Subsequent to EQT VI's acquisition of the Group, Diego HC A/S became the owner of HC TopCo A/S. As a part of the new ownership new interest-bearing loans have been taken in Diego HC A/S.

No changes to the Group's guidelines and procedures for management of the capital structure and the administration hereof have been made in 2015.

## Statutory report on corporate social responsibility

### *Statutory report on corporate social responsibility in accordance with section 99a of the Danish Financial Statements Act.*

Customer confidence, security and satisfaction are key issues for HusCompagniet. Operating in the building industry, HusCompagniet has to comply with various legislation and a number of rules that put high demands on the Company in all phases of the building process, ranging from the contract with the customer to working environment at the building site and from indoor climate of the house to energy consumption.

HusCompagniet supports such regulations that provide more security and satisfaction to the customers and a better working place for its employees and sub-suppliers. HusCompagniet operates within the rules and regulations in force at all times.

HusCompagniet continuously focuses on providing the best conditions for its customers' satisfaction living in the houses by using sound materials that are processed in a socially acceptable manner and ensures a healthy indoor climate.

The Company has no written policies that relate to section 99a.



## Management's review

### *Stakeholders*

HusCompagniet seeks to develop and maintain good relations with its stakeholders on an on-going basis, as such relations are assessed to have a significant and positive effect on the Group's development.

Based on this a communication policy has been made together with specific policies for various key areas such as employees and responsibility towards customers and the society in general.

The communication policy and related procedures are made to ensure that information relevant to investors, employees and authorities are available to them and made public in accordance with rules and agreements.

It is the Board of Directors' responsibility to ensure compliance and to regularly adjust the policies in accordance with the development in and around the Company.

### *Recommendations for active ownership and corporate governance for private equity funds*

In June 2011, the Danish Venture And Private Equity Association ("DVCA") issued guidelines for responsible ownership and corporate governance for private equity funds and companies controlled by them.

The recommendations contain guidelines for the description of a number of matters in the Management commentary, including corporate governance, financial risks, employee matters and strategy.

Being a company owned by a private equity fund, HusCompagniet must either follow those recommendations or explain why the recommendations are not followed in whole or in part. HusCompagniet's corporate governance, which is described above, complies in general with DVCA's recommendations except for the recommendation made according to which the annual report must include a description of the Company's revenue and earnings expectations, which only has been made to a limited extent as the Company works in a market characterised by considerable uncertainty and for competitive reasons.

### *Report on the gender composition of the management*

The target figure for the Board of Directors only includes the members elected by the annual general meeting, and consequently, employee representatives are not included.

As to the Board of Directors, the target figure previously laid down for the share of female members on the Board of Directors was 20% (corresponding to 1 person). In connection with EQT's acquisition of the HC TopCo Group, changes have been made to the ultimate Group Board of Directors, as at present there are no female members of the Board of Directors.

Other executive levels of the Group are represented by approx. 5% female managers. The aim is to have diversity in the recruitment process and to make recruitments at a high qualification level and at the same time to reflect the society which we are a part of.

The target remains 10% female employees at key positions. The Group considers this as an ambitious target in an industry dominated by male employees.

### **Shareholder relations**

The Board of Directors assesses on an on-going basis whether the Company's capital structure is in accordance with the Company's and its partners' interests. The overall aim is to ensure a capital structure which supports a long-term profitable growth.

Diego HC TopCo A/S' share capital is divided into three share classes. A shares that carry no voting rights, B shares that carry 10 votes per share and C shares that carry one vote per share.

## Management's review

A shares have preferential rights of distribution, corresponding to a maximum of 9% p.a. (incl. compound interest). B shares and C shares receive the amount remaining after the A shares' preferential right.

EQT exercises control over the Company. EQT VI is represented on the Board of Directors through the board member, Andreas Aschenbrenner and Mads Ditlevsen. Moreover, EQT has appointed Tore Thorstensen (Chairman), Allan Jørgensen, Matthew Russell and Jan Buck-Emden for the Board of Directors.

### The Board of Directors' role and responsibilities

The Boards of Directors of Diego HC TopCo A/S and its subsidiaries ensure that the Executive Boards comply with the Boards of Directors' aims, strategies and business procedures. Information from the Executive Boards of the individual companies is given systematically at meetings and through written and oral reporting. This reporting e.g. comprises the development in the Company's surroundings, the Company's development and profitability and the financial position.

The Board of Directors of Diego HC TopCo A/S holds meetings according to a fixed schedule at least six times a year. Usually one strategy seminar is held once a year during which the Company's vision, goals and strategy are settled. In the period between the ordinary meetings of the Board of Directors, the Board of Directors receive, on a regular basis, written information on the Company's and the Group's financial position, and extraordinary meetings are held if required.

The Board of Directors may set up a committee for special assignments. An audit committee has been set up to attend to accounting and audit assignments on a regular basis.

### Management remuneration

In order to attract and maintain the Group's managerial qualifications, the members of the Executive Board and executive employees' remuneration is set according to tasks, value created and terms in comparable companies. Remuneration includes incentive programmes which should ensure shared interest of the Company's Management and the shareholders as the schemes consider both short-term as well as long-term goals.

In addition to the usual performance-related bonus scheme, certain employees of the Group take part in the Group's share investment programme. Remuneration of the Board of Directors and the Executive Board is disclosed in a note to the annual report. Some of the members of the Board of Directors of Diego HC TopCo A/S take part in the Company's share investment programme.

### The Board of Directors' direct shareholdings (as a Group)

At the end of 2015, members of the Board of Directors held 77,460 shares in Diego HC TopCo A/S, corresponding to 0.54% of the total share capital.

## Management review

### Corporate information

Registered office	HusCompagniet A/S Plutovej 3 DK-8700 Horsens
CVR no. Financial year	28 50 50 35 1 January - 31 December
Webpage	<a href="http://www.huscompagniet.dk">www.huscompagniet.dk</a>
Board of directors	Jesper Svendsen, Chairman Martin Ravn-Nielsen Steffen Martin Baungaard
Executive board	Steffen Martin Baungaard, CEO
Bank	Nordea Bank Danmark A/S
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, DK-8000 Aarhus C

## Management review

### Consolidated key figures

DKK'm	2015	2014	2013*	2012*	2011*
Revenue	2,228	1,775	1,556	1,274	1,256
Gross profit	448	368	334	287	249
Operating profit before depreciation and special items (EBITDA)	229	189	203	178	146
Operating profit	194	186	182	157	125
Financial items	0	-2	-1	-6	-10
Net profit	149	139	132	109	89

Total assets	1,121	1,164	960	936	753
Equity	663	648	550	509	400

Cash flow from operating activities before interest and tax	118	235	157	238	174
Cash flow from operating activities	69	180	118	193	129

#### Key figures

Gross margin	20,1	20,7	21,5	22,6	19,8
Average number of employees	258	231	201	173	160

\*The consolidated key figures for 2011, 2012 and 2013 is prepared in accordance with Danish GAAP, and has not been restated in accordance with IFRS as adopted by the EU.

## Consolidated financial statements 1 January - 31 December

### Consolidated Income Statement for the year ended 31 December

Notes	DKK'000	2015	2014
7	Revenue	2,228,217	1,775,405
	Production costs	1,779,757	1,406,908
	Gross profit	448,460	368,497
	Other operating income	478	78
8	Staff costs	157,372	127,522
	Other operating expenses	62,098	51,584
	<b>Operating profit before depreciation and amortisation and special items (EBITDA before special items)</b>	229,468	189,469
9	Depreciation and amortization	4,907	3,548
10	Special items, net	-30,193	0
	<b>Operating profit</b>	194,368	185,921
11	Finance costs	2,516	4,367
12	Finance income	2,291	2,492
	<b>Profit before tax</b>	194,143	184,046
13	Income tax	44,979	45,050
	<b>Profit for the year</b>	149,164	138,996
	<b>Profit for the year</b>		
	Attributable to		
	Equity holders of the parent	149,164	138,996

### Statement of other comprehensive income for the year ended 31 December

Notes	DKK'000	2015	2014
	<b>Profit for the year</b>	149,164	138,996
	<b>Other comprehensive income</b>		
	<i>Items that may be reclassified to the income statement</i>		
	Equity adjustments on foreign currency translation (net of tax, nil)	-1	-226
		-1	-226
	<b>Other comprehensive income, net of tax</b>	-1	-226
	<b>Total comprehensive income for the year, net of tax</b>	149,163	138,770
	<b>Total comprehensive income attributable to:</b>		
	Equity holders of the parent	149,163	138,770

## Consolidated financial statements 1 January - 31 December

### Consolidated statement of financial position as at 31 December

Notes	DKK'000	2015	2014	1/1 2014
	<b>Assets</b>			
	<b>Non-current assets</b>			
14	Intangible assets	237,066	237,066	237,066
15	Property, plant and equipment	22,877	12,943	7,206
	Deferred tax	4,633	2,739	791
	<b>Total non-current assets</b>	<u>264,576</u>	<u>252,748</u>	<u>245,063</u>
	<b>Current assets</b>			
16	Inventories	184,917	182,831	127,707
17	Construction contracts	375,319	237,699	251,518
23	Trade and other receivables	54,781	49,931	65,218
	Prepayments	4,979	8,745	3,509
	Receivables from affiliated companies	0	130,193	79,724
	Income tax receivables	4,309	426	0
	Cash and short-term deposits	231,962	301,392	236,946
	<b>Total current assets</b>	<u>856,267</u>	<u>911,217</u>	<u>764,622</u>
	<b>Total assets</b>	<u>1,120,843</u>	<u>1,163,965</u>	<u>1,009,685</u>
	<b>Equity and liabilities</b>			
18	<b>Equity</b>			
	Share capital	600	600	600
	Retained earnings	662,028	512,865	509,095
	Proposed Dividend	0	135,000	80,000
	<b>Total equity</b>	<u>662,628</u>	<u>648,465</u>	<u>589,695</u>
	<b>Non-current liabilities</b>			
19	Provisions	4,665	3,896	3,090
13	Deferred tax liabilities	15,187	10,074	10,360
	<b>Total non-current liabilities</b>	<u>19,852</u>	<u>13,970</u>	<u>13,450</u>
	<b>Current liabilities</b>			
19	Provisions	18,659	15,583	12,359
17	Prepayments from customers	13,126	4,407	8,340
17	Construction contracts	10,187	13,678	0
13	Income tax payable	3,076	6,672	12,135
	Other liabilities	90,009	75,061	50,934
	Bank overdrafts	30,146	149,671	126,043
	Payables to affiliated companies	31,333	31,724	31,946
23	Trade and other payables	241,827	204,734	164,783
	<b>Total current liabilities</b>	<u>438,363</u>	<u>501,530</u>	<u>406,540</u>
	<b>Total liabilities</b>	<u>458,215</u>	<u>515,500</u>	<u>419,990</u>
	<b>Total equity and liabilities</b>	<u>1,120,843</u>	<u>1,163,965</u>	<u>1,009,685</u>

## Consolidated financial statements 1 January - 31 December

### Consolidated statement of cash flows for the year ended 31 December

Notes	DKK'000	2015	2014
	<b>Operating activities</b>		
	Profit before tax	194,143	184,046
25	Other adjustments	8,622	9,353
	<b>Working capital adjustments:</b>		
	Increase in construction contracts and inventory	-134,509	-23,264
	Increase in trade and other receivables	-3,774	8,729
	Increase in trade and other payables	53,809	56,175
	<b>Net cash flows from operating activities before interest and tax</b>	118,291	235,039
	Interest received	2,291	2,492
	Interest paid	-2,516	-4,367
	Income tax paid	-49,239	-53,173
	<b>Net cash flows from operating activities</b>	68,827	179,991
	<b>Investing activities</b>		
	Purchase of property, plant and equipment	-14,481	-9,190
	<b>Net cash flows used in investing activities</b>	-14,481	-9,190
	<b>Financing activities</b>		
	Prepayment/ Proceeds from payables to affiliated companies	130,748	-49,978
	Dividends paid to equity holders of the parent	-135,000	-80,000
	<b>Net cash flows from/(used in) financing activities</b>	-4,252	-129,978
	Net increase in cash	50,094	40,823
	Cash at 1 January	151,722	110,899
22	<b>Cash at 31 December</b>	<b>201,816</b>	<b>151,722</b>

## Consolidated financial statements 1 January - 31 December

### Consolidated statement of changes in equity

for the year ended 31 December 2015

DKK'000	Issued capital	Retained earnings	Foreign currency translation reserve	Total equity
As at 1 January 2015	600	648,091	-226	648,465
<b>Comprehensive income for the year</b>				
Profit for the year	-	149,164	-	149,164
Other comprehensive income	-	-	-1	-1
Total comprehensive income	0	149,164	-227	149,163
<b>Transactions with owners of the company</b>				
Dividends	-	-135,000	-	-135,000
Total transactions with owners of the company	-	-135,000	-	-135,000
At 31 December 2015	600	662,255	-227	662,628

for the year ended 31 December 2014

DKK'000	Issued capital	Retained earnings	Foreign currency translation reserve	Total equity
As at 1 January 2014	600	589,055	-	589,695
<b>Comprehensive income for the year</b>				
Profit for the year	-	138,996	-	138,996
Other comprehensive income	-	-	-226	-226
Total comprehensive income	0	138,996	-226	138,770.
<b>Transactions with owners of the company</b>				
Dividends	-	-80,000	-	-80,000
Total transactions with owners of the company	-	-80,000	-	-80,000
At 31 December 2014	600	648,091	-226	648,465



## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

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## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 1 Corporate information

The consolidated financial statements of HusCompagniet A/S and its subsidiaries (collectively, the Group) for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 31 May 2016. HusCompagniet A/S (the Company or the parent) is a limited company incorporated and domiciled in Denmark. The registered office is located at Plutovej 3, 8700 Horsens.

The Group is principally engaged in construction and sale of single-family-houses in Denmark, Sweden and Germany.

#### 2 Basis of preparation

These consolidated financial statements are the first consolidated financial statements prepared by the Group in accordance with International Financial Reporting Standards as adopted by the EU ('IFRS'). IFRS 1 (transition disclosures) is stated in note 6 below.

The consolidated financial statements are expressed in DKK, as this is the Group's functional and presentation currency. All values are rounded to the nearest thousand DKK'000 where indicated.

The consolidated financial statements have been prepared on a historical cost basis, except as noted in the various accounting policies.

##### *Applied materiality*

The financial statements are a result of processing large numbers of transactions and aggregating those into classes according to their nature or function. The aggregated transactions are presented in classes of similar items in the consolidated financial statements. Line items not individually material are aggregated with other items of a similar nature in the consolidated financial statements or in the notes.

IFRS disclosure requirements are substantial. Management provides specific disclosures required by IFRS unless the information is considered immaterial to the financial decision-making of the users of these financial statements and otherwise not warranted or not applicable.

#### 3 Summary of significant accounting policies

##### *Basis of consolidation*

The consolidated financial statements include the Parent Company and the companies and operations in which the Parent Company, directly or indirectly, has a controlling interest. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements for the subsidiaries are prepared for the same accounting period as the Group, using consistent accounting policies. On consolidation, intragroup balances and intragroup transactions are eliminated in full.

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 3 Summary of significant accounting policies (continued)

##### *Foreign currencies*

The consolidated financial statements are presented in DKK. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The assets and liabilities, including goodwill, of foreign operations are translated into DKK (the Group's presentation currency) at the rate of exchange prevailing at the reporting date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the income statement. On partial disposals, a proportionate share of the deferred cumulative amount is recognised in the income statement.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

##### *Business combinations*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it will measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the income statement.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the non-controlling interest over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 3 Summary of significant accounting policies (continued)

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

#### *Income taxes*

##### *Current income tax*

The parent company is jointly taxed with all Danish subsidiaries. The current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. The jointly taxed companies are taxed under the on-account tax scheme.

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit (loss) for the year is recognized in the income statement, and the tax expense relating to amounts recognized in other comprehensive income is recognized in other comprehensive income.

Current tax payable is recognized in current liabilities and deferred tax is recognized in non-current liabilities. Tax receivable is recognized in current assets and deferred tax assets are recognized in non-current assets.

##### **Deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the period, adjusted for tax on the taxable income of prior periods and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### **Revenue recognition**

###### *Sale of completed (non-contracted)*

Revenue from sale of completed non-contracted houses is recognised when the significant risks and rewards have been transferred to the buyer, which is on delivery of the house to the customer.

###### *Sales of houses before or during construction (contracted)*

Sale of contracted houses, when the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage-of-completion method of revenue recognition is applied. For such contracts, revenue is recognised as work progresses.

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 3 Summary of significant accounting policies (continued)

Continuous transfer of work in progress is applied when:

- The buyer controls the work in progress, typically when the land plot on which the development takes place is owned by the final customer, and
- All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically, when buyer cannot put the incomplete property back to the Group

In such situations, the percentage of work completed is measured based on the costs

#### *Production costs*

Production costs include direct and indirect costs of raw materials and consumables incurred in generating the revenue for the year.

#### *Other operating expenses*

Other external expenses include the period's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### *Other operating income*

Other operating income includes income from secondary activities such as gains/losses from sale of property, plant and equipment.

#### *Staff costs*

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

#### *Special items*

Special items include significant income and costs of a special nature in terms of the Group's revenue-generating operating activities which cannot be attributed directly to the Group's ordinary operating activities. Such income and costs include the cost related to significant restructuring of processes and fundamental structural adjustment, as well as gains or losses arising in this connection, and which are significant over time.

Special items also include items, that by nature are non-recurring, specifically impairment of goodwill, gains and losses on the disposal of activities and transaction cost in a business combination.

These items are classified separately in the income statement, in order to provide a more accurate and transparent view of the Group's recurring operating profit.

#### *Financial items*

Financial income and expenses comprise interest income and expenses, cost of permanent loan facilities, gains and losses on securities, receivables, payables, and transactions denominated in foreign currencies, amortisation of financial assets and liabilities, etc.

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 3 Summary of significant accounting policies (continued)

##### *Intangible assets*

###### *Goodwill*

At the acquisition date goodwill is recognized in the balance sheet at cost as described under Business combinations. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortized but is tested for impairment at least once a year. Goodwill is written down to the recoverable amount if the carrying amount is higher than the computed recoverable amount. The recoverable amount is computed as the present value of the expected future net cash flows from the enterprises or activities to which the goodwill is allocated. Impairment of goodwill is not reversed.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the acquisition date. Identification of cash-generating units is based on the management structure and internal financial control.

###### *Property, plant and equipment*

Land and buildings, plant and machinery and fixtures and fittings, other plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and costs of materials, components, suppliers, direct wages and salaries and indirect production costs until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives, which are 3-5 years for operating assets and equipment, and 3-5 for leasehold improvements.

###### *Inventories*

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition, are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis
- Work in progress and finished houses (non-contracted construction): cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 3 Summary of significant accounting policies (continued)

##### *Construction contracts*

Construction contracts are measured at the sales value of the work performed.

Construction contracts are characterised by the manufactured products containing a high degree of individualisation in terms of design. Furthermore, it is a requirement prior to the commencement of the work that a binding contract has been entered into, which is compensated at cancellation.

The sales value is measured based on the level of completion at the balance sheet date and the total expected income from the individual contract work. The percentage of completion is calculated on the basis of an assessment of the completed work, normally calculated as the relationship between the costs and the total expected costs for the construction contract.

When it is likely that the total construction costs for a construction contract will exceed the total construction income, the expected loss on the construction contract is immediately included as an expense.

When the sales value of a construction contract cannot be measured reliably, the sales value is measured as the costs to be spent on the construction which the Company considers to be the most probable to recover.

Construction contracts for which the sales value of the work performed exceeds the invoicing on account and expected loss are recognised as receivables. Construction contracts for which invoicing on account and expected losses exceed the sales value, are recognised as a liability.

Prepayments from customers are recognised as a liability.

Expenses in connection with sales work and obtaining contracts are recognised in the income statement as incurred.

##### *Financial instruments*

###### *Financial assets*

Initial recognition and measurement

Financial assets are classified as loans and receivables. The Group determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

###### *Trade and other receivables*

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables.

Other receivables are deposits on leaseholds. On initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR) less impairment. The EIR amortisation is included in financial income in the income statement. The losses arising from impairment are recognised in the income statement in financial expenses.

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 3 Summary of significant accounting policies (continued)

##### *Financial liabilities*

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The Group's financial liabilities comprise other payables, which primary consist of staff-related costs not due for payment.

##### *Cash and short-term deposits*

Cash and short-term deposits comprise cash at banks and on hand and demand deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

##### *Provisions*

Provisions differ from other liabilities in that there is a degree of uncertainty concerning when payment will occur or concerning the size of the amount required to settle the provision. Provisions are recognized in the balance sheet when a legal or informal commitment exists due to an event that has occurred, it is probable that an outflow of resources will be required to settle the commitment and the amount can be estimated reliably.

##### *Other financial liabilities*

Loans and other financial liabilities, such as accounts payable, are included in this category. Liabilities are recognized at amortized cost.

##### *Leases*

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.



## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reporting in these consolidated financial statements and the accompanying notes. These estimates are based on historical experiences, other relevant information available at the reporting date and expectation of future events that are believed to be reasonable under the circumstances and as such, actual results could differ from those estimates.

In the process of applying the Group's accounting policies, management has made estimates and assumption related to the following:

##### *Percentage-of-completion profit recognition*

A fundamental condition for being able to estimate percentage-of-completion profit recognition is that project revenues and project costs can be established reliably. This reliability is based on such factors as compliance with the Group's systems for project control and that project management has the necessary skills.

The assessment of project revenues and project costs is based on a number of estimates and assessments that depend on the experience and knowledge of project management in respect of project control, training and the prior management of projects. There is a risk that the final result will differ from the profit accrued based on percentage-of-completion. At year-end, recognized revenues amounted to DKK 391 million (2014: 249 million), refer to Note 17 Construction contracts.

##### *Valuation of goodwill*

Goodwill is measured at the lower of cost and recoverable amount. Goodwill in the Group is valued at DKK 237 million (2014: 237 million). Several assumptions and estimations are made concerning future conditions, which are taken into account when calculating the discounted cash flow upon which the estimated recoverable amount has been based. Important assumptions include expected growth, margins and the weighted average cost of capital. If these assumptions change, the value of the remaining goodwill could be affected, refer to Note 14 Intangible assets, for information on the assumptions and estimations made.

##### *Guarantee commitments*

At year-end, the guarantee provision amounted to DKK 23 million (2014: 19 million), refer to Note 19 Provisions. Provisions for future costs due to guarantee commitments are recognized at the amount expected to be required to settle the commitment on the balance-sheet date. This estimate is based on calculations, assessments by company management and experiences gained from past transactions.

##### *Guarantee obligations, legal disputes, etc.*

Within the framework of its regular business operations, The Group occasionally becomes a party to legal disputes. In such cases, an assessment is made of the Group's obligations and the probability of a negative outcome for the Group. The Group's assessment is made on the basis of the information and knowledge currently possessed by the company. In some cases, these are difficult assessments and the final outcome could differ from the estimation made.

#### 5 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are as follows: IFRS 9, IFRS 14, IFRS 15, IFRS 16, amendments to IFRS 11, amendments to IAS 16 and IAS 38, amendments to IFRS 10 and IAS 28, annual improvements to 2012-2014 cycle, amendments to IAS 1 and amendments to IFRS 10, IFRS 12 and IAS 28.

In the opinion of the management, all new standards and interpretations will not materially impact recognition and measurement of assets and liabilities in annual reports in the coming financial years.

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 6 First-time adoption of IFRS

These consolidated financial statements, for the year ended 31 December 2015, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2014, the Group prepared its financial statements in accordance with local generally accepted accounting principle (Danish GAAP).

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2015, together with the comparative period data for the year ended 31 December 2014, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2014, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its Danish GAAP financial statements, including the statement of financial position as at 1 January 2014 and the financial statements for the year ended 31 December 2014.

#### *Exemptions applied*

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Group has applied the following exemptions:

- A) Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2014.
- B) IFRS 3 Business Combinations has not been applied to acquisitions of subsidiaries that are considered businesses under IFRS that occurred before 1 January 2014.

The estimates at 1 January 2014 and at 31 December, 2014 are consistent with those made for the same dates in accordance with Local GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Group to present these amounts in accordance with IFRS reflect conditions at 1 January 2014, the date of transition to IFRS and as at 31 December 2014.

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 6 First-time adoption of IFRS (continued)

##### Group reconciliation of equity as at 1 January 2014 (date of transition to IFRS)

DKK'000	Danish GAAP	Recognition and measure- ment	IFRS as at 1 January 2014
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7,206	-	7,206
Intangible assets	237,066	-	237,066
Deferred tax assets	1,614	-823	791
<b>Total non-current assets</b>	<b>245,886</b>	<b>-823</b>	<b>245,063</b>
<b>Current assets</b>			
Inventories	127,707	-	127,707
Construction contracts	200,685	50,833	251,518
Trade and other receivables	65,218	-	65,218
Prepayments	3,509	-	3,509
Receivables from affiliated companies	79,724	-	79,724
Cash and short-term deposits	236,946	-	236,946
<b>Total current assets</b>	<b>713,789</b>	<b>50,833</b>	<b>764,622</b>
<b>Total assets</b>	<b>959,675</b>	<b>50,010</b>	<b>1,009,685</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	600	-	600
Retained earnings	469,445	39,650	509,095
Proposed Dividend	80,000	-	80,000
<b>Total equity</b>	<b>550,045</b>	<b>39,650</b>	<b>589,695</b>
<b>Non-current liabilities</b>			
Provisions	3,090	-	3,090
Deferred tax liabilities	0	10,360	10,360
<b>Total non-current liabilities</b>	<b>3,090</b>	<b>10,360</b>	<b>13,450</b>
<b>Current liabilities</b>			
Provisions	12,359	-	12,359
Prepayments from customers	8,340	-	8,340
Bank overdrafts	126,043	-	126,043
Trade and other payables	164,783	-	164,783
Income tax payable	12,135	-	12,135
Payables to affiliated companies	31,946	-	31,946
Other liabilities	50,934	-	50,934
<b>Total current liabilities</b>	<b>406,540</b>	<b>0</b>	<b>406,540</b>
<b>Total liabilities</b>	<b>409,630</b>	<b>10,360</b>	<b>419,990</b>
<b>Total equity and liabilities</b>	<b>959,675</b>	<b>50,010</b>	<b>1,009,685</b>

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 6 First-time adoption of IFRS (continued)

##### Group reconciliation of equity as at 31 December 2014

DKK'000	Danish GAAP	Recognition and measurement	IFRS as at 31 December 2014
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12,943	-	12,943
Intangible assets	218,541	18,525	237,066
Deferred tax assets	3,297	-558	2,739
<b>Total non-current assets</b>	<b>234,781</b>	<b>17,967</b>	<b>252,748</b>
<b>Current assets</b>			
Inventories	182,831	-	182,831
Trade and other receivables	59,102	-	59,102
Construction contracts	189,372	48,327	237,699
Receivables from affiliated companies	130,193	-	130,193
Cash and short-term deposits	301,392	-	301,392
<b>Total current assets</b>	<b>862,890</b>	<b>48,327</b>	<b>911,217</b>
<b>Total assets</b>	<b>1,097,671</b>	<b>66,294</b>	<b>1,163,965</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	600	-	600
Retained earnings	456,645	56,220	512,865
Proposed dividend	135,000	-	135,000
<b>Total equity</b>	<b>592,245</b>	<b>56,220</b>	<b>648,465</b>
<b>Non-current liabilities</b>			
Provisions	3,896	-	3,896
Deferred tax liabilities	0	10,074	10,074
<b>Total non-current liabilities</b>	<b>3,896</b>	<b>10,074</b>	<b>13,970</b>
<b>Current liabilities</b>			
Provisions	15,583	-	15,583
Bank overdrafts	149,671	-	149,671
Constructions contracts	13,678	-	13,678
Prepayments from customers	4,407	-	4,407
Trade and other payables	204,734	-	204,734
Income tax payable	6,672	-	6,672
Payables to affiliated companies	31,724	-	31,724
Other liabilities	75,061	-	75,061
<b>Total current liabilities</b>	<b>501,530</b>	<b>0</b>	<b>501,530</b>
<b>Total liabilities</b>	<b>505,426</b>	<b>10,074</b>	<b>515,500</b>
<b>Total equity and liabilities</b>	<b>1,097,671</b>	<b>66,294</b>	<b>1,163,965</b>

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 6 First-time adoption of IFRS (continued)

##### Group reconciliation of total comprehensive income for the year ended 31 December 2014

DKK'000	Danish GAAP	Recognition and measurement	IFRS for the year ended 31 December 2014
Revenue	1,777,708	-2,303	1,775,405
Production costs	1,406,705	203	1,406,908
<b>Gross profit</b>	<b>371,003</b>	<b>-2,506</b>	<b>368,497</b>
Other operating income	78	-	78
Employee and personnel costs	127,522	-	127,522
Other operating expenses	51,584	-	51,584
<b>Operating profit before special items (EBITDA before special items)</b>	<b>191,975</b>	<b>-2,506</b>	<b>189,469</b>
Depreciation and amortization	22,073	-18,525	3,548
Special items, net	0	-	0
<b>Operating profit</b>	<b>169,902</b>	<b>16,019</b>	<b>185,921</b>
Finance costs	4,367	-	4,367
Finance income	2,492	-	2,492
<b>Profit before tax</b>	<b>168,027</b>	<b>16,019</b>	<b>184,046</b>
Income tax	45,601	-551	45,050
<b>Profit for the year</b>	<b>122,426</b>	<b>16,570</b>	<b>138,996</b>
<b>Profit for the year</b> Attributable to Equity holders of the parent	<b>122,426</b>	<b>16,570</b>	<b>138,996</b>
<b>Statement of other comprehensive income for the year ended 31 December</b>			
<b>Profit for the year</b>	<b>122,426</b>	<b>16,570</b>	<b>138,996</b>
<b>Other comprehensive income</b> <i>Items that may be reclassified to the income statement</i>			
Equity adjustments on foreign currency translation (net of tax, nil)	-226	-	-226
<b>Other comprehensive income</b>	<b>-226</b>	<b>0</b>	<b>-226</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>122,200</b>	<b>16,570</b>	<b>138,770</b>
<b>Total comprehensive income attributable to: Equity holders of the parent</b>	<b>122,200</b>	<b>16,570</b>	<b>138,770</b>

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 6 First-time adoption of IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2014 and 31 December 2014 and total comprehensive income for the year ended 31 December 2014

##### *A Revenue and construction contracts*

Under Danish GAAAP, the Group has recognised revenue from sale of houses, when construction has ended, and significant risk and rewards has been transferred to the customer. According to IFRS, revenue from sale of houses, where the buyer controls the work in progress, and where risks and rewards of ownership of the work in progress are transferred to the buyer as construction progresses, should be recognised under the percentage-of-completion method. Accordingly, constructions contracts should be measured at the sales value of the work in progress.

##### *B Goodwill*

Under Danish GAAP, goodwill should be amortised over its useful life. According to IFRS, Goodwill should be impairment tested on an annual basis, and not be subject to amortisation.

##### *C Deferred tax*

The various transitional adjustments lead to different temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

##### *D Statement of cash flows*

The transition from Danish GAAP to IFRS has not had a material impact on the statement of cash flows or key figures.

#### 7 Revenue

	Contracted sales	Non- contracted sales	Total Revenue
2015 DKK'000			
Sales value houses sold on customers building sites	1,919,040,	-	1,919,040
Sales value houses sold on own building sites	193,086	*22,313	215,399
Sales of land plots	87,831	-	87,831
Other revenue	-	5,947	5,947
	<u>2,199,957</u>	<u>28,260</u>	<u>2,228,217</u>
2014 DKK'000			
Sales value houses sold on customers building sites	1,568,925	-	1,568,925
Sales value houses sold on own building sites	121,797	*19,195	140,992
Sales of land plots	58,464	-	58,464
Other revenue	-	7,024	7,024
	<u>1,749,186</u>	<u>26,219</u>	<u>1,775,405</u>

\*Non-contracted sales is sales of exhibition houses

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

DKK'000	2015	2014
<b>8 Staff costs</b>		
Wages and salaries	115,275	96,482
Pensions, defined contribution plans	1,813	1,806
Other social security costs	1,565	1,856
Other staff costs	55,642	49,823
Transfer to production cost	-16,923	-22,445
	157,372	127,522
Number of employees	258	231

### Remuneration to the Executive Group Management Board and the Board of Directors

By reference to section 98 b (3), (iii), of the Danish Financial Statements Act, remuneration to management and Board is not disclosed.

In 2015, Diego HC TopCo A/S and HusCompagniet A/S have issued a Management Participation programme (MPP) through which Management and selected key employees have received an opportunity to purchase shares in Diego HC TopCo A/S subject to certain market conditions.

DKK'000	2015	2014
<b>9 Depreciation and amortization</b>		
Depreciation of property, plant and equipment	4,907	3,548
	4,907	3,548
<b>10 Special items</b>		
Cost related to restructuring of processes and fundamental structural adjustment as a result of new owners and new plans:		
Organisational changes	5,676	-
Write-down of excess building sites as a result of new strategy	24,087	-
Other special items	430	-
	30,193	0
<b>11 Finance costs</b>		
Interests paid to banks	1,300	894
Exchange rate losses	22	1,844
Other financial cost	574	914
Interest, group entities	620	715
	2,516	4,367

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

DKK'000	2015	2014
<b>12 Finance income</b>		
Interests received from banks	1,322	6
Exchange rate gains	76	-
Other financial income	30	918
Interest, group entities	863	1,568
	2,291	2,492
<b>13 Income taxes</b>		
<b>Current tax</b>		
Income tax	41,698	47,299
Movement in deferred tax	3,219	-2,254
Adjustment relating to prior years	62	5
	44,979	45,050
Profit before tax	194,143	184,046
Tax rate, Denmark	23.5%	24.5%
Tax at applicable rate	45,624	45,091
Non-taxable income	-252	-10
Adjustments relating to prior years	-	70
Effect of change in tax rate	-393	-408
Other	-	307
	44,979	45,050
Effective tax rate, %	23.2%	24.5%



## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

DKK'000	2015	2014
<b>13 Income taxes (continued)</b>		
<b>Deferred tax</b>		
Deferred tax 1 January	7,335	9,569
Recognised in income statement	3,219	-2,254
Exchange differences	-	20
<b>Deferred tax 31 December</b>	<b>10,554</b>	<b>7,335</b>
Deferred tax is presented in the statement of financial position as follows:		
Deferred tax assets	4,633	2,739
Deferred tax liabilities	15,187	10,074
	10,554	7,335
Deferred tax related to:		
Tangible assets	-155	-3,633
Construction contracts	10,398	10,968
	10,554	7,335

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

14 Intangible assets DKK'000	<u>Goodwill</u>
Cost at 1 January 2015	370.496
Cost at 31 December 2015	370.496
Amortisation and impairment at 1 January 2015	133.430
Amortisation and impairment at 31 December 2015	133.430
Carrying amount 31 December 2015	<u>237.066</u>
Cost at 1 January 2014	370.496
Cost at 31 December 2014	370.496
Amortisation and impairment at 1 January 2014	133.430
Amortisation and impairment at 31 December 2014	133.430
Carrying amount 31 December 2014	<u>237.066</u>

Goodwill relates to business combination and establishment of the group HusCompagniet in 2010. Goodwill is allocated to groups of cash-generating units at the acquisition date, expected to benefit from the synergies of the combination. All goodwill relates to the cash-generating unit Denmark.

#### Impairment testing

At 31 December 2015, Management tested the carrying amount of goodwill for impairment based on the allocation of the cost of goodwill on the cash-generating units.

In each individual case, the recoverable amount is calculated as the highest of the value in use and fair value less selling costs. The below descriptions state the value on which the recoverable amount is based.

The recoverable amount is based on the value in use determined using expected net cash flows based on budgets for the years 2016-2019 (2014: 2015-2018) approved by Management and with a pre-tax discount factor of 10.8% (2014: 10.8%) for the Danish market.

The carrying amount of goodwill amounted to DKK 237,066 thousand at 31 December 2015.

The contribution margin for the budget period is estimated based on the average contribution margin.

The budgeted number of houses sold is expected to increase by an average of 8-9% in the budget period.

The weighted average growth rate used in connection with extrapolation of future net cash flows for the years after 2019 is estimated to 2%. The growth rate is not assessed to exceed the long-term average growth rate within the Company's markets.

Our impairment test did not give rise to any need for impairment write-down.

#### Sensitivity analysis

Management assesses that probable changes in the basic assumptions would not cause the carrying amount of goodwill would exceed recoverable value.

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

15 Property, plant and equipment DKK'000	<u>Total</u>
Cost at 1 January 2015	30,764
Additions	14,818
Disposals	-3,584
Exchange rate adjustment	42
<b>Cost at 31 December 2015</b>	<b>42,040</b>
<b>Depreciation and impairment at 1 January 2015</b>	<b>17,821</b>
Depreciation	4,906
Exchange rate	20
Reversal of depreciation and, impairment of disposals	-3,584
<b>Depreciation and impairment at 31 December 2015</b>	<b>19,163</b>
<b>Carrying amount 31 December 2015</b>	<b>22,877</b>
Cost at 1 January 2014	22,490
Additions	9,339
Disposals	-1,015
Exchange rate adjustment	-50
<b>Cost at 31 December 2014</b>	<b>30,764</b>
<b>Depreciation and impairment at 1 January 2014</b>	<b>15,285</b>
Depreciation	3,537
Exchange rate adjustment	-6
Reversal of depreciation and impairment of disposals	-995
<b>Depreciation and impairment at 31 December 2014</b>	<b>17,821</b>
<b>Carrying amount 31 December 2014</b>	<b>12,943</b>

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

DKK'000	2015	2014
<b>16 Inventories</b>		
Raw materials	2,587	3,709
Work in progress (non-contracted), including show-houses	120,666	99,633
Land plots, including used for show-houses	61,664	79,489
	<u>184,917</u>	<u>182,831</u>

Inventories with a value of DKK 15 million (2014: Dkk 39 million) are carried at the lower of net realisable value and cost. During 2015, DKK 24 million (2014: DKK 0 million) was charged to the income statement for special items.

DKK'000	2015	2014
<b>17 Construction contracts</b>		
Selling price of construction contracts	391,170	249,216
Invoicing on account	-26,038	-25,195
	<u>365,132</u>	<u>224,021</u>
Calculated as follows		
Construction contracts (assets)	375,319	237,699
Construction contracts (liabilities)	-10,187	-13,678
	<u>365,132</u>	<u>224,021</u>
Prepayments from customers regarding vedrørende construction contracts not yet started	<u>13,126</u>	<u>4,407</u>

## 18 Equity

### Capital Management

The primary objective of HusCompagniet's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. HusCompagniet manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, HusCompagniet may adjust the dividend payments to shareholders, acquire its own shares or issue new shares.

### Share Capital

	Issued shares			
	Number of shares		Nominal value (DKK'000)	
	2015	2014	2015	2014
1 January 2015	600	600	600	600
31 December 2015 - fully paid	<u>600</u>	<u>600</u>	<u>600</u>	<u>600</u>

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

<b>19</b>	<b>Provisions</b>		<b>Guarantees</b>
	DKK'000		<u>          </u>
	Provisions 1 January 2015		19,479
	Arising during the year		23,324
	Utilised		<u>-19,479</u>
	<b>Provisions 31 December 2015</b>		<u><u>23,324</u></u>
	Distributed in the balance as follows:		
	Non-current liabilities		4,665
	Current liabilities		<u>18,659</u>
			<u><u>23,324</u></u>
<b>20</b>	<b>Tax payable</b>		
	DKK'000	<u>2015</u>	<u>2014</u>
	Tax payable at 1 January	6,247	12,135
	Foreign exchange adjustments	-	-55
	Tax at the applicable rate	41,696	47,299
	Tax paid for the year	<u>-49,176</u>	<u>-53,132</u>
	<b>Tax payable 31 December</b>	<u><u>-1,233</u></u>	<u><u>6,247</u></u>

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 21 Contingent assets, contingent liabilities, collateral and leases

##### Contingent liabilities

The Company is continuously involved in minor disputes, but no significant per 31 December 2015.

The Company is jointly taxed with its parent, Diego HC A/S, which acts as Management Company for the other Danish group entities. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income years 2013 and withholding taxes falling due for payment on or after 1 July 2012 in the group of jointly taxed entities.

##### Collateral

DKK 9 million (2014: DKK 14 million) of cash and short-term deposits is placed in restricted accounts, and is released when the completed houses are delivered to the customers.

##### Leases

The Group leases properties and equipment under operational leasing contracts. The term of the leases are usually between 0-8 years (2014: 0-9 years) with possible extension. None of the leasing contracts include conditional lease payments.

Lease payment for 2015 amounts DKK 10 million (2014: 9 million).

Minimum lease payments can be specified as follows:

DKK'000	2015	2014
0-1 year	10,189	8,497
1-5 years	29,552	22,534
> 5 years	10,341	12,890
	<u>50,082</u>	<u>43,921</u>
<b>22 Cash</b>		
Cash	231,962	301,392
Bank overdraft	-30,146	-149,670
	<u>201,816</u>	<u>151,722</u>

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 23 Financial instruments and risks

##### Financial risk managements

HusCompagniet's activities and capital structure is exposed to a variety of financial risks: market risks (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Group management oversees the management of these risks in accordance with the Group's risk management policies.

Market risks	Expected impact	Description of risk	Risk Management	Outcome	Sensitivity
Interest rate risk	Low	HusCompagniet is exposed towards fluctuations in market interest rates primarily related to the Group's long-term loan with floating rates.	The Group's aims to a reasonable part of its borrowings at fixed rates of interest.  At 31 December 2015 the Group's long-term debt is kept at floating rates. The Group has in 2015 entered into an interest rate cap and an interest rate swap effective from February 2016 to address the exposure towards interest fluctuations.	At 31 December 2015, the Group has placed all its long-term borrowings at floating rates of interests.	If the interest rate increased (decreased) by 1% the effect on interest during 2015 would have been DKK 3.1 (3.5) million.
Currency risk	Low	The primarily exposure towards currency fluctuations relates to the Group's activities in Germany and Sweden.	Management continuously assesses the significance of the Group's activities denominated in foreign currencies.	Total revenue generated in SEK and EUR for 2015 amounted to 156 million.	Management considers The Group's exposure to SEK and EUR as low.
Credit risk	Low	HusCompagniet is exposed towards customers' inability to meet their financial obligations.	The Group obtains a bank guarantee from all customers before construction is initiated. Consequently, the Group's exposure towards credit risk is limited to the customers' changes to the house after construction has started.	Total impairment of trade receivables amounted to nil in 2015 and 2014.	Management considers the Group's exposure to credit risk as low.
Liquidity risk	Low	HusCompagniet does not receive payment until construction is finished and the house is handed over to the client. Accordingly, the Group needs sufficient facilities to fund ongoing constructions.	The Group aims to have a undrawn credit of minimum DKK 200 million to ensure that the Group is able to meet its obligations.	The Group has an undrawn credit facility of DKK 200 million to ensure that the Group is able to meet its obligations.	Management considers the exposure as being low.

## Consolidated financial statements 1 January - 31 December

### Notes to the consolidated financial statements

#### 24 Related parties

The financial statements include the financial statements of the Group and the subsidiaries in the following table:

Name	Country of incorporation	% equity interest
Die Haus-Compagnie GmbH	Germany	100%
HusCompagniet Midt- og Nordjylland A/S	Denmark	100%
HusCompagniet Sjælland A/S	Denmark	100%
HusCompagniet Fyn A/S	Denmark	100%
FM-Søkjær Entreprise A/S	Denmark	100%
HusCompagniet Sønderjylland A/S	Denmark	100%
Svenska HusCompagniet AB	Sweden	100%

#### *Transactions with key management personnel in 2015*

Transactions with key management personnel include transactions with companies controlled by the key management personnel.

No direct payroll costs have been paid to key management personnel, but indirectly in the form of management fees for executive management services, amounts DKK 9 million (2014: DKK 8 million).

#### *The ultimate Parent*

The ultimate parent of the Group is Diego HC TopCo, Denmark.

Transactions during the year comprise management fee, which mainly consist of payment for executive management services and other administrative services.

There were no transactions, in addition to the above described other than dividend distribution of DKK 135 million in 2015 (2014: DKK 80 million) between the Group and the ultimate parent company.

DKK'000	2015	2014
<b>25 Other adjustments</b>		
Depreciation, amortisation and impairment	4,907	3,548
Gains/losses from sale of property, plant and equipment	-355	-100
Movements in provisions recognised in the income statement	3,845	4,030
Non-cash financial items	225	1,875
	8,622	9,353

#### 26 Events after the balance sheet date

No significant events have occurred subsequent to the financial year.

#### 27 Fee to the auditors appointed by the Company in general meeting

Fee regarding statutory audit	430	208
Tax assistance	-	18
Other assistance	430	72
	860	298



## Parent company financial statements 1 January - 31 December

### Income statement for the year ended 31 December

Notes	DKK'000	2015	2014
	Revenue	32,520	30,780
4	Staff costs	-25,792	-23,639
	Other operating expenses	-4,653	-3,303
	<b>Operating profit before depreciation and amortisation and special items (EBITDA before special items)</b>	<b>2,075</b>	<b>3,838</b>
	Depreciation and Amortization	-578	-441
5	Special items, net	-2,460	0
	<b>Operating profit</b>	<b>-963</b>	<b>3,397</b>
	Share of result in subsidiary companies after tax	148,728	135,243
6	Finance costs	-650	-864
7	Finance income	2,185	2,445
	<b>Profit before tax</b>	<b>149,300</b>	<b>140,221</b>
8	Incomes tax	-136	-1,225
	<b>Profit for the year</b>	<b>149,164</b>	<b>138,996</b>
	 <b>Profit for the year</b>		
	Attributable to		
	Equity holders of the parent	149,164	138,996

### Statement of other comprehensive income for the year ended 31 December

Notes	DKK'000	2015	2014
	<b>Profit for the year</b>	<b>149,164</b>	<b>138,996</b>
	<b>Other comprehensive income</b>		
	<i>Items that may be reclassified to the income statement</i>		
	Equity adjustments on foreign currency translation (net of tax, nil)	-1	-226
		-1	-226
	<b>Other comprehensive income, net of tax</b>	<b>-1</b>	<b>-226</b>
	<b>Total comprehensive income for the year, net of tax</b>	<b>149,163</b>	<b>138,770</b>
	 <b>Total comprehensive income attributable to:</b>		
	Equity holders of the parent	149,163	138,770

## Parent company financial statements 1 January - 31 December

### Financial position as at 31 December

Notes	DKK'000	2015	2014	1/1 2014
	<b>Assets</b>			
	<b>Non-current assets</b>			
	Property, plant and equipment	1,452	1,147	365
	Deferred tax assets	38	19	52
9	Investments in subsidiaries	665,835	677,107	667,057
	<b>Total non-current assets</b>	<u>667,325</u>	<u>678,273</u>	<u>667,474</u>
	<b>Current assets</b>			
	Trade and other receivables	6,794	3	803
	Prepayments	311	8,052	0
	Receivables from affiliated companies	4,322	134,246	81,550
	Cash	23,605	1	0
	<b>Total current assets</b>	<u>35,032</u>	<u>142,302</u>	<u>82,353</u>
	<b>Total assets</b>	<u>702,357</u>	<u>820,575</u>	<u>749,827</u>
	<b>Equity and liabilities</b>			
	<b>Equity</b>			
	Issued capital	600	600	600
	Other capital reserves	232,621	187,673	199,226
	Retained earnings	429,407	325,192	309,869
	Proposed dividend	0	135,000	80,000
	<b>Total equity</b>	<u>662,628</u>	<u>648,465</u>	<u>589,695</u>
	<b>Current liabilities</b>			
	Trade and other payables	2,009	1,292	1,683
	Payables to affiliated companies	31,539	31,724	32,429
	Bank overdraft	0	134,339	122,739
11	Income tax payable	755	15	292
	Provisions	5,426	4,740	2,989
	<b>Total current liabilities</b>	<u>39,729</u>	<u>172,110</u>	<u>160,132</u>
	<b>Total liabilities</b>	<u>39,729</u>	<u>172,110</u>	<u>160,132</u>
	<b>Total equity and liabilities</b>	<u>702,357</u>	<u>820,575</u>	<u>749,827</u>

## Parent company financial statements 1 January - 31 December

### Statement of cash flows for the year ended 31 December

Notes	DKK'000	2015	2014
	<b>Operating activities</b>		
	Profit before tax	149,300	140,221
13	Other adjustments	10,315	6,383
	<i>Working capital adjustments:</i>		
	Prepayments	7,741	-8,052
	Trade and other receivables	-6,791	800
	Trade and other payables	1,402	1,360
	<b>Net cash flows from operating activities before interest and tax</b>	161,967	127,946
	Interest received	2,185	2,445
	Interest paid	-650	-864
	Income tax paid	585	-1,469
	<b>Net cash flows from operating activities</b>	164,087	128,058
	<b>Investing activities</b>		
	Purchase of financial fixed assets	0	-5,033
	Purchase of property, plant and equipment	-883	-1,223
	<b>Net cash flows used in investing activities</b>	-883	-6,256
	<b>Financing activities</b>		
	Repayments/proceeds from payables affiliated companies	129,739	-53,401
	Dividends paid to equity holders of the parent	-135,000	-80,000
	<b>Net cash flows from/(used in) financing activities</b>	-5,261	-133,401
	Net increase in cash and cash equivalents	157,943	-11,599
	Cash and cash equivalents at 1 January	-134,338	-122,739
10	<b>Cash and cash equivalents at 31 December</b>	23,605	-134,338

## Parent company financial statements 1 January - 31 December

### Statement of changes in equity

for the year ended 31 December 2015

DKK'000	Issued capital	Retained earnings	Foreign currency translation reserve	Total equity
As at 1 January 2015	600	648,091	-226	648,465
<i>Comprehensive income for the year</i>				149,164
Profit for the year	-	149,164	-	-
Other comprehensive income	-	-	-1	-1
Total comprehensive income	600	149,164	-227	149,163
<i>Transactions with owners of the company</i>				
Dividends	-	-135,000	-	-135,000
Total transactions with owners of the company	-	-135,000	-	-135,000
At 31 December 2015	600	662,255	-227	662,628

for the year ended 31 December 2014

DKK'000	Issued capital	Retained earnings	Foreign currency translation reserve	Total equity
As at 1 January 2014	600	589,055	0	589,695
<i>Comprehensive income for the year</i>				
Profit for the year	-	138,966	-	138,996
Other comprehensive income	-	-	-226	-226
Total comprehensive income	-	138,966	-226	138,770
<i>Transactions with owners of the company</i>				
Dividends	-	-80,000	-	-80,000
Total transactions with owners of the company	-	-80,000	-	-80,000
At 31 December 2014	600	648,091	-226	648,465

## Parent company financial statements 1 January - 31 December

### Notes

#### Notes to the parent financial statements

##### Notes

- 1 Basis of preparation
- 2 Summary of significant accounting policies
- 3 First-time adoption of IFRS
- 4 Staff costs
- 5 Special items
- 6 Finance cost
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- 10 Cash
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## Parent financial statements 1 January - 31 December

### Notes to the parent financial statements

#### 1 Basis of preparation

These separate financial statements are the first financial statements prepared by the Company in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The IFRS 1 (transition disclosures) is stated in note number 3 below.

The separate financial statements are expressed in DKK, as this the Company's functional and presentation currency. All values are rounded to the nearest thousand DKK'000 where indicated.

The separate financial statements have been prepared on a historical cost basis, except as noted in the various accounting policies.

#### 2 Summary of significant accounting policies

##### *Investments in subsidiaries*

The Company's investments in its subsidiaries are accounted for using the equity method.

Under the equity method, the investments in subsidiaries are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the subsidiary since the acquisition date. Goodwill relating to the subsidiary is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Company's share of the results of operations of the subsidiary. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the subsidiary, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the subsidiaries are eliminated to the extent of the interest in the subsidiary.

The aggregate of the Company's share of profit or loss of an subsidiary is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests of the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its subsidiaries. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiary is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value, and then recognises the loss as 'Share of profit of a subsidiary' in the statement of profit or loss.

## Parent financial statements 1 January - 31 December

### Notes to the parent financial statements

#### 3 First-time adoption of IFRS

These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with local generally accepted accounting principle (Danish GAAP).

Accordingly, the Company has prepared financial statements that comply with IFRS applicable as at 31 December 2015, together with the comparative period data for the year ended 31 December 2014, as described in the summary of significant accounting policies. In preparing the financial statements, the Company's opening statement of financial position was prepared as at 1 January 2014, the Company's date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its Danish GAAP financial statements, including the statement of financial position as at 1 January 2014 and the financial statements for the year ended 31 December 2014.

#### *Exemptions applied*

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Company has applied the following exemptions:

- ▶ Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2014.

The estimates at 1 January 2014 and at 31 December, 2014 are consistent with those made for the same dates in accordance with Local GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with IFRS reflect conditions at 1 January 2014, the date of transition to IFRS and as at 31 December 2014.

## Parent financial statements 1 January - 31 December

### Notes to the parent financial statements

#### 3 First-time adoption of IFRS (continued)

##### Reconciliation of equity as at 1 January 2014 (date of transition to IFRS)

Note	DKK'000	Danish GAAP	Recogni- tion and measure- ment	IFRS as at 1 January 2014
	<b>Assets</b>			
	<b>Non-current assets</b>			
	Property, plant and equipment	365	-	365
	Investments om subsidiaries	627,407	39,650	667,057
	Deferred tax assets	52	-	52
	<b>Total non-current assets</b>	<b>627,824</b>	<b>39,650</b>	<b>667,474</b>
	<b>Current assets</b>			
	Trade and other receivables	803	-	803
	Receivables from affiliated companies	81,550	-	81,550
	<b>Total current assets</b>	<b>82,353</b>	<b>0</b>	<b>82,353</b>
	<b>Total assets</b>	<b>710,177</b>	<b>39,650</b>	<b>749,827</b>
	<b>Equity and liabilities</b>			
	<b>Equity</b>			
	Share capital	600	-	600
	Reserves	199,226	39,650	238,876
	Retained earnings	270,219	-	270,219
	Proposed dividend	80,000	-	80,000
	<b>Total equity</b>	<b>550,045</b>	<b>39,650</b>	<b>589,695</b>
	<b>Current liabilities</b>			
	Trade and other payables	1,683	-	1,683
	Payables to affiliated companies	32,429	-	32,429
	Borrowings	122,739	-	122,739
	Income tax payable	292	-	292
	Provisions	2,989	-	2,989
	<b>Total current liabilities</b>	<b>160,132</b>	<b>0</b>	<b>160,132</b>
	<b>Total liabilities</b>	<b>160,132</b>	<b>0</b>	<b>160,132</b>
	<b>Total equity and liabilities</b>	<b>710,177</b>	<b>39,650</b>	<b>749,827</b>



## Parent financial statements 1 January - 31 December

### Notes to the parent financial statements

#### 3 First-time adoption of IFRS (continued)

##### Reconciliation of equity as at 31 December 2014

Note	DKK'000	Danish GAAP	Recogni- tion and measure- ment	IFRS as at 31 Decem- ber 2014
	<b>Assets</b>			
	<b>Non-current assets</b>			
	Property, plant and equipment	1,147	-	1,147
	Investment in subsidiaries	620,887	56,220	677,107
	Deferred tax assets	19	-	19
	<b>Total non-current assets</b>	622,053	56,220	678,273
	<b>Current assets</b>			
	Trade and other receivables	3	-	3
	Receivables from affiliated companies	134,246	-	134,246
	Prepayments	8,052	-	8,052
	Cash and short-term deposits	1	-	1
	<b>Total current assets</b>	142,302	0	142,302
	<b>Total assets</b>	764,355	56,220	820,575
	<b>Equity and liabilities</b>			
	<b>Equity</b>			
	Share capital	600	-	600
	Reserves	187,673	56,220	243,893
	Retained earnings	268,972	-	268,972
	Proposed dividend	135,000	-	135,000
	<b>Total equity</b>	592,245	56,220	648,465
	<b>Current liabilities</b>			
	Borrowings	134,339	-	134,339
	Trade and other payables	1,292	-	1,292
	Payables to affiliated companies	31,724	-	31,724
	Income tax payable	15	-	15
	Provisions	4,740	-	4,740
	<b>Total current liabilities</b>	172,110	0	172,110
	<b>Total liabilities</b>	172,110	0	172,110
	<b>Total equity and liabilities</b>	764,355	56,220	820,575

## Parent financial statements 1 January - 31 December

### Notes to the parent financial statements

#### 3 First-time adoption of IFRS (continued)

##### Reconciliation of total comprehensive income for the year ended 31 December 2014

Note	DKK'000	Danish GAAP	Recognition and measurement	IFRS for the year ended 31 December 2014
	Revenue	30,780	-	30,780
	Staff costs	-23,639	-	-23,639
	Depreciation and amortization	-441	-	-441
	Other operating expenses	-3,303	-	-3,303
	<b>Operating profit before special items (EBITDA before special items)</b>	<b>3,397</b>	<b>0</b>	<b>3,397</b>
	Special items, net	0	-	0
	Share of result in subsidiary companies	118,673	16,570	135,243
	Finance costs	-865	-	-865
	Finance income	2,445	-	2,445
	<b>Profit before tax</b>	<b>123,650</b>	<b>16,570</b>	<b>139,320</b>
	Income tax	-1,225	-	-1,225
	<b>Profit for the year</b>	<b>122,425</b>	<b>16,570</b>	<b>138,095</b>
	<b>Profit for the year</b>			
	Attributable to			
	Equity holders of the parent	122,425	16,570	138,095
	<b>Other comprehensive income</b>			
	Foreign currency translation reserve	-226	-	-226
	<b>Other comprehensive income</b>	<b>-226</b>	<b>0</b>	<b>-226</b>
	<b>Total comprehensive income for the year, net of tax</b>	<b>122,199</b>	<b>16,570</b>	<b>137,869</b>
	<b>Total comprehensive income attributable to: Equity holders of the parent</b>	<b>122,199</b>	<b>16,570</b>	<b>137,869</b>

## Parent financial statements 1 January - 31 December

### Notes to the parent financial statements

#### 3 First-time adoption of IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2014 and 31 December 2014 and total comprehensive income for the year ended 31 December 2014

##### *A Goodwill*

Under Danish GAAP, goodwill should be amortised over its useful life. According to IFRS, Goodwill should be impairment tested on an annual basis, and not be subject to amortisation.

##### *B Deferred tax*

The various transitional adjustments lead to different temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

##### *C Statement of cash flows*

The transition from Danish GAAP to IFRS has not had a material impact on the statement of cash flows or key figures.

DKK'000	2015	2014
<b>4 Staff costs</b>		
Wages and salaries	16,499	16,167
Pensions		
Other social security costs	164	170
Other staff costs	9,129	7,302
	25,792	23,639
 Number of employees	 24	 22

Reference is made to note 8 in the consolidated financial statements for overview of remuneration of executive management, board of directors and key management personnel.

#### 5 Special items

Cost related to restructuring of processes and fundamental structural adjustment as a result of new owners and new plans:

Organisational changes	2.030	-
Other special items	430	-
	2.460	0

## Parent financial statements 1 January - 31 December

### Notes to the parent financial statements

DKK'000	2015	2014
<b>6 Finance costs</b>		
Other financial cost	30	149
Interest, group entities	620	715
	650	864
<b>7 Finance income</b>		
Interests received from banks	1.322	-
Other financial income	-	877
Interest, group entities	863	1,568
	2.185	2,445
<b>8 Income taxes</b>		
<b>Current tax</b>		
Income tax	155	1,192
Movement in deferred tax	-19	28
Adjustment relating to prior years	-	5
	136	1,225
Profit before tax	149,300	140,221
Tax rate, Denmark	23.5%	24.5%
Tax at applicable rate	35,086	34,354
Non-taxable income	-34,950	-33,129
Tax expense for the year	136	1,225
Effective tax rate, %	0.1%	0.9%

## Parent financial statements 1 January - 31 December

### Notes to the parent financial statements

DKK'000	2015	2014
<b>Income taxes (continued)</b>		
<b>Deferred tax</b>		
Deferred tax 1 January	-18	-47
Recognised in profit or loss	-19	28
<b>Deferred tax 31 December</b>	<b>-37</b>	<b>-19</b>
Deferred tax is presented in the statement of financial position as follows:		
Deferred tax assets	-37	-19
Deferred tax liabilities	-	-
	<b>-37</b>	<b>-19</b>
Deferred tax related to		
Tangible assets	-37	-19
	<b>-37</b>	<b>-19</b>

## Parent financial statements 1 January - 31 December

### Notes to the parent financial statements

DKK'000	2015	2014
<b>9 Investments in subsidiary companies</b>		
Cost at 1 January	433,214	428,181
Additions	0	5,033
Cost at 31 December	433,214	433,214
Share of result at 1 January	243,894	238,876
Exchange rate adjustment	-	-226
Share of results	148,727	135,243
Dividends	-160,000	-130,000
Share of results at 31 December	232,621	243,893
<b>Net book value</b>	665,835	677,107
Reference is made to note 24 in the consolidated financial statements for overview of subsidiary companies.		
<b>10 Cash</b>		
Cash	23,605	1
Bank overdraft	-	-134,339
	23,605	-134,338
<b>11 Tax payable</b>		
Tax payable at 1 January	15	292
Tax at the applicable rate	155	1,192
Tax paid for the year	585	-1,469
<b>Tax payable 31 December</b>	755	15

## Parent financial statements 1 January - 31 December

### Notes to the parent financial statements

#### 12 Contingent assets, contingent liabilities, collateral and leases

The parent company has provided a guarantee assuming primary liability for HusCompagniet MidtNord A/S' and HusCompagniet A/S' balance with Nordea up to a maximum credit facility of DKK 2,500 thousand (2014: DKK 24,400 thousand).

The Company is jointly taxed with its parent, Diego HC A/S, which acts as Management Company for the other Danish group entities. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income years 2013 and withholding taxes falling due for payment on or after 1 July 2012 in the group of jointly taxed entities.

DKK'000	2015	2014
<b>13 Other adjustments</b>		
Depreciation, amortisation and impairment	578	441
Share of results in subsidiaries	-148,728	-135,243
Dividend from subsidiaries	160,000	130,000
Non-cash financial items	-1,535	-1,581
	10,315	-6,383
<b>14 Fee to the auditors appointed by the Company in general meeting</b>		
Fee regarding statutory audit	72	31
Tax assistance	-	3
Other assistance	430	18
	502	52

#### 15 Other disclosures

For the following disclosures reference is made to the consolidated financial statements:

- Share capital and other reserves (note 18)
- Capital management (note 18)
- Financial instruments (note 23)
- Related parties (note 24)
- Events after the balance sheet date (note 26)