

# Dangroup ApS

Englandsvej 14, 5700 Svendborg

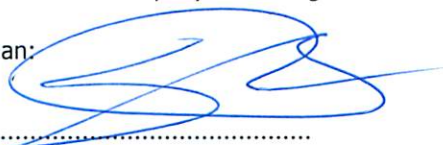
CVR no. 29 93 07 59



## Annual report 2015

Approved at the Company's annual general meeting on 29 March 2016

Chairman:



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## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Dangroup ApS for the financial year 1 January - 31 December 2015.

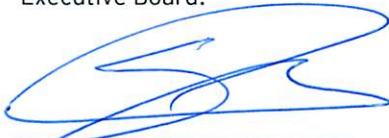
The annual report has been prepared in accordance with the Danish Financial Statements Act.

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

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

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

Svendborg, 29 March 2016  
Executive Board:

A handwritten signature in blue ink, appearing to be 'Søren Pedersen', written over a horizontal line.

Søren Pedersen

## Independent auditors' report

To the shareholders of Dangroup ApS

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

We have audited the consolidated financial statements and the parent company financial statements of Dangroup ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the parent company and consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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

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

### *Auditors' responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

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

Our audit has not resulted in any qualification.

### *Opinion*

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

## Independent auditors' report

### Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Odense, 29 March 2016  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Brian Skovhus Jakobsen  
State Authorised  
Public Accountant



Morten Schougaard Sørensen  
State Authorised  
Public Accountant

## Management's review

### Company details

|                         |   |
|-------------------------|---|
| Name                    | Dangroup ApS  |
| Address, zip code, city | Englandsvej 14, DK-5700 Svendborg   |
| CVR no.                 | 29 93 07 59   |
| Established             | 30 September 2006   |
| Registered office       | Svendborg   |
| Financial year          | 1 January - 31 December (10 <sup>th</sup> financial year)                           |
| Website                 | <a href="http://www.dangroup-holding.com">www.dangroup-holding.com</a>              |
| E-mail                  | <a href="mailto:contact@dangroup-holding.com">contact@dangroup-holding.com</a>      |
| Telephone               | +45 62 21 17 66   |
| Telefax                 | +45 62 21 17 65   |
| Executive Board         | Søren Pedersen  |
| Auditors                | Ernst & Young Godkendt Revisionspartnerselskab<br>Englandsgade 25, DK-5000 Odense C |

## Management's review

### Financial highlights for the Group

| DKK'000   | 2015           | 2014           | 2013          | 2012           | 2011          |
|---|----------------|----------------|---------------|----------------|---------------|
| <b>Key figures</b>  |                |                |               |                |               |
| Revenue   | 707,637        | 451,165        | 518,244       | 489,555        | 410,702       |
| Gross profit  | 94,386         | 53,097         | 72,373        | 67,196         | 55,336        |
| Ordinary operating profit                                       | 39,436         | -1,468         | 30,046        | 30,134         | 24,833        |
| Profit/loss from financial income and expense                   | 4,342          | 4,952          | -3,067        | 764            | 1,992         |
| <b>Profit for the year</b>                                      | <b>31,676</b>  | <b>2,985</b>   | <b>18,349</b> | <b>22,668</b>  | <b>20,121</b> |
| <b>The Group's share of profit for the year</b>                 | <b>33,368</b>  | <b>5,702</b>   | <b>18,838</b> | <b>22,668</b>  | <b>20,121</b> |
| Total assets  | 240,512        | 206,268        | 198,177       | 176,449        | 170,507       |
| Portion relating to investment in property, plant and equipment | 4,010          | 6,726          | 677           | 2,416          | 1,613         |
| <b>Equity</b>   | <b>68,190</b>  | <b>52,093</b>  | <b>64,490</b> | <b>67,608</b>  | <b>65,042</b> |
| <b>Equity incl. non-controlling interests</b>                   | <b>69,087</b>  | <b>52,661</b>  | <b>68,372</b> | <b>67,608</b>  | <b>65,042</b> |
| Cash flows from operating activities                            | 17,020         | 2,583          | 25,938        | 10,417         | 31,839        |
| Net cash flows from investing activities                        | -7,427         | -5,641         | -1,953        | -2,108         | -4,873        |
| Cash flows from financing activities                            | -26,702        | -15,083        | -13,379       | -20,295        | -10,379       |
| <b>Total cash flows</b>   | <b>-17,109</b> | <b>-18,141</b> | <b>10,606</b> | <b>-11,986</b> | <b>16,587</b> |
| <b>Financial ratios</b>   |                |                |               |                |               |
| Return on invested capital                                      | 49.3 %         | -2.3 %         | 50.5 %        | 60.8 %         | 56.1 %        |
| Return on invested capital<br>Ex. cost related to restructuring | 51.4 %         | 1.1 %          | 50.5 %        | 60.8 %         | 56.1 %        |
| Equity ratio  | 28.7 %         | 25.5 %         | 34.5 %        | 38.3 %         | 38.1 %        |
| Return on equity  | 52.0 %         | 4.9 %          | 27.0 %        | 34.2 %         | 33.5 %        |
| <b>Average number of full-time employees</b>                    |                |                |               |                |               |
|   | <b>86</b>      | <b>89</b>      | <b>70</b>     | <b>71</b>      | <b>58</b>     |

The financial ratios have been prepared in accordance with the Finansforeningens' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

## Management's review

### Operating review

#### Principal activities of the Group

The Group's principal activities comprise the sale of IT equipment, and other high-technology equipment for emergency aid and development projects and B2B in the third world.

#### Development in activities and financial matters

The Group reported a profit of DKK 33,368 thousand (2014: DKK 5,702 thousand), which Management finds very satisfactory and in line with expectations and much better than last year's performance.

The reasons for this increase in profitability are mainly related to the fact that the profitability in the IT equipment subsidiaries came back to previous year's level in 2015, and even exceeded historical profits, as the activity increased significantly, and the operational expenses were stabilized.

The net losses in the subsidiary within the field of unmanned aircraft systems amounted for a net loss of DKK 10,288 thousands (2014 net loss: DKK 7,692 thousands).

The Group enjoyed positive cash flows from its operating activities of DKK 17,020 thousand (2014: DKK 2,583 thousand). The main reason for the increase in cash flow compared with last year is the significant improvement in cash generated from operations, combined with an increase in interests paid and income tax paid from the higher activity and profit level in 2015.

Cash and cash equivalents end of the year amounted to DKK -1,817 thousands, which Management finds satisfactory, as the company paid DKK 20,000 thousands in dividends to the shareholders. The company has sufficient short-term credit lines in place with its main banks, to continue activity on the high level, experienced in 2015.

The group continued to invest in 2015, both in current and non-current assets in all subsidiaries and within all activities, with a total of DKK 7,427 thousand.

The group comprises five Danish subsidiaries, two US subsidiaries, one subsidiary in Uganda and two subsidiaries in Switzerland. For further information on equity and results in the individual companies, reference is made to note 10.

The group acquired additional 14.27 % of the shares in Sky-Watch A/S, Rebil during the year 2015. After the acquisition, the group holds a stake of 91.11 % and the company is therefore part of the consolidated accounts as in 2014.

The group has significant development activities within the field of unmanned aircraft systems.

### Outlook

The Group expects to enjoy a positive development in 2016 and a profit above the 2015 level, as the activity in the IT equipment subsidiaries expects to maintain at least the same activity level as last year. Further, the group has decided to merge the 2 IT equipment subsidiaries, which will have a positive effect on margins, operational expenses and consequently efficiency and net earnings.

It is further expected, that the subsidiary with-in the field of unmanned aircraft systems, will have a significantly increase in the sales level and research- & development activities, as the market seem to be mature by now, and the unmanned aircraft system business is consequently expected to be almost at a break-even level in 2016.

### Events after the balance sheet date

No events have occurred after the balance sheet date affecting considerably the 2015 annual report.

In January 2016, the unmanned aircraft division has bought the activities from Little Smart Things in Denmark.



## Management's review

### Operating review

#### Risks

##### Currency risks

Due to activities abroad, profit, cash flows and equity are affected by the development in exchange rates and interest rates for a number of currencies. It is group policy to hedge commercial currency risks. Speculative currency transactions are not made.

##### Trade receivables

The company's credit period is generally long, as the company trades with emergency aid organisations. The payment pattern is typical of the industry. The required provision for bad debts has been made, and it is our assessment that trade receivables are not subject to any special risks.

##### Corporate Social Responsibility

The Dangroup Group has a decentralised structure with four divisions, and the CSR work is anchored in the individual divisions and not in Dangroup A/S.

Generally, the Group's CSR policy relies on UN's Global Compact.

As to Danoffice ApS, reference is made to Communication on Progress, which is available at [www.danoffice.com](http://www.danoffice.com) and as to Advizing IT ApS, reference is made to the description of CSR at [www.advizingit.com](http://www.advizingit.com).

Anthea Technologies ApS and Sky-Watch A/S are in a product development phase and the CSR policy will be developed as the activities of the companies increase. The policy will rely on UN's Global Compact.

##### Goals and policies regarding gender quotation

The Group has no Board of Directors and the Executive Board consists of one member. Therefore no goals and policies regarding gender quotation have been set up.

The company has only two employees and therefore no goals have been set up related to gender quotation on other executive levels as well.

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Income statement

| Note | DKK'000   | Consolidated  |               | Parent company |              |
|------|---|---------------|---------------|----------------|--------------|
|      |   | 2015          | 2014          | 2015           | 2014         |
| 2    | Revenue   | 707,637       | 451,165       | 6,054          | 6,080        |
|      | Cost of sales   | -598,340      | -381,668      | 0              | 0            |
| 3    | Other external costs  | -14,911       | -16,400       | -2,310         | -3,379       |
|      | <b>Gross profit</b>   | <b>94,386</b> | <b>53,097</b> | <b>3,744</b>   | <b>2,701</b> |
| 4    | Staff costs   | -48,160       | -48,266       | -2,218         | -2,067       |
|      | Cost related to restructuring                                   | -1,652        | -2,139        | 0              | 0            |
|      | Depreciation  | -5,137        | -4,160        | -1,377         | -1,065       |
|      | <b>Operating profit</b>   | <b>39,437</b> | <b>-1,468</b> | <b>149</b>     | <b>-431</b>  |
|      | Share of profit in subsidiaries after tax                       | 0             | 0             | 33,976         | 6,140        |
| 5    | Financial income  | 6,277         | 7,238         | 654            | 386          |
| 6    | Financial expenses  | -1,935        | -2,286        | -1,148         | -1,218       |
|      | <b>Profit before tax</b>  | <b>43,779</b> | <b>3,484</b>  | <b>33,631</b>  | <b>4,877</b> |
| 7    | Tax on profit for the year                                      | -12,103       | -499          | -263           | 825          |
|      | <b>Profit for the year</b>                                      | <b>31,676</b> | <b>2,985</b>  | <b>33,368</b>  | <b>5,702</b> |
|      | Non-controlling interests' share of the results of subsidiaries | 1,692         | 2,717         | 0              | 0            |
|      |   | <b>33,368</b> | <b>5,702</b>  | <b>33,368</b>  | <b>5,702</b> |
|      | <b>Proposed profit appropriation</b>                            |               |               |                |              |
|      | Interim dividends   |               |               | 20,000         | 0            |
|      | Proposed dividends  |               |               | 8,000          | 0            |
|      | Reserve for net revaluation under the equity method             |               |               | 7,162          | 5,528        |
|      | Retained earnings   |               |               | -1,794         | 174          |
|      |   |               |               | <b>33,368</b>  | <b>5,702</b> |

Consolidated financial statements and parent company financial statements for  
the period 1 January - 31 December

Balance sheet

| Note | DKK'000                                    | Consolidated   |                | Parent company |               |
|------|--|----------------|----------------|----------------|---------------|
|      |  | 2015           | 2014           | 2015           | 2014          |
|      | <b>ASSETS</b>                              |                |                |                |               |
|      | <b>Non-current assets</b>                  |                |                |                |               |
| 8    | <b>Intangible assets</b>                   |                |                |                |               |
|      | Development projects                       | 7,699          | 6,687          | 0              | 0             |
|      | Goodwill                                   | 6,095          | 6,927          | 0              | 0             |
|      |  | <u>13,794</u>  | <u>13,614</u>  | <u>0</u>       | <u>0</u>      |
| 9    | <b>Property, plant and equipment</b>       |                |                |                |               |
|      | Land and buildings                         | 14,728         | 15,113         | 14,728         | 15,113        |
|      | Fixtures and fittings, tools and equipment | 5,742          | 3,721          | 148            | 150           |
|      |  | <u>20,470</u>  | <u>18,834</u>  | <u>14,873</u>  | <u>15,263</u> |
|      | <b>Investments</b>                         |                |                |                |               |
| 10   | Investments in subsidiaries                | 0              | 0              | 88,690         | 65,108        |
|      |  | <u>0</u>       | <u>0</u>       | <u>88,690</u>  | <u>65,108</u> |
|      | <b>Total non-current assets</b>            | <u>34,264</u>  | <u>32,448</u>  | <u>103,563</u> | <u>80,371</u> |
|      | <b>Current assets</b>                      |                |                |                |               |
|      | <b>Inventories</b>                         |                |                |                |               |
|      | Finished goods and goods for resale        | 12,639         | 13,050         | 0              | 0             |
|      | Goods in transit                           | 7,909          | 7,649          | 0              | 0             |
|      |  | <u>20,548</u>  | <u>20,699</u>  | <u>0</u>       | <u>0</u>      |
|      | <b>Receivables</b>                         |                |                |                |               |
|      | Trade receivables                          | 154,061        | 118,766        | 661            | 722           |
|      | Prepayments                                | 1,023          | 1,054          | 0              | 0             |
|      | Amounts owed by associated companies       | 0              | 0              | 4,200          | 8,713         |
| 14   | Deferred tax asset                         | 814            | 941            | 0              | 0             |
|      | Corporation tax                            | 0              | 549            | 0              | 518           |
| 12   | Other receivables                          | 20,867         | 12,031         | 0              | 21            |
| 11   | Prepayments                                | 348            | 129            | 67             | 7             |
|      |  | <u>177,114</u> | <u>133,470</u> | <u>4,928</u>   | <u>9,981</u>  |
|      | <b>Cash at bank and in hand</b>            | <u>8,587</u>   | <u>19,651</u>  | <u>5,054</u>   | <u>11</u>     |
|      | <b>Total current assets</b>                | <u>206,249</u> | <u>173,820</u> | <u>9,982</u>   | <u>9,992</u>  |
|      | <b>TOTAL ASSETS</b>                        | <u>240,512</u> | <u>206,268</u> | <u>113,545</u> | <u>90,363</u> |

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Balance sheet

| Note | DKK'000   | Consolidated  |                | Parent company |               |
|------|---|---|----------------|----------------|---------------|
|      |   | 2015  | 2014           | 2015           | 2014          |
|      |   |   |                |                |               |
|      |   | <b>EQUITY AND LIABILITIES</b>   |                |                |               |
|      |   | <b>Equity</b>   |                |                |               |
| 13   | Share capital                                       | 125   | 125            | 125            | 125           |
|      | Reserve for net revaluation under the equity method | 0   | 0              | 37,365         | 30,203        |
|      | Retained earnings                                   | 60,065  | 51,968         | 22,700         | 21,765        |
|      | Proposed dividends                                  | 8,000   | 0              | 8,000          | 0             |
|      | <b>Total equity</b>                                 | <b>68,190</b>   | <b>52,093</b>  | <b>68,190</b>  | <b>52,093</b> |
|      | <b>Non-controlling interests</b>                    | <b>897</b>  | <b>568</b>     | <b>0</b>       | <b>0</b>      |
|      |   |   |                |                |               |
|      |   | <b>Provisions</b>   |                |                |               |
| 14   | Deferred tax  | 0   | 0              | 5,947          | 4,767         |
|      | <b>Total provisions</b>                             | <b>0</b>  | <b>0</b>       | <b>5,947</b>   | <b>4,767</b>  |
|      |   |   |                |                |               |
|      |   | <b>Liabilities other than provisions</b>                                |                |                |               |
|      |   | <b>Non-current liabilities other than provisions</b>                    |                |                |               |
| 15   | Mortgage credit institutions                        | 28,940  | 34,405         | 27,440         | 27,905        |
|      |   | 28,940  | 34,405         | 27,440         | 27,905        |
|      |   |   |                |                |               |
|      |   | <b>Current liabilities other than provisions</b>                        |                |                |               |
|      |   | <b>Current portion of non-current liabilities other than provisions</b> |                |                |               |
| 15   | Bank loans and overdrafts                           | 4,389   | 1,075          | 3,775          | 449           |
|      | Prepayments received from customers                 | 6,015   | 3,284          | 5              | 297           |
|      | Trade payables                                      | 1,944   | 7,263          | 0              | 0             |
|      | Amounts owed to subsidiaries                        | 117,840   | 99,253         | 505            | 459           |
|      | Corporation tax                                     | 0   | 0              | 3,189          | 2,526         |
|      | Other payables                                      | 2,892   | 0              | 2,893          | 0             |
|      | Deferred income                                     | 8,540   | 7,035          | 735            | 575           |
|      |   | 866   | 1,292          | 866            | 1,292         |
|      |   | 142,486   | 119,202        | 11,969         | 5,598         |
|      | <b>Total liabilities other than provisions</b>      | <b>171,426</b>  | <b>153,607</b> | <b>39,409</b>  | <b>33,503</b> |
|      | <b>TOTAL EQUITY AND LIABILITIES</b>                 | <b>240,512</b>  | <b>206,268</b> | <b>113,545</b> | <b>90,363</b> |

- 1 Accounting policies
- 16 Contingencies, etc.
- 17 Charges and collateral
- 18 Related parties

Consolidated financial statements and parent company financial statements for  
the period 1 January - 31 December

Statement of changes in equity

| DKK'000   | Consolidated  |                   |                    | Total         |
|---|---------------|-------------------|--------------------|---------------|
|   | Share capital | Retained earnings | Proposed dividends |               |
| Equity at 1 January 2014                                      | 125           | 46,365            | 18,000             | 64,490        |
| Dividends   | 0             | 0                 | -18,000            | -18,000       |
| Foreign exchange adjustment of opening equity in subsidiaries | 0             | -99               | 0                  | -99           |
| Transferred from profit for the year                          | 0             | 5,702             | 0                  | 5,702         |
| <b>Equity at 1 January 2015</b>                               | <b>125</b>    | <b>51,968</b>     | <b>0</b>           | <b>52,093</b> |
| Dividends   | 0             | 0                 | 20,000             | 20,000        |
| Dividends distributed   | 0             | 0                 | -20,000            | -20,000       |
| Foreign exchange adjustment of opening equity in subsidiaries | 0             | 2,729             | 0                  | 2,729         |
| Transferred from profit for the year                          | 0             | 5,368             | 8,000              | 13,368        |
| <b>Equity at 31 December 2015</b>                             | <b>125</b>    | <b>60,065</b>     | <b>8,000</b>       | <b>68,190</b> |

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Statement of changes in equity

| DKK'000                                       | Parent company |   |                   |                    |         |
|---|----------------|---|-------------------|--------------------|---------|
|   | Share capital  | Reserve for net revaluation under the equity method | Retained earnings | Proposed dividends | Total   |
| Equity at 1 January 2014                      | 125            | 24,774  | 21,591            | 18,000             | 64,490  |
| Dividends                                     | 0              | 0   | 0                 | -18,000            | -18,000 |
| Foreign exchange adjustment of opening equity | 0              | -43   | 0                 | 0                  | -43     |
| Foreign exchange adjustments                  | 0              | -56   | 0                 | 0                  | -56     |
| Transferred, see profit appropriation         | 0              | 5,528   | 174               | 0                  | 5,702   |
| Equity at 1 January 2015                      | 125            | 30,203  | 21,765            | 0                  | 52,093  |
| Dividends                                     | 0              | 0   | 0                 | 20,000             | 20,000  |
| Dividends distributed                         | 0              | 0   | 0                 | -20,000            | -20,000 |
| Foreign exchange adjustments                  | 0              | 0   | 2,729             | 0                  | 2,729   |
| Transferred, see profit appropriation         | 0              | 7,162   | -1,794            | 8,000              | 13,368  |
| Equity at 31 December 2015                    | 125            | 37,365  | 22,700            | 8,000              | 68,190  |

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Cash flow statement

| Note | DKK'000   | Consolidated   |                |
|------|---|----------------|----------------|
|      |   | 2015           | 2014           |
|      | Operating profit  | 39,436         | -1,468         |
|      | Depreciation and amortisation   | 5,137          | 4,160          |
|      | Cash generated from operations (operating activities) before changes in working capital | 44,573         | 2,692          |
| 19   | Changes in working capital  | -23,974        | -4,700         |
|      | Cash generated from operations (operating activities)                                   | 20,599         | -2,008         |
|      | Interest received   | 6,277          | 7,238          |
|      | Interest paid   | -1,935         | -2,286         |
|      | Cash generated from operations (ordinary activities)                                    | 24,941         | 2,944          |
|      | Corporation tax paid  | -7,921         | -361           |
|      | <b>Cash flows from operating activities</b>   | <b>17,020</b>  | <b>2,583</b>   |
|      | Acquisition of property, plant and equipment  | -4,010         | -6,726         |
|      | Disposal of property, plant and equipment   | 0              | 1,085          |
|      | Acquisitions of intangible assets   | -3,417         | 0              |
|      | <b>Cash flows from investing activities</b>   | <b>-7,427</b>  | <b>-5,641</b>  |
|      | External financing:   |                |                |
|      | Repayment of long-term debt   | -5,465         | -735           |
|      | Proceeds from mortgage loans  | 0              | 4,250          |
|      | Shareholders:   |                |                |
|      | Dividends paid  | -20,000        | -18,000        |
|      | Purchase of non-controlling interests   | -1,237         | -598           |
|      | <b>Cash flows from financing activities</b>   | <b>-26,702</b> | <b>-15,083</b> |
|      | <b>Net cash flows from operating, investing and financing activities</b>                | <b>-17,109</b> | <b>-18,141</b> |
|      | Cash and cash equivalents at 1 January  | 15,292         | 33,433         |
|      | <b>Cash and cash equivalents at 31 December</b>   | <b>-1,817</b>  | <b>15,292</b>  |

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements and the parent company financial statements.

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Dangroup ApS for 2015 has been prepared in accordance with the provisions applying to reporting class C enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last year.

#### Consolidated financial statements

The consolidated financial statements comprise the parent company, Danoffice ApS, and subsidiaries in which Danoffice ApS directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls. Enterprises in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, see the group chart.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

#### Business combinations

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the acquisition method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (negative goodwill), representing an anticipated adverse development in the acquired enterprises, is recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised. Negative goodwill not related to any anticipated adverse development is recognised in the balance sheet at an amount corresponding to the fair value of non-monetary assets. The amount is subsequently recognised in the income statement over the average useful lives of the non-monetary assets.

Goodwill and negative goodwill from acquired enterprises can be adjusted until the end of the year following the year of acquisition.



## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Intra-group business combinations

In connection with business combinations such as acquisition and disposal of equity investments, mergers, demergers, addition of assets and exchange of shares, etc., 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. Moreover, comparative figures for previous financial years are restated.

##### Non-controlling interests

In the consolidated financial statements, the items of subsidiaries are recognised in full. The non-controlling interests' proportionate shares of the subsidiaries' results and equity are adjusted annually and recognised separately in the income statement and balance sheet.

##### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

##### Derivative financial instruments

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

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement on a regular basis.

Changes in the fair value of derivative financial instruments used to hedge net investments in independent foreign subsidiaries or associates are recognised directly in equity.

### Income statement

#### Revenue

Income from the sale of goods for resale is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties.

Revenue is measured at fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

#### Profits/losses from investments in subsidiaries and associates

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

The proportionate share of the results after tax of the associates is recognised in both the consolidated income statement and the parent company income statement after elimination of the proportionate share of intra-group profits/losses.

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Tax on profit/loss for the year

The parent company is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements and up to the date on which they exit the consolidation.

The parent company is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year - due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

##### Balance sheet

##### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Fixtures and fittings, tools and equipment 2-10 years

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

## Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured under the equity method.

Investments in subsidiaries and associates are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries and associates with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries and associates is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Danoffice ApS are not recognised in the reserve for net revaluation.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

##### Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses based on an individual assessment of receivables.

##### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

##### Equity

###### *Reserve for net revaluation according to the equity method*

Net revaluation of investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### *Dividends*

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

##### **Corporation tax and deferred tax**

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

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

##### **Liabilities other than provisions**

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities are measured at net realisable value.

##### **Cash flow statement**

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes 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 acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

##### Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

##### Cash flows from financing activities

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

##### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to an insignificant risk of changes in value.

##### Financial ratios

Financial ratios are calculated in accordance with the Finansforeningens' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

|                            |  |
|----------------------------|--|
| Return on invested capital | $\frac{\text{Operating profit} \times 100}{\text{Average invested capital}}$                   |
| Equity ratio               | $\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$ |
| Return on equity           | $\frac{\text{Profit from ordinary activities after tax} \times 100}{\text{Average equity}}$    |

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 2 Segment information

The group has only one segment.

#### 3 Fees paid to auditors appointed at the annual general meeting

Other external costs comprise fees paid to the auditor appointed at the general meeting. Fee regarding statutory audit of DKK 155 thousand, tax assistance of DKK 42 thousand, assurance engagements of DKK 60 thousand and non-audit fees of DKK 316 thousand, total amounts to DKK 573 thousand (2014: DKK 773 thousand).

| DKK'000  | Consolidated  |               | Parent company |              |
|--|---------------|---------------|----------------|--------------|
|  | 2015          | 2014          | 2015           | 2014         |
| <b>4 Staff costs and incentive programmes</b>                  |               |               |                |              |
| Wages and salaries   | 44,533        | 44,264        | 1,964          | 1,791        |
| Pensions   | 2,554         | 2,465         | 136            | 130          |
| Other social security costs                                    | 1,051         | 1,535         | 11             | 11           |
| Other staff costs  | 1,613         | 1,446         | 108            | 135          |
| Thereof capitalised under development projects and inventories | -1,590        | -1,444        | 0              | 0            |
|  | <u>48,161</u> | <u>48,266</u> | <u>2,219</u>   | <u>2,067</u> |
| Average number of full-time employees                          | <u>86</u>     | <u>89</u>     | <u>2</u>       | <u>2</u>     |
| <b>5 Financial income</b>                                      |               |               |                |              |
| Interest income from associated companies                      | 0             | 0             | 212            | 216          |
| Foreign exchange gains   | 5,755         | 7,079         | 0              | 34           |
| Interest income, SKAT  | 8             | 0             | 0              | 0            |
| Other interest income  | 514           | 159           | 442            | 136          |
|  | <u>6,277</u>  | <u>7,238</u>  | <u>654</u>     | <u>386</u>   |
| <b>6 Financial expenses</b>                                    |               |               |                |              |
| Interest expense to associated companies                       | 0             | 0             | 35             | 118          |
| Foreign exchange losses  | 363           | 320           | 35             | 0            |
| Other interest expense   | 1,572         | 1,966         | 1,078          | 1,100        |
|  | <u>1,935</u>  | <u>2,286</u>  | <u>1,148</u>   | <u>1,218</u> |
| <b>7 Tax on profit for the year</b>                            |               |               |                |              |
| Current tax for the year                                       | 10,202        | -3,070        | -917           | -144         |
| Current joint taxation contribution                            | 0             | 0             | 0              | 162          |
| Adjustment of deferred tax                                     | 1,792         | 2,750         | 1,180          | 807          |
| Foreign exchange adjustments                                   | 109           | -179          | 0              | 0            |
|  | <u>12,103</u> | <u>-499</u>   | <u>263</u>     | <u>825</u>   |

Consolidated financial statements and parent company financial statements for  
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Notes to the financial statements

8 Intangible assets

| DKK'000  | Consolidated        |            |        |
|--|---------------------|------------|--------|
|  | Development project | Goodwill   | Total  |
| Cost at 1 January 2015                                 | 10,646              | 7,600      | 18,246 |
| Additions  | 3,254               | 163        | 3,417  |
| Disposals  | -2,084              | 0          | 0      |
| Additions at takeover                                  | 2,084               | 0          | 0      |
| Cost at 31 December 2015                               | 13,900              | 7,763      | 21,663 |
| Impairment losses and depreciation at 1 January 2015   | 3,959               | 673        | 4,632  |
| Impairment losses in the year                          | 49                  | 0          | 49     |
| Depreciation   | 2,193               | 995        | 3,188  |
| Impairment losses and depreciation at 31 December 2015 | 6,201               | 1,668      | 7,869  |
| Carrying amount at 31 December 2015                    | 7,699               | 6,095      | 13,794 |
| Depreciated over                                       | 5 years             | 7-10 years |        |



Consolidated financial statements and parent company financial statements for  
the period 1 January - 31 December

Notes to the financial statements

9 Property, plant and equipment

| DKK'000   | Consolidated       |   |        |
|---|--------------------|---|--------|
|   | Land and buildings | Fixture and fittings,<br>other plant and<br>equipm. | Total  |
| Cost at 1 January 2015  | 17,887             | 7,092   | 24,979 |
| Foreign currency translation adjustments,<br>foreign entities | 0                  | 341   | 341    |
| Additions   | 0                  | 4,010   | 4,010  |
| Disposals   | 0                  | -646  | -646   |
| Cost at 31 December 2015                                      | 17,887             | 10,797  | 28,684 |
| Impairment losses and depreciation at 1 January<br>2015       | 2,774              | 3,371   | 6,145  |
| Foreign currency translation adjustment, foreign<br>entities  | 0                  | 766   | 766    |
| Depreciation  | 385                | 1,564   | 1,949  |
| Disposals   | 0                  | -646  | -646   |
| Impairment losses and depreciation at<br>31 December 2015     | 3,159              | 5,055   | 8,214  |
| Carrying amount at 31 December 2015                           | 14,728             | 5,742   | 20,470 |
| Depreciated over  | 25 years           | 2-10 years  |        |

| DKK'000   | Parent company     |   |        |
|---|--------------------|---|--------|
|   | Land and buildings | Fixture and<br>fittings, other plant<br>and equipm. | Total  |
| Cost at 1 January 2015                                    | 17,887             | 1,615   | 19,502 |
| Additions   | 0                  | 74  | 74     |
| Disposals   | 0                  | -270  | -270   |
| Cost at 31 December 2015                                  | 17,887             | 1,419   | 19,306 |
| Impairment losses and depreciation at 1 January<br>2015   | 2,774              | 1,465   | 3,786  |
| Depreciation  | 385                | 76  | 454    |
| Disposals   | 0                  | -270  | -270   |
| Impairment losses and depreciation at 31 December<br>2015 | 3,159              | 1,271   | 4,430  |
| Carrying amount at 31 December 2015                       | 14,728             | 148   | 14,873 |
| Depreciated over  | 25 years           | 2-10 years  |        |

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

| DKK'000   | Parent company |               |
|---|----------------|---------------|
|   | 2015           | 2014          |
| <b>10 Investments in subsidiaries</b>                 |                |               |
| Cost at 1 January                                     | 34,906         | 30,656        |
| Additions during the year                             | 0              | 0             |
| Additions at takeover                                 | 16.499         | 4,250         |
| Disposals during the year                             | -80            | 0             |
| Cost at 31 December                                   | 51,325         | 34,906        |
| Value adjustments at 1 January                        | 30,202         | 44,774        |
| Foreign exchange adjustments                          | -1,044         | -44           |
| Value adjustments in connection with capital increase | 347            | -56           |
| Disposals during the year                             | 4,565          | 0             |
| Dividends   | -28,000        | -20,000       |
| Profit for the year                                   | 32.291         | 6,140         |
| Depreciation goodwill                                 | -996           | -612          |
| Value adjustments at 31 December                      | 37,365         | 30,202        |
| <b>Carrying amount at 31 December</b>                 | <b>88,690</b>  | <b>65,108</b> |

Investments in subsidiaries comprise goodwill of DKK 6,095 thousand that is depreciated over 10 years from 1 January 2012.

Key figures for subsidiaries at 31 December 2014:

| Name and registered office       | Stake   | Share capital | Profit for the year | Carrying amount |
|----------------------------------|---------|---------------|---------------------|-----------------|
| Danoffice ApS, Svendborg         | 100 %   | 125           | 30,475              | 57,346          |
| Danxx ApS, Svendborg             | 100 %   | 130           | -72                 | 365             |
| Advizing IT ApS, Svendborg       | 100 %   | 125           | 6,544               | 11,047          |
| Sky-Watch A/S, Rebild            | 91.11 % | 15,562        | -10,282             | 8,284           |
| Goodwill and other group changes |         |               |                     | 11,648          |
|                                  |         |               |                     | <b>88,690</b>   |

The Group acquired additional 14.27 % of the shares in Sky-Watch A/S, Rebild in 2015. After the acquisition the group holds a stake of 91.11 %.

Moreover, the group comprises the following subsidiaries, which are wholly-owned by the above subsidiaries.

| Name and registered office                   | Stake | Share capital | Profit for the year | Carrying amount |
|--|-------|---------------|---------------------|-----------------|
| Danoffice Inc., Silver Spring, Maryland, USA | 100 % | 1             | 96                  | 2,781           |
| Danoffice SA, Nyon, Switzerland              | 100 % | 609           | -10,745             | -27,828         |
| Danoffice Ltd., Kampala, Uganda              | 100 % | 125           | -449                | -3,903          |
| Advizing IT Inc., Arlington, Virginia, USA   | 100 % | 1             | 409                 | -83             |
| Advizing IT S.á.r.l., Geneve, Switzerland    | 100 % | 124           | -63                 | 85              |
| Anthea Technologies ApS, Svendborg           | 100 % | 100           | -361                | 1,099           |
|  |       |               |                     | <b>-27,849</b>  |

Consolidated financial statements and parent company financial statements for  
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Notes to the financial statements

| DKK'000               | Consolidated |            | Parent company |          |
|-----------------------|--------------|------------|----------------|----------|
|                       | 2015         | 2014       | 2015           | 2014     |
| <b>11 Prepayments</b> |              |            |                |          |
| Insurance premiums    | 92           | 122        | 0              | 7        |
| Leases                | 127          | 7          | 0              | 0        |
| Other prepaid costs   | 129          | 0          | 67             | 0        |
|                       | <u>348</u>   | <u>129</u> | <u>67</u>      | <u>7</u> |

**12 Other receivables**

Other receivables fall due for payment within one year.

**13 Share capital**

The share capital comprises 250 A-shares at a nominal value of DKK 500 and 50 B-shares at a nominal value of DKK 500. B-shares carry no voting rights. The share capital has remained unchanged during the last five years.

| DKK'000                  | Consolidated |             | Parent company |              |
|--------------------------|--------------|-------------|----------------|--------------|
|                          | 2015         | 2014        | 2015           | 2014         |
| <b>14 Deferred tax</b>   |              |             |                |              |
| Deferred tax relates to: |              |             |                |              |
| Non-current assets       | -814         | 576         | 584            | 517          |
| Current assets           | 0            | -285        | -191           | -285         |
| Tax loss carryforward    | -5,946       | -5,767      | 0              | 0            |
| Recapture balance        | 5,946        | 4,535       | 5,554          | 4,535        |
|                          | <u>-814</u>  | <u>-941</u> | <u>5,947</u>   | <u>4,767</u> |

**15 Non-current liabilities**

| DKK'000   | Consolidated                        |                                     |
|-----------|-------------------------------------|-------------------------------------|
|           | 2015                                | 2014                                |
|           | <u>Mortgage credit institutions</u> | <u>Mortgage credit institutions</u> |
| 0-1 year  | 4,389                               | 1,075                               |
| 1-5 years | 18,249                              | 9,931                               |
| > 5 years | 10,691                              | 24,474                              |
|           | <u>33,329</u>                       | <u>35,480</u>                       |

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 15 Non-current liabilities (continued)

|           | Parent company                      |                                     |
|-----------|-------------------------------------|-------------------------------------|
|           | 2015                                | 2014                                |
| DKK'000   |                                     |                                     |
|           | <b>Mortgage credit institutions</b> | <b>Mortgage credit institutions</b> |
| 0-1 year  | 3,775                               | 449                                 |
| 1-5 years | 16,749                              | 3,431                               |
| > 5 years | 10,691                              | 24,474                              |
|           | <b>31,215</b>                       | <b>28,354</b>                       |

To hedge future interest payments of non-current liabilities, the Company has concluded an interest swap totalling EUR 1,109 thousand at a fixed rate for a 10-year period. Value adjustments of the interest swap are recognised as financial income and financial expenses and are thus not treated as hedge accounting.

#### 16 Contractual obligations and contingencies, etc.

##### Contingent liabilities

As part of the company's ordinary business procedures, bank guarantees have been provided to third parties.

At 31 December 2015 bank guarantees amounted to DKK 29,317 thousand.

The parent company is jointly taxed with the Danish subsidiary. As the administrative company, together with the subsidiary, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation unit. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies' liability will increase. The Group as a whole is not liable to others.

##### Operating lease obligations

The Group's companies have entered into operating leases totaling DKK 981 thousand falling due within 5 years. (1 year: DKK 380 thousand, 2-5 years DKK 601 thousand and after 5 years DKK 0 thousand).

#### 17 Charges and collateral

As collateral for its balance with Danske Bank, the company has issued an owners' mortgage of DKK 3,400 thousand secured on lang register 6k, 6 bs, Tved By, Tved.

The company has provided a joint and several guarantee for Danoffice ApS', Advizing IT ApS', Anthea Technologies ApS' and Danxx ApS' commitments with Danske Bank up to DKK 10,000 thousand.

The company has provided guarantee for Danoffice ApS' and Danoffice Inc.'s commitments with Nordea of up to DKK 66,052 thousand.

**Consolidated financial statements and parent company financial statements for the period 1 January - 31 December**

**Notes to the financial statements**

**18 Related party disclosures**

Dangroup ApS' related parties comprise the following:

**Ownership**

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the voting rights or minimum 5% of the share capital:

Svehag ApS, Englandsvej 14, 5700 Svendborg.

Danoffice Holding ApS, Englandsvej 8, 5700 Svendborg.

| DKK'000                              | Consolidated   |               |
|--------------------------------------|----------------|---------------|
|                                      | 2015           | 2014          |
| <b>19 Changes in working capital</b> |                |               |
| Change in inventories                | 151            | 314           |
| Change in receivables                | -44,350        | -24,316       |
| Change in trade and other payables   | 20,092         | 19,432        |
| Foreign exchange adjustments         | 133            | -130          |
|                                      | <u>-23,974</u> | <u>-4,700</u> |