Valcon Business Development A/S

Christianshusvej 187
2970 Hørsholm
CVR no. 28 68 10 11

Annual Report

1 July 2015 – 30 June 2016

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29 September 2016

Chairman

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Valcon Business Development A/S for the financial year 1 July 2015 - 30 June 2016.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Company at 30 June 2016 and of the results of the Group and Company operations as well as the consolidated cash flows for the financial year 1 July – 30 June 2016 in accordance with the Danish Financial Statements Act.

In our opinion, the Management's Review gives a true and fair view of the financial position of the Group and the Company and of the results of the Group and Company operations and cash flows.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hørsholm, 29 September 2016

Executive Board:

Poul Præstegaard Skadhede

Board of Directors:

Poul Præstegaard Skadhede

Benny Madsen

Peter Kåre Groes Christiansen

Thomas Fischer

Independent Auditor's Report

To the Shareholders of Valcon Business Development A/S

Report on Consolidated Financial Statements and Parent Company Financial Statements

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Valcon Business Development A/S for the financial year 1 July 2015 to 30 June 2016, which comprise Accounting Policies, Income Statement, Balance Sheet, Statement of Changes in Equity and Notes for both the Group and the Parent Company, as well as Consolidated Cash Flow Statement. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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 the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 in accordance with Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The audit procedures selected depend on the auditor's judgment, 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 auditor considers 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 audit opinion.

Our audit has not resulted in any qualification.

Independent Auditor's Report

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Company at 30 June 2016 and of the results of the Group and Company operations as well as the consolidated cash flows for the financial year 1 July 2015 - 30 June 2016 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Copenhagen, 29 September 2016
PriceWaterhouseCoopers
STATSAUTORISERET REVISIONSPARTNERSELSKAB
CVR NO.: 33 77 12 31

Jacob Fromm Christiansen	Kim Danstrup
State Authorised Public Accountant	State Authorised Public Accountant

Company Information

Valcon Business Development A/S
Christianshusvej 187
2970 Hørsholm

Telephone:	45802037
Telefax:	45808137
Web site:	www.valcon.dk
CVR no.:	28681011
Founded:	22 March 2005
Municipality of reg. office:	Hørsholm
Financial year:	1 July 2015 – 30 June 2016

Board of Directors
Benny Madsen
Poul Præstegaard Skadhede
Thomas Fischer
Peter Kåre Groes Christiansen

Executive Board
Poul Præstegaard Skadhede

Audit
PriceWaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Financial Highlights

	2015/16	2014/15	2013/14	2012/13	2011/12
Key figures					
Net revenue	500,617	529,282	391,740	274,652	228,011
Gross profit/loss	306,535	317,664	263,775	189,570	170,104
Operating profit/loss	57.636	55,010	41,846	20,117	9,181
Net financials	-3,577	-3,841	-9,411	-1,439	-11
Profit/loss before tax	**54,059**	**51,169**	**32,432**	**14,426**	**5,750**
Parent Company's share of profit/loss for the year	**18,720**	**10,903**	**8,677**	**6,993**	**4,964**
Fixed assets	20,702	24,187	37,360	34,144	33,900
Current assets	232,739	231,745	147,693	88,537	79,471
Total assets	**253,441**	**255,932**	**185,053**	**122,681**	**113,371**
Investment in property, plant and equipment	847	48	3,481	1,210	1,438
Equity	**61,119**	**41,406**	**32,560**	**25,301**	**25,798**
Key figures					
Profit margin	11.5%	10.4%	10.7%	7.3%	4.0%
Return on invested capital	31.2%	29.2%	30.8%	19.8%	10.9%
Gross margin	61.2%	60.0%	67.3%	69.0%	74.6%
Solvency ratio	24.1%	16.2%	17.6%	20.6%	22.8%
Return on equity	21.3%	29.5%	30.0%	27.4%	20.7%
Average number of full-time employees	256	302	271	200	176

The ratios have been prepared in accordance with the recommendations and guidelines issued in 2015 by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

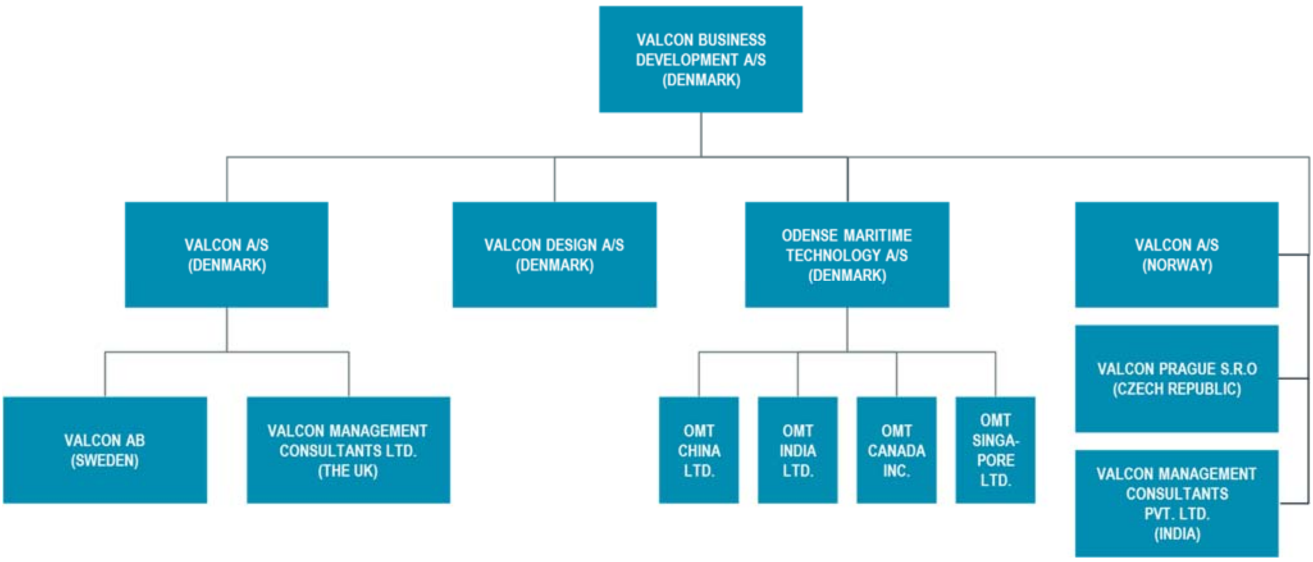
Management's Review

Mission-Vision: The Valcon group is getting closer to its company's *Vision* of setting significant footprints in the business world. The Group is proud to be able to document that the mission of innovation and value growth with our clients is executed.

The target group are enterprises and organisations in the private and public sectors. Geographically, the strategy is based on Scandinavian clients, which we service where they are and across their value chains. We furthermore service global clients with activities in the countries in which we are represented and with a basis in our globally leading units based in Denmark.

The business area is centred on strategic development of and operational management of our clients' business development, product and service development, sales, procurement, production and distribution. The clients are assisted within the areas of particularly globalisation, growth, transparency, innovation and efficiency. Our services create results through conventional consulting models and technical services within product development as well as through execution with specialist areas requiring a high level of competences.

Valcon is a group consisting of the following knowledge-based companies:



The Group's shared characteristics are vision, value foundation, the quality of our services, management system and shared clients.

Management's Review

The Valcon Group's development in the year
We are pleased to see that our existing clients continue their cooperation with Valcon, and that new clients constantly choose to begin working with us. Our clients are primarily large and medium-sized, often globally operating enterprises as well as public organisations and institutions. Our turnover outside of Scandinavia accounts for approx 46% of the group's turnover.

Our client portfolio has been expanded with respect to industries, sectors and geography.

Our strategy of maintaining functional expertise and execution knowledge and ability as our *differentiator* continues to prove its sustainability. Combined with our relevant geographical presence, these are differentiating parameters which we believe will also be able to drive growth going forward.

Employee satisfaction continues to be leading in the industry.

The Valcon Group operates within services of both an *advisory*, *consulting* and *executional* nature. The combination of these elements has proven to be highly sustainable and leads to groundbreaking new assignments with global clients. The synergy between the Group's units continue to develop constantly.

Financial development
The Income Statement for 2015/16 shows a revenue of DKK 500.6 million compared to a revenue of DKK 529.3 million for 2014/15 and a profit of DKK 40.6 million for 2015/16 of the group compared to DKK 33.3 million for 2014/15. The Parent Company's share hereof is DKK 18.7 million compared with DKK 10.9 million last year. Management finds the Group's financial situation to be satisfactory. This year's result is in line with the Management's ambition and is satisfactory when the Company's investment in growth platforms is taken into account.

The subsidiaries' activities in the year
The consulting companies in *Denmark UK and Sweden* has developed as targeted over the year, and the creation of results is found to be satisfactory. Our position is strengthened constantly, and the consulting units attracts the best employees and clients.

Valcon's consulting Company in *Norway* has had an unsatisfactory year and the entity will be discontinued, corrective measures have been taken, and the employees have been laid off.

Management's Review

The companies in *the Czech Republic* has performed unsatisfactory and will be discontinued.

Valcon's consulting Company in *India* has had an unsatisfactory year, and corrective measures have been taken, and the employees have been laid off.

Valcon Design has had a satisfactory year and has attracted new and exciting international and Danish clients.

Odense Maritime Technology has had a satisfactory year during which the global position has become very strong, and result creation have been satisfactory. The Company has worked globally in terms of sales. The commercial ship design market is severely strained, and the company has therefore targeted the Defence sector with success.

Expected development
Valcon has over the year strengthened the basis for future growth with Scandinavia as the primary base. Valcon's services have been adapted to the new globalised agenda.

Valcon Design and Valcon management consulting are expected to grow within the coming year, and the Group's result creation is expected to increase. Recruitments of leading consultants from competing enterprises continue on an ongoing basis. Activities concerning possible acquisitions and organic growth take place on an ongoing basis, including set-up of companies abroad.

The Company's knowledge resources
The Company's opportunities to retain and recruit a highly qualified staff is critical to the continued development of the Company.

Social responsibility (policies, focus areas and results)
Valcon group wants a workplace with good work conditions and the industry's highest level of welfare among employees. Valcon therefore carries out a workplace evaluation of the physical and mental work environment as well as annual employee welfare surveys/management evaluation to follow up on our employees' welfare. At this year's employee satisfaction survey, the Valcon Group showed progress, and the evaluation placed Valcon in the category of "highly motivated and satisfied" and above the benchmark for EEI (European Employee Index).

All applicants and employees are treated the same irrespective of gender, nationality, religion or any other differences.

The disclosed policies, key actions and results applying to the Valcon group meets the reporting requirements of the Danish Financial Statemtnts Act on corporate responsibility and gender composittion of management (§ 99a and §99b).

Management's Review

It is an objective of Valcon to have the Company perceived as a climate and environmentally conscious company by employees, clients and authorities. Valcon's direct footprint on the climate is relatively limited and is primarily related to the operations of our buildings and our transportation. Valcon's largest footprint on the climate comes from the solutions and products we develop in cooperation with our clients, and, in these situations, we actively seek to create better and more energy-efficient solutions. Over the year, we would like to emphasise in particular the quite significant savings which the subsidiary OMT has enabled through development of groundbreaking technologies and designs.

Valcon works on ensuring that we live up to current legislation on human rights, employee rights and anti-corruption. Valcon has not detected any violations of legislation within these areas.

The underrepresented gender in management
Valcon has absolute equality between genders, and persons are treated equally irrespective of genders at internal and external recruitments, staff development, wage determination and appointments. All evaluations in this connection are done on the basis of professional and gender-neutral assessments based on competences, effort and results.

Valcon has no members of the underrepresented gender in the Company's Board of Directors. Valcon does not have a specific benchmark for this.

Special risks
The Company's consultancy services are broadly based within operational and strategic consulting, and the risks the Company may be exposed to are consequently in essence the same risks found within consulting in general.

Foreign exchange exposure
As a consequence of several major client projects in the Group, the Group is particularly exposed to the development of the Canadian and American dollars. The Company has implemented a currency hedging programme to reduce the increased exchange rate risks in connection with these sales.

Events after the balance sheet date
No events materially influencing the Group and Company's financial position as at 30 June 2016 have occurred.

Financial Statements 1 July 2015-30 June 2016

Accounting Policies

The Annual Report of Valcon Business Development A/S for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large class C enterprises.

The accounting policies applied remain unchanged from last year.

The Financial Statements are presented in Danish kroner.

Recognition and measurement

Revenues are recognised in the Income Statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Consolidated Financial Statements

The Consolidated Financial Statements comprise the Parent Company Valcon Business Development A/S and subsidiaries, in which Valcon Business Development A/S directly or indirectly possess more than 50% of voting rights or in any other way has a controlling interest. Enterprises in which the Group has between 20-50% of voting rights and has a significant but not controlling influence are considered associates.

The consolidation eliminates group-internal earnings and costs, shareholdings, internal outstandings and dividends as well as realised and non-realised profits and loss from transactions between the consolidated enterprises.

Investments in subsidiaries are set off with the proportional share of subsidiaries' fair value of net assets and obligations at the time of acquisition.

Financial Statements 1 July 2015-30 June 2016

Accounting Policies

Business combinations
Recently acquired or recently founded enterprises are recognised in the Consolidated Financial Statements from the time of acquisition. Sold or dismantled enterprises are recognised in the Consolidated Financial Statements up until the time of relinquishment. Comparative figures are not adjusted for recently acquired, sold or dismantled enterprises.

Profit and loss in connection with the sale of subsidiaries and associates is measured as the difference between the sales price and the carrying amount of net assets at the time of the sale, including non-amortised goodwill and expected costs of sale or dismantling.

For acquisitions of new enterprises, the acquisition method is used, according to which the assets and obligations of the newly acquired businesses are measured at fair value at the time of acquisition. An amount is recognised under provisions for covering costs in connection with decided and published restructurings in the acquired business in connection with the acquisition. The taxation effect of the revaluations carried out are taken into account.

Any positive differences (goodwill) between cost and fair value of acquired identified assets and obligations, including provisions for restructuring, are recognised under intangible assets and are amortised systematically over the Income Statement according to an individual assessment of the useful life, maximum 20 years. Negative differences (negative goodwill) corresponding to an expected unfavourable development in the enterprises in question are recognised in the Balance Sheet under Prepayments and are recognised in the Income Statement at the rate of realisation of the unfavourable development. For negative goodwill not related to an expected unfavourable development, an amount is recognised in the Balance Sheet corresponding to the fair value of non-monetary assets, which are subsequently recognised in the Income Statement over the non-monetary assets' average useful life. Goodwill and negative goodwill from acquired enterprises can be regulated until the end of the year after the acquisition.

Intra-group business combinations
In connection with business combinations such as acquisition and disposal of equity interests, mergers, demergers, addition of assets and exchange of shares involving enterprises controlled by the Parent Company, the uniting-of-interests method is used. Differences between the agreed consideration and the carrying amount of the acquired enterprise are recognised in equity.

Minority interests
Items of the subsidiaries are recognised 100% in the Consolidated Financial Statements. The minority interests' proportionate shares of the subsidiaries' result and equity are regulated annually and are recognised as separate items under the Income Statement and Balance Sheet.

Translation policies
Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the Income Statement.

Financial Statements 1 July 2015-30 June 2016

Accounting Policies

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the Income Statement.

If the foreign subsidiaries fulfill the criteria for independent units, the Income Statements are translated at the average exchange rate for the month, and the balance sheet items are translated at the exchange rate of the balance sheet date. Exchange rate differences, occurring in connection with translation of foreign subsidiaries' equity at the beginning of the year to the exchange rates of the balance sheet day and with translation of Income Statements from average exchange rates to exchange rates of the balance sheet day, are recognised directly in equity.

Exchange adjustment of outstanding accounts with independent, foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Currency gains and loss on derivative financial instruments applied for the purpose of hedging foreign subsidiaries are similarly recognised directly in equity.

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

Changes in the fair values of derivative financial instruments, classified as and meeting the criteria for hedging the fair value of a recognised asset or liability, are recognised in the Income Statement together with changes in the fair value, if any, of the hedged asset or the hedged liability.

Changes in the fair values of derivative financial instruments, classified as and meeting the conditions of hedging future assets and liabilities, are recognised in receivables or payables and in equity. Income and expenses related to such hedging transactions are transferred from equity on realisation of the hedged item and recognised in the same item as the hedged item.

Financial Statements 1 July 2015-30 June 2016

Accounting Policies

Income Statement

Net revenue
Net revenues from services are recognised at the rate of completion of the service, which means that the net revenue equals the selling price of the service completed (the percentage-of-completion method). This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. Net revenue comprises re-invoicing of work carried out by subsuppliers and other expenses.

Segment information is presented for the Group's two main business areas as well as for geographical markets based on the location of the projects.

Remuneration to external consultants
Includes payments to subcontractors and costs associated with their work

Other external expenses
External expenses comprise expenses related to sales, advertising, administration, premises, bad debts and operating leases, etc.

Staff expenses
Staff expenses comprise wages and salaries as well as holiday pay and staff welfare expenses.

Income from investments in subsidiaries
The proportionate share of the individual subsidiaries' results after taxes and after full elimination of internal gains/losses and less amortisation of goodwill are recognised in the Parent Company's Income Statement.

Financial income and expenses
Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses on debt and transactions in foreign currencies as well as allowances and surcharges under the Danish Tax Prepayment Scheme, etc.

Financial Statements 1 July 2015-30 June 2016

Accounting Policies

Tax on profit/loss for the year
The Parent Company Valcon Business Development A/S jointly taxed with the Group's Danish and foreign subsidiaries. Subsidiaries are included in the joint taxation in the period when the Parent has controlling interest.

Any losses in the international subsidiaries can be offset in the Danish income tax return, while the corresponding balance of tax losses for future recapture for these enterprises are recognised as deferred tax.

The Parent Company acts as administration company in relation to the joint taxation and thus settles all corporate tax payments with the tax authorities.

The current Danish corporation tax is allocated among the Danish jointly taxed companies in proportion to their respective taxable income. Companies contributing a tax loss being set off against taxable income in another company receive a cash payment equal to the tax value of the loss from the company using the loss to reduce its own taxable income.

Tax for the year that comprises current tax, current joint taxation contributions and changes in deferred tax is recognised in the Income Statement.

Balance sheet

Intangible Assets
Intangible assets are initially measured at cost.

Goodwill is amortised over its useful life, which is defined on the basis of Management's experience within the individual business areas. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at maximum 20 years.

Acquired patents and licenses (software) are measured at cost less accumulated amortisation. Patents are amortised over the remaining patent period, and licenses (software) are amortised over the period of the agreement, however, no more than 5 years.

Profit or loss deriving from the sales of intangible assets is measured as the difference between the sales price less selling costs and the carrying amount at the time of the sale and are recognised in the Income Statement as other operating income or other operating expenses.

Tangible assets
Other fixtures and fittings, tools, equipment and leasehold improvements are measured at cost less accumulated depreciation and less any accumulated impairment losses. The basis of depreciation is cost less any deducted residual value after the end of the useful life of the asset. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Cost of a total asset is divided into separate components that are depreciated separately if the useful life of the individual components are different.

Financial Statements 1 July 2015-30 June 2016

Accounting Policies

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

Other fixtures and fittings, tools and equipment: 3-5 years.
Leasehold improvements: 2-5 years.

Profit or loss deriving from the sales of tangible assets is measured as the difference between the sales price less selling costs and the carrying amount at the time of the sale. Profits and losses are recognised in the Income Statement as other operating income or other expenses.

Investments in subsidiaries
Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits and losses and with addition and deduction of any remaining value of positive or negative goodwill determined in accordance with the acquisition method.

Investments in subsidiaries with negative net asset values are measured at DKK 0, and any amounts owed by such enterprises are written down by the Parent Company's share of the negative net asset value, if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the Parent Company has a legal or a constructive obligation to cover the liabilities of the enterprise.

Net revaluation of investments in subsidiaries is recognised under equity in the reserve for net revaluation under the equity method to the extent that the carrying amount exceeds cost.

The acquisition method is used for acquisition of enterprises, cf. the above description under the Consolidated Financial Statements.

Impairment of fixed assets
The carrying amounts of intangible assets and property, plant and equipment as well as investments in subsidiaries are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If such indications are found, the recoverable amount of the asset or the group of assets is calculated to determine any need for an impairment write-down. If so, the asset or the group of assets is written down to its lower recoverable amount.

Recoverable amount for the asset is determined as the highest value of net sales price and the net present value. Net present value is measured as the present value of expected net cash flows from the use of the asset or the group of assets.

Financial Statements 1 July 2015-30 June 2016

Accounting Policies

Leases
All other leases are considered operating leases. Payments made under operating leases or any other leases are recognised in the Income Statement over the lease term. The Group's total provisions regarding operating leases and any other leases are stated in contingent assets, liabilities and other financial obligations.

Receivables
Receivables are recognised at the lower of amortised cost.

Provisions for estimated bad debts are made based on an individual impairment assessment of a receivable or group of receivables.

Contract work in progress
Contract work in progress is recognised according to the production method at the selling price of the work carried out including expenses and less amounts invoiced on account.

Contract work in progress is recognised as financial income and expenses in the balance sheet.

The net asset comprises the sum of contract work in progress in which the selling price exceeds work carried out invoiced on account. Net payables comprise the sum of contract work in progress in which invoicing on account exceeds the selling price of work carried out.

Prepayments
Prepayments comprise prepaid expenses concerning the following financial year.

Other securities and investments
Securities and investments are placed under current assets and includes listed bonds, which are measured at market price at the balance sheet date

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and short-term securities with a duration less than three months that are readily convertible to cash and are subject to an insignificant risk of changes in value.

Equity
Dividend
Proposed dividends for the year are recognised as a liability when approved by the Annual General Meeting (declaration date).

Reserve for net revaluation under the equity method
Reserve for net revaluation under the equity method comprises net revaluation of investments in subsidiaries and associates in proportion to cost.

The reserve can be eliminated by loss, realisation of investments or changes in accounting estimates. The reserve cannot be recognised as a negative amount.

Financial Statements 1 July 2015-30 June 2016

Accounting Policies

Corporation tax and deferred tax
Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Receivables and payable joint taxation contributions are recognised in the balance sheet in receivables/payables from group enterprises.

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the accounting and tax bases of assets and liabilities. However, deferred income tax of temporary differences related to non-deductible goodwill or other items where temporary differences occur at the time of acquisition without influencing results or taxable income is not recognised. In case the value for tax purposes can be determined following alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets including the tax base of tax losses to be carried forward are recognised at the expected value of their utilisation, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Debt
Financial debts are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, financial debts are measured at amortised cost.

Other debts are measured at net realisable value.

Prepayments
Deferred income comprises payments received in respect of income in subsequent years.

Financial Statements 1 July 2015-30 June 2016

Accounting Policies

Cash Flow Statement

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

The cash flow effect of acquisition and sale of enterprises is shown separately under cash flows from investment activity. Cash flows from acquired enterprises are recognised in the cash flow statement from the time of acquisition, and cash flows from sold enterprises are recognised up until the time of sale.

Cash flows from operating activities

Cash flows from operating activities are measured as the Group's share of the result adjusted for non-cash operating items, change in working capital and paid corporate tax.

Cash flows from investing activities

Cash flows from investment activities comprise payment in connection with acquisition and sale of enterprises and activities as well as acquisition and sale of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term securities with a term of less than 3 months, and which can without impediment be realised into cash at bank and in hand, and which are only subject to minor risks of exchange rate fluctuations.

Financial Statements 1 July 2015-30 June 2016

Accounting Policies

Financial highlights

Ratios stated in financial highlights have been prepared as follows:

Profit margin	Operating profit/loss x 100 Net revenue
Invested capital	Total assets less cash and cash equivalents, other interest-bearing assets (including assets) and investments in associates
Gross margin	Gross profit x 100 Net revenue
Solvency ratio	Equity excluding minority interests, end of the year x 100 Total liabilities and equity, end of the year
Return on equity	Net profit for the year x 100 Average equity
Return on invested capital	Operating profit/loss x 100 Average invested capital

Consolidated Financial Statements as at 1 July 2015 – 30 June 2016

Income Statement

DKK'000	Note	2015/16	2014/15
Net revenue	1	**500.617**	**529.282**
Remuneration to external consultants		-124.593	-136.504
Other external expenses		-69.489	-75.114
Gross profit/loss		**306.535**	**317.664**
Staff expenses	2	-244.532	-249.080
Amortisation, depreciation and impairment losses, patents, licenses and property, plant and equipment	3, 7, 8	-2.879	-8.126
Operating profit before amortisation of goodwill		**59.124**	**60.458**
Amortisation, depreciation and impairment losses, goodwill	3, 7	-1.488	-5.448
Operating profit/loss		**57.636**	**55.010**
Financial income	4	2.976	464
Financial expenses	5	-6.553	-4.305
Profit/loss before tax		**54.059**	**51.169**
Tax on profit/loss for the year	6	-13.508	-17.840
Net profit/loss for the year		**40.551**	**33.329**
Minority interests' share of the subsidiaries' profit/loss	11	-21.831	-22.426
Parent Company's share of profit/loss for the year		**18.720**	**10.903**
Proposed distribution of profit			
Retained earnings		18.720	10.903
Net profit/loss for the year		18.720	10.903

Consolidated Financial Statements as at 1 July 2015 – 30 June 2016

Balance Sheet

DKK'000	Note	2015/16	2014/15
ASSETS			
Fixed assets			
Intangible assets			
Acquired patents and rights	7	0	0
Own development projects	7	705	0
Goodwill	7	16.616	17.568
Acquired licenses (software)	7	103	1.293
Total intangible assets		**17.424**	**18.861**
Property, plant and equipment			
Leasehold improvements	8	186	1.033
Other fixtures and fittings, tools and equipment	8	661	1.503
Total property, plant and equipment		**847**	**2.536**
Fixed asset investments			
Deposits		2.431	2.790
Total fixed asset investments		**2.431**	**2.790**
Total fixed assets		**20.702**	**24.187**
Current assets			
Receivables			
Trade receivables		83.836	178.259
Contract work in progress	9	5.081	4.698
Other receivables		5.622	5.209
Deferred tax assets	10	1.272	908
Prepayments		3.911	5.321
Total receivables		**99.722**	**194.395**
Other securities and investments		**29.965**	**0**
Cash at bank and in hand		**103.052**	**37.350**
Total current assets		**232.739**	**231.745**
TOTAL ASSETS		**253.441**	**255.932**

Consolidated Financial Statements as at 1 July 2015 – 30 June 2016

Balance Sheet

DKK´000	Note	2015/16	2014/15
EQUITY AND LIABILITIES			
Equity			
Share capital		812	812
Retained earnings		60.307	40.594
Total equity		**61.119**	**41.406**
Minority interests	11	**47.360**	**39.974**
Provisions			
Deferred tax	12	7.790	6.145
Total provisions		**7.790**	**6.145**
Debt			
Short-term debt			
Prepayments received from client	9	8.177	13.711
Trade payables		15.442	29.218
Corporation tax		10.683	21.859
Other debt		102.870	103.619
Total short-term debt		**137.172**	**168.407**
Total payables		**137.172**	**168.407**
TOTAL LIABILITIES AND EQUITY		**253.441**	**255.932**

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Contingent liabilities and pledged assets.	15

Consolidated Financial Statements as at 1 July 2015 – 30 June 2016

Statement of Changes in Equity

DKK'000	Share capital	Retained earnings	Total
Equity as at 1 July 2015	**812**	**40.594**	**41.406**
Allocation of profits	0	18.720	18.720
Value adjustments, future cash flows	0	62	62
Value adjustments, future cash flows (minority interests)	0	-26	-26
Exchange adjustments, foreign subsidiaries	0	957	957
Equity as at 30 June 2016	**812**	**60.307**	**61.119**

Share capital
The share capital consists of 812,396 shares of a nominal value of DKK 1. No shares carry special rights.

The last five years' changes in share capital can be specified as follows:

DKK'000	**2015/16**	**2014/15**	**2013/14**	**2013/12**	**2011/12**
Share capital	812	812	704	600	600
Raising of additional capital	0	0	108	104	0
	812	**812**	**812**	**704**	**600**

Consolidated Financial Statements

Cash Flow Statement

DKK'000	Note	2015/16	2014/15
Profit/loss before tax		54.059	51.169
Depreciation/amortisation	3	4.367	13.589
Financial income		-2.976	-464
Financial expenses		6.553	4.305
Cash flow from operating activities before changes in working capital		**62.003**	**68.599**
Taxes paid		-22.410	-3.622
Interest income, received		1.072	328
Interest expenses, paid		-6.536	-4.161
Change in receivables		95.397	-76.919
Change in suppliers and other debt		-20.399	36.349
Cash flows from operating activities		**109.127**	**20.574**
Purchase of intangible assets	7	-705	-48
Purchase of property, plant and equipment	8	-	-48
Purchase of subsidiaries and activities		-	-
Cash flows from investment activities		**-705**	**-96**
Payments to and from minority interests		2.026	-537
Distributed dividend		-15.109	-6.203
Payments, long-term debt		-	-660
Purchase of other securities		-29.905	-
Purchase of own shares		-	-3.081
Cash flows from financing activities		**-42.988**	**-10.481**
Net cash flows for the year		**65.434**	**9.997**
Cash and cash equivalents at the beginning of the year		37.350	27.361
Exchange rate adjustments of cash and cash equivalents		268	-8
Cash and cash equivalents at the end of the year		**103.052**	**37.350**

The Cash Flow Statement cannot be derived directly from the entries in Consolidated Financial Statements or the Financial Statements.

Consolidated Financial Statements as at 1 July 2015 – 30 June 2016

Notes

	DKK'000	2015/16	2014/15
1	**Segment data**		
	Net revenues per business segment		
	Management consultancy services	278.566	263.150
	Maritime consultancy services	222.051	266.132
		500.617	529.282
	Net revenues geographically distributed		
	The Scandinavian countries	272.835	263.050
	The rest of Europe	21.982	2.856
	North America	174.539	239.616
	The rest of the world	31.261	23.760
		500.617	529.282
2	**Staff expenses**		
	Wages and salaries	-235.274	-240.276
	Other social security expenses	-5.423	-6.748
	Other staff expenses	-3.836	-2.056
		-244.532	-249.080
	Remuneration to the Executive Board and Board of Directors	2.316	2.316
	Average number of full-time employees	256	302
3	**Amortisation, depreciation and impairment losses**		
	Amortisation, intangible assets	-2.678	-11.716
	Depreciation, property, plant and equipment	-841	-1.858
		-4.367	-13.574

Consolidated Financial Statements as at 1 July 2015 – 30 June 2016

Notes

	DKK'000	2015/16	2014/15
4	**Financial income**		
	Interest income	36	5
	Other financial income	2.940	459
		2.976	464
5	**Financial expenses**		
	Interest expenses	-178	-582
	Exchange loss	-2.712	-2.003
	Other financial expenses	-3.663	-1.720
		-6.553	-4.305
6	**Tax on profit/loss for the year**		
	Expected taxable income for the year	-11.967	-14.048
	Adjustment of current tax liabilities regarding previous years	-260	-500
	Adjustment of deferred tax	-1.645	-455
	Adjustment of deferred tax asset	364	-2.837
		-13.508	-17.840

Consolidated Financial Statements as at 1 July 2015 – 30 June 2016

Notes

7 Intangible assets

DKK'000	Own development projects	Acquired patents and rights	Goodwill	Acquired licenses (software)
Cost as at 1 July 2015	0	5.871	32.825	10.254
Additions in the year	705	-	0	
Cost as at 30 June 2016	705	5.871	32.825	10.254
Amortisation as at 1 July 2015	0	-5.871	-14.721	-8.961
Total amortisation and depreciation	0		-1.488	-1.190
Amortisation, depreciation and impairment losses	0	-5.871	-16.209	-10.151
Carrying amount	705	0	16.616	103

8 Property, plant and equipment

DKK'000	Leasehold improve-ments	Other fixtures and fittings, tools and equipment
Cost as at 1 July 2015	2.484	6.559
Additions in the year	0	0
Cost as at 30 June 2016	2.484	6.559
Amortisation as at 1 July 2015	-1.450	-5.057
Total amortisation, depreciation and impairment losses	-848	-841
Amortisation, depreciation and impairment losses as at 30 June 2016	-2.298	-5.898
Carrying amount as at 30 June 2016	186	661

9 Construction contracts	**2015/16**	**2014/15**
Specification of ongoing services:		
Selling price of production	5.081	4.698
Payments on account	-8.177	-13.711
	-3.096	-9.013
Classified as follows:		
Contract work in progress	5.081	4.698
Prepayments received from client	-8.177	-13.711
	-3.096	-9.013

10 Deferred tax asset

Deferred tax asset as at 1 July	908	3.005
Annual adjustments of deferred tax	364	-2.097
Deferred tax asset at 30 June	1.272	908

Consolidated Financial Statements as at 1 July 2015 – 30 June 2016

Notes

DKK'000

		2015/16	2015/16
11	**Minority interests**	**2015/16**	**2015/16**
	Minority interests as at 30 June	39.974	24.068
	Share of profit/loss for the year	21.831	22.426
	Transactions with minority shareholders, etc.	468	-538
	Dividends distributed to minority interests	-15.109	-6.203
	Value adjustment, future cash flows	26	707
	Exchange adjustment	170	-486
	Minority interests as at 30 June	47.360	39.974

12	**Deferred tax**	**2015/16**	**2014/15**
	Deferred tax as at 1 July	6.145	4.450
	Adjustments recognised directly in equity	0	500
	Adjustment, deferred tax	1.645	1.195
	Deferred tax as at 30 June	7.790	6.145

Deferred tax relates primarily to intangible assets and property, plant and equipment as well as the balance of tax losses for future recapture occurring in connection with the international joint taxation is set off against the Danish joint taxation income.

Consolidated Financial Statements as at 1 July 2015 – 30 June 2016

Notes

DKK'000		2015/16	2014/15
13	**Auditors' fee (elected by the general meeting)**		
	Audit	353	365
	Other assistance with assurance	91	18
	Tax assistance	236	184
	Other assistance	746	124
	Total expenses	1.426	691

14 Contractual obligations and contingents assets and liabilities

	2015/16	2014/15
Contractual obligations		
Operating leases of office premises	7.451	11.773

The period of notice for rent of office premises runs from 3 to 51 months.

International joint taxation

The Group's Danish companies are jointly and severally liable for tax on the jointly taxed incomes, etc. of the Group and the joint VAT registration.

Other trading conditions

Apart from usual trading, the Group had no other contractual obligations or contingent liabilities as at 30 June 2016 apart from the ones specified above.

15 Contingent liabilities and pledged assets

The Group's bank has raised a performance bond to one of Odense Maritime Technology A/S clients of CAD 7,381 thousand equalling DKK 38.2 million. Odense Maritime Technology A/S guarantees in full the performance bond to the bank. In addition, the Parent Company Valcon Business Development A/S has guaranteed in total DKK 2.5m for this obligation if OMT cannot pay the claim. The performance bond expires on 30 June 2020 with the possibility of two extensions of one year each.

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Income Statement

DKK'000	Note	2015/16	2014/15
Net revenue		11.999	5.779
Other external expenses		-7.909	-1.581
Gross profit/loss		4.090	4.198
Staff expenses	1	-3.601	-3.157
Depreciation/amortisation	2	-732	-813
Operating profit/loss		-243	228
Income from investments in subsidiaries	3	18.320	11.755
Financial income	4	1.884	4.837
Financial expenses	5	-1.143	-6.090
Profit/loss before tax		18.818	10.730
Tax on profit/loss for the year	6	-98	173
Net profit/loss for the year		18.720	10.903

Proposed distribution of profit		
Retained earnings	3.757	-6.102
Reserve for net revaluation under the equity method	14.963	17.005
Net profit/loss for the year	18.720	10.903

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Balance Sheet

DKK'000	Note	2015/16	2014/15
ASSETS			
Fixed Assets			
Intangible Assets			
Acquired licenses (software)	7	0	716
Total intangible assets		**0**	**716**
Property, plant and equipment			
Other fixtures and fittings, tools and equipment	8	28	44
Total property, plant and equipment		**28**	**44**
Fixed asset investments			
Investments in subsidiaries	9	73.474	71.090
Total fixed asset investments		**73.474**	**71.090**
Total fixed assets		**73.502**	**71.850**
Current assets			
Receivables			
Trade receivables		1.504	0
Contract work in progress		57	0
Receivables from group enterprises		24.008	14.841
Prepayments		563	761
Total receivables		**26.132**	**15.602**
Cash at bank and in hand		**4.960**	**3.767**
Total current assets		**31.092**	**19.369**
TOTAL ASSETS		**104.594**	**91.219**

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Balance Sheet

DKK'000	Note	2015/16	2014/15
EQUITY AND LIABILITIES			
Equity			
Share capital		812	812
Reserve for net revaluation under the equity method		34.258	41.153
Retained earnings		26.049	-559
Total equity		**61.119**	**41.406**
Provisions			
Deferred tax	10	7.752	6.061
Total provisions		**7.752**	**6.061**
Debt			
Trade payables		1.535	1.796
Payables to group enterprises		18.595	16.935
Corporation tax		10.845	21.028
Other payables		4.748	3.993
Total short-term debt		**35.723**	**43.752**
Total payables		**35.723**	**43.752**
TOTAL LIABILITIES AND EQUITY		**104.594**	**91.219**

Contractual obligations and contingents assets and liabilities	11
Contingent liabilities and pledged assets.	12
Related parties and ownership	13

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Statement of Changes in Equity

DKK'000

	Share capital	Net re-valuation under the equity method	Retained earnings	Total
Equity as at 30 June 2015	**812**	**41.153**	**-559**	**41.406**
Allocation of profits	0	19.011	-291	18.720
Dividend from subsidiaries	0	-21.894	21.894	0
Value adjustment, future cash flows	0	36	0	36
Exchange adjustment, foreign subsidiaries	0	0	957	957
Equity as at 30 June 2016	**812**	**38.306**	**22.001**	**61.119**

The company has own shares with a nominal value of DKK 35.745, which represents 4.4% of the shares.

Share capital
The share capital consists of 812,396 shares of a nominal value of DKK 1. No shares carry special rights.

The last five years' changes in share capital can be specified as follows:

DKK'000	**2015/16**	**2014/15**	**2013/14**	**2012/13**	**2011/12**
Share capital	812	812	704	600	600
Raising of additional capital	0	0	108	104	0
	812	**812**	**812**	**704**	**600**

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Notes

	DKK'000	2015/16	2014/15
1	**Staff expenses**		
	Wages and salaries	-13.179	-12.888
	Other staff expenses	-328	-157
	Other social security expenses	-94	-112
	Hereof reinvoiced to subsidiaries	10.000	10.000
		-3.601	-3.157
	Remuneration to the Executive Board and Board of Directors	2.316	2.316
	Average number of full-time employees	15	16
2	**Depreciation/amortisation**		
	Amortisation, intangible assets	-716	-799
	Depreciation, property, plant and equipment	-16	-15
		-732	-813
3	**Income from investments in subsidiaries and associates**		
	Valcon A/S	7.686	6.651
	Valcon SJN Holding ApS	2.622	2.590
	Valcon KT Holding ApS	2.649	2.516
	Valcon TRN Holding ApS	4.523	4.365
	Valcon UK	126	-285
	Valcon Design A/S	1.413	-84
	Valcon AB	0	1.685
	Valcon AS (Norge)	-910	-7.158
	Odense Maritime Technologies A/S	6.676	11.154
	Valcon India	-5.329	-4.479
	Valcon Prague sro	0	50
	Amortisation of goodwill, Valcon A/S	-1.029	-1.029
	Amortisation of goodwill, Valcon AS (Norway)	0	-4.112
	Amortisation of goodwill, Valcon Design A/S	-107	-107
		18.320	11.757

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Notes

DKK'000	2015/16	2014/15
4 Financial income		
Interest, associated companies	280	554
Gain on sale of minority shares	1.559	4.281
Other financial income	45	2
	1.884	4.837
5 Financial expenses		
Interest, associated companies	-415	-741
Loss on sale of minority shares	0	-4.818
Other financial expenses	-728	-531
	-1.143	-6.090
6 Tax on profit/loss for the year		
Expected taxable income for the year adjusted (income)	1.852	2.438
Annual adjustments of deferred tax	-1.691	-1.765
Adjustment of current tax liabilities regarding previous years	-259	-500
	-98	173

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Noter

DKK'000		2015/16
	Intangible Assets	**Acquired licenses (software)**
7	Cost as at 1 July 2015	4.366
	Cost as at 30 June 2016	4.366
	Amortisation, depreciation and impairment losses as at 1 July 2015	-3.650
	Amortisation, depreciation and impairment losses for the year	-716
	Amortisation, depreciation and impairment losses as at 30 June 2016	-4.366
	Carrying amount as at 30 June 2016	-

	Property, plant and equipment	**Other fixtures and fittings, tools and equipment**
8	Cost as at 1 July 2015	205
	Cost as at 30 June 2016	205
	Amortisation, depreciation and impairment losses as at 1 July 2015	-161
	Amortisation, depreciation and impairment losses for the year	-16
	Amortisation, depreciation and impairment losses as at 30 June 2016	-177
	Carrying amount as at 30 June 2016	28

Notes

DKK'000	2015/16
9 Investments in subsidiaries	
Cost as at 1 July 2015	20.074
Capital increase, Valcon Norge	8.452
Additions and disposals, equity interest	-15
Cost as at 30 June 2016	**28.511**
Value adjustment as at 1 July 2015	37.141
Exchange adjustment, foreign subsidiaries	957
Net profit/loss for the year	19.456
Dividend from subsidiaries	-21.894
Hedging directly in equity, OMT	36
Amortisation of goodwill	-1.136
Additions and disposals, equity interest	-453
Exchange adjustment, restructuring	151
Value adjustment as at 30 June 2016	**34.258**
Carrying amount as at 30 June 2016	**62.769**

Name and registered office	Owner-ship share in %	Share capital 100%	Net profit/loss for the year 100%	Carrying amount DKK'000
2) Valcon A/S (Danmark)	22,3	824	33.070	13.680
Valcon A/S Goodwill				15.443
2) Valcon SJN Holding ApS	51,0	123	5.262	4.714
2) Valcon KT Holding ApS	58,2	112	4.548	4.715
2) Valcon TRN Holding ApS	59,4	190	7.793	8.049
1) Valcon AS (Norge)	100,0	169	910	-678
Odense Maritime Technology A/S	58,0	4.750	11.510	23.865
Valcon Design	50,1	500	-167	2.293
Valcon Design Goodwill				587
Valcon Prague S.R.O	70,0	51	0	128
1) Valcon India	100,0	3.461	-5.329	-10.027
Total				**62.769**
1) Negative net asset values are set off against receivables/payables from group enterprises.				10.705
Carrying amount as at 30 June 2016				**73.474**

2) Holding companies have been established in which the Company together with the minority shareholders jointly owns shares in Valcon A/S. The Company's total ownership share in Valcon A/S amounts to 53.0%.

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Notes

DKK'000

10 **Deferred tax**	**2015/16**	**2014/15**
Deferred tax at the beginning of the year	6.061	4.298
Annual adjustments of deferred tax	1.691	1.763
Deferred tax as at 30 June 2016	7.752	6.061

11 Contractual obligations and contingents assets and liabilities

Apart from usual trading, the company had no contractual obligations or contingent liabilities as at 30 June 2016.

The Parent Company is jointly taxed with other enterprises in the Valcon Group. As administration company, the Parent Company is unlimited, jointly and severally liable for Danish corporation taxes within the joint taxation group. Payable corporation taxes within the joint taxation group of companies amount to DKK 12.3 million as at 30 June 2016. Any subsequent adjustments of the joint taxation income may increase the Parent Company's liability.

12 Contingent liabilities and pledged assets

Odense Maritime Technology A/S and Valcon Business Development A/S' bank has raised a performance bond to one of Odense Maritime Technology's clients of CAD 7,380,600 equalling DKK 38.2 million. Odense Maritime Technology A/S guarantees the performance bond in full to the bank. In addition, Valcon Business Development A/S has guaranteed in total DKK 2,500,000 for this obligation if the Company cannot pay the claim. The performance bond expires on 30 June 2020 with the possibility of two extensions of one year each.

13 Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the share capital:

Benny Madsen Holding ApS, Kastanietoften 1, 2950 Vedbæk
Poul Præstegaard Skadhede Holding ApS, Toeltvej 10, 3480 Fredensborg
Kuja Holding ApS, CVR-nr. 36939745, Hestehavevej 79, 4720 Præstø
Thomas Fischer Holding ApS, Krathusvej 17, 2920 Charlottenlund