AH Industries

improving solutions together

AH Industries Holding A/S – CVR No 30 79 93 48

Industrivej 4, 6760 Ribe

Annual Report for 2016

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 3/5-2017

Chairman

Content

Management's Statement on the Annual Report

The Executive and Supervisory Boards have today considered and adopted the Annual Report of AH Industries Holding A/S for the financial year 1 January - 31 December 2016.

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act. Moreover, the Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with additional Danish disclosure requirements for large companies in the Danish Financial Statements Act reporting class C. Management's Review is also prepared in accordance with Danish disclosures requirements for large companies in the Danish Financial Statements Act reporting class C.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Group and the Company and of the results of the Group and Company operations and consolidated cash flows for the financial year 1 January - 31 December 2016.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Company, of the results for the year and of the financial position of the Group and the Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Company.

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

Ribe, 31 / 5 2017

Executive Board

Khud Andersen
Chief Executive Officer

Thomas Thomsen
Chief Financial Officer

Board of Directors

Nils Holger Hasse
Chairman

Frank Michael Oliver Forster
Vice Chairman

Daniel Mario Ebert

Florian Friedrich Wilhelm Muth

Finn Lausen Ebsen

Jette Okholm Vejrup

Lars Wahlqvist

Lars Wahlqvist

Independent Auditor's Report

To the Shareholders of AH Industries Holding A/S

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2016 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2016 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2016 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of AH Industries Holding A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Independent Auditor's Report

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

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

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

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

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

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

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

Trekantområdet, 31/5 2017
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen
State Authorised Public Accountant

Lasse Berg
State Authorised Public Accountant

Company Information

The Company	AH Industries Holding A/S Industrivej 4 6760 Ribe	
	CVR No:	30 79 93 48
	Financial year:	1 January - 31 December
	Webpage:	www.ah-industries.com
	Municipality of reg. office:	Esbjerg

Ownership

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

AHI Intressenter AB, 111 96 Stockholm, Sweden*
Bjert Invest A/S, Kolding Åpark 2, 6000 Kolding, Denmark
RM Group Holding A/S, Dagmarsgade 17, 6760 Ribe, Denmark
* AHI Intressenter AB is wholly owned by Ratos AB.

Board of Directors

Nils Holger Hasse, Chairman
Frank Michael Oliver Forster, Vice chairman
Daniel Mario Ebert
Florian Friedrich Wilhelm Muth
Finn Lausen Ebsen*
Jette Okholm Vejrup*
Lars Wahlqvist*
* Elected by the employees

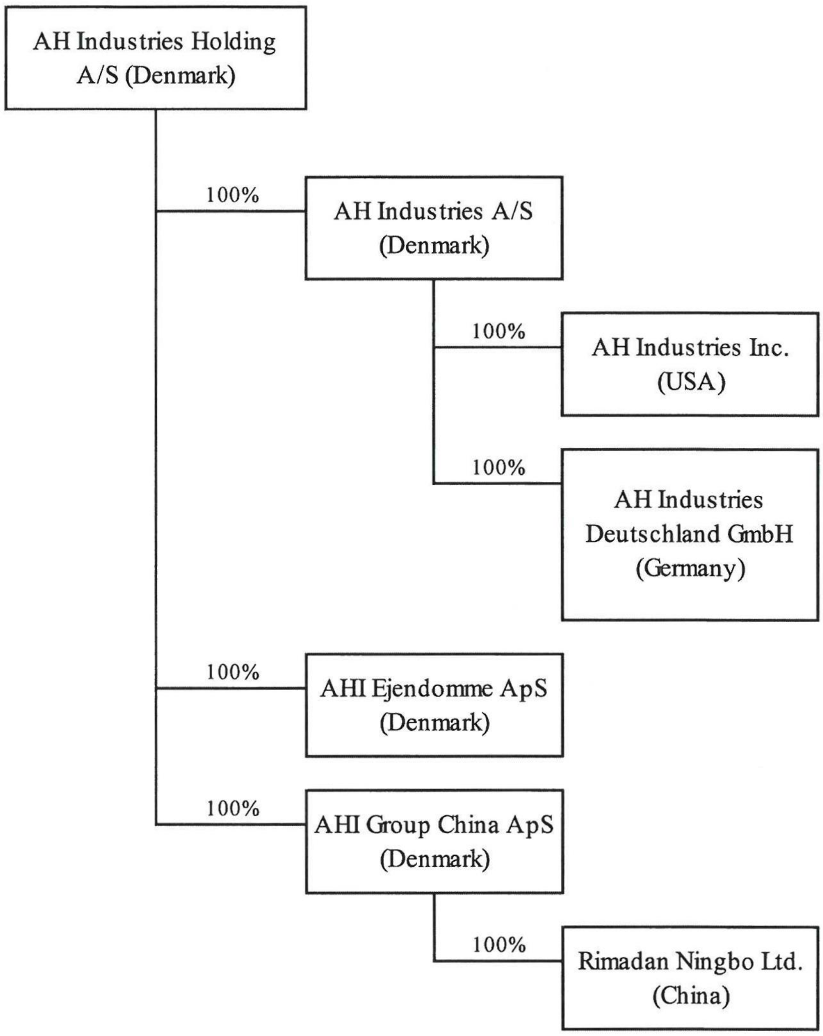
Executive Board

Knud Andersen, Chief Executive Officer
Thomas Thomsen, Chief Financial Officer

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

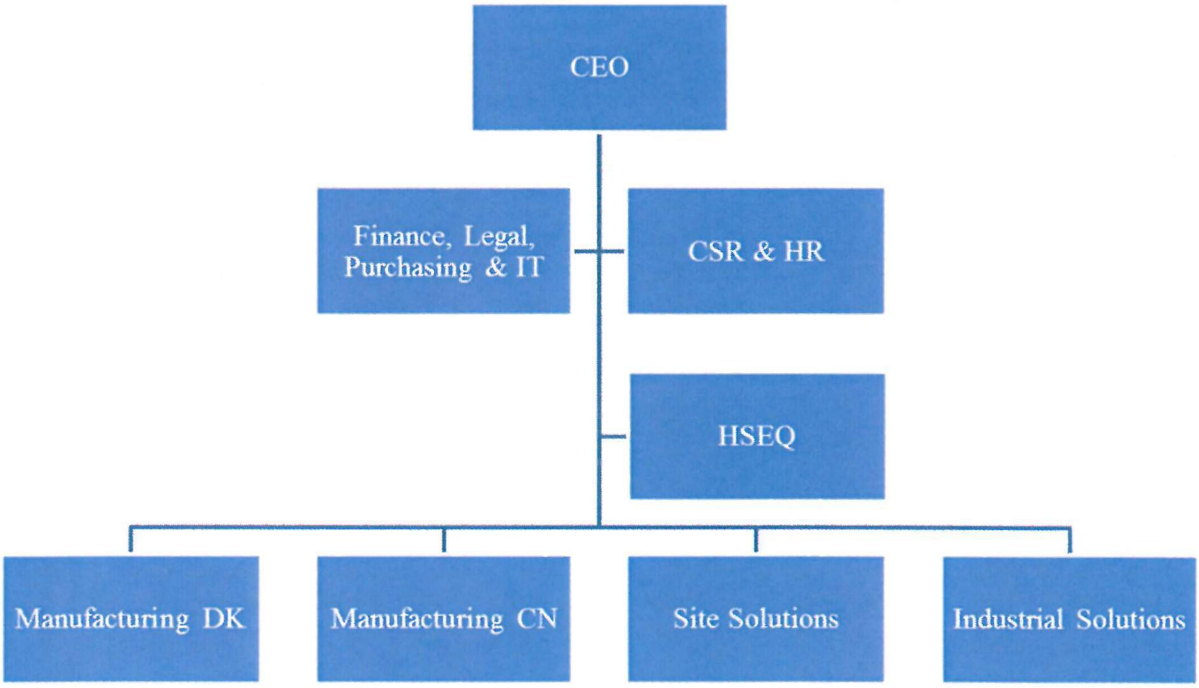
Group Chart



AH Industries Holding A/S (Denmark)
100%
AH Industries A/S (Denmark)
100%
AH Industries Inc. (USA)
100%
AH Industries Deutschland GmbH (Germany)
100%
AHI Ejendomme ApS (Denmark)
100%
AHI Group China ApS (Denmark)
100%
Rimadan Ningbo Ltd. (China)

Review

Group overview



AH Industries is a leading supplier of components, modules, systems and services to primarily the wind energy, cement and minerals as well as to offshore, marine and hydraulics customers. The company is specialised in machining of heavy metal components with high demands for precision and technical expertise. We are experts in sourcing, supply chain management, machining and assembly of steel as well as casted products particularly large and complex components, modules and systems. We develop, produce and service lifting and transportation equipment for wind turbines, and we base all we do within machining, assembly and lifting tools on more than 30 years of experience from wind turbine installations all over the world.

The Group operates through four dedicated Business Units, working closely together where applicable. Each Business Unit with experienced and competent management and employees with deep market and technologic insight to secure close and seamless partnership with the customers.

AH Industries apply a strong cost control combined with a high level of production quality and accuracy. A continuous focus is centred on improving the efficiency in the production facilities as well as being able to produce same components in both Europe and Asia.

For more information on the activities of AH Industries please visit our website at www.ah-industries.com.

Review

Group overview (continued)

A description of Ratos, AH Industries' majority owner
Ratos has been the majority owner of AH Industries since 2007. Ratos is a Swedish long-term investment company that owns and develop unlisted medium-sized companies in the Nordic region Ratos is listed on Nasdaq OMX Stockholm with a market capitalization of approximately SEK 14 billion per year-end 2016. Ratos has a strong financial position with net liquidity exceeding SEK 2.7 billion as of the same date.

Ratos was founded in 1866 and has a long tradition of active ownership. Ratos' vision is to be perceived as the best owner company in the Nordic region. This is achieved by a professional, active and responsible exercise of its ownership role in a number of selected companies and investment situations. Ratos operates responsibly with a strong focus on long-term industrial value creation.

Ratos has contributed to AH Industries in the strategic development of the company but also by providing financial support to strengthen the balance sheet and supporting growth plans throughout the global financial crisis. Ratos also actively supported and financed the add-on acquisition of RM Group in 2010, strengthening AH Industries strategic platform and expanding the geographic presence.

AH Industries ownership also includes Bjert Invest A/S and RM Group Holding A/S representing the founders of the company. Both Bjert Invest and RM Group Holding A/S contribute in a close cooperation with Ratos to the strategic development of the company with deep market insight and decades of industry experience.

The 22nd December 2016 Ratos signed an agreement with German Aurelius Equity Opportunities SE & Co KGAa to sell 100% of the shares in AH Industries Holding A/S. AURELIUS Group is a pan-European asset manager with offices in Munich, London, Stockholm, and Madrid. Over the last ten years, AURELIUS has grown from a local turnaround investor to an international multi-asset manager investing in a wide range of sectors and across the capital structure. AURELIUS Equity Opportunities has many years of investment and management experience in various industries and sectors. AURELIUS Equity Opportunities employs its management capacities and the necessary financial resources to invest in product innovation, sales and research in order to develop the potential of its subsidiaries. The shares of AURELIUS Equity Opportunities SE & Co KGaA are listed in the m:access segment of the Munich Stock Exchange with a market capitalisation of approximately EUR 1.8bn per year-end 2016. AURELUS has a net liquidity exceeding EUR 416m as of the same date.

The Markets

General
AH Industries' approach in sales is to offer our customers direct access to the individual business units in order to provide a seamless and effective daily cooperation, while at the same time regularly being in contact with our customers on all organisational levels to secure an alignment of strategies as basis for a long-term partnership.

Review

The Markets (continued)

Manufacturing

2016 was a year that showed robust signs of recovery for the Wind Turbine Manufacturers. However, the situation for sub supplier part of the value chain has still been challenging due to overcapacity and price pressure.. In 2016 Utilities with significant off shore experience have won contracts on the lowest ever kWh prices. This is very encouraging for the industry as the LCOE is getting very close to being competitive with other energy sources.

The wind energy industry continues to mature and further value chain optimizations have been observed during 2016. Like in 2015, a number of suppliers have exited the market or merged together and this creates opportunities for players with an attractive product and service offering combined with a cost-effective and flexible production set-up. This has meant that AH Industries during 2016 has been selected as strategic supplier for a number of central main products with the highest requirement on quality, delivery precision, flexibility and price to leading OEM's in the wind industry.

Site Solutions

The market for single blade lifting and mounting in offshore wind was stagnant during 2015 and 2016 as 2016 was a year where fewer offshore wind projects was installed in Northern Europe. It is expected that the market will pick up again during 2017 for projects planned in 2017 - 2020. Nevertheless there has been increased market activity in other regions in the world in offshore wind and Site Solution has benefitted positively from this.

Industrial Solutions

The cement and minerals industries have been affected negatively by the global crisis as well as the slowdown in China and 2016 remained again a challenging year. Nevertheless, as the cement industry seems to be stabilizing and as Industrial Solutions have managed to keep an acceptable activity level trough, among other things, a very tight cost control and a strong customer service and winning delivery of more different products from the customers. The aftermarket has been relatively stable.

Development in the year

Financial performance

In 2016 AH Industries has experienced different developments across the individual business units. A range of improvement initiatives have had a positive effect on the operational performance. AH Industries Manufacturing Ningbo was hit by a flooding in the fall 2015 leading to production shut down on certain machines during 4th Quarter 2015 and this continued into 1st Quarter in 2016 leading to a negative effect on the financial results.

Revenue and EBIT from continuing activities amounted to MDKK 833 (last year MDKK 741) and MDKK 31.6 (last year MDKK 12) respectively. EBIT has been improved further from 2015 due to strong focus on reducing cost. The EBIT of MDKK 31.6 is not in line with our expectations; however represents a significant improvement compared to last year and is the best result since 2008.

The growth in revenue from 2015 to 2016 relates to amongst other better utilisation of the machines in Horsens.

Cash flow from operating activities continued the positive trend from 2015 with MDKK 32.4 in 2016 (MDKK 31 in 2015).

Review

Development in the year (continued)

Based on the agreed sales price for the shares in AH Industries Holding between the shareholders and Aurelius Equity Opportunities SE & Co KGAa, an impairment of the goodwill has been performed with a write down of MDKK 413 as result. The write down has a major negative impact on the P/L for 2016 but no cash effect.

Manufacturing.

During 2016 AH Industries have experienced a positive underlying development in the two manufacturing business units. For example, AH Industries has participated in the development of upgraded new versions of existing turbines for the US and the European Markets. AH industries in 2015 finalised the planned consolidation of some of the production sites in Denmark. This has in 2016 also been important in relation to the improved performance.

Site Solutions

AH Industries' customers have strong market positions and we have been able to strengthen our position by offering new customized solutions to an increasing number of customers. Management will continue to execute on this strategy also in the years to come.

The strategy to sell in new markets initiated in 2016 for Site Solutions has led to securing important strategic orders with new customers demonstrating that Site Solutions offers a strong proposition to the customers. Site Solutions will follow these opportunities closely during 2017 and the years to come.

Industrial Solutions

AH Industries' customers have strong market positions and we have been able to strengthen our position by offering new solutions and thus expanding our share of wallet with our current customers.

As is the case in the Manufacturing business, a continued utilization of the production setup in China is expected to increase the competitiveness of this unit.

Furthermore we have during second half of 2016 increased the sales effort and we have already seen positive effects from these activities. Management expects that Industrial Solutions can attract new customers with the strong winning concept offered to the market. Also Industrial Solutions has been able to secure orders for products that will lead to an increased market share going forward.

Organization

During 2016 focus has continued around securing a leaner as well as a more customer-oriented setup. Furthermore, the new management team have worked closely together around business development and internal optimisations.

Capital resources

The Group ensures adequate cash resources through the conclusion of framework agreements on current drawing on credit facilities.

The Group has available cash of MDKK 24.6 (available cash 2015: MDKK 4) and an unused drawing right of MDKK 33.3 (unused drawing rights 2015: MDKK 34) at 31 December 2016.

Review

Special risks - operational and financial risks

Operational risk

Management does not see any special or extraordinary operational risks, compared to other companies, operating within the same market segments as AH Industries.

Market risk

Management does not see any special market risks, compared to other companies, operating in the same business areas as AH Industries.

Nevertheless AH Industries are penetrating new potential customers and industry segments in order to widen the customer range. AH Industries is also taking initiatives in order to increase the share of wallet at present customers.

Currency Risk

AH Industries is exposed to currency risk in connection with sales, purchase and lending in other currencies than the company's operational currency (DKK). It is the Group's policy to minimize the risk for material currency risks by the usage of financial instruments and lending in other currencies than the group functional currency.

Interest rate risk

AH Industries entered during 2014 into fixed interest rate agreements on all terms loans.

The company is as a consequence of fixed rate on term loan to less extend subject to changes in the interest levels. In connection with this the company has a swap. The actual value of the swap is MDKK -1.6.

An increase in the rate of interest of 1 % p.a. in comparison to the rate of interest on the 31st December 2016 will, everything else equal, have a negative impact on the EBT of MDKK 0.3.

Credit risk

The company is exposed to credit risks on debtors. The Group has an operational policy for follow-up on debtors. If an uncertainty related to a customer's ability or will to pay an outstanding amount exists and it is deemed that the outstanding amount is at risk, the Group will make an appropriate accrual for such risk.

Strategy and objectives

Mission, vision, strategy and objectives

AH Industries every day strive to be the preferred supplier and partner to our customers and to contribute to our customer's competitiveness in terms of speed, delivery performance, quality, and cost of ownership but also through, installation and service experience. We fulfil our mission through keeping a strong focus on development of our core competences within quality, technical sales, sourcing, value engineering, machining, assembly, logistics, customer service as well as cost leadership.

Review

Strategy and objectives (continued)

Our vision is to be the preferred product, service and system provider. AH Industries has accumulated many years of experience in both specifying and purchasing raw materials, machining of components as well as engineering and building system solutions. We believe we are the natural choice when OEM's wants to select partners for system integration and deliveries and management expects that outsourcing of assembly tasks from the OEM's will be accelerated in the years to come.

Furthermore we service our global OEM customers through our global presence. AH Industries retain and develop the present strong position at our customers through our core competences. The core competences that we build on are cost leadership, quality, technical competence, high performance operation and delivery on time supported by strong management and organisations.

Objectives and expectations for the fiscal year 2017

Based on the structural measures taken during last year and the increased sales force combined with the focussed market communication, we expect an operational performance in level with 2016. Nevertheless management has decided to further reduce the costbase in 2017 due to overcapacity and price pressure.

Basis of earnings

Organization

The business units in AH Industries are all managed in the same principal manner through a focused and industrial competent and commercially capable management. Through this principal model AH Industries offers seamless and effective contact direct to the management team in the business units that our customers are doing business with. We believe that our customers value the high level of experience and competence combined with the ability to make fast and committing agreements.

Intellectual resources

Our most important intellectual resource is the combination of our employees with their accumulated knowledge plus engineering and production resources. Thus we educate our employees within the newest technologies, lean, logistics and sourcing as well as leadership.

Development

AH Industries shall be a leading player within the parts of the value-chain where the company operates. Therefore we invest in the newest production technology, tools for optimizing as well as testing and measuring technologies. Amongst other AH Industries has invested in Robotized solutions in 2016 as well as advanced 3D measurement equipment

We cooperate with our customers in all areas of the value chain from sourcing of materials, through production to system integration. Finally, we offer our customers global logistics solutions

We still have a positive long-term view of developments in the wind turbine, cement and minerals industries and in AHI's potential as a leading competitive supplier.

Review

Ownership

Ratos acquired AH Industries in 2007 and owns 70%. Main co-owners are AH Industries' founder Arne Hougaard via Bjert Invest A/S 16%, RM Group's founder Ole Jørgensen via RM Group Holding A/S 10%.

The shareholders have sold 100% of the shares in AH Industries Holding the 22nd of December 2016 to German Aurelius Equity Opportunities SE & Co. Final closing of the transaction was performed on the 30th of March 2017 and in that connection Ratos made a capital injection of MDKK 24.2.

Statutory statement of social responsibility

In August 2013, we signed the UN Global Compact and thereby officially support the 10 principles within Human Rights, Labour, Environment and Anti-corruption. UN Global Compact serves as our mainframe for our work with Corporate Social Responsibility (CSR), anchored with our CSR policy. Working dedicatedly with CSR is important for our core business at AH Industries as well as for our stakeholders.

Since then , we have further developed our CSR work by strengthening the implementation of CSR with core business processes, activities and culture.

In the following, we will take the opportunity to emphasize some of the CSR highlights from a/o. 2015:

- Revision and adjustment of CSR policy to ensure materiality and continued guidance
- Revision and adjustment of our Code of Conduct, strengthening focus on Business Ethics
- Implementation of Code of Conduct with Employee Development Dialogue
- Group Risk Assessment, ensuring management of most material risks

By this report we reaffirm AH Industries continued support of the ten business principles of the UN Global Compact in the areas of Human Rights, Labour Standards, Environment, and Anti-corruption. We describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

We also commit to share this information with our stakeholders using our primary channels of communication. We intend to provide an open insight to the progress we have made as well as the challenges we face related to our work with corporate social responsibility.

Each day we do our best to earn our position as a sustainable business partner.

Please refer to Groups webpage: http://www.ah-industries.com/CSR_UK_2016.pdf

Financial Highlights

Financial ratios are calculated as follows:

Profit margin $= \dfrac{\text{Profit before financials x 100}}{\text{Revenue}}$

Return on assets $= \dfrac{\text{Profit before financials x 100}}{\text{Total assets}}$

Solvency ratio $= \dfrac{\text{Equity at year end x 100}}{\text{Total assets}}$

Return on equity $= \dfrac{\text{Net profit for the year x 100}}{\text{Average equity}}$

Financial Highlights

Seen over a five-year period the development of the Group is described by the following financial highlights:

	2016	2015		2014	2013	2012
	DKK '000	DKK '000		DKK '000	DKK '000	DKK '000
Key figures						
Profit/loss						
Revenue	833,268	740,601		639,678	772,902	907,887
Operating profit/loss before imapirment on goodwill	10,950	10,906	#	7,915	(27,812)	(38,398)
Operating profit/loss	(402,050)	10,906		7,915	(27,812)	(38,398)
Profit/loss before financial income and expenses	(386,089)	12,028		9,508	(26,789)	(38,224)
Net financials	(12,135)	(13,485)		(18,421)	(33,729)	(23,556)
Profit/loss for the year before tax	(398,224)	(1,457)		(8,913)	(60,518)	(61,780)
Tax on profit/loss for the year	(5,515)	106		1,481	16,268	17,555
Net profit/loss for the year	(403,739)	(1,351)		(7,432)	(44,250)	(44,225)
Result of discontinued operations	0	(11,471)		(138,395)	(6,413)	0
Balance sheet						
Balance sheet total	551,876	,965,168		1,003,771	1,177,335	1,186,901
Equity	166,104	572,325		584,089	669,256	720,030
Cash flows						
Cash flows from:						
- operating activities	39,384	30,772		52,935	20,529	(25,068)
- investing activities	(12,706)	(11,773)		(37,673)	(15,959)	(42,326)
- including investment in property, plant and equipment	(12,706)	(11,773)		(37,673)	(15,959)	(42,257)
- financing activities	(9,180)	(22,529)		(4,884)	(4,623)	23,959
Change in cash and cash equivalents for the year	17,498	(3,530)		10,378	(53)	(43,435)
Number of employees	383	369		404	419	456
Ratios - all in %						
Profit margin	(46,33)	1,62		1,49	(3,47)	(4,21)
Return on assets	(69,96)	1,25		0,95	(2,28)	(3,22)
Solvency ratio	30,10	59,30		58,19	56,84	60,66
Return on equity	(239,74)	(0,25)		(1,53)	(9,04)	(8,58)

Consolidated Income Statement 1 January - 31 December

	Note	2016	2015
		DKK '000	DKK '000
Revenue	3	**833,268**	**740,601**
Change in inventories of finished goods and work in progress		11,073	(26,214)
Expenses for raw materials and consumables		(609,140)	(497,705)
Gross profit/loss		**235,201**	**216,682**
Staff expenses	4	(151,015)	(138,634)
Other external expenses		(45,895)	(41,111)
Depreciation, amortisation and impairment losses	6	(440,341)	(26,031)
Operating profit/loss		**(402,050)**	**10,906**
Other operating income and expenses	7	15,961	1,122
Profit/loss before financial income and expenses - EBIT		**(386,089)**	**12,028**
Financial income	8	17,720	7,448
Financial expenses	9	(29,855)	(20,933)
Profit/loss before tax		**(398,224)**	**(1,457)**
Tax on profit/loss for the year	10	(5,515)	106
Net profit/loss for the year for continuing operations		**(403,739)**	**(1,351)**
Net profit/loss for the year from discontinued operations	11	0	(11,471)
Net profit/loss for the year		**(403,739)**	**(12,822)**

Consolidated Statement of Comprehensive Income 1 January - 31 December

	2016	2015
Exchange adjustment, foreign enterprises	(3,727)	1,423
Other comprehensive income	**(3,727)**	**1,423**
Net profit/loss for the year	(403,739)	(12,822)
Total comprehensive income	**(407,466)**	**(11,399)**

Consolidated Balance Sheet at 31 December

Assets

	Note	2016	2015
		DKK'000	DKK'000
Goodwill		158,540	571,540
Trademarks and licences		0	0
Business systems		0	924
Intangible assets	12	**158,540**	**572,464**
Land and buildings		20,060	21,747
Plant and machinery		95,945	107,477
Other fixtures and fittings, tools and equipment		1,368	1,990
Leasehold improvements		8,776	9,783
Property, plant and equipment	13	**126,149**	**140,997**
Other receivables		3,199	3,222
Deferred tax asset	17	2,205	4,357
Fixed asset investments		**5,404**	**7,579**
Fixed assets		**290,093**	**721,040**
Inventories	14	**108,531**	**97,458**
Receivables	15	110,654	112,835
Corporation tax	20	16,606	14,392
Prepayments		1,355	11,097
Receivables		**128,615**	**138,324**
Cash at bank and in hand		**24,637**	**4,833**
Current assets		**261,783**	**240,615**
Assets classified as held for sale	11	**0**	**3,513**
Assets		**551,876**	**965,168**

Consolidated Balance Sheet at 31 December

Liabilities and equity

	Note	2016	2015
		DKK'000	DKK'000
Share capital	16	28,072	28,072
Share premium account		763,740	763,740
Exchange adjustments		2,113	4,595
Retained earnings		(627,821)	(224,082)
Equity		**166,104**	**572,325**
Deferred tax liabilities	17	6,002	5,892
Credit institutions		114,012	116,294
Lease obligations		14,148	19,128
Long-term debt	19	**134,162**	**141,314**
Short-term part of long-term debt		55,768	61,152
Credit institutions		54,212	46,048
Trade payables		89,834	99,239
Corporation tax	20	5,721	3,502
Other payables		41,504	34,223
Deferred income		4,571	0
Short-term debt		**251,610**	**244,164**
Liabilities of classified as held for sale	11	**0**	**7,365**
Debt		**385,772**	**385,478**
Liabilities and equity		**551,876**	**965,168**

Fee to auditors appointed at the general meeting	5
Other staff obligations	18
Contingent assets, liabilities and other financial obligations	23
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Consolidated Cash Flow Statement

	Note	2016	2015
		DKK '000	DKK '000
Net profit/loss for the year		(403,739)	(12,822)
Adjustments	21	451,635	42,284
Change in working capital	22	3,320	17,840
Cash flows from operating activities before financial income and expenses		**51,216**	**47,302**
Financial income		17,720	7,448
Financial expenses		(29,855)	(20,933)
Cash flows from ordinary activities		**39,081**	**33,817**
Corporation tax paid		303	(3,045)
Cash flows from operating activities		**39,384**	**30,772**
Purchase of property, plant and equipment		(15,805)	(25,438)
Sale of property, plant and equipment		3,099	13,665
Cash flows from investing activities		**(12,706)**	**(11,773)**
Repayment of long-term loans		(9,180)	(22,529)
Cash flows from financing activities		**(9,180)**	**(22,529)**
Change in cash and cash equivalents		**17,498**	**(3,530)**
Cash and cash equivalents at 1 January		7,139	10,533
Exchange adjustment of cash at bank and in hand at 1 January		0	136
Cash and cash equivalents at 31 December		**24,637**	**7,139**
specified as follows:			
Cash at bank and in hand		24,637	4,833
Cash at bank and in hand included in assets held for sale		0	2,306
		24,637	**7,139**

The figures of the cash flow statement cannot be directly derived from the income statement and the balance sheet.

Statement of Changes in Equity, Group, 1 January - 31 December

	Share capital	Share premium account	Exchange adjustments	Retained earnings	Total
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Equity					
Equity at 1 January 2016	28,072	763,740	4,595	(224,082)	572,325
Other adjustments			1,245		1,245
Comprehensive income for the year			(3,727)	(403,739)	(407,466)
Equity at 31 December 2016	**28,072**	**763,740**	**2,113**	**(627,821)**	**166,104**
Equity at 1 January 2015	28,072	763,740	3,172	(210,895)	584,089
Other adjustments				(365)	(365)
Comprehensive income for the year			1,423	(12,822)	(11,399)
Equity at 31 December 2015	**28,072**	**763,740**	**4,595**	**(224,082)**	**572,325**

Notes to the Annual Report, Group

1 Accounting Policies

Basis of Preparation

The Consolidated Annual Report of AH Industries Holding A/S for 2016 is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as additional Danish disclosure requirements included in the executive order on IFRS issued by the Danish Commerce and Companies Agency, and the Parent Company Financial Statements are prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C. The Annual Report for 2016 is presented in DKK '000.

Significant accounting estimates

Goodwill:

In connection with the impairment test of goodwill we estimate future cash flows, discount rates and growth rates. These estimates are subject to some uncertainty, and changes may have a great impact. We also refer to note 12 to the Consolidated Financial Statements which describes the impairment test in detail and discloses the book value.

Fair value measurement

The Group uses the fair value method when recognising certain financial instruments and in connection with certain disclosure requirements. Fair value is defined as the price which may be obtained from selling an asset or which must be paid to transfer a liability in an ordinary transaction between market participants ("exit price").

The fair value is market based and not an entity specific valuation. The Company uses the assumptions which market participants would apply when pricing an asset or a liability based on existing market conditions, including risk assumptions.

Fair value measurement is, to the widest extent possible, based on a market value in an active market (level 1) or alternatively a value derived from observable market data (level 2). Where such observable data are not available or cannot be applied without significant modifications, recognised valuation methods and reasonable estimates are to be applied as a fair value basis.

1 Accounting Policies (continued)

Consolidated Financial Statements

The Consolidated Financial Statements comprise the Parent Company AH Industries Holding A/S and group enterprises in which the Parent Company has controlling interest.

The Consolidated Financial Statements are prepared on the basis of the Financial Statements of the Parent Company and the group enterprises by combining items of a uniform nature, and elimination is made of intercompany income and expenses, intercompany accounts as well as profits and losses on transactions between the consolidated companies. The results of foreign group enterprises are translated into Danish kroner at average exchange rates. The balance sheets are translated into Danish kroner at the exchange rates at the balance sheet date.

Exchange adjustments in this connection are made over the statement of comprehensive income. The Parent Company's investments in group enterprises are set off against the proportionate share of the net asset value of the group enterprises at the time of acquisition (past equity method).

On acquisition of subsidiaries, the purchase method is applied, and acquired assets, liabilities and contingent liabilities are initially measured at fair value at the time of acquisition.

Identifiable intangible assets are recognised if they can be separated and the fair value can be measured reliably. Deferred tax is recognised on remeasurements made. Any remaining positive differences between the cost and the fair value of assets, liabilities and contingent liabilities acquired are recognised in intangible assets in the balance sheet as goodwill.

Positive differences on the acquisition of associates are recognised in investments in associates in the balance sheet. Goodwill is not amortised, but is tested for impairment on an annual basis.

Acquired enterprises are recognised in the Consolidated Financial Statements from the time when control is achieved, while sold enterprises are recognised until the time of surrender of control.

Profits or losses on the sale of subsidiaries and associates are calculated as the difference between the selling price net of selling expenses and the carrying amount of net assets with addition of goodwill and accumulated exchange adjustments recognised in equity at the time of sale.

Foreign currencies

Transactions in foreign currencies are initially recognised at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. Differences between the exchange rates at the balance sheet date and the rates at the time of the establishment of the receivable or payable or recognition in the most recent Financial Statements are recognised in financial income and expenses in the income statement.

1 Accounting Policies (continued)

Balance sheet items including goodwill for consolidated enterprises that do not have DKK as their functional currency are translated into DKK at the exchange rates at the balance sheet date, whereas the income statements of these enterprises are translated at average exchange rates for the month. Exchange adjustments arising on the translation of the opening equity at year-end rates and net profit/loss for the year at year-end rates are recognised directly in equity under a separate reserve for exchange adjustments.

Income Statement

Revenue and recognition of income

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables and indirect production costs such as maintenance.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises, including gains and losses on the sale of intangible fixed assets and property, plant and equipment as well as subsidies received which do not directly relate to the purchase of fixed assets.

1 Accounting Policies (continued)

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of financial assets and liabilities and dividends received from group enterprises.

Borrowing expenses directly attributable to purchases, construction or production of a qualifying asset are included as part of the expenses relating to the asset. All other borrowing expenses are recognised in expenses in the financial year in which they were incurred.

A qualifying asset is an asset for which considerable time is required to make it ready for its intended use or for sale.

Tax on profit for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Statement of Comprehensive Income

The statement of comprehensive income includes currency adjustements regarding investments in foreign enterprises. It is not expected, that the amounts will be recirculated to the Income Statement.

Balance sheet

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill on acquisitions of subsidiaries is included in "intangible assets".

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generation units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to the rules regarding operating segments.

1 Accounting Policies (continued)

Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost.

Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation.

Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 3 to 8 years.

Business systems

Business systems are measured at cost less accumulated amortisation. Amortisation is made on a straight-line basis over the expected useful life, which has been fixed at 8 years.

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers. Income from the sale of products during a possible run-in period until the asset is fully ready for use is set off against the cost of the asset.

State subsidies received are set off against the cost of assets qualifying for the subsidy.

Borrowing expenses directly attributable to purchases, construction or production of a qualifying asset are included as part of the expenses relating to the asset. A qualifying asset is an asset for which considerable time is required to make it ready for its intended use or for sale.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	10 - 20 years
Plant and machinery	3 - 8 years
Other fixtures and fittings, tools and equipment	3 - 8 years
Leasehold improvements	3 - 8 years

Notes to the Annual Report, Group

1 **Accounting Policies** (continued)

Gains or losses from the sale of property, plant and equipment are calculated as the difference between the selling price net of selling expenses and the carrying amount at the time of the sale. Gains or losses from current replacement of property, plant and equipment are recognised in other operating income and other operating expenses.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount. Impairment tests for goodwill are performed on an annual basis.

The asset is written down to its recoverable amount if this is lower than the carrying amount. The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Impairment losses are reversed to the extent that changes have taken place in the assumptions or estimates leading to the write-down for impairment. Impairment losses are only reversed to the extent that the new carrying amount of the asset does not exceed the carrying amount which the asset would have had, had it not been written down for impairment. Impairment on goodwill is not reversed.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost of goods for resale, raw materials and consumables equals landed cost.

Notes to the Annual Report, Group

1 Accounting Policies (continued)

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour as well as directly attributable labour and production costs. These costs also comprise maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of production management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Dividend

Dividend is recognised as a liability at the time of adoption at the General Meeting. Dividend expected to be paid for the year is disclosed as a separate equity item.

Corporation tax and deferred tax

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

Deferred tax is measured according to the balance-sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items where temporary differences – apart from business acquisitions – have arisen at the time of acquisition without affecting the profit for the year or the taxable income. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the value at which they are expected to be utilised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates in the respective countries that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement unless the deferred tax relates to equity entries.

The Company is jointly taxed with the Danish group enterprise. Foreign group enterprises are not comprised by the joint taxation.

The tax effect of the joint taxation is allocated to both profits and losses in proportion to the taxable income. The jointly taxed enterprises have adopted the on-account taxation scheme.

1 Accounting Policies (continued)

Provisions

Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Provisions are measured at Management's best estimate of the amount at which the liability is expected to be settled. At the measurement of provisions, discounting is made of the expenses necessary to settle the liability if this has a material effect on the measurement of the liability.

Staff expenses

Wages and salaries, social security contributions, paid absence and sickness absence, bonuses and non-monetary contributions are recognised in the financial year in which the Group's employees have performed the related work. Expenses relating to the Group's long-term staff benefits are accrued so that they follow the performance of work by the employees concerned.

The Group's pension schemes comprise defined contribution plans.

Financial liabilities

Mortgage credit loans and loans from credit institutions are initially recognised at fair value net of transaction expenses incurred. Subsequently, the financial liabilities are measured at amortised cost corresponding to capitalised value by use of the effective rate of interest so that the difference between the proceeds and the nominal value is recognised in the income statement over the loan period.

Other debt comprising trade payables and other payables are measured at amortised cost.

Disclosure of discontinued operations

Discontinued operations constitute a significant part of a business if the activities and cash flows for operational and accounting purposes can be clearly separated from the remaining business and the entity has either been disposed of or classified as held for sale.

Profit/loss after tax of discontinued operations and gain/loss on sale are to be presented in a separate line in the income statement with restated comparative figures. Revenue, costs, value adjustments and tax relating to the discontinued operations are to be disclosed in the notes. Assets and liabilities related to discontinued operations are to be presented separately in the balance sheet without restated comparative figures.

1 Accounting Policies (continued)

Cash Flow Statement

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year 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 cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise the item "Cash at bank and in hand" under current.

The cash flow statement cannot be immediately derived from the published financial records.

New accounting standards

Change of accounting policies including presentation and implementation of new accounting standards and interpretations
The accounting policies applied by AH Industries Holding A/S including presentation are unchanged compared to last year. AH Industries Holding A/S has adopted all new, amended standards, revised accounting standards and interpretations (IFRIC) as endorsed by the EU and which are effective for the financial year 1 January 2016 - 31 December 2016.

None of these have had a significant impact on the financial statements.

Most recently adopted accounting standards (IFRS) and interpretations (IFRIC)
The IASB has issued a number of new or amended standards and interpretations with effective date after 31 December 2016. None of these is expected to have a significant impact on the financial statements, however Management will on a continual basis assess the possible impact of especially the implementation of IFRS 15 (Revenue) as well as IFRS 16 (Leasing).

AH Industries Holding expects to implement the new standards and interpretations when they become mandatory.

Notes to the Annual Report, Group

2 Special items (non-recurring)

Special items (non-recurring) include income and expenses of a special nature compared to the operating activities of the AH Industries Group. In 2015 results of discontinuing operations were separately reported in the profit/loss statement.

Notes to the Annual Report, Group

		2016	2015
		DKK '000	DKK '000
3	**Revenue**		
	Sale of goods	666,781	627,319
	Sale of services	166,487	113,282
		833,268	**740,601**
	Geographical markets		
	EU	662,227	544,541
	Other countries	171,041	196,060
		833,268	**740,601**
4	**Staff expenses**		
	Wages and salaries	136,336	121,353
	Pensions	11,263	12,313
	Other social security expenses	3,416	4,968
		151,015	**138,634**
	including remuneration to the Executive and Supervisory Boards of:		
	Executive Board:		
	Salary	4,187	4,706
	Pension	120	109
	Board of Directors:		
	Salary	718	1,052
	Pension	0	0
		5,025	**5,867**
	Average number of full-time employees	**383**	**369**
5	**Fee to auditors appointed at the general meeting**		
	Statutory audit	350	358
	Tax consultancy	0	0
	Other assurance statements	0	0
	Fee for other services	221	154
	Total	**571**	**512**
	Fee to other audit firms:		
	Fee for other services	**235**	**645**

6 Depreciation, amortisation and impairment losses

	2016	2015
	DKK '000	DKK '000
Business systems	322	322
Land and buildings	2,265	2,488
Plant and machinery	20,742	19,642
Other fixtures and fittings, tools and equipment	3,231	2,764
Leasehold improvements	781	815
Goodwill	413,000	0
	440,341	**26,031**

7 Other operating income and expenses

	2016	2015
	DKK '000	DKK '000
Net gain on sale and dismantling of fixed assets	712	647
Insurance claim	14,884	475
Other income	365	0
	15,961	**1,122**

8 Financial income

2016

	Interest	Exchange adjustments	Fair value adjustments	Total
	DKK '000	DKK '000	DKK '000	DKK '000
Loans and receivables	11,402	6,318	0	17,720
	11,402	**6,318**	**0**	**17,720**

2015

	Interest	Exchange adjustments	Fair value adjustments	Total
	DKK '000	DKK '000	DKK '000	DKK '000
Loans and receivables	7,448	0	0	7,448
	7,448	**0**	**0**	**7,448**

9 Financial expenses

	2016			
	Interest	Exchange adjustments	Fair value adjustments	Total
	DKK '000	DKK '000	DKK '000	DKK '000
Financial liabilities measured at amortised cost	28,117	1,738	0	29,855
	28,117	**1,738**	**0**	**29,855**

	2015			
	Interest	Exchange adjustments	Fair value adjustments	Total
	DKK '000	DKK '000	DKK '000	DKK '000
Financial liabilities measured at amortised cost	20,556	377	0	20,933
	20,556	**377**	**0**	**20,933**

10 Tax on profit/loss for the year

	2016	2015
	DKK '000	DKK '000
Current tax on profit/loss for the year	3,509	(940)
Change in deferred tax	2,530	2,263
Adjustment of tax previous years	(524)	(1,429)
	5,515	**(106)**
Tax on profit/loss for the year is specified as follows:		
Calculated 22%/23.5% tax on profit/loss for the year before tax	(89,659)	(2,799)
Tax effect of:		
Tax on non-deductible expenses and non-taxable income	95,698	3,833
Adjustment of deferred tax due to changes in tax percentage	0	289
Adjustment of tax concerning previous years	(524)	(1,429)
	5,515	**(106)**
Effective tax rate for the year	**-1,38%**	**7,28%**

Notes to the Annual Report, Group

11 Assets held for sale and discontinued operations

The assets and liabilities related to the Tower & Foundations business unit have been presented as held for sale following the approval of the group's management and shareholders to seek a sale of the business unit. The completion date for the closure is expected in the first half of 2016.

	2016	2015
	DKK '000	DKK '000
Assets classified as held for sale:		
Inventory	0	0
Other current assets	0	3,513
	0	3,513
Liabilities classified as held for sale:		
Trade and other payables	0	3,878
Provisions	0	3,487
	0	7,365

In accordance with IFRS 5, the assets and liabilities held for sale were written down to their fair value less cost to sell.

Analysis of the result of discontinued operations and the result recognised on the re-measurement of assets is as follows:

	2016	2015
Revenue	0	66,958
Expenses	0	88,586
Profit before tax of discontinued operations	0	(21,628)
Tax	0	(1,018)
Profit/loss after tax of discontinued operations	**0**	**(22,646)**
Profit/loss recognised on the re-measurement of assets held for sale	0	11,175
Profit/loss for the year from discontinued operations	**0**	**(11,471)**
Cash flows from discontinued operations:		
Operating cash flows	0	(9,536)
Investing cash flows	0	11,175
Financing cash flows	0	(2,581)
	0	**(942)**

12 Intangible assets

Group 2016

	Goodwill	Trademarks and licences	Business systems
	DKK '000	DKK '000	DKK '000
Cost at 1 January	571,540	160	4,177
Disposals for the year	0	0	(1,709)
Cost at 31 December	571,540	160	2,468
Amortisation at 1 January	0	160	3,253
Amortisation for the year	413,000	0	322
Disposals for the year	0	0	(1,107)
Amortisation at 31 December	413,000	160	2,468
Carrying amount at 31 December	**158,540**	**0**	**0**

The remaining amortisation period for business systems is 0 years.

Group 2015

	Goodwill	Trademarks and licences	Business systems
Cost at 1 January	571,540	160	4,177
Transfered to assets held for sale	0	0	0
Additions for the year	0	0	0
Cost at 31 December	571,540	160	4,177
Amortisation at 1 January	0	160	2,931
Amortisation for the year	0	0	322
Disposals for the year	0	0	0
Amortisation at 31 December	0	160	3,253
Carrying amount at 31 December	**571,540**	**0**	**924**

The remaining amortisation period for business systems is 3 years.

Notes to the Annual Report, Group

12 Intangible assets (continued)

Goodwill

On 31 December 2016, Management performed an impairment test of the carrying amount of goodwill without this giving rise to any write-down for impairment. The impairment test is performed on the basis of budgets and other assumptions as required by IAS 36.

It has not been possible to allocate group goodwill to a cash-generating unit smaller than the Group.

The recoverable amount of the cash-generating unit is calculated on the basis of calculations of value in use.

These calculations use post-tax cash flow projections based on financial budgets approved by Management covering a 10-year period. Cash flows beyond the 10-year period are extrapolated at the estimated growth rates set out below.

The main assumptions for the calculation of the value in use comprise a long-term growth rate (2016: 0.5% - 2015: 2.0%) and a discount rate after tax (2016: 10.0% - 2015: 7.2%).

The growth rate applied is based on the conservatively expected long-term market growth for the industry, whereas the discount rate is determined based on historical experience and the Group's weighted cost of capital.

The impairment test showed value of DKK 158,540k compared to booked value of goodwill DKK 571,540k as of 31 December 2016. Based on this Management has recognised an impairment loss of total DKK 413,000k in the Annual Report 2016.

13 Property, plant and equipment

Group 2016

	Land and Buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK '000	DKK '000	DKK '000	DKK '000
Cost at 1 January	29,634	230,286	25,216	16,021
Exchange adjustment at year-end rate	0	(2,369)	(192)	(275)
Additions for the year	578	13,552	1,675	0
Disposals for the year	0	(21,189)	(1,136)	(1,611)
Cost at 31 December	30,212	220,280	25,563	14,135
Depreciation at 1 January	7,887	122,809	23,226	6,238
Exchange adjustment at year-end rate	0	(1,326)	(544)	(49)
Depreciation and impairment losses	2,265	20,742	3,231	781
Disposals for the year	0	(17,890)	(1,718)	(1,611)
Depreciation at 31 December	10,152	124,335	24,195	5,359
Carrying amount at 31 December	**20,060**	**95,945**	**1,368**	**8,776**
Depreciated over	**10-20 years**	**3-8 years**	**3-8 years**	**3-8 years**

The carrying amounts of plant and machinery and other fixtures and fittings, tools and equipment, include leased assets amounting to DKK 30,212k and DKK 0k, respectively.

The carrying amount of buildings at 31 December 2016 includes interest of DKK 0k.

The carrying amount of plant and machinery at 31 December 2016 includes interest of DKK 0k.

	Land and Buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK '000	DKK '000	DKK '000	DKK '000
13 Property, plant and equipment (continued)				
Group 2015				
Cost at 1 January	36,719	257,537	19,596	15,244
Exchange adjustment at year-end rate	0	4,408	294	461
Additions for the year	206	6,102	5,326	316
Disposals for the year	(7,291)	(37,761)	0	0
Cost at 31 December	29,634	230,286	25,216	16,021
Depreciation at 1 January	11,609	137,372	19,596	5,342
Exchange adjustment at year-end rate	0	2,119	866	81
Transfered to assets held for sale	0	0	0	0
Depreciation and impairment losses	2,488	21,501	2,764	815
Disposals for the year	(6,210)	(38,183)	0	0
Depreciation at 31 December	7,887	122,809	23,226	6,238
Carrying amount at 31 December	**21,747**	**107,477**	**1,990**	**9,783**
Depreciated over	**10-20 years**	**3-8 years**	**3-8 years**	**3-8 years**

The carrying amounts of plant and machinery and other fixtures and fittings, tools and equipment, include leased assets amounting to DKK 37,782k and DKK0k, respectively.

The carrying amount of buildings at 31 December 2015 includes interest of DKK 0k.

The carrying amount of plant and machinery at 31 December 2015 includes interest of DKK 0k.

Notes to the Annual Report, Group

	2016	2015
	DKK '000	DKK '000

14 Inventories

	2016	2015
Raw materials and consumables	84,579	75,173
Work in progress	18,238	20,553
Finished goods	5,714	1,732
	108,531	**97,458**

Inventories expensed in 2016 amount to DKK 609,140k against DKK 497,705k in 2015.

Inventories expected to be sold after more than 1 year amount to DKK 0k at 31 December 2016 against DKK 0k at 31 December 2016.

Write-down on inventories for the year amounts to DKK 405k in 2016 against DKK 5,025k in 2015. Reversed write-down on inventories for the year amounts to DKK 726k in 2016 against 1,974k in 2015.

15 Receivables

	2016	2015
Trade receivables	100,423	109,053
Bad debt provision	(596)	10
Trade receivables, net	**99,827**	**109,063**
Other receivables	10,827	3,772
	110,654	**112,835**

	2016	2015
Bad debt provision at 1 January	10	1,324
Additions for the year	645	0
Disposals for the year:		
- Applied	(49)	0
- Reversed	(10)	(1,314)
Bad debt provision at 31 December	**596**	**10**

Notes to the Annual Report, Group

16 Share capital

The share capital is not divided into classes of shares and consists of shares of DKK 1 or multiples hereof. No shares carry any special rights.

Changes in the share capital in the period 2007 - 2016:

	Year	Share capital
		DKK'000
Share capital at founding	2007	8,028
Capital increase	2007	1,972
Capital increase	2009	1,138
Capital increase	2010	6,902
Capital increase	2012	1,750
Capital increase	2014	8,282
		28,072

The Company has issued warrants of shares up to a nominal amount of DKK 309,278 to the members of the Supervisory Board and other senior executives.

The subscription price per share of a nominal amount of DKK 1 is DKK 33,725 per share with a percentage addition of 10% pa calculated from 31 August 2007 and until the time of exercise, which is to take place in the period from 1 April 2017 to 31 April 2017.

17 Deferred tax

	2016	2015
	DKK '000	DKK '000
Deferred tax at 1 January	1,535	(3,211)
Other adjustments	(268)	2,483
Change in deferred tax, see note 10	2,530	2,263
Deferred tax at 31 December	**3,797**	**1,535**

17 Deferred tax (continued)

	2016	2015
	DKK '000	DKK '000
Deferred tax relates to:		
Other current assets	(1,865)	(3,331)
Provisions	287	(775)
Short-term part	(1,578)	(4,106)
Intangible assets	126	(3)
Property, plant and equipment	5,249	5,644
Long-term part	5,375	5,641
Deferred tax, net	**3,797**	**1,535**
which breaks down as follows:		
Deferred tax asset	(2,205)	(4,357)
Deferred tax liability	6,002	5,892
	3,797	**1,535**

18 Other staff obligations

The Group's employees are comprised by pension schemes in the form of defined contribution plans. The group enterprises support these schemes, either directly or by contributing to independently administered pension funds.

19 Long-term debt

Payments due within 1 year are recognised in short-term debt.

	2016	2015
Of long-term debt, amount due later than 5 years after the balance sheet date	**7,410**	**8,821**

Notes to the Annual Report, Group

		2016	2015
		DKK '000	DKK '000
20	**Corporation tax**		
	Accrued corporation tax at 1 January	(10,890)	(3,023)
	Tax on profit/loss from ordinary activities, see note 10	3,509	(940)
	Tax paid	(4,080)	(5,734)
	Tax received	4,382	0
	Other adjustments	(3,734)	(1,193)
	Accrued corporation tax at 31 December	**(10,813)**	**(10,890)**

		2016	2015
21	**Cash flow statement - adjustments**		
	Financial income	(17,720)	0
	Financial expenses	29,855	20,933
	Depreciation, amortisation and impairment losses, including losses and gains on sales	440,341	29,911
	Tax on profit/loss for the year	5,515	(1,112)
	Other adjustments	(6,356)	0
		451,635	**49,732**

		2016	2015
22	**Cash flow statement - change in working capital**		
	Change in inventories etc.	(11,073)	33,621
	Change in receivables etc.	11,946	(9,093)
	Change in trade payables etc.	2,447	(6,688)
		3,320	**17,840**

	2016	2015
	DKK '000	DKK '000

23 Contingent assets, liabilities and other financial obligations

Security

	2016	2015
The following assets have been provided as security for the Group bankers:		
Shares in subsidiaries with a carrying amount of	219,763	286,859
The following assets have been provided as security for mortgage credit institutions:		
Properties with a carrying amount of	16,879	18,754

Obligations under operating leases

Obligations under operating leases primarily comprise agreements entered into concerning the lease of households as well as fixtures and fittings, tools and equipment. The leases run until 2024 at the latest. No new obligation on operating leases in 2016.

Obligations under operating leases break down as follows according to due date:

	Minimum payments	
DKK '000	2016	2015
0-1 year	11,758	16,691
2-5 years	33,876	51,444
>5 år	17,018	26,764
	62,652	**94,899**

24 Financial risks

Credit risk

The Group is exposed to credit risks on receivables.

Current follow-up is made on outstanding accounts in accordance with the Group's receivables procedures. Where uncertainty arises as to a customer's ability or willingness to pay, and it is estimated that the receivable is subject to risk, a bad debt provision is made.

24 Financial risks (continued)

The overdue balance on trade receivables is specified as follows at 31 December 2016:

DKK '000	0-60 days	60-180 days	> 180 days	31/12 2016 Total
Overdue receivables not subject to impairment	91,642	7,856	328	99,826
Overdue receivables subject to impairment	0	0	596	596
	91,642	7,856	924	100,422
Bad debt provision	0	0	(596)	(596)
	91,642	**7,856**	**328**	**99,826**

The overdue balance on trade receivables is specified as follows at 31 December 2015:

DKK '000	0-60 days	60-180 days	> 180 days	31/12 2015 Total
Overdue receivables not subject to impairment	22,660	2,326	952	25,938
Overdue receivables subject to impairment	0	0	10	10
	22,660	2,326	962	25,948
Bad debt provision	0	0	(10)	(10)
	22,660	**2,326**	**952**	**25,938**

24 Financial risks (continued)

Liquidity risk

The Group ensures sufficient cash resources by entering into framework agreements for current utilisation of credit facilities. The present agreement has been renewed in 2016 and follows the banks' usual terms relating to termination on the part of both the bank and the Group. The agreement contains covenants that are to be met during the lending period.

The analysis of due dates is stated on the basis of category and class broken down on due date. The calculation of interest payments on floating-rate obligations is based on the interest rate on the balance sheet date.

The cash need is expected covered by the current liquidity surplus from operations as well as unutilised credits.

Group 2016 DKK '000	< 1 year	1-3 years	3-5 years	Total	Repayment not finally agreed	Carrying amount	Fair value
Measured at amortised cost:							
Credit institutions	109,980	119,198	8,962	238,140	0	238,140	238,140
Trade payables	89,834	0	0	89,834	0	89,834	89,834
Other short-term liabilities	41,504	0	0	41,504	0	41,504	41,504
Financial liabilities	**241,318**	**119,198**	**8,962**	**369,478**	**0**	**369,478**	**369,478**
Loans and receivables:							
Trade receivables	99,827	0	0	99,827	0	99,827	99,827
Other receivables	10,827	0	0	10,827	0	10,827	10,827
Cash at bank and in hand	24,637	0	0	24,637	0	24,637	24,637
	135,291	**0**	**0**	**135,291**	**0**	**135,291**	**135,291**
Net cash outflow	**(106,027)**	**(119,198)**	**(8,962)**	**(234,187)**	**0**	**(234,187)**	**(234,187)**
Unutilised credits						11,260	11,260

24 Financial risks (continued)

Liquidity risk

Group 2015 *DKK '000*	< 1 year	1-3 years	3-5 years	Total	Repayment not finally agreed	Carrying amount	Fair value
Measured at amortised cost:							
Credit institutions	107,200	125,301	10,121	242,622	0	242,622	247,319
Trade payables	99,239	0	0	99,239	0	99,239	99,239
Other short-term liabilities	34,223	0	0	34,223	0	34,223	34,223
Financial liabilities	**240,662**	**125,301**	**10,121**	**376,084**	**0**	**376,084**	**380,781**
Loans and receivables:							
Trade receivables	109,063	0	0	109,063	0	109,063	109,063
Other receivables	3,772	0	0	3,772	0	3,772	3,772
Cash at bank and in hand	4,833	0	0	4,833	0	4,833	4,833
	117,668	**0**	**0**	**117,668**	**,0**	**117,668**	**117,668**
Net cash outflow	**(122,994)**	**(125,301)**	**(10,121)**	**(258,416)**	**0**	**(258,416)**	**(263,113)**
Unutilised credits						33,700	33,700

Lease obligations

Obligations under finance leases break down as follows according to due date:

DKK '000	Minimum payments 2016	 2015
0-1 year	4,992	7,072
2-5 years	14,198	19,128
>5 years	0	0
	19,190	**26,200**

Market risk

It is the Group's policy that at least 50% of the long-term debt must bear a fixed rate of interest. The remaining part of the Group's credits bears floating rates of interest and is consequently financially exposed to changes in the interest level.

As a consequence of its operations, investments and financing, the Group is exposed to changes in the interest level. Through derivative financial instruments, approx. 100% of the long-term debt has been converted from variable-interest loans to fixed-interest loans. The fair value of the outstanding interest swap amounts to a negative amount of DKK 1,591k at the balance sheet date.

24 Financial risks (continued)

Market risk

An increase in the interest level of 1% pa compared with the interest level on the balance sheet date will, other things being equal, have a negative effect on the profit/loss before tax of DKK 0.3 million. (2015: DKK 0.6 million)

The Group is exposed to exchange risks as regards sales, purchase of goods and loans in currencies other than the Group's functional currency. The Group's policy is to hedge material exchange risks through derivative financial instruments and through raising of loans in other currencies than the Group's functional currency.

The Group is primarily exposed to fluctuations in EUR, USD and CNY.

Significant currency exposure at 31 December 2016

DKK '000 Valuta	Payment /expiry	Receivables	Payables	Bank accounts	Net position DKK
USD	< 1 year	1,038	(1,532)	(1,877)	(2,371)
EURO	< 1 year	59,852	(18,720)	(29,807)	11,325
	> 1 year	0	0	(134,029)	(134,029)
CNY	< 1 year	25,151	(19,166)	835	6820
		86,041	**(39,418)**	**(164,878)**	**(118,255)**

Significant currency exposure at 31 December 2015

DKK '000 Valuta	Payment /expiry	Receivables	Payables	Bank accounts	Net position DKK
USD	< 1 year	16,289	(895)	(12,020)	3,374
EURO	< 1 år	51,832	(30,533)	(56,790)	(35,491)
	> 1 år	0	0	(104,877)	(104,877)
CNY	< 1 år	10,360	(38,727)	964	(27,403)
		78,481	**(70,155)**	**(172,723)**	**(164,397)**

Changes in exchange rates will affect the profit/loss for the year in proportion to the above stated net positions.

24 Financial risks (continued)

Capital management

The objective of the Group's capital management is to ensure the Group's ability to continue as a going concern in order to yield return on investment to the sharesholders and to create and maintain an optimal capital structure in order to reduce the costs of capital and maintain a basis of continued growth in the Group.

Total capital makes up the equity shown in the consolidated balance sheet.

25 Related parties

Controlling interest	Basis
AHI Intressenter AB, 111 96 Stockholm, Sweden	Controlling shareholder

Transactions

There have been transactions with owners during the year consisting of capital increase as well as short-term financing All transactions have been effected on an arm's length basis.

Besides above and intercompany transactions that have been eliminated in the Consolidated Financial Statements, there have been no related party transactions.

All intercompany transactions have been effected on an arm's length basis.

26 Development costs

Development costs (IFRS defined) for the year recognised in the income statement under production costs amount to DKK 0k in 2016 against DKK 0k in 2015.

27 Post balance sheet events

The shareholders have sold 100% of the shares in AH Industries Holding the 22nd of December 2016 to German Aurelius Equity Opportunities SE & Co. Final closing of the transaction was performed on the 30th of March 2017 and in that connection Ratos made a capital injection of DKK 24,246k.

There have been no other material events after the balance sheet date.

Accounting Policies of the Parent Company

Basis of Preparation

The Financial Statements of the Parent Company have been prepared in accordance with the provisions of the Danish Financial Statements Act for reporting class C enterprises.

The accounting policies of the Parent Company are the same as those of the Group, however, with addition of the policies described below.

Investments in subsidiaries

In the Financial Statements of the Parent Company, investments in subsidiaries are recognised according to the equity method with deduction of intra-group profits.

The share of the profit on ordinary activities after tax and goodwill amortisation (amortisation period is 10 years) of subsidiaries is recognised at the proportionate ownership share in the Parent Company's income statement.

The net revaluation of shares in subsidiaries is recognised under net revaluation according to the equity method under equity.

Subsidiaries with a negative net asset value are recognised at zero value. A provision is made if the Parent Company has a legal or constructive obligation to cover the company's negative balance.

Cash Flow Statement

According to section 86(4) of the Danish Financial Statements Act, no separate cash flow statement has been prepared for the Parent Company.

Parent Company Income Statement 1 January - 31 December

	Note	2016	2015
		DKK '000	DKK '000
Revenue	1	**36,995**	**29,789**
Other operating income		80	0
Expenses for raw materials and consumables		(2,321)	(3,626)
Other external expenses		(15,543)	(10,568)
Gross profit		**19,211**	**15,595**
Staff expenses	2	(18,045)	(14,143)
Depreciation, amortisation and impairment losses	3	(652)	(656)
Profit before financial income and expenses		**514**	**796**
Income from investments in subsidiaries	4	(63,369)	(109,573)
Financial income	5	11,761	10,543
Financial expenses	6	(12,221)	(8,220)
Profit/loss before tax		**(63,315)**	**(106,454)**
Tax on profit/loss for the year	7	(171)	(1,968)
Net profit/loss for the year		**(63,486)**	**(108,422)**

Distribution of profit

Proposed distribution of profit

	2016	2015
Retained earnings	(63,486)	(108,422)
	(63,486)	**(108,422)**

Parent Company Balance Sheet at 31 December

Assets

	Note	2016	2015
		DKK '000	DKK '000
Completed development projects		0	324
Intangible assets	8	**0**	**324**
Other fixtures and fittings, tools and equipment		67	188
Property, plant and equipment	9	**67**	**188**
Investments in subsidiaries	10	219,763	286,859
Fixed asset investments		**219,763**	**286,859**
Fixed assets		**219,830**	**287,371**
Receivables from group enterprises		85,272	95,779
Other receivables		62	18
Corporation tax		1,056	4,209
Deferred tax asset	13	173	39
Prepayments	11	25	1,383
Receivables		**86,588**	**101,428**
Cash at bank and in hand		**4,028**	**67**
Current assets		**90,616**	**101,495**
Assets		**310,446**	**388,866**

Parent Company Balance Sheet at 31 December

Liabilities and equity

	Note	2016	2015
		DKK '000	DKK '000
Share capital		28,072	28,072
Retained earnings		70,761	137,974
Equity	12	**98,833**	**166,046**
Credit institutions		134,029	129,965
Long-term debt	14	**134,029**	**129,965**
Credit institutions	14	69,120	83,809
Trade payables		1,247	4,629
Corporation tax		707	0
Other payables		6,510	4,417
Short-term debt		**77,584**	**92,855**
Debt		**211,613**	**222,820**
Liabilities and equity		**310,446**	**388,866**

Contingent assets, liabilities and other financial obligations	15
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Notes to the Annual Report, Parent Company

	2016	2015
	DKK '000	DKK '000

1 Revenue

	2016	2015
Geographical segments		
Domestic	36,995	29,789
	36,995	**29,789**

2 Staff expenses

	2016	2015
Wages and salaries	15,975	12,604
Pensions	747	,697
Other social security expenses	99	183
Other staff expenses	1224	659
	18,045	**14,143**
including remuneration to the Executive and Supervisory Boards of:		
Executive Board	4,307	4,110
Supervisory Board	718	693
	5,025	**4,803**
Average number of employees	**18**	**18**

3 Depreciation, amortisation and impairment losses

	2016	2015
Completed development projects	322	322
Other fixtures and fittings, tools and equipment	330	334
	652	**,656**

4 Income from investments in subsidiaries

	2016	2015
Share of profits/losses of subsidiaries	3,168	(43,036)
Amortisation of goodwill	(66,537)	(66,537)
	(63,369)	**(109,573)**

	2016	2015
	DKK '000	DKK '000

5 Financial income

	2016	2015
Exchange adjustments	105	1,777
Other financial income	11,656	8,766
	11,761	**10,543**

6 Financial expenses

	2016	2015
Exchange adjustments	0	479
Other financial expenses	12,221	7,741
	12,221	**8,220**

7 Tax on profit/loss for the year

	2016	2015
Current tax for the year	707	852
Deferred tax for the year	(134)	0
Adjustment of tax relating to previous years	(402)	1116
Total tax for the year	**171**	**1,968**

	2016	2015
Tax on profit for the year is calculated as follows:		
Calculated 22%/23.5% tax on profit for the year before tax	(13,929)	(25,017)
Tax effect of:		
Tax on non-deductible expenses and non-taxable income	14,502	25,869
Adjustment of tax concerning previous years	(402)	1,116
	171	**1,968**

8 Intangible assets

	Completed development projects
	DKK '000
Cost at 1 January	2,597
Cost at 31 December	2,597
Impairment losses and amortisation at 1 January	2,273
Amortisation for the year	324
Impairment losses and amortisation at 31 December	2,597
Carrying amount at 31 December	**0**
Amortised over	8 years

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK '000
Cost at 1 January	3,385
Cost at 31 December	3,385
Impairment losses and depreciation at 1 January	3,197
Depreciation for the year	121
Impairment losses and depreciation at 31 December	3,318
Carrying amount at 31 December	**67**
Depreciated over	3-8 years

Notes to the Annual Report, Parent Company

10 Investments in subsidiaries

	2016	2015
	DKK '000	DKK '000
Cost at 1 January	908,178	908,178
Cost at 31 December	908,178	908,178
Impairment losses and amortisation at 1 January	621,319	516,214
Exchange adjustment at year end	3,727	(4,468)
Net profit/loss for the year	(3,168)	43,036
Amortisation of goodwill	66,537	66,537
Impairment losses and amortisation at 31 December	688,415	621,319
Carrying amount at 31 December	**219,763**	**286,859**
Remaining positive difference included in the above carrying amount at 31 December	92,802	159,339

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
AH Industries A/S	Bjert, Denmark	DKK 10,000k	100%
AHI Group China A/S	Ribe, Denmark	DKK 1,375k	100%
AHI Ejendomme ApS	Ribe, Denmark	DKK 125k	100%
Rimadan (Ningbo) Mechanical Engineering & Manufacturing Co. Ltd	Ningbo, Kina	CNY 18,012k	100%
AH Industries Inc.	USA	USD 1,000k	100%
AH Industries Deutschland GmbH	Leipzig, Germany	EUR 25,000k	100%

11 Prepayments

Prepayments consist of prepaid expenses concerning insurance premiums, subscriptions, etc.

Notes to the Annual Report, Parent Company

12 Equity

	Share capital	Retained earnings	Total
	DKK '000	DKK '000	DKK '000
Equity at 1 January	28,072	137,974	166,046
Exchange rate adjustment	0	(3,727)	(3,727)
Net profit/loss for the year	0	(63,486)	(63,486)
Equity at 31 December	**28,072**	**70,761**	**98,833**

The share capital consists of 28,072,512 shares of a nominal amount of DKK 1 or multiples hereof. No shares carry any special rights.

Changes in the share capital in the period 2008 - 2016:

	Year	Share capital
		DKK '000
Share capital at founding	2007	8,028
Capital increase	2007	1,972
Capital increase	2009	1,138
Capital increase	2010	6,902
Capital increase	2012	1,750
Capital increase	2014	8,282
Capital increase	2015	28,072
		56,144

The Company has issued warrants of shares up to a nominal amount of DKK 309,278 to the members of the Supervisory Board and other senior executives.

The subscription price per share of a nominal amount of DKK 1 is DKK 33,725 per share with a percentage addition of 10% pa calculated from 31 August 2007 and until the time of exercise, which is to take place in the period from 1 April 2017 to 31 April 2017.

	2016	2015
	DKK '000	DKK '000

13 Provision for deferred tax

	2016	2015
Intangible assets	0	142
Property, plant and equipment	(173)	(181)
	(173)	**(39)**

14 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Credit institutions

	2016	2015
Between 1 and 5 years	134,029	129,965
Long-term part	134,029	129,965
Within 1 year	50,000	50,000
Other short-term debt to credit institutions	19,120	33,809
Short-term part	69,120	83,809
	203,149	**213,774**

	2016	2015
	DKK '000	DKK '000

15 Contingent assets, liabilities and other financial obligations

Security

The following assets have been placed as security with the Group's bankers:		
Shares in subsidiaries with a carrying amount of	219,763	286,859

Contingent liabilities

The Danish enterprises held by Ratos AB are jointly and severally liable for the tax on the jointly taxed income etc. The total amount is shown in the Annual Report of RF af 20.12.2005 A/S which is the management company of the joint taxation.

AH Industries Holding A/S has joined all subsidiaries of the Group in a joint cash pool scheme under which AH Industries Holding A/S is formally registered as the owner of deposits or amounts drawn from the facility.

Each subsidiary is liable for the withdrawals made by the other enterprises from the facility.

16 Related parties and ownership

	Basis
Controlling interest	
AHI Intressenter AB, 111 96 Stockholm, Sweden	Controlling shareholder

Ownership

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

AHI Intressenter AB, 111 96 Stockholm, Sweden
Bjert Invest A/S, Stenderupvej 60, Bjert, Denmark
RM Group Holding A/S, Dagmarsgade 17, Ribe, Denmark

17 Group relations

The Company is included in the Consolidated Financial Statements of the ultimate Parent Company Ratos AB, 11196 Stockholm, Sweden.