Valcon Business Development A/S

Meldahlsgade 5, 2
1613 København K
CVR no. 28 68 10 11

Annual Report

1 July 2017 – 30 June 2018

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 26. October 2018

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 2017 - 30 June 2018.

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 2018 and of the results of the Group and Company operations as well as the consolidated cash flows for the financial year 1 July 2017 – 30 June 2018 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 consolidated cash flows.

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

Copenhagen, 26. October 2018

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 2018, 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 2017 - 30 June 2018 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 2017 - 30 June 2018, 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 Financial 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.

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.

Independent Auditor's Report

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 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 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.

- 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.

Independent Auditor's Report

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, 26 october 2018

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob Fromm Christiansen
State Authorised Public Accountant
mne18628

Kim Danstrup
State Authorised Public Accountant
mne32201

Company Information

Valcon Business Development A/S
Meldahlsgade 5, 2.
1613 København V

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Web site:	www.valconconsulting.com
CVR no.:	28 68 10 11
Founded:	22 March 2005
Financial year:	1 July 2017 – 30 June 2018
Municipality of reg. office:	Copenhagen

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1090 København K

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

Financial Highlights

	2017/18	2016/17	2015/16	2014/15	2013/14
Key figures					
Net revenue	376,926	492,554	500,617	529,282	391,740
Gross profit/loss	233,976	278,163	306,535	317,664	263,775
Operating profit/loss	131	40,059	57.636	55,010	41,846
Net financials	-9,226	-415	-3,577	-3,841	-9,411
Profit/loss before tax	**-9,095**	**39,644**	**54,059**	**51,169**	**32,432**
Parent Company's share of profit/loss for the year	**-7,787**	**15,946**	**18,720**	**10,903**	**8,677**
Fixed assets	23,768	21,191	20,702	24,187	37,360
Current assets	203,595	250,556	232,739	231,745	147,693
Total assets	**227,363**	**271,747**	**253,441**	**255,932**	**185,053**
Investment in property, plant and equipment	1,280	373	847	48	3,481
Equity	**79,474**	**106,451**	**108,479**	**81,380**	**56,628**
Key figures					
Profit margin	0.0%	8.1%	11.5%	10.4%	10.7%
Return on invested capital	0.1%	23.3%	31.2%	29.2%	30.8%
Gross margin	61.8%	56.5%	61.2%	60.0%	67.3%
Solvency ratio	35.0%	39.2%	42.8%	31.8%	30.6%
Return on equity	-10.3%	29.1%	42.7%	48.3%	45.4%
Average number of full-time employees	237	278	256	302	271

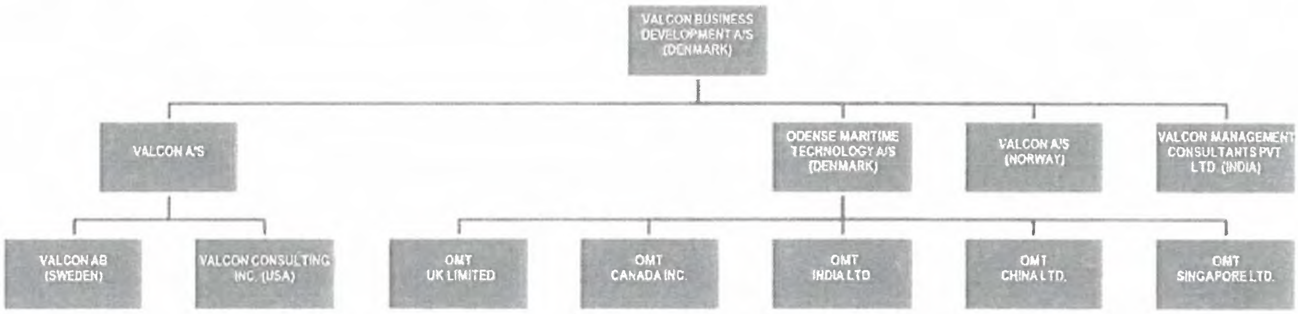
The ratios have been prepared in accordance with the recommendations and guidelines issued in 2015 by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Vision: Valcon group is getting closer to its *Vision* of setting significant footprints in the business world.

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 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 its vision, value foundation, the quality of our services, management system and shared clients.

The Group consists of two strong corporates that are poised for more growth:

- Valcon, a management consulting company focused 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 and the legal entities are being closed down.

Management's Review

Valcon Business Development'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 in *advisory*, *consulting* and *execution*. The
combination of these elements has proven to be highly sustainable and leads to ground-breaking new assignments with global clients.

Financial development

The Income Statement for 2017/18 shows a revenue of DKK 376.9 million compared to a revenue of DKK 492.6 million for 2016/17 and a loss of DKK -9.6 million for 2017/18 of the group compared to profit os DKK 31.2 million for 2016/17. The Parent Company's share hereof is a loss of DKK 7.8 million compared with profit of DKK 15.9 million last year.

This year's result for the group is not in line with the Management's ambition and clearly unsatisfactory.

Valcon A/S has had a very satisfactory year, both in terms of growth and profitability where as Odense Maritime Technology A/S has had a very unsatisfactory year that turned out even worse than expected at the beginning of the year. However, profitability was restored in Q4, and a strong pipeline has been established.

The cash position of Valcon Group remains strong.

The subsidiaries' activities in the year

The management consulting company Valcon has developed as targeted over the year, and financial results are very satisfactory. Our position has strengthened considerably, and the consulting units attracts the best employees and clients. Valcon has invested heavily in the foundation for further successful growth, including establishing a new organizational model, investing in new ERP and moving its headquarter.

Odense Maritime Technology has had a financial year below the initial expectations. The global position, especially in the Navy segment, has become even stronger, and the pipeline is very satisfactory. The commercial ship design market continues to be strained.

Management's Review

Expected development

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

OMT is expected to have a much-improved year and a break even P/L in 2018-2019. The pipeline is improved. Management is confident in the long-term potential of the company.

Statement of social responsibility

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.

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). In Valcon Group, we work on the basis of a global code of behaviour. This is a set of rules that guide us in how to run our business and help our employees maintain an ethical behaviour across the world, also with respect to human rights, social conditions, environmental and climate matters as well as the fight against corruption. We call this our Code of Conduct. We furthermore have a "Valcon Group Global Third Parties Code of Conduct" concerning our relationship with suppliers. Valcon Group generally regards itself as not having essential risks with respect to social responsibility. Human rights are handle together with our Code of Conduct for suplliers and together with our work regarding diversity.

In Valcon Group, we are aware that we play an important role as company, workplace and participant in society. Not only with respect to our role as designers and advisors in relation to many important decisions in the business world but also with respect to important global issues and challenges that we can only solve in cooperation as a society. In Valcon Group, the human being and the talent are in focus, and we feel a special obligation to these in our society. This was why we got involved together with our employees on getting involved, and we carried out a charitable collection for the Danish organisation for homeless people "Hus Forbi" in 2018.

Our focus on the human being and the talent is also expressed through our strong commitment to employee welfare and talent development. We focus on people and training, as it is crucial to Valcon Group to be able to attract, develop and retain the strongest talents. The purpose of Valcon Group's employee policy is therefore to create an attractive and flexible framework for the employees' career in Valcon Group. In 2017/18, it has also been a natural extension of our position as a knowledge company to make our knowledge available through participation in conferences, internal course activities, knowledge publications and reports. We also contribute to society with a highly educated workforce.

Management's Review

Our employees

Our continued success is conditioned by our ability to attract, develop and retain the most skilled talents in the industry. We make high demands of our employees, and it is essential that we can offer a challenging career platform in which competence development and flexibility are in focus. We are therefore proud to have employees that are among the best in Denmark.

Developing our employees' digital competences is in particular a top priority for us. In 2017/18, we have also invested in new technologies and tools, held training courses and created networks across Valcon Group in which we explore together how technology can create value for our clients.

A shared path to diversity

In order to develop Valcon Group in the right direction, it is critical that we promote diversity in all areas, including gender, ethnicity and educational background. We have as a society, industry and Valcon Group a task in ensuring that we realise the full potential of the talent mass. This also means that we, in 2017/18, have strived to ensure that we can retain and develop our female talents, as their development enables them to take on greater management responsibility. At the end of the fiscal year, we had a gender distribution balance in Valcon Group that was on a par with last year, with 22% women and 78% men.

Valcon and the climate

As a knowledge company, our climate footprint is relatively limited, but we nevertheless believe that caring for the environment is a natural part of running a business. We therefore take a targeted approach to reducing the negative effect on the environment from our business activities, for example by entering upon a new lease, etc.

Statement of gender distribution in the management

It is the object of Valcon Group that the board should have a female member no later than 2022. At the end of the 2017/18 financial year, the status was zero women in the board as it has not been possible to identify and nominate any female candidates with the relevant competences to be elected at the annual general meeting.

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
The Company has implemented a currency hedging programme to reduce the exchange rate risks in connection with relevant sales.

Financial Statements 1 July 2017 - 30 June 2018

Accounting Policies

The Annual Report of Valcon Business Development A/S for 2017/18 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 with the exception of some reclassifications in the income statement of the parent company without any implications on the result or equity.

Valcon Business Development A/S has chosen to deviate from the form requirements of the Danish Financial Statements Act. Amortisation expenses related to property, plant and equipment and goodwill are shown separately in order to provide a fair view of the Group's operations.

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 price. 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 2017 - 30 June 2018

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' result and equity are shown in "Statement of changes in equity".

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 2017 - 30 June 2018

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 2017 - 30 June 2018

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 2017 - 30 June 2018

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.

Financial Statements 1 July 2017 - 30 June 2018

Accounting Policies

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.

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.

Financial Statements 1 July 2017 - 30 June 2018

Accounting Policies

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.

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 2017 - 30 June 2018

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 2017 - 30 June 2018

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 2017 - 30 June 2018

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 2017 – 30 June 2018

Income Statement

DKK'000	Note	2017/18	2016/17
Net revenue	1	**376,926**	**492,554**
External expenses		-142,950	-214,391
Gross profit/loss		**233,976**	**278,163**
Staff expenses	2	-230,968	-235,733
Amortisation, depreciation and impairment losses, patents, licenses and property, plant and equipment	3, 8, 9	-1,586	-867
Operating profit before amortisation of goodwill		**1,422**	**41,563**
Amortisation, depreciation and impairment losses, goodwill	3, 8	-1,291	-1,504
Operating profit/loss		**131**	**40,059**
Financial income	4	4,522	4,618
Financial expenses	5	-13,748	-5,033
Profit/loss before tax		**-9,095**	**39,644**
Tax on profit/loss for the year	6	-513	-8,352
Net profit/loss for the year		**-9,608**	**31,292**
Proposed distribution of profit	7		

Consolidated Financial Statements as at 1 July 2017 – 30 June 2018

Balance Sheet

DKK'000	Note	2017/18	2016/17
ASSETS			
Fixed assets			
Intangible assets			
Own development projects	8	0	437
Goodwill	8	13,821	15,112
Acquired licenses (software)	8	4,540	722
Total intangible assets		**18,361**	**16,271**
Property, plant and equipment			
Leasehold improvements	9	1,280	42
Other fixtures and fittings, tools and equipment	9	-	331
Total property, plant and equipment		**1,280**	**373**
Fixed asset investments			
Deposits		3,777	4,547
Investment in associates		350	0
Total fixed asset investments		**4,127**	**4,547**
Total fixed assets		**23,768**	**21,191**
Current assets			
Receivables			
Trade receivables		101,422	118,688
Contract work in progress	10	9,057	8,907
Corporation tax		4,310	0
Other receivables		11,969	9,372
Deferred tax assets	11	311	1,973
Prepayments		3,207	3,608
Total receivables		**130,276**	**142,548**
Other securities and investments		**18,257**	**29,991**
Cash at bank and in hand		**55,062**	**78,017**
Total current assets		**203,595**	**250,556**
TOTAL ASSETS		**227,363**	**271,747**

Consolidated Financial Statements as at 1 July 2017 – 30 June 2018

Balance Sheet

DKK'000	Note	2017/18	2016/17
EQUITY AND LIABILITIES			
Equity			
Share capital		777	777
Retained earnings		44,933	56,969
Minority interests		33,764	48,705
Total equity		**79,474**	**106,451**
Provisions			
Deferred tax	12	6,988	7,052
Total provisions		**6,988**	**7,052**
Debt			
Short-term debt			
Prepayments received from client	10	8,499	19,897
Trade payables		20,754	16,689
Corporation tax		0	16,746
Other debt		111,648	104,912
Total short-term debt		**140,901**	**158,244**
Total payables		**140,901**	**158,244**
TOTAL LIABILITIES AND EQUITY		**227,363**	**271,747**

Auditors' fee	13
Contractual obligations and contingents assets and liabilities	14
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Events after the balance sheet date	16

Consolidated Financial Statements as at 1 July 2017 – 30 June 2018

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Minority interests	Total
Equity as at 1 July 2017	**777**	**56,969**	**48,705**	**106,451**
Distributed dividends	0	-5,000	-11,765	**-16,765**
Allocation of profits	0	-7,787	-1,821	**-9,608**
Transactions with minority shareholders, etc.	0	0	-1,517	**-1,517**
Exchange adjustments, foreign subsidiaries	0	751	162	**913**
Equity as at 30 June 2018	**777**	**44,933**	**33,764**	**79,474**

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	2017/18	2016/17	2015/16	2014/15	2013/14
Share capital	777	812	812	812	704
Raising/Reduction of additional capital	0	-35	0	0	108
	777	**777**	**812**	**812**	**812**

Consolidated Financial Statements

Cash Flow Statement

DKK'000	Note	2017/18	2016/17
Profit/loss before tax		-9,095	39,644
Depreciation/amortisation	3	2,877	2,371
Financial income		-4,522	-4,618
Financial expenses		13,748	5,033
Cash flow from operating activities before changes in working capital		**3,008**	**42,430**
Taxes paid		-21,310	-2,521
Interest income, received		4,522	1,489
Interest expenses, paid		-7,129	-5,033
Change in receivables		17,769	-44,941
Change in suppliers and other debt		-661	14,271
Cash flows from operating activities		**-3,801**	**5,695**
Purchase of intangible assets	8	-4,604	-734
Purchase of property, plant and equipment	9	-1,280	-10
Cash flows from investment activities		**-5,884**	**-744**
Payments to and from minority interests		-8,401	4,099
Distributed dividend		-16,765	-33,946
Sales of other securities		11,469	-
Cash flows from financing activities		**-13,697**	**-29,847**
Net cash flows for the year		**-23,382**	**-24,896**
Cash and cash equivalents at the beginning of the year		78,017	103,052
Exchange rate adjustments of cash and cash equivalents		427	-139
Cash and cash equivalents at the end of the year		**55,062**	**78,017**

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 2017 – 30 June 2018

Notes

	DKK'000	2017/18	2016/17
1	**Segment data**		
	Net revenues per business segment		
	Management consultancy services	292,010	286,726
	Maritime consultancy services	84,916	205,828
		376,926	492,554
	Net revenues geographically distributed		
	The Scandinavian countries	242,991	218,638
	The rest of Europe	61,255	67,807
	North America	1,548	101,466
	The rest of the world	71,132	104,644
		376,926	492,554
2	**Staff expenses**		
	Wages and salaries	-225,105	-229,205
	Other social security expenses	-4,820	-4,726
	Other staff expenses	-1,043	-1,802
		-230,968	-235,733
	Remuneration to the Executive Board and Board of Directors	2,316	2,316
	Average number of full-time employees	237	278
3	**Amortisation, depreciation and impairment losses**		
	Amortisation,goodwill	-1,291	-1,504
	Amortisation, other intangible assets	-1,223	-383
	Depreciation, property, plant and equipment	-363	-484
		-2,877	-2,371

Consolidated Financial Statements as at 1 July 2017 – 30 June 2018

Notes

	DKK'000	2017/18	2016/17
4	**Financial income**		
	Interest income	1,114	72
	Other financial income	3,408	4,546
		4,522	4,618
5	**Financial expenses**		
	Interest expenses	-2,921	-188
	Other financial expenses	-10,827	-4,845
		-13,748	-5,033
6	**Tax on profit/loss for the year**		
	Expected taxable income for the year	-226	-7,825
	Changes in current tax previous years	1,311	-1,967
	Changes in deferred tax previous yaers	-1,311	1,967
	Adjustment of deferred tax	-351	-1,967
	Adjustment of deferred tax asset	64	-
		-513	-8,352
7	**Proposed distribution of profit**		
	Retained earnings	-7,787	15,946
	Minority interests	-1,821	15,346
		-9,608	31,292

Consolidated Financial Statements as at 1 July 2017 – 30 June 2018

Notes

8 Intangible assets

DKK'000	Own development projects	Goodwill	Acquired licenses (software)
Cost as at 1 July 2017	437	32,825	11,256
Disposals	-437	0	0
Additions in the year		0	5,041
Cost as at 30 June 2018	0	32,825	16,297
Amortisation as at 1 July 2017	0	-17,713	-10,534
Total amortisation and depreciation	0	-1,291	-1,223
Amortisation, depreciation and impairment losses as at 30 June 2018	0	-19,004	-11,757
Carrying amount as at 30 June 2017	0	13,821	4,540

9 Property, plant and equipment

DKK'000	Leasehold improve-ments	Other fixtures and fittings, tools and equipment
Cost as at 1 July 2017	2,484	6,559
Additions in the year	1,280	-
Cost as at 30 June 2018	3,764	6,559
Amortisation as at 1 July 2017	-2,442	-6,238
Total amortisation, depreciation and impairment losses	-42	-321
Amortisation, depreciation and impairment losses as at 30 June 2018	-2,484	-6,559
Carrying amount as at 30 June 2018	1,280	-

10 **Construction contracts**	**2017/18**	**2016/17**
Specification of ongoing services:		
Selling price of production	9,057	8,907
Payments on account	-8,499	-19,897
	558	-10,990
Classified as follows:		
Contract work in progress	9,057	8,907
Prepayments received from client	-8,499	-19,897
	558	-10,990

11 Deferred tax asset

Deferred tax asset as at 1 July 2016	1,973	1,272
Annual adjustments of deferred tax	-1,662	701
Deferred tax asset as at 30 June 2017	311	1,973

Consolidated Financial Statements as at 1 July 2017 – 30 June 2018

Notes

DKK'000

12	**Deferred tax**	**2017/18**	**2016/17**
	Deferred tax as at 1 July 2017	7,052	7,790
	Adjustment, deferred tax	-64	-738
	Deferred tax as at 30 June 2018	6,988	7,052

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.

13	**Auditors' fee (elected at the general meeting)**		
	Audit	398	353
	Tax assistance	726	207
	Other assistance	630	1,212
	Total expenses	1,754	1,772

14	**Contractual obligations and contingents assets and liabilities**		
	Contractual obligations		
	Operating leases of office premises	34,161	37,663
	Expires due within one year	7,110	5,360
	Expires due later than one year but within 5 year	27,051	25,674
	Expires due later than 5 years	0	6,629

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 2018 apart from the ones specified above.

15 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 70.0 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.

16 Events after the balance sheet date

No events materially influencing the Group s financial position as at 30 June 2018 have occurred.

Annual Report for 1 July 2017 – 30 June 2018

Income Statement

DKK'000	Note	2017/18	2016/17
Net revenue		27,395	25,176
External expenses		-11,999	-14,313
Gross profit/loss		15,396	10,863
Staff expenses	1	-10,154	-14,064
Depreciation/amortisation	2	-13	-15
Operating profit/loss		5,229	-3,216
Income from investments in subsidiaries	3	-6,432	15,510
Financial income	4	2,012	3,319
Financial expenses	5	-7,425	-407
Profit/loss before tax		-6,616	15,206
Tax on profit/loss for the year	6	-1,171	740
Net profit/loss for the year		-7,787	15,946
Proposed distribution of profit	7		

Annual Report for 1 July 2017 – 30 June 2018

Balance Sheet

DKK'000	Note	2017/18	2016/17
ASSETS			
Fixed Assets			
Property, plant and equipment			
Other fixtures and fittings, tools and equipment	8	0	13
Total property, plant and equipment		**0**	**13**
Fixed asset investments			
Investments in subsidiaries	9	54,321	70,856
Total fixed asset investments		**54,321**	**70,856**
Total fixed assets		**54,321**	**70,869**
Current assets			
Receivables			
Trade receivables		223	0
Contract work in progress		0	93
Receivables from group enterprises		7,438	13,600
Other Receivables		2,750	0
Corporation tax		4,433	0
Prepayments	10	380	592
Total receivables		**15,224**	**14,285**
Cash at bank and in hand		**2,357**	**2,848**
Total current assets		**17,581**	**17,133**
TOTAL ASSETS		**71,902**	**88,002**

Annual Report for 1 July 2017 – 30 June 2018

Balance Sheet

DKK'000	Note	2017/18	2016/17
EQUITY AND LIABILITIES			
Equity			
Share capital		777	777
Reserve for net revaluation under the equity method		14,827	32,697
Retained earnings		30,106	24,272
Total equity		**45,710**	**57,746**
Provisions			
Deferred tax	11	7,549	7,051
Total provisions		**7,549**	**7,051**
Debt			
Trade payables		1,015	1,552
Payables to group enterprises		13,858	507
Corporation tax		0	17,485
Other payables		3,770	3,661
Total short-term debt		**18,643**	**23,205**
Total payables		**18,643**	**23,205**
TOTAL LIABILITIES AND EQUITY		71,902	88,002

Contractual obligations and contingents assets and liabilities	12
Contingent liabilities and pledged assets	13
Related parties and ownership	14
Events after the balance sheet date	15

Annual Report for 1 July 2017 – 30 June 2018

Statement of changes in equity

DKK'000

	Share capital	Net re-valuation under the equity method	Retained earnings	Total
Equity as at 30 June 2017	**777**	**32,697**	**24,272**	**57,746**
Allocation of profits	0	-6,056	-1,731	**-7,787**
Distributed dividends	0	0	-5,000	**-5,000**
Dividend from subsidiaries	0	-11,814	11,814	**0**
Exchange adjustment, foreign subsidiaries	0	0	751	**751**
Equity as at 30 June 2018	**777**	**14,827**	**30,106**	**45,710**

Share capital

The share capital consists of 776.651 shares of a nominal value of DKK 1. No shares carry special right

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

DKK'000	2017/18	2016/17	2015/16	2014/15	2013/14
Share capital	777	812	812	812	704
Raising of additional capital	0	-35	0	0	108
	777	**777**	**812**	**812**	**812**

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Notes

DKK'000	2017/18	2016/17
1 Staff expenses		
Wages and salaries	-9,972	-13,696
Other staff expenses	-111	-274
Other social security expenses	-71	-94
	-10,154	-14,064
Remuneration to the Executive Board and Board of Directors	2,316	2,316
Average number of full-time employees	12	15
2 Depreciation/amortisation		
Depreciation, property, plant and equipment	-13	-15
	-13	-15
3 Income from investments in subsidiaries and associates		
Valcon A/S - income by holding companies	-	-
Valcon Holding 1 ApS	5,072	4,204
Valcon Holding 2 ApS	1,891	-
Valcon SJN Holding ApS	3,094	2,216
Valcon KT Holding ApS	3,259	2,399
Valcon TRN Holding ApS	4,071	2,995
Noclav Design ApS	-51	-
Valcon AS (Norge)	-	-
Odense Maritime Technologies A/S	-22,459	4,945
Valcon India Ltd	-168	-113
Amortisation of goodwill, Valcon A/S	-1,141	-1,136
	-6,432	15,510

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Notes

DKK'000		2017/18	2016/17
4	**Financial income**		
	Interest, associated companies	0	34
	Gain on sale of minority shares	1,997	3,160
	Other financial income	15	125
		2,012	3,319
5	**Financial expenses**		
	Interest, associated companies	0	-47
	Loss on sale/bye of minority shares	-6,154	-51
	Other financial expenses	-1,271	-309
		-7,425	-407
6	**Tax on profit/loss for the year**		
	Current tax	-673	565
	Changes in current tax previous years	0	-526
	Changes in deferred tax provious yaers	0	526
	Changes in deferred tax	-498	175
		-1,171	740
7	**Proposed distribution of profit**		
	Retained earnings	-1,731	366
	Reserve for net revaluation under the equity method	-6,056	15,580
	Net profit/loss for the year	-7,787	15,946

Property, plant and equipment

		Other fixtures and fittings, tools and equipment
8	Cost as at 1 July 2017	205
	Cost as at 30 June 2018	205
	Amortisation, depreciation and impairment losses as at 1 July 2017	-192
	Amortisation, depreciation and impairment losses for the year	-13
	Amortisation, depreciation and impairment losses as at 30 June 2018	-205
	Carrying amount as at 30 June 2018	0

Notes

DKK'000	2017/18
9 Investments in subsidiaries	
Cost as at 1 July 2017	27,572
Additions and disposals, equity interest	1,517
Cost as at 30 June 2018	**29,089**
Value adjustment as at 1 July 2017	32,321
Exchange adjustment, foreign subsidiaries	751
Net profit/loss for the year	-5,290
Dividend from subsidiaries	-11,814
Amortisation of goodwill	-1,141
Value adjustment as at 30 June 2018	**14,827**
Carrying amount as at 30 June 2018	**43,916**

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)	-	888	32,136	-
Valcon A/S Goodwill				13,753
2) Valcon SJN Holding ApS	50.4	159	4,361	6,616
2) Valcon KT Holding ApS	55.8	161	4,301	6,969
2) Valcon TRN Holding ApS	59.4	190	5,046	8,704
2) Valcon Holding 1 ApS	50.7	277	7,359	10,844
2) Valcon Holding 2 ApS	59.0	89	0	4,043
1) Valcon AS (Norge)	100.0	169	0	-664
Odense Maritime Technology A/S	58.0	4,750	-38,981	3,392
1) Noclav Design ApS	50.1	50	-102	-26
1) Valcon India Ltd	100.0	3,182	-163	-9,715
Total				**43,916**
1) Negative net asset values are set off against receivables/payables from group enterprises.				10,405
Carrying amount as at 30 June 2018				**54,321**

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 54.3%.

Name and registered office	
Valcon A/S, Valcon SJN Holding ApS, Valcon KT Holding ApS, Valcon TRN Holding ApS, Valcon Holding 1 ApS, Valcon Holding 2 ApS and Noclav Design ApS	Meldahlsgade 5, 1613 Copenhagen, 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**	**2017/18**	**2016/17**
Insurance	359	238
Other prepayment	21	354
Prepayments at 30 June 2018	380	592

11 **Deferred tax**	**2017/18**	**2016/17**
Goodwill	146	339
Prepayments	-84	-130
Operating equipment	856	804
International re-taxation balance	-8,467	-8,064
Deferred tax as at 30 June 2018	-7,549	-7,051

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 2018.

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 8.5 million as at 30 June 2018. 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 2018 have occurred.