Valcon Business Development A/S
Christianshusvej 187
2970 Hørsholm
CVR no. 28 68 10 11

Annual Report

1 July 2016 – 30 June 2017

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 6 October 2017

Lars Kallestrup

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 2016 - 30 June 2017.

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 2017 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 2017 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, 6 October 2017

Executive Board:

Poul Præstegaard Skadhede

Board of Directors:

Poul Præstegaard Skadhede

Thomas Fischer

Peter Kåre Groes Christiansen

Independent Auditor's Report

To the Shareholders of Valcon Business Development A/S

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 Parent Company at 30 June 2017, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 July 2016 - 30 June 2017 in accordance with the Danish Financial Statements Act.

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 2016 - 30 June 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's Responsibilities for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 6 October 2017

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob Fromm Christiansen
State Authorised Public Accountant

Kim Danstrup
State Authorised Public Accountant

Company Information

Valcon Business Development A/S
Christianshusvej 187
2970 Hørsholm

Telephone:	45802037
Telefax:	45808137
Web site:	www.valconconsulting.com

CVR no.:	28 68 10 11
Founded:	22 March 2005
Financial year:	1 July 2016 – 30 June 2017
Municipality of reg. office:	Hørsholm

Bank
Danske Bank
Holmen Kanal 2
1090 København K

Audit
PriceWaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
CVR NO.: 33771231
Production unit no.: 1016959517

Financial Highlights

	2016/17	2015/16	2014/15	2013/14	2012/13
Key figures					
Net revenue	492,554	500,617	529,282	391,740	274,652
Gross profit/loss	278,163	306,535	317,664	263,775	189,570
Operating profit/loss	40,059	57.636	55,010	41,846	20,117
Net financials	-415	-3,577	-3,841	-9,411	-1,439
Profit/loss before tax	**39,644**	**54,059**	**51,169**	**32,432**	**14,426**
Parent Company's share of profit/loss for the year	**15,946**	**18,720**	**10,903**	**8,677**	**6,993**
Fixed assets	21,191	20,702	24,187	37,360	34,144
Current assets	250,556	232,739	231,745	147,693	88,537
Total assets	**271,747**	**253,441**	**255,932**	**185,053**	**122,681**
Investment in property, plant and equipment	373	847	48	3,481	1,210
Equity	**106,451**	**108,479**	**81,380**	**56,628**	**45,291**
Key figures					
Profit margin	8.1%	11.5%	10.4%	10.7%	7.3%
Return on invested capital	23.3%	31.2%	29.2%	30.8%	19.8%
Gross margin	56.5%	61.2%	60.0%	67.3%	69.0%
Solvency ratio	39.2%	42.8%	31.8%	30.6%	36.9%
Return on equity	29.1%	42.7%	48.3%	45.4%	36.9%
Average number of full-time employees	278	256	302	271	200

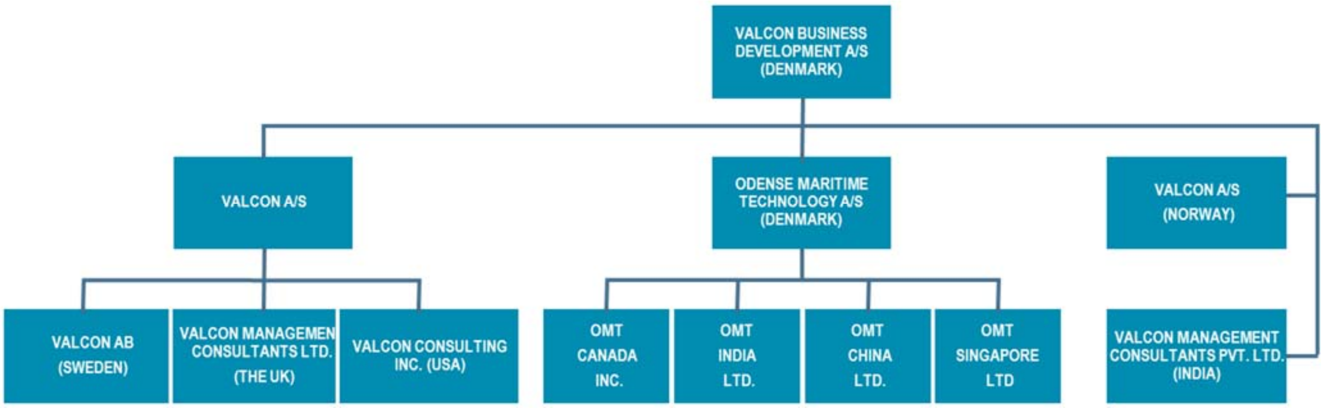
The ratios have been prepared in accordance with the recommendations and guidelines issued in 2015 by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

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 group has about 45% of its revenues in Scandinavia, and about 55% globally (primarily North America, APAC and Europe).

The groups clients are assisted within to help them respond to globalisation, growth, transparency, innovation and efficiency. Our services create results through conventional consulting models and technical services within product development.
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.

During the financial year, the Group has restructured to create a more focussed business, terminating activities that were non-strategic or non-profitable, and legally restructuring to create two strong corporates that are poised for more growth:

- Valcon, a management consulting company focussed on connecting strategy with operations. Valcons service lines spans from Technology to Sales and Marketing – and everything in-between. Its home market is Scandinavia but with substantial activities in RoW.
- Odense Maritime Technology (OMT) is a maritime technology, product development and consulting group. It operates globally serving Navies, fleet owners and –operators and shipyards, and is a global leader in its niches.

The activities in Valcon Norway and Valcon India are discontinued.

Management's Review

The Valcon Group's development in the year

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 ground-breaking new assignments with global clients. The synergy between the Group's units continue to develop constantly.

Financial development
The Income Statement for 2016/17 shows a revenue of DKK 492.6 million compared to a revenue of DKK 500.6 million for 2015/16 and a profit of DKK 31.3 million for 2016/17 of the group compared to DKK 40.6 million for 2015/16. The Parent Company's share hereof is DKK 15.9 million compared with DKK 18.7 million last year. This year's result is not in line with the Management's ambition but is satisfactory when the Company's investment in growth platforms and restructuring is taken into account.

The subsidiaries' activities in the year
The consulting companies in Valcon *Denmark, UK and Sweden* has not developed as targeted over the year, and financial results are not fully satisfactory. However, our position has strengthened considerably, and the consulting units attracts the best employees and clients. Valcon has invested heavily in the foundation for a successful growth, including estiablishing a new organisational model.

During this year, we have fully integrated and merged Valcon Design A/S into Valcon A/S, and they now work as one strong business in the Danish/Swedish home market.

Valcon's consulting Company in *Norway* and *India* has had no operating activity in the year. The company in *the Czech Republic* has been divested.

Odense Maritime Technology has had a financial year above the initial expectations. The global position has become very strong, and the pipeline is satisfactory. The commercial ship design market is severely strained, and the company has therefore targeted the Defence sector with success.

Management's Review

Expected development

Valcon management consulting is expected to grow above market growth within the coming years. Recruitments of leading consultants from competing enterprises continue on an ongoing basis. Geographically, special focus is given to the growth of our Swedish market presence.

OMT is expected to have a difficult year. The finalisation of major historic Navy contracts combined with a very depressed commercial shipbuilding market will likely lead to a substantial drop in revenues and profits. Management is confident in the long-term potential of the company.

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 Statements Act on corporate responsibility and gender composition 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.

Financial Statements 1 July 2016 - 30 June 2017

Accounting Policies

The Annual Report of Valcon Business Development A/S for 2016/17 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 2016 - 30 June 2017

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 2016 - 30 June 2017

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 2016 - 30 June 2017

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 2016 - 30 June 2017

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.

Development projects in progress. Capitalisation of development costs occurs when the basic criteria, such as certainty of the capital value future income and reliable measuring, is fulfilled. Costs are measured at cost prices and are amortised over the expected lifetime. Costs will also be written down to the recoverable amount.

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 2016 - 30 June 2017

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 2016 - 30 June 2017

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 2016 - 30 June 2017

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 2016 - 30 June 2017

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 2016 - 30 June 2017

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 2016 – 30 June 2017

Income Statement

DKK'000	Note	2016/17	2015/16
Net revenue	2	**492.554**	**500.617**
Remuneration to external consultants		-141.412	-124.593
Other external expenses		-72.979	-69.489
Gross profit/loss		**278.163**	**306.535**
Staff expenses	3	-235.733	-244.532
Amortisation, depreciation and impairment losses, patents, licenses and property, plant and equipment	4, 9, 10	-867	-2.879
Operating profit before amortisation of goodwill		**41.563**	**59.124**
Amortisation, depreciation and impairment losses, goodwill	4, 9	-1.504	-1.488
Operating profit/loss		**40.059**	**57.636**
Financial income	5	4.618	2.976
Financial expenses	6	-5.033	-6.553
Profit/loss before tax		**39.644**	**54.059**
Tax on profit/loss for the year	7	-8.352	-13.508
Net profit/loss for the year		**31.292**	**40.551**
Proposed distribution of profit	8		

Consolidated Financial Statements as at 1 July 2016 – 30 June 2017

Balance Sheet

DKK'000	Note	2016/17	2015/16
ASSETS			
Fixed assets			
Intangible assets			
Own development projects	9	437	705
Goodwill	9	15.112	16.616
Acquired licenses (software)	9	722	103
Total intangible assets		**16.271**	**17.424**
Property, plant and equipment			
Leasehold improvements	10	42	186
Other fixtures and fittings, tools and equipment	10	331	661
Total property, plant and equipment		**373**	**847**
Fixed asset investments			
Deposits		4.547	2.431
Total fixed asset investments		**4.547**	**2.431**
Total fixed assets		**21.191**	**20.702**
Current assets			
Receivables			
Trade receivables		118.688	83.836
Contract work in progress	11	8.907	5.081
Other receivables		9.372	5.622
Deferred tax assets	12	1.973	1.272
Prepayments	13	3.608	3.911
Total receivables		**142.548**	**99.722**
Other securities and investments		**29.991**	**29.965**
Cash at bank and in hand		**78.017**	**103.052**
Total current assets		**250.556**	**232.739**
TOTAL ASSETS		**271.747**	**253.441**

Consolidated Financial Statements as at 1 July 2016 – 30 June 2017

Balance Sheet

DKK´000	Note	2016/17	2015/16
EQUITY AND LIABILITIES			
Equity			
Share capital		777	812
Retained earnings		56.969	60.307
Minority interests		48.705	47.360
Total equity		**106.451**	**108.479**
Provisions			
Deferred tax	14	7.052	7.790
Total provisions		**7.052**	**7.790**
Debt			
Short-term debt			
Prepayments received from client	11	19.897	8.177
Trade payables		16.689	15.442
Corporation tax		16.746	10.683
Other debt		104.912	102.870
Total short-term debt		**158.244**	**137.172**
Total payables		**158.244**	**137.172**
TOTAL LIABILITIES AND EQUITY		**271.747**	**253.441**

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Consolidated Financial Statements as at 1 July 2016 – 30 June 2017

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Minority interests	Total
Equity as at 1 July 2016	**812**	**60.307**	**47.360**	**108.479**
Capital reduction 15 December 2016	-35	35	0	**0**
Distributed dividends	0	-20.000	-14.826	**-34.826**
Dividend from own shares	0	880	0	**880**
Allocation of profits	0	15.946	15.346	**31.292**
Value adjustments, future cash flows	0	-58	-42	**-100**
Transactions with minority shareholders, etc.	0	0	939	**939**
Exchange adjustments, foreign subsidiaries	0	-141	-72	**-213**
Equity as at 30 June 2017	**777**	**56.969**	**48.705**	**106.451**

Share capital
The share capital consists of 776,651 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	**2016/17**	**2015/16**	**2014/15**	**2013/14**	**2013/12**
Share capital	812	812	812	704	600
Raising/Reduction of additional capital	-35	0	0	108	104
	777	**812**	**812**	**812**	**704**

Consolidated Financial Statements

Cash Flow Statement

DKK'000	Note	2016/17	2015/16
Profit/loss before tax		39.644	54.059
Depreciation/amortisation	4	2.371	4.367
Financial income		-4.618	-2.976
Financial expenses		5.033	6.553
Cash flow from operating activities before changes in working capital		**42.430**	**62.003**
Taxes paid		-2.521	-22.410
Interest income, received		1.489	1.072
Interest expenses, paid		-5.033	-6.536
Change in receivables		-44.941	95.397
Change in suppliers and other debt		14.271	-20.399
Cash flows from operating activities		**5.695**	**109.127**
Purchase of intangible assets	9	-734	-705
Purchase of property, plant and equipment	10	-10	-
Cash flows from investment activities		**-744**	**-705**
Payments to and from minority interests		4.099	2.026
Distributed dividend		-33.946	-15.109
Purchase of other securities		-	-29.905
Cash flows from financing activities		**-29.847**	**-42.988**
Net cash flows for the year		**-24.896**	**65.434**
Cash and cash equivalents at the beginning of the year		103.052	37.350
Exchange rate adjustments of cash and cash equivalents		-139	268
Cash and cash equivalents at the end of the year		**78.017**	**103.052**

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 2016 – 30 June 2017

Notes

1 Uncertainty relating to recognition and measurement

By virtue of its business area, the Company is a party to disputes which are not unusual for the business. Management currently assesses and makes provision for such disputes. In connection with the completion of a project, Odense Maritime Technology A/S received a significant claim for damages from the customer. However, the claim received is neither justified nor documented, and the Company has categorically refused to accept it. Odense Maritime Technology A/S has advanced a counterclaim of a corresponding size against the customer. The parties strongly disagree, and the cause of the matter is subject to great uncertainty, which also implies uncertainty as to how the amount of any damages and insurance cover should, if relevant, be calculated.

	DKK'000	2016/17	2015/16
2	**Segment data**		
	Net revenues per business segment		
	Management consultancy services	286.726	278.566
	Maritime consultancy services	205.828	222.051
		492.554	500.617
	Net revenues geographically distributed		
	The Scandinavian countries	218.638	272.835
	The rest of Europe	67.807	21.982
	North America	101.466	174.539
	The rest of the world	104.644	31.261
		492.554	500.617
3	**Staff expenses**		
	Wages and salaries	-229.205	-235.274
	Other social security expenses	-4.726	-5.423
	Other staff expenses	-1.802	-3.836
		-235.733	-244.532
	Remuneration to the Executive Board and Board of Directors	2.316	2.316
	Average number of full-time employees	278	256

Consolidated Financial Statements as at 1 July 2016 – 30 June 2017

Notes

	DKK'000	2016/17	2015/16
4	**Amortisation, depreciation and impairment losses**		
	Amortisation, intangible assets	-1.887	-2.678
	Depreciation, property, plant and equipment	-484	-841
		-2.371	-4.367
5	**Financial income**		
	Interest income	72	36
	Other financial income	4.546	2.940
		4.618	2.976
6	**Financial expenses**		
	Interest expenses	-188	-178
	Other financial expenses	-4.845	-6.375
		-5.033	-6.553
7	**Tax on profit/loss for the year**		
	Expected taxable income for the year	-7.825	-11.967
	Changes in current tax previous years	-1.967	-260
	Changes in deferred tax previous yaers	1.967	0
	Adjustment of deferred tax	-1.229	-1.645
	Adjustment of deferred tax asset	701	364
		-8.352	-13.508
8	**Proposed distribution of profit**		
	Retained earnings	15.946	18.720
	Minority interests	15.346	21.831
		31.292	40.551

Consolidated Financial Statements as at 1 July 2016 – 30 June 2017

Notes

9 Intangible assets

DKK'000	Own development projects	Goodwill	Acquired licenses (software)
Cost as at 1 July 2016	705	32.825	10.254
Disposals	-705	0	0
Additions in the year	437	0	1.002
Cost as at 30 June 2017	437	32.825	11.256
Amortisation as at 1 July 2016	0	-16.209	-10.151
Total amortisation and depreciation	0	-1.504	-383
Amortisation, depreciation and impairment losses as at 30 June 2017	0	-17.713	-10.534
Carrying amount as at 30 June 2017	437	15.112	722

10 Property, plant and equipment

DKK'000	Leasehold improve-ments	Other fixtures and fittings, tools and equipment
Cost as at 1 July 2016	2.484	6.559
Additions in the year	0	10
Cost as at 30 June 2017	2.484	6.569
Amortisation as at 1 July 2016	-2.298	-5.898
Total amortisation, depreciation and impairment losses	-144	-340
Amortisation, depreciation and impairment losses as at 30 June 2017	-2.442	-6.238
Carrying amount as at 30 June 2017	42	331

11 Construction contracts	**2016/17**	**2015/16**
Specification of ongoing services:		
Selling price of production	8.907	5.081
Payments on account	-19.897	-8.177
	-10.990	-3.096
Classified as follows:		
Contract work in progress	8.907	5.081
Prepayments received from client	-19.897	-8.177
	-10.990	-3.096
12 Deferred tax asset		
Deferred tax asset as at 1 July 2016	1.272	908
Annual adjustments of deferred tax	701	364
Deferred tax asset as at 30 June 2017	1.973	1.272

Consolidated Financial Statements as at 1 July 2016 – 30 June 2017

Notes

DKK'000		2016/17	2015/16
13	**Prepayments**		
	Rent	440	0
	IT cost	721	491
	Insurance	457	528
	Courses and conferences	408	478
	Other Cost	1.582	2.414
	Deferred tax as at 30 June 2017	3.608	3.911

14	**Deferred tax**	**2016/17**	**2015/16**
	Deferred tax as at 1 July 2016	7.790	6.145
	Adjustment, deferred tax	-738	1.645
	Deferred tax as at 30 June 2017	7.052	7.790

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.

15	**Auditors' fee (elected by the general meeting)**		
	Audit	353	353
	Other assistance with assurance	0	91
	Tax assistance	207	236
	Other assistance	1.212	746
	Total expenses	1.772	1.426

16 Contractual obligations and contingents assets and liabilities

Contractual obligations		
Operating leases of office premises	37.663	7.451
Expires due within one year	5.360	7.451
Expires due later than one year but within 5 year	25.674	0
Expires due later than 5 years	6.629	0

The period of notice for rent of office premises runs from 6 month to 6 years.

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 2017 apart from the ones specified above.

Consolidated Financial Statements as at 1 July 2016 – 30 June 2017

Notes

17 Contingent liabilities and pledged assets

The Group's bank has raised 3 performance bonds to one of Odense Maritime Technology A/S clients of CAD 14.503 thousand equalling DKK 72.9 million. Odense Maritime Technology A/S guarantees in full the performance bond to the bank. The performance bonds expires on 30 June 2020 and 31 December 2019 with the possibility of two extensions of one year each.

18 Events after the balance sheet date

No events materially influencing the Group s financial position as at 30 June 2017 have occurred.

Annual Report for 1 July 2016 – 30 June 2017

Income Statement

DKK'000	Note	2016/17	2015/16
Net revenue		1.864	11.999
Other external expenses		-1.001	-7.909
Gross profit/loss		**863**	**4.090**
Staff expenses	1	-4.064	-3.601
Depreciation/amortisation	2	-15	-732
Operating profit/loss		**-3.216**	**-243**
Income from investments in subsidiaries	3	15.510	18.320
Financial income	4	3.319	1.884
Financial expenses	5	-407	-1.143
Profit/loss before tax		**15.206**	**18.818**
Tax on profit/loss for the year	6	740	-98
Net profit/loss for the year		**15.946**	**18.720**
Proposed distribution of profit	7		

Annual Report for 1 July 2016 – 30 June 2017

Balance Sheet

DKK'000	Note	2016/17	2015/16
ASSETS			
Fixed Assets			
Property, plant and equipment			
Other fixtures and fittings, tools and equipment	8	13	28
Total property, plant and equipment		**13**	**28**
Fixed asset investments			
Investments in subsidiaries	9	70.856	73.474
Total fixed asset investments		**70.856**	**73.474**
Total fixed assets		**70.869**	**73.502**
Current assets			
Receivables			
Trade receivables		0	1.504
Contract work in progress		93	57
Receivables from group enterprises		13.600	24.008
Prepayments	10	592	563
Total receivables		**14.285**	**26.132**
Cash at bank and in hand		**2.848**	**4.960**
Total current assets		**17.133**	**31.092**
TOTAL ASSETS		**88.002**	**104.594**

Annual Report for 1 July 2016 – 30 June 2017

Balance Sheet

DKK'000	Note	2016/17	2015/16
EQUITY AND LIABILITIES			
Equity			
Share capital		777	812
Reserve for net revaluation under the equity method		32.697	34.258
Retained earnings		24.272	26.049
Total equity		**57.746**	**61.119**
Provisions			
Deferred tax	11	7.051	7.752
Total provisions		**7.051**	**7.752**
Debt			
Trade payables		1.552	1.535
Payables to group enterprises		507	18.595
Corporation tax		17.485	10.845
Other payables		3.661	4.748
Total short-term debt		**23.205**	**35.723**
Total payables		**23.205**	**35.723**
TOTAL LIABILITIES AND EQUITY		**88.002**	**104.594**

Contractual obligations and contingents assets and liabilities	12
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Annual Report for 1 July 2016 – 30 June 2017

Statement of changes in equity

DKK'000

	Share capital	Net re-valuation under the equity method	Retained earnings	Total
Equity as at 30 June 2016	**812**	**34.258**	**26.049**	**61.119**
Capital reduction 15 December 2016	-35	0	35	**0**
Allocation of profits	0	15.580	366	**15.946**
Distributed dividends	0	0	-20.000	**-20.000**
Dividend from own shares	0	0	880	**880**
Dividend from subsidiaries	0	-17.141	17.141	**0**
Value adjustment, future cash flows	0	0	-58	**-58**
Exchange adjustment, foreign subsidiaries	0	0	-141	**-141**
Equity as at 30 June 2017	**777**	**32.697**	**24.272**	**57.746**

Own shares have been reduced to DKK 0 in connection with capital reduction.

Share capital

The share capital consist of 776.651 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	**2016/17**	**2015/16**	**2014/15**	**2013/14**	**2012/13**
Share capital	812	812	812	704	600
Raising of additional capital	-35	0	0	108	104
	777	**812**	**812**	**812**	**704**

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Notes

	DKK'000	2016/17	2015/16
1	**Staff expenses**		
	Wages and salaries	-13.696	-13.179
	Other staff expenses	-274	-328
	Other social security expenses	-94	-94
	Hereof reinvoiced to subsidiaries	10.000	10.000
		-4.064	-3.601
	Remuneration to the Executive Board and Board of Directors	2.316	2.316
	Average number of full-time employees	15	15
2	**Depreciation/amortisation**		
	Amortisation, intangible assets	0	-716
	Depreciation, property, plant and equipment	-15	-16
		-15	-732
3	**Income from investments in subsidiaries and associates**		
	Valcon A/S - income by holding companies	0	7.686
	Valcon Holding 1 ApS	4.204	-
	Valcon SJN Holding ApS	2.216	2.622
	Valcon KT Holding ApS	2.399	2.649
	Valcon TRN Holding ApS	2.995	4.523
	Valcon Design A/S	0	1.413
	Valcon UK	0	126
	Valcon AS (Norge)	0	-910
	Odense Maritime Technologies A/S	4.945	6.676
	Valcon India	-113	-5.329
	Amortisation of goodwill, Valcon A/S	-1.136	-1.136
		15.510	18.320

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Notes

DKK'000		2016/17	2015/16
4	**Financial income**		
	Interest, associated companies	34	280
	Gain on sale of minority shares	3.160	1.559
	Other financial income	125	45
		3.319	1.884
5	**Financial expenses**		
	Interest, associated companies	-47	-415
	Loss on sale of minority shares	-51	0
	Other financial expenses	-309	-728
		-407	-1.143
6	**Tax on profit/loss for the year**		
	Current tax	565	1.852
	Changes in current tax previous years	-526	0
	Changes in deferred tax provious yaers	526	-1.691
	Changes in deferred tax	175	-259
		740	-98
7	**Proposed distribution of profit**		
	Retained earnings	366	3.757
	Reserve for net revaluation under the equity method	15.580	14.963
	Net profit/loss for the year	15.946	18.720

Property, plant and equipment

		Other fixtures and fittings, tools and equipment
8	Cost as at 1 July 2016	205
	Cost as at 30 June 2017	205
	Amortisation, depreciation and impairment losses as at 1 July 2016	-177
	Amortisation, depreciation and impairment losses for the year	-15
	Amortisation, depreciation and impairment losses as at 30 June 2017	-192
	Carrying amount as at 30 June 2017	13

Notes

DKK'000	2016/17
9 Investments in subsidiaries	
Cost as at 1 July 2016	28.511
Additions and disposals, equity interest	-939
Cost as at 30 June 2017	**27.572**
Value adjustment as at 1 July 2016	34.258
Exchange adjustment, foreign subsidiaries	-141
Net profit/loss for the year	16.646
Dividend from subsidiaries	-17.141
Hedging directly in equity, OMT	-58
Amortisation of goodwill	-1.136
Exchange adjustment, restructuring	-107
Value adjustment as at 30 June 2017	**32.321**
Carrying amount as at 30 June 2017	**59.893**

Name and registered office	Ownership share in %	Share capital 100%	Net profit/loss for the year 100%	Carrying amount DKK'000
2) Valcon A/S (Danmark)	-	888	23.579	-
Valcon A/S Goodwill				14.894
2) Valcon SJN Holding ApS	50,8	154	4.361	5.642
2) Valcon KT Holding ApS	55,8	161	4.301	6.108
2) Valcon TRN Holding ApS	59,4	190	5.046	7.629
2) Valcon Holding 1 ApS	57,1	277	7.359	10.706
1) Valcon AS (Norge)	100,0	169	0	-659
Odense Maritime Technology A/S	58,0	4.750	8.526	25.852
Noclav Design ApS	50,1	50	-	25
1) Valcon India	100,0	3.461	-5.329	-10.303
Total				**59.894**
1) Negative net asset values are set off against receivables/payables from group enterprises.				10.962
Carrying amount as at 30 June 2017				**70.856**

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 50.1%.

Name and registered office	
Valcon A/S, Valcon SJN Holding ApS, Valcon KT Holding ApS, Valcon TRN Holding ApS, Valcon Holding 1 ApS and Noclav Design ApS	Christianshusvej 187, 2970 Hørsholm, Danmark
Odense Maritime Technology A/S	Sverigesgade 4, 5000 Odense C, Danmark
Valcon AS (Norge)	Dronning Eufemiasgt 16, 0191 Oslo, Norge
VALCON MANAGEMENT CONSULTANTS PRIVATE LTD (Indien)	6 TH FLOOR, PHASE I, SPENCER PLAZA , 768 / 769, ANNA SALAI, CHENNAI 600002

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Notes

DKK'000

10 **Prepayments**	**2016/17**	**2015/16**
Insurance	238	285
Other prepayment	354	278
Prepayments at 30 June 2017	592	563

11 **Deferred tax**	**2016/17**	**2015/16**
Goodwill	339	532
Prepayments	-130	0
Operating equipment	804	0
International re-taxation balance	-8.064	-8.285
Deferred tax as at 30 June 2017	-7.051	-7.752

12 Contractual obligations and contingents assets and liabilities

Apart from usual trading, the company had no contractual obligations or contingent liabilities as at 30 June 2017.

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 2017. Any subsequent adjustments of the joint taxation income may increase the Parent Company's liability.

13 Contingent liabilities and pledged assets

Odense Maritime Technology A/S and Valcon Business Development A/S' bank has raised 3 performance bond to one of Odense Maritime Technology's clients of CAD 14,502,623 equalling DKK 72.9 million. Odense Maritime Technology A/S guarantees the performance bond in full to the bank. The performance bonds expires on 30 June 2020 and 31 December 2019 with the possibility of two extensions of one year each.

14 Related parties and ownership

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

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

15 Events after the balance sheet date

No events materially influencing the Company's financial position as at 30 June 2017 have occurred.