

FUGLSANG CONSULT APS
HØRMESTEDVEJ 130, HØRMESTED, 9870 SINDAL
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2016

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 12 June 2017**

Peter Fuglsang

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

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COMPANY DETAILS

| | |
|----------------------------|--|
| Company | Fuglsang Consult ApS Hørmestedvej 130, Hørmested 9870 Sindal |
| | CVR no.: 29 22 28 27 |
| | Established: 30 December 2005 |
| | Registered Office: Hjørring |
| | Financial Year: 1 January - 31 December |
| Board of Executives | Peter Fuglsang |
| Auditor | BDO Statsautoriseret revisionsaktieselskab Nørrebro 15 9800 Hjørring |
| Bank | Spar Nord Bank A/S Danmarksgade 48 9900 Frederikshavn |

STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of Fuglsang Consult ApS for the year 1 January - 31 December 2016.

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

In my opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

The Management's Review includes in my opinion a fair presentation of the matters dealt with in the review.

I recommend the Annual Report be approved at the Annual General Meeting.

Sindal, 12 June 2017

Board of Executives

Peter Fuglsang

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Fuglsang Consult ApS

Opinion

We have audited the Financial Statements of Fuglsang Consult ApS for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

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 Company 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of 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 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

INDEPENDENT AUDITOR'S REPORT

- 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.

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.

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, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Hjørring, 12 June 2017

BDO Statsautoriseret revisionsaktieselskab
CVR-nr. 20 22 26 70

Jann S. Mikkelsen
State Authorised Public Accountant

MANAGEMENT'S REVIEW

Principal activities

The company's principal activities comprise holding activities and other trade and investment activities.

Development in activities and financial position

No changes to principal activities during the year.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

| | Note | 2016 DKK | 2015 DKK '000 |
|---|-------------|---------------------|--------------------------|
| GROSS PROFIT..... | | 972.731 | 987 |
| Staff costs..... | 1 | -827.557 | -828 |
| Depreciation, amortisation and impairment..... | | -4.308 | -3 |
| OPERATING PROFIT..... | | 140.866 | 156 |
| Result of equity investments in group and associates..... | | 161.274 | -1.609 |
| Other financial income..... | | 64.386 | 63 |
| Other financial expenses..... | | -25.260 | -29 |
| PROFIT BEFORE TAX..... | | 341.266 | -1.419 |
| Tax on profit/loss for the year..... | 2 | -52.724 | -46 |
| PROFIT FOR THE YEAR..... | | 288.542 | -1.465 |
| PROPOSED DISTRIBUTION OF PROFIT | | | |
| Allocation to reserve for net revaluation according to equity va. | | 161.274 | -1.609 |
| Accumulated profit..... | | 127.268 | 144 |
| TOTAL..... | | 288.542 | -1.465 |

BALANCE SHEET AT 31 DECEMBER

| ASSETS | Note | 2016 DKK | 2015 DKK '000 |
|--|----------|------------------|------------------|
| Other plant, machinery, tools and equipment..... | | 1.844 | 3 |
| Tangible fixed assets..... | 3 | 1.844 | 3 |
| Equity investments in associated enterprises..... | | 3.276.372 | 3.132 |
| Fixed asset investments..... | 4 | 3.276.372 | 3.132 |
| FIXED ASSETS..... | | 3.278.216 | 3.135 |
| Trade receivables..... | | 116.790 | 69 |
| Receivables from associated enterprises..... | | 1.671.437 | 1.607 |
| Other receivables..... | | 3.698 | 1 |
| Receivables..... | | 1.791.925 | 1.677 |
| Cash and cash equivalents..... | | 18.245 | 19 |
| CURRENT ASSETS..... | | 1.810.170 | 1.696 |
| ASSETS..... | | 5.088.386 | 4.831 |
| EQUITY AND LIABILITIES | | | |
| Share capital..... | | 125.000 | 125 |
| Reserve for net revaluation according to equity valuation..... | | 3.201.372 | 3.057 |
| Retained profit..... | | 1.181.563 | 1.054 |
| EQUITY..... | 5 | 4.507.935 | 4.236 |
| Bank debt..... | | 119.321 | 67 |
| Corporation tax..... | | 4.708 | 0 |
| Other liabilities..... | | 456.422 | 528 |
| Current liabilities..... | | 580.451 | 595 |
| LIABILITIES..... | | 580.451 | 595 |
| EQUITY AND LIABILITIES..... | | 5.088.386 | 4.831 |
| Charges and securities | 6 | | |

NOTES

| | 2016 DKK | 2015 DKK '000 | Note |
|--|----------------|---|----------|
| Staff costs | | | 1 |
| Average number of employees 2 (2015: 2) | | | |
| Wages and salaries..... | 827.557 | 828 | |
| | 827.557 | 828 | |
| Tax on profit/loss for the year | | | 2 |
| Calculated tax on taxable income of the year..... | 52.724 | 46 | |
| | 52.724 | 46 | |
| Tangible fixed assets | | | 3 |
| | | Other plant, machinery, tools and equipment | |
| Cost at 1 January 2016..... | | 13.644 | |
| Additions..... | | 2.823 | |
| Cost at 31 December 2016..... | | 16.467 | |
| Depreciation and impairment losses at 1 January 2016..... | | 10.315 | |
| Depreciation for the year..... | | 4.308 | |
| Depreciation and impairment losses at 31 December 2016..... | | 14.623 | |
| Carrying amount at 31 December 2016..... | | 1.844 | |
| Fixed asset investments | | | 4 |
| | | Equity investments in associated enterprises | |
| Cost at 1 January 2016..... | | 75.000 | |
| Cost at 31 December 2016..... | | 75.000 | |
| Revaluation at 1 January 2016..... | | 3.056.961 | |
| Dividend..... | | -16.863 | |
| Revaluation and impairment losses for the year..... | | 161.274 | |
| Revaluation at 31 December 2016..... | | 3.201.372 | |
| Carrying amount at 31 December 2016..... | | 3.276.372 | |

NOTES

Note

Equity

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| | Share capital | Reserve for net revaluation according to equity valuation | Retained profit | Total |
|--|----------------|--|--------------------|------------------|
| Equity at 1 January 2016..... | 125.000 | 3.056.961 | 1.054.295 | 4.236.256 |
| Value adjustments of equity..... | | -16.863 | | -16.863 |
| Proposed distribution of profit..... | | 161.274 | 127.268 | 288.542 |
| Equity at 31 December 2016..... | 125.000 | 3.201.372 | 1.181.563 | 4.507.935 |

Charges and securities

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Other securities, nom. DKK 75.000, for which the carrying value at 31 December 2016 was DKK 3.276.372, have been provided as security for debt to credit institutes.

ACCOUNTING POLICIES

The annual report of Fuglsang Consult ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B with additional choice of rules relating to reporting class C.

The Annual Report is prepared consistently with the accounting principles used last year.

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Investments in associates

The income statement of the owner company recognises the proportional share of the results of each associate after proportional elimination of intercompany profits/losses and deduction of amortisation of goodwill.

Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Tangible fixed assets

Other plants, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

| | Useful life | Residual value |
|---|-------------|----------------|
| Other plants, fixtures and equipment..... | 5 years | 0 % |

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments

Investments in associates are measured in the company's balance sheet under the equity method.

Investments in associates are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipments.

Consolidated goodwill is amortised over the expected useful life determined on the basis of management's experience within the individual lines of business. Consolidated goodwill is amortised on a straight-line basis over the period of amortisation which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific condition.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Associates with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds accounts receivable, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the associates' deficit.

Impairment of fixed assets

The carrying amount of tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.